

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

City of Sacramento, California



Sacramento's Future



City of Sacramento

California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2018

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

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CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2018

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Introductory Section

Howard Chan
City Manager

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

December 18, 2018

Honorable Mayor and City Council
City of Sacramento, California:

Dear Mayor and Members of the City Council:

We are pleased to present the Comprehensive Annual Financial Report (CAFR) for the City of Sacramento, California (City) for the fiscal year ended June 30, 2018. 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, 2018. 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 controls that have been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

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

PROFILE OF THE CITY

The City of Sacramento, capital of the State of California, was established in 1849. The sixth largest city in California based on population, Sacramento also serves as the seat of Sacramento County government. The State of California Department of Finance estimated the population on January 1, 2018, at 501,344 for the City and 1,529,501 for the County. Encompassing approximately 100 square miles, the City is located in the northern section of California’s Central Valley at the confluence of the Sacramento and American rivers.

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

REPORTING ENTITY

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

Like most cities in the country, Sacramento continued its economic recovery in 2018. As of June 2018, unemployment for the Sacramento metropolitan area was 4.1% compared to 4.8% a 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 2019.

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 continuing 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. The original Measure U, approved by Sacramento voters in 2012, was a temporary 1/2 cent sales and use tax, expiring in March 2019. Its revenues have been used to restore essential City services that had been cut or scaled back in 2009, especially those provided by the Fire, Police and Parks and Recreation Departments, as well as the Sacramento Public Library. On November 6, 2018, Sacramento voters approved a new version of the City's Measure U sales and use tax, eliminating the sunset provision and raising it from 1/2 cent to 1 cent. The new 1 cent sales and use tax will take effect on April 1, 2019.

RELEVANT FINANCIAL POLICIES

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

The Council policy also directs unbudgeted one-time General Fund revenues 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. Approximately \$3 million in unbudgeted one-time General Fund revenues were added to the EUR during the fiscal year 2018 year-end close bringing the balance to \$52.7 million, approximately 10.5% of estimated fiscal year 2019 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.

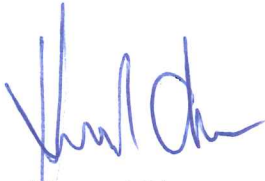
AWARDS AND ACKNOWLEDGEMENTS

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, 2017. This marks the 30th 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 America 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, the Accounting Division in particular, 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 thank 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

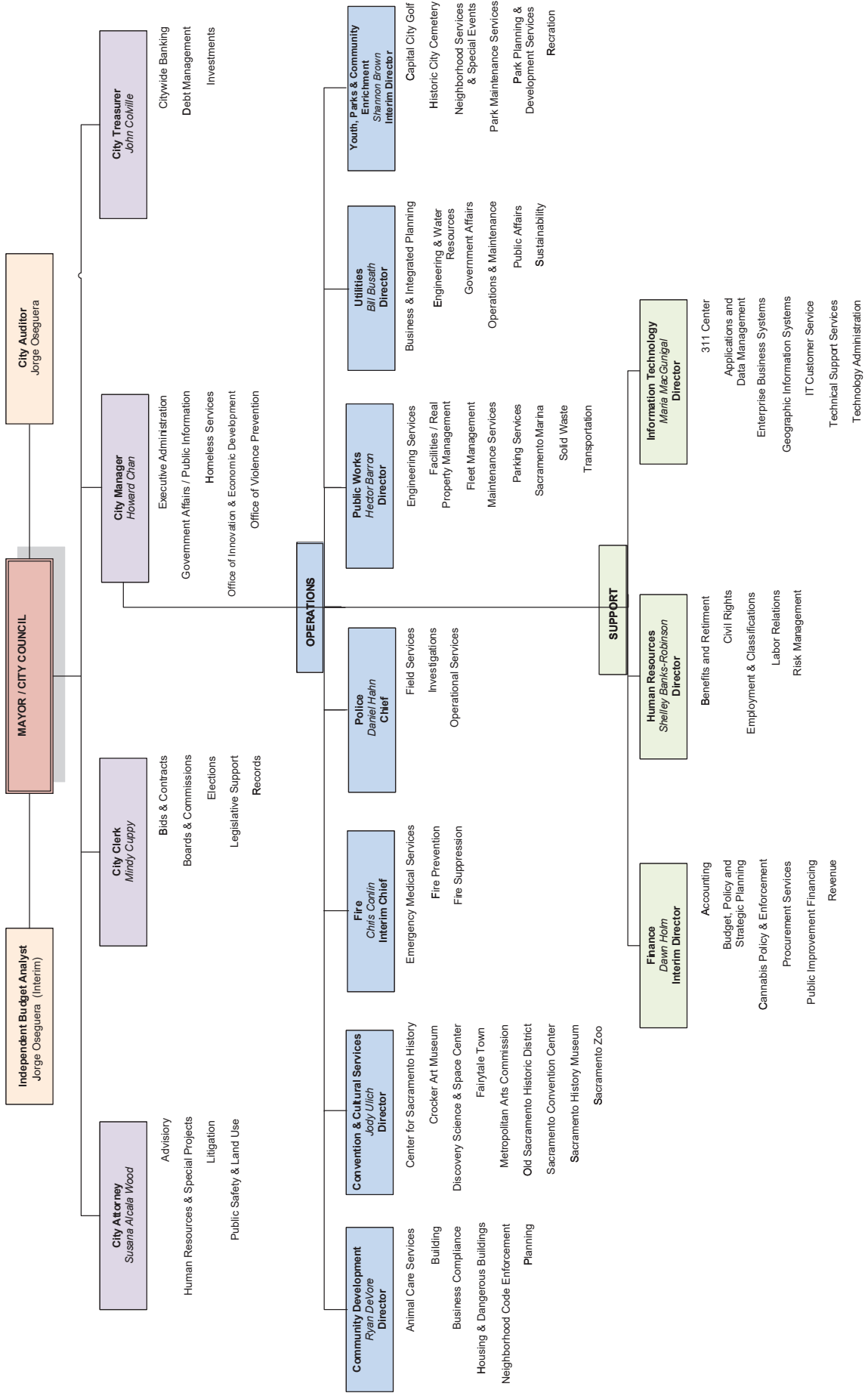


Dawn Holm
Finance Director



Osvaldo Lopez
Accounting Manager

City of Sacramento Organization Chart As of June 30, 2018



City of Sacramento

Directory of City Officials

June 30, 2018

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
Councilmember, District 7

Steve Hansen
Vice Mayor, District 4

Larry Carr
Councilmember, District 8

Howard Chan
City Manager

Susana Alcala Wood
City Attorney

Mindy Cuppy
City Clerk

John Colville
City Treasurer



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

City of Sacramento
California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2017

Christopher P. Morill

Executive Director/CEO

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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, 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, 2018, 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, 2018, 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.

Emphasis of Matter

As described in Note 1, to the financial statements, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* and No. 85, *Omnibus 2017*, effective July 1, 2017. Our opinions are not modified with respect to this matter.

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 pension contributions, the schedule of changes in the net OPEB liability and related ratios, and the schedule of OPEB contributions, 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 20, 2018, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 20, 2018

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City of Sacramento
Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2018

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, 2018. 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 executed a \$174 million loan agreement with the California State Water Resources Control Board in fiscal year 2018, to finance costs for installation of approximately 36,000 water meters and replacement of approximately 80 miles of distribution and transmission water mains. This is a revolving loan and funds will be drawn down as costs are incurred. Construction is estimated to be completed by January 1, 2021.
- The City's General Fund revenue and other financing sources (uses) exceeded expenditures by \$17 million in fiscal year 2018. This is primarily attributable to tax and service fee revenues in excess of expectations for the year.
- The City's total government-wide net position decreased by \$94 million in fiscal year 2018, a 4.6 percent decrease, primarily due to implementation of GASB 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*.

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 Changes in Net Other Post-Employment Benefits (OPEB) Liability and Related Ratios and Schedule of Contributions for the City's OPEB plan, which are required supplementary information. In addition to these required elements, we have included combining statements and schedules that provide details about the City's other governmental funds, other enterprise funds, the Water enterprise fund, the Wastewater enterprise fund, internal service funds, investment trust funds, and 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, 2018

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, among others, were financed in the short-term as well as what remains for future spending. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statements.
- *Proprietary funds* - Services for which customer fees are intended to finance the costs of operations are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide short-term and long-term financial information about the activities the City operates like businesses, such as utility services, parking facilities, convention center, etc.
- *Fiduciary funds* - Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or 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, 2018

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

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

City of Sacramento							
Summary of Net Position							
As of June 30, 2018 and 2017							
(in millions)							
	<u>Governmental</u>		<u>Business-type</u>		<u>Total Primary</u>		Total
	Activities		Activities		Government		
	2018	2017	2018	2017	2018	2017	Change
Current and other assets	\$ 955	\$ 926	\$ 437	\$ 466	\$ 1,392	\$ 1,392	0.0%
Capital assets	1,790	1,772	1,353	1,268	3,143	3,040	3.4%
Total assets	<u>2,745</u>	<u>2,698</u>	<u>1,790</u>	<u>1,734</u>	<u>4,535</u>	<u>4,432</u>	2.3%
Deferred outflows of resources	244	180	34	28	278	208	33.7%
Long-term liabilities	1,927	1,724	727	710	2,654	2,434	9.0%
Other liabilities	102	84	58	49	160	133	20.3%
Total Liabilities	<u>2,029</u>	<u>1,808</u>	<u>785</u>	<u>759</u>	<u>2,814</u>	<u>2,567</u>	9.6%
Deferred inflows of resources	48	29	5	4	53	33	60.6%
Net position							
Net investment in							
capital assets	1,336	1,296	869	807	2,205	2,103	4.9%
Restricted	243	189	41	42	284	231	22.9%
Unrestricted	<u>(667)</u>	<u>(444)</u>	<u>124</u>	<u>150</u>	<u>(543)</u>	<u>(294)</u>	84.7%
Total net position	<u>\$ 912</u>	<u>\$ 1,041</u>	<u>\$ 1,034</u>	<u>\$ 999</u>	<u>\$ 1,946</u>	<u>\$ 2,040</u>	-4.6%

The June 30, 2018 balances reflect the implementation of GASB Statement No. 75. The prior year balances were not restated because information was not available. Additional information on the restatement required by GASB Statement No. 75 is presented at Note 17 to the Financial Statements.

Analysis of net position

As noted in the financial highlights, total net position of the primary government decreased by \$94 million in fiscal year 2018. Total assets increased \$103 million and total liabilities increased \$247 million. Deferred outflows of resources increased \$70 million and deferred inflows of resources increased \$20 million.

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

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2018

Governmental activities

Current and other assets increased \$29 million primarily due to an increase in cash in the governmental funds from higher than expected property tax revenues.

Capital assets of governmental activities increased \$18 million primarily due to current year capital asset additions. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Deferred outflows of resources increased \$64 million, primarily due to \$121 million in new deferred outflows related to changes in assumptions for pension. The increase was offset primarily by a \$69 million decrease in the net difference between projected and actual earnings on pension plan investments. More detailed information about pension plans is presented in Note 8 to the financial statements. In addition, the City recognized \$17 million in deferred outflows related to OPEB contributions subsequent to the measurement date due to the implementation of GASB 75. More detailed information about the OPEB plan is presented in Note 9 to the financial statements.

Long-term liabilities increased \$203 million primarily due to a \$153 million increase in the net OPEB liability and a \$100 million increase in the net pension liability. These increases were offset by principal payments on existing obligations. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

Deferred inflows of resources increased \$19 million primarily due to \$17 million in new deferred inflows for changes in assumptions for OPEB with the implementation of GASB 75.

Restricted net position, representing amounts that must be used in accordance with external restrictions, increased \$54 million primarily due to increases in restrictions for capital projects.

Business-type activities

Current and other assets of business-type activities decreased \$29 million primarily due to continued water and wastewater capital project spending of 2013 and 2017 bond proceeds.

Capital assets increased \$85 million due to capital asset additions including the convention center expansion, community center theater renovation, memorial auditorium upgrades, and water mains and meters installation, offset by current year depreciation. More detailed capital asset information is presented in Note 4 to the financial statements.

Deferred outflows of resources increased \$6 million, primarily due to \$15 million in new deferred outflows related to changes in assumptions for pension. The increase was offset primarily by a \$10 million decrease in the net difference between projected and actual earnings on pension plan investments. More detailed information about pension plans is presented in Note 8 to the financial statements.

Long-term liabilities increased \$17 million primarily due to a \$28 million increase in the net OPEB liability and a \$14 million increase in the net pension liability. These increases were offset by principal payments on existing obligations. More detailed information is presented in Note 7 to the financial statements.

Net investments in capital assets increased \$62 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, 2018

City of Sacramento							
Changes in Net Position							
For the Fiscal Years Ended June 30, 2018 and 2017							
(in thousands)							
	Governmental		Business-type		Total Primary		Total
	Activities		Activities		Government		
	2018	2017	2018	2017	2018	2017	Percent
							Change
Revenues							
Program revenues:							
Charges for services	\$ 186,621	\$ 158,817	\$ 295,313	\$ 278,425	\$ 481,934	\$ 437,242	10.2%
Operating grants & contributions	41,811	36,938	2,179	3,967	43,990	40,905	7.5%
Capital grants & contributions	101,476	86,856	23,726	6,229	125,202	93,085	34.5%
General revenues:							
Property taxes	156,710	146,697	-	-	156,710	146,697	6.8%
Local sales taxes	45,484	45,465	-	-	45,484	45,465	0.0%
Utility users tax	62,989	62,997	-	-	62,989	62,997	0.0%
Other taxes	38,497	32,143	26,839	23,866	65,336	56,009	16.7%
Unrestricted:							
Sales taxes shared state revenue	82,987	81,296	-	-	82,987	81,296	2.1%
Investment earnings	5,593	9,178	1,013	1,292	6,606	10,470	-36.9%
Miscellaneous	17,328	14,221	37	20	17,365	14,241	21.9%
Gain (loss) disposal of capital assets		(79,916)	424	17	424	(79,899)	0.0%
Total revenues	739,496	594,692	349,531	313,816	1,089,027	908,508	19.9%
Expenses							
General government	100,625	72,430	-	-	100,625	72,430	38.9%
Police	199,746	176,955	-	-	199,746	176,955	12.9%
Fire	160,216	146,693	-	-	160,216	146,693	9.2%
Public works	122,340	106,328	-	-	122,340	106,328	15.1%
Convention and cultural services	21,066	20,380	-	-	21,066	20,380	3.4%
Parks & recreation	55,518	50,156	-	-	55,518	50,156	10.7%
Community development	50,879	41,726	-	-	50,879	41,726	21.9%
Library	17,376	16,122	-	-	17,376	16,122	7.8%
Interest on long-term debt	23,144	27,626	-	-	23,144	27,626	-16.2%
Water	-	-	87,745	80,176	87,745	80,176	9.4%
Wastewater	-	-	28,251	29,075	28,251	29,075	-2.8%
Storm drainage	-	-	41,199	40,479	41,199	40,479	1.8%
Solid waste	-	-	56,698	51,693	56,698	51,693	9.7%
Community center	-	-	17,795	16,607	17,795	16,607	7.2%
Parking	-	-	13,475	11,955	13,475	11,955	12.7%
Child development	-	-	6,589	5,743	6,589	5,743	14.7%
Total expenses	750,910	658,416	251,752	235,728	1,002,662	894,144	12.1%
Revenue over (under) expenses	(11,414)	(63,724)	97,779	78,088	86,365	14,364	501.3%
Transfers	34,525	31,443	(34,525)	(31,443)	-	-	-
Change in net position	23,111	(32,281)	63,254	46,645	86,365	14,364	501.3%
Net position, beginning of year, as restated	888,638	1,073,117	971,036	952,170	1,859,674	2,025,287	-8.2%
Net position, end of year	\$ 911,749	\$ 1,040,836	\$ 1,034,290	\$ 998,815	\$ 1,946,039	\$ 2,039,651	-4.6%

The beginning net position for fiscal year 2018 does not agree to the prior year ending net position because the activity presented for the prior year was not restated for GASB Statement No. 75. Additional information on the restatement required by GASB Statement No. 75 is presented at Note 17 to the Financial Statements. In addition, fiscal year 2017 amounts for Economic Development have been reclassified to General Government due to the combining of the departments in fiscal year 2018.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2018

Analysis of the changes in net position

Total government-wide revenues of the primary government increased \$181 million, a 19.9 percent increase compared to the prior fiscal year, and total expenses increased \$109 million, a 12.1 percent increase compared to the prior fiscal year. These changes are discussed in more detail below.

Governmental activities

Total revenues for governmental activities increased \$145 million, a 24.3 percent increase compared to the prior fiscal year. Total expenses increased \$92 million, a 14.0 percent increase compared to the prior fiscal year. Net transfers from business-type activities increased \$3 million, a 9.8 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 2018 primarily because no capital assets were transferred out of governmental activities.

Revenue

Charges for services increased \$28 million primarily due to \$24 million increase in the general fund, i.e. \$6 million in ambulance services, \$2 million in fire suppression payments, \$4 million in homeless program funding through the California State Intergovernmental Transfers (IGT), and \$6 million for construction permits due to the recovery of the economy.

Capital grants and contributions revenue increased \$15 million primarily due to a \$6 million increase in the capital project special districts, Natomas Meadows CFD 2007-01, related to the bond proceeds to finance the improvements and costs of eligible public facilities and a \$8 million increase in developer capital contribution for infrastructure related to McKinley Village and Delta Shore projects.

Property tax revenue increased \$10 million due to continued increases in Sacramento area commercial and residential real estate property assessed valuations.

Other tax revenues, including sales and utility user tax, increased \$6 million primarily due to the sustained economic recovery.

Investment earnings decreased by \$4 million primarily due to larger current year unrealized losses compared to the prior fiscal year.

Expenses

Total governmental expenses increased \$92 million primarily due to increase in department functional expenses, i.e. \$28 million in general government, \$23 million in police, \$14 million in fire, \$16 million in public works, \$5 million in parks and recreation, \$9 million in community development, and \$1 million in library, offset by \$4 million decrease in interest expense on long-term debt.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2018

Business-type activities

Total revenues for business-type activities increased \$36 million, a 11.4 percent increase compared to the prior fiscal year. Total expenses for business-type activities increased \$16 million, a 6.8 percent increase compared to the prior fiscal year. Net transfers to governmental activities increased \$3 million, a 9.8 percent increase compared to the prior fiscal year. Transfers out primarily consist of in-lieu taxes paid by the business-type activities to the General Fund. Transfers in primarily consist of capital assets transferred from governmental activities to business-type activities. Net transfers were higher in fiscal year 2018 primarily because no capital assets were transferred in business-type activities.

Revenue

Charges for services increased \$17 million as a result of water and wastewater rate increases in fiscal year 2018 of 10 and 9 percent respectively.

Capital grants and contribution revenue increased by \$17 million as a result of increases in water, wastewater and storm drainage infrastructure dedications by developers of \$5 million, \$5 million, and \$6 million respectively.

Other tax revenue increased \$3 million due to an increase in transient occupancy tax revenue generated from an increase in hotel occupancy and room rates.

Expenses

Water Fund expenses increased \$8 million primarily due to an increase in the interest expense. The City is no longer capitalizing interest due to early implementation of GASB 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

Solid Waste Fund expenses increased \$5 million primarily due to a \$4 million increase in labor and pension expenses.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

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

Governmental Funds

The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Total revenues for governmental funds increased \$29 million compared to the prior fiscal year. Total expenditures increased \$72 million compared to the prior fiscal year. Net other financing sources decreased \$2 million compared to the prior fiscal year. These changes are discussed in more detail below.

General Fund

Total General Fund revenue increased \$43 million compared to prior fiscal year. Tax revenues increased by \$20 million, i.e. \$3 million in business operations, \$4 million in sales and use tax, and \$13 million in property taxes. Charges for services increased by \$14 million primarily attributable to increases in development activity, marijuana permit fees, Advance Life Support (ALS), and planning permit fees.

Total General Fund expenditures increased \$31 million compared to prior fiscal year. Expenditures in Fire and Police department increased \$13 million in total, general government increased \$12 million, and Community development increased \$5 million. These increases are primarily due to labor and pension cost increases, additional staffing, and reduced cost reimbursements from other funds. Capital outlay expenditures increased by \$2.2 million due to the community center theater renovation and streetcar projects.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2018

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.

After accounting for these budget adjustments, General Fund revenues were \$20 million higher than final budgeted amounts. Collection of various taxes exceeded the budget by \$5.2 million. Charges for services and intergovernmental revenue exceeded budget by \$7.4 million and \$8.1 million, respectively. Interest revenue was lower than budget by \$1.3 million. Fines, forfeitures and penalties were lower than budget by \$0.2 million.

General Fund budgetary expenditures were \$52.2 million lower than final budgeted amounts. All General Fund departments reported favorable operating expenditure budget variances primarily due to an increase in grant labor reimbursements. Capital outlay expenditures were less than budgeted amounts by \$18.7 million due to the multi-year nature of 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 \$1 million and \$9 million, respectively. Revenues are higher primarily due to an increase in taxable sales within the City. Expenditures are higher primarily due to funding of additional police officer positions, capital improvements to fire stations and park maintenance. Measure U resources are used to restore police, fire, gang prevention and intervention, library, animal care and parks and recreation services.

1997 Lease Revenue Bond Fund

Contributions and donations revenue decreased \$26 million primarily due to the remarketing agreement requiring an advance payment from the Kings ownership group in fiscal year 2017.

Other Governmental Funds

Other governmental fund revenues increased \$31 million primarily due to the following:

- \$13 million net increase in revenue in the Special Revenue funds:
 - ❖ \$9 million in additional grant funding of the operating grants;
 - ❖ \$2 million in the transportation and development funds primarily due to fees collected from communication companies for installation of wireless and fiber optic lines;
 - ❖ \$3 million in assessments for special districts; and
 - ❖ \$2 million in contributions and donations related to the Homeless Program.

These increases were partially offset by \$3 million reduction in grant funding in the Parks and Recreation fund.

- \$18 million increase in Capital Project Revenue funds:
 - ❖ \$14 million is a result of the reclassification of the capital grant fund from major to non-major fund.
 - ❖ \$4 million in special districts funds, Natomas Meadows CFD 2007-01, related to the bond proceeds to finance the improvements and costs of eligible public facilities.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2018

Other governmental fund expenditures increased \$28 million primarily due to the following:

- \$15 million is a result of the reclassification of the capital grant fund from major to non-major fund;
- \$9 million in special revenue grant funds for various programs, including \$5 million for the Homeless program implemented in 2018; and
- \$4 million in special districts funds, Natomas Meadows CFD 2007-01, developer payments related to the improvements and costs of eligible public facilities.

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 \$17 million, and operating expenses increased \$3 million compared to the prior fiscal year. Net non-operating revenues decreased \$12 million and capital contributions increased \$14 million compared to the prior fiscal year. These changes are discussed in more detail below.

Water Fund

Water Fund operating revenues increased \$11 million primarily due to a 10 percent rate increase in fiscal year 2018. Operating expenses decreased \$4 million primarily due to a decrease in consulting and professional costs related to operating projects. Net non-operating expenses increased \$13 million primarily due to an increase in interest expense. The City is no longer capitalizing interest due to early implementation of GASB 89. Capital contributions increased \$5 million, i.e. \$1 million from Delta Shores Circle South, \$1 million from Westshore Village, and \$2 million in water development impact fees.

Wastewater Fund

Wastewater Fund operating revenues increased \$3 million primarily due to a 9 percent rate increase in fiscal year 2018. Operating expenses decreased \$2 million primarily due to a decrease in planning and design costs for several wastewater operating projects. Net non-operating expenses increased \$1 million primarily due to an increase in interest expense. The City is no longer capitalizing interest due to early implementation of GASB 89. Capital contributions increased \$6 million, i.e. \$3 million in capital grant revenue and \$1 million in wastewater development impact fees.

Storm Drainage Fund

Capital contributions increased \$4 million primarily due to current year nonrecurring contributions of capital assets, i.e. \$1 million related McKinley Village and \$2 million related to Delta Shores Circle South.

Solid Waste Fund

Solid Waste Fund operating revenues increased by \$2 million primarily due to increased utility fee charges. Operating expenses increased \$5 million primarily due to increase in labor and pension expenses.

Community Center Fund

Community Center Fund non-operating revenues, i.e. transient occupancy tax, increased by \$3 million primarily due to an on-going increase in Sacramento area hotel room occupancy and room rates.

Parking Fund

Parking Fund operating expenses increased by \$2 million primarily due to an increase in labor and pension expenses.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2018

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2018, 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. Current year capital asset additions of \$335 million were offset by current year depreciation expense of \$123 million and retirements of \$109 million, for a net increase in capital assets of \$103 million.

City of Sacramento
Capital Assets
As of June 30, 2018 and 2017
(net of depreciation, in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2018	2017	2018	2017	2018	2017
Capital assets not being depreciated						
Land	\$ 206	\$ 204	\$ 50	\$ 50	\$ 256	\$ 254
Easements	1	1	-	-	1	1
Construction in progress	137	108	307	261	444	369
Depreciable capital assets:						
Buildings and improvements	430	440	134	134	564	574
Equipment	22	20	27	18	49	38
Software	4	4	2	1	6	5
Vehicles	62	55	-	-	62	55
Transmission and distribution systems	4	4	833	804	837	808
Road network	627	647	-	-	627	647
Street light network	154	152	-	-	154	152
Park and park improvements	143	137	-	-	143	137
Total capital assets	\$ 1,790	\$ 1,772	\$ 1,353	\$ 1,268	\$ 3,143	\$ 3,040

This year's major capital asset additions include:

- Addition of \$13.5 million for the North Sacramento Meter Retrofit Project,
- Addition of \$10.6 million for the Convention Center Expansion Project,
- Addition of \$10.6 million for the Tahoe Park Water Meter Replacement Project,
- Other capital project additions in progress including the Shasta Park Water Facility; Land Park, South Sacramento, and Elmhurst/Oak Park Water Meter Projects; and Old Sacramento Infrastructure Project. Many other capital projects were completed during the year and transferred from construction in progress to the appropriate capital asset categories.

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, 2018

Long-term Debt

The following table summarizes the City's outstanding debt:

City of Sacramento						
Outstanding Debt						
As of June 30, 2018 and 2017						
(in millions)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2018	2017	2018	2017	2018	2017
Revenue and other bonds, net	\$ 565	\$ 606	\$ 510	\$ 533	\$ 1,075	\$ 1,139
Notes payable	14	15	23	23	37	38
Capital lease obligations	2	4	4	6	6	10
Total outstanding debt	\$ 581	\$ 625	\$ 537	\$ 562	\$ 1,118	\$ 1,187

Total outstanding debt for governmental activities decreased \$44 million due to principal payments on existing obligations and net amortization of bond discounts and premiums.

Total outstanding debt for business-type activities decreased \$25 million due to \$29 million in principal payments on existing obligations and net amortization of bond discounts and premiums, offset by the issuance of \$4 million of Drinking Water State Revolving Fund Note.

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

Credit rating

The following table summarizes the City's bonded debt ratings at June 30, 2018, 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+	A1
• 1993 Refunded Lease Revenue Bonds, Series B	A+	Aa3
• 2006 Capital Improvement Revenue Bonds, Series B	A+	Aa3
• 2006 Capital Improvement Revenue Bonds, Series E	A+	Aa3
• 2013 Water Revenue Bonds	AA	AA-
• 2013 Wastewater Revenue Bonds	AA-	AA
• 2015 Refunding Revenue Bonds	A+/AA	Aa3
• 2015 Lease Revenue Bonds (Golden 1 Center)	A+	A
• 2017 Water Revenue Bonds	AA	AA-

The City's issuer credit rating as of June 30, 2018, 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, 2018

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

Sacramento's economy continues to see great growth and its pioneering spirit is woven into projects such as the Railyards development, branding of the Waterfront, adoption of the Creative Edge Cultural Plan, establishing Sacramento as an Innovation Hub, and much more. In fiscal year 2018, Sacramento delivered over 3,000 new housing units, the most in over a decade. Unemployment in the Sacramento metropolitan area has fallen from 4.8 percent at the end of fiscal year 2017 to 3.8 percent at the end of fiscal year 2018. Although the trend reflects an increase in revenues, commitments for labor contracts, increases in 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 2019 are \$487.9 million, an increase of 6.2 percent compared to the fiscal year 2018 approved budget. In addition to the allocation of resources for several priority initiatives, the approved budget appropriates \$1 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>.

Government-wide Financial Statements

City of Sacramento

Statement of Net Position

June 30, 2018
(in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 603,355	\$ 306,195	\$ 909,550
Receivables, net	285,231	59,203	344,434
Internal balances	13,305	(13,305)	-
Inventories	-	1,311	1,311
Prepaid items	5,523	357	5,880
Restricted cash and investments	47,977	81,946	129,923
Intangible assets	-	144	144
Land and other capital assets not being depreciated	344,110	357,868	701,978
Other capital assets, net of depreciation	1,445,961	995,403	2,441,364
Total assets	2,745,462	1,789,122	4,534,584
DEFERRED OUTFLOWS OF RESOURCES			
Loss on refunding of debt	3,297	4,916	8,213
Deferred outflows related to pensions	222,797	26,723	249,520
Deferred outflows related to OPEB	17,820	3,252	21,072
Total deferred outflows of resources	243,914	34,891	278,805
LIABILITIES			
Payables	98,051	51,108	149,159
Unearned revenue	4,789	5,654	10,443
Long-term liabilities:			
Due within one year	51,552	31,911	83,463
Due in more than one year	1,875,006	695,633	2,570,639
Total liabilities	2,029,398	784,306	2,813,704
DEFERRED INFLOWS OF RESOURCES			
Service concession arrangement	3,722	-	3,722
Gain on debt refunding	-	1,127	1,127
Deferred inflows related to pensions	26,761	1,051	27,812
Deferred inflows related to OPEB	17,746	3,239	20,985
Total deferred inflows of resources	48,229	5,417	53,646
NET POSITION			
Net investment in capital assets	1,335,576	869,183	2,204,759
Restricted for:			
Capital projects	136,831	38,473	175,304
Debt service	606	-	606
Public works programs	24,750	-	24,750
Economic development programs	44,920	-	44,920
Other programs	26,786	2,633	29,419
Trust and endowments:			
Expendable	8,656	-	8,656
Nonexpendable	878	-	878
Unrestricted	(667,254)	124,001	(543,253)
Total net position	\$ 911,749	\$ 1,034,290	\$ 1,946,039

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, 2018

(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	\$ 115,621	\$ (14,996)	\$ 19,438	\$ 12,936	\$ 2,794	\$ (65,457)
Police	199,746	-	12,586	3,693	3,075	(180,392)
Fire	160,216	-	42,898	2,337	-	(114,981)
Public works	122,340	-	50,159	12,481	58,837	(863)
Convention and cultural services	21,066	-	12,456	916	-	(7,694)
Parks and recreation	55,518	-	13,065	1,598	11,736	(29,119)
Community development	50,879	-	36,019	309	25,034	10,483
Library	17,376	-	-	7,541	-	(9,835)
Interest on long-term debt	23,144	-	-	-	-	(23,144)
Total governmental activities	765,906	(14,996)	186,621	41,811	101,476	(421,002)
Business-type activities:						
Water	82,820	4,925	119,379	1,216	10,154	43,004
Wastewater	26,064	2,187	37,596	66	7,238	16,649
Storm drainage	39,173	2,026	39,512	7	6,334	4,654
Solid waste	53,626	3,072	63,556	405	-	7,263
Community center	16,245	1,550	9,848	-	-	(7,947)
Parking	12,239	1,236	19,003	5	-	5,533
Child development	6,589	-	6,419	480	-	310
Total business-type activities	236,756	14,996	295,313	2,179	23,726	69,466
Total primary government	\$ 1,002,662	\$ -	\$ 481,934	\$ 43,990	\$ 125,202	\$ (351,536)

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, 2018

(in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Changes in net position:			
Net (expense) revenue	\$ (421,002)	\$ 69,466	\$ (351,536)
General revenues:			
Taxes:			
Property taxes	156,710	-	156,710
Utility user taxes	62,989	-	62,989
Local sales tax	45,484	-	45,484
Property transfer tax	15,069	-	15,069
Business operations tax	15,749	-	15,749
Transient occupancy tax	5,368	26,839	32,207
Other taxes	2,311	-	2,311
Unrestricted sales taxes shared state revenue	82,987	-	82,987
Unrestricted investment earnings	5,593	1,013	6,606
Unrestricted miscellaneous	17,328	37	17,365
Gain on sale of capital assets	-	424	424
Transfers	34,525	(34,525)	-
Total general revenues and transfers	444,113	(6,212)	437,901
Change in net position	23,111	63,254	86,365
Net position, beginning of year	1,040,836	998,815	2,039,651
Prior period adjustments	(152,198)	(27,779)	(179,977)
Net position, beginning of year, as restated	888,638	971,036	1,859,674
Net position, end of year	\$ 911,749	\$ 1,034,290	\$ 1,946,039

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

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Fund Financial Statements

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City of Sacramento
Governmental Funds
Balance Sheet

June 30, 2018
(in thousands)

	General Fund	Measure U Fund	1997 Lease Revenue Bond Fund
ASSETS			
Cash and investments held by City	\$ 168,940	\$ 31,031	\$ 69
Cash and investments held by fiscal agent	-	-	8
Receivables, net:			
Taxes	25,464	7,471	-
Accounts	22,318	-	-
Loans	-	-	32,733
Intergovernmental	1,445	-	-
Interest	920	169	274
Due from other funds	3,800	-	-
Prepaid items	45	-	-
Restricted assets:			
Cash and investments held by City	-	-	57
Cash and investments held by fiscal agent	-	-	-
Total assets	\$ 222,932	\$ 38,671	\$ 33,141
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 20,939	\$ 2,437	\$ -
Accrued payroll	25,194	-	-
Accrued claims and judgements	400	-	-
Matured notes and interest payable	-	-	-
Due to other funds	-	-	-
Deposits	167	-	-
Unearned revenue	755	-	-
Advances from other funds	-	-	-
Total liabilities	47,455	2,437	-
Deferred inflows of resources:			
Unavailable revenue	3,108	-	33,007
Fund balances:			
Nonspendable:			
Prepaid items	45	-	-
Due from other funds	3,800	-	-
Noncurrent assets	-	-	-
Permanent fund principal	-	-	-
Restricted:			
Capital projects	-	-	-
Debt service	-	-	57
Public works programs	-	-	-
Economic development programs	-	-	-
Other programs	-	-	-
Committed:			
Economic uncertainty	52,700	-	-
Capital projects	37,583	16,643	-
Debt service	-	-	-
Fire programs	6,189	-	-
Pension	5,000	-	-
OPEB	2,619	-	-
Gas tax	2,087	-	-
Other programs	37,325	19,591	-
Assigned:			
Debt service	-	-	-
Other programs	-	-	77
Unassigned	25,021	-	-
Total fund balances (deficit)	172,369	36,234	134
Total liabilities, deferred inflows of resources and fund balances	\$ 222,932	\$ 38,671	\$ 33,141

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

City of Sacramento
Governmental Funds
Balance Sheet

June 30, 2018
(in thousands)

	2015 Golden 1 Center Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and investments held by City	\$ 18,755	\$ 271,054	\$ 489,849
Cash and investments held by fiscal agent	62	51	121
Receivables, net:			
Taxes	-	4,952	37,887
Accounts	-	6,990	29,308
Loans	141,433	2,432	176,598
Intergovernmental	-	33,286	34,731
Interest	43	332	1,738
Due from other funds	-	3,800	7,600
Prepaid items		-	45
Restricted assets:			
Cash and investments held by City	-	14,388	14,445
Cash and investments held by fiscal agent	18,682	14,850	33,532
Total assets	\$ 178,975	\$ 352,135	\$ 825,854
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ -	\$ 31,749	\$ 55,125
Accrued payroll	-	70	25,264
Accrued claims and judgements	-	31	431
Matured notes and interest payable	-	3,109	3,109
Due to other funds	-	327	327
Deposits	-	3,093	3,260
Unearned revenue	-	3,743	4,498
Advances from other funds	-	6,815	6,815
Total liabilities	-	48,937	98,829
Deferred inflows of resources:			
Unavailable revenue	141,446	29,156	206,717
Fund balances:			
Nonspendable:			
Prepaid items	-	-	45
Due from other funds	-	-	3,800
Noncurrent assets	-	98	98
Permanent fund principal	-	878	878
Restricted:			
Capital projects	-	159,439	159,439
Debt service	18,682	9,800	28,539
Public works programs	-	18,857	18,857
Economic development programs	-	44,920	44,920
Other programs	-	35,025	35,025
Committed:			
Economic uncertainty	-	-	52,700
Capital projects	-	1,602	55,828
Debt service	18,755	2,788	21,543
Fire programs	-	-	6,189
Pension	-	-	5,000
OPEB	-	-	2,619
Gas tax	-	-	2,087
Other programs	-	21,092	78,008
Assigned:			
Debt service	92	1,916	2,008
Other programs	-	283	360
Unassigned	-	(22,656)	2,365
Total fund balances (deficit)	37,529	274,042	520,308
Total liabilities, deferred inflows of resources and fund balances	\$ 178,975	\$ 352,135	\$ 825,854

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, 2018
(in thousands)

Fund balances - total governmental funds		\$ 520,308
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		206,717
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.		257
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Governmental capital assets	3,229,113	
Less: accumulated depreciation	<u>(1,504,100)</u>	
		1,725,013
Certain current liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of the following:		
Interest payable		(5,658)
Deferred outflows of resources are not recognized in the current period and therefore not reported in the governmental funds.		
Deferred outflows related to pension	219,722	
Deferred outflows related to OPEB	17,389	
Deferred inflows related to pensions	(26,738)	
Deferred inflows related to OPEB	(17,317)	
Loss on refunding of debt	<u>3,297</u>	
		196,353
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	(37,713)	
Accrued claims and judgements	(3,096)	
Financing plan fee credits	(35,066)	
Net pension liability	(845,376)	
Net OPEB liability	(321,420)	
Pollution remediation obligations	(630)	
Revenue and other bonds payable, net	(563,721)	
Capital lease obligations payable	(2,255)	
Notes payable	<u>(13,476)</u>	
		(1,822,753)
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>91,512</u>
Net position of governmental activities		\$ 911,749

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

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City of Sacramento
Governmental Funds
Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2018
(in thousands)

	General Fund	Measure U Fund	1997 Lease Revenue Bond Fund
Revenues:			
Taxes	\$ 337,406	\$ 46,484	\$ -
Intergovernmental	22,380	-	-
Charges for services	100,205	-	-
Fines, forfeits, and penalties	12,069	-	-
Interest, rents, and concessions	1,195	180	831
Community service fees	-	-	-
Assessment levies	291	-	-
Contributions and donations	85	-	1,448
Miscellaneous	301	-	-
Total revenues	473,932	46,664	2,279
Expenditures:			
Current:			
General government	48,694	-	-
Police	138,473	24,625	-
Fire	119,437	13,832	-
Public works	13,607	-	-
Convention and cultural services	5,620	-	-
Parks and recreation	21,428	8,477	-
Community development	33,340	250	-
Library	8,380	506	-
Utilities	1,816	-	-
Citywide and community support	46,576	-	-
Capital outlay	21,513	7,483	-
Debt service:			
Principal	2,016	-	21,917
Interest and fiscal charges	86	-	1,588
Bond issuance costs	-	-	1,411
Total expenditures	460,986	55,173	24,916
Excess (deficiency) of revenues over (under) expenditures	12,946	(8,509)	(22,637)
Other financing sources (uses):			
Transfers in	35,414	-	-
Transfers out	(31,545)	-	-
Issuance of long-term debt	-	-	-
Total other financing sources (uses)	3,869	-	-
Net change in fund balances	16,815	(8,509)	(22,637)
Fund balances (deficit), beginning of year	155,554	44,743	22,771
Fund balances (deficit), end of year	<u>\$ 172,369</u>	<u>\$ 36,234</u>	<u>\$ 134</u>

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, 2018
(in thousands)

	2015 Golden 1 Center Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues:			
Taxes	\$ -	\$ 22,121	\$ 406,011
Intergovernmental	-	58,035	80,415
Charges for services	-	21,163	121,368
Fines, forfeits, and penalties	-	574	12,643
Interest, rents, and concessions	1,563	7,025	10,794
Community service fees	-	30,654	30,654
Assessment levies	-	46,757	47,048
Contributions and donations	-	12,720	14,253
Miscellaneous	-	430	731
Total revenues	1,563	199,479	723,917
Expenditures:			
Current:			
General government	-	24,078	72,772
Police	-	6,175	169,273
Fire	-	2,892	136,161
Public works	-	36,234	49,841
Convention and cultural services	-	8,752	14,372
Parks and recreation	-	8,710	38,615
Community development	-	12,197	45,787
Library	-	7,535	16,421
Utilities	-	218	2,034
Citywide and community support	-	-	46,576
Capital outlay	-	61,401	90,397
Debt service:			
Principal	3,425	21,087	48,445
Interest and fiscal charges	9,710	13,145	24,529
Bond issuance costs	4	-	1,415
Total expenditures	13,139	202,424	756,638
Excess (deficiency) of revenues over (under) expenditures	(11,576)	(2,945)	(32,721)
Other financing sources (uses):			
Transfers in	6,400	28,744	70,558
Transfers out	-	(4,256)	(35,801)
Issuance of long-term debt	-	8	8
Total other financing sources (uses)	6,400	24,496	34,765
Net change in fund balances	(5,176)	21,551	2,044
Fund balances (deficit), beginning of year	42,705	252,491	518,264
Fund balances (deficit), end of year	\$ 37,529	\$ 274,042	\$ 520,308

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, 2018
(in thousands)

Net change in fund balances - total governmental funds		\$ 2,044
<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	68,626	
Depreciation expense	<u>(72,184)</u>	(3,558)
<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		13,645
<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	(8)	
Principal repayments on long-term debt	<u>48,445</u>	48,437
<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>		
		454
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>		
Compensated absences	(2,356)	
Accrued claims and judgements	(478)	
Pension expense	(54,627)	
Other post-employment benefits	(287)	
Pollution remediation	1,164	
Interest	480	
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>	(55,196)
<p>Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The net expense of the internal service funds is reported with the governmental activities.</p>		
		<u>17,285</u>
Change in net position of governmental activities		<u>\$ 23,111</u>

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

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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, 2018

(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	\$ 322,858	\$ 332,184	\$ 337,406	\$ 5,222	\$ -	\$ 337,406
Intergovernmental	8,604	14,227	22,380	8,153	-	22,380
Charges for services	86,230	92,795	100,205	7,410	-	100,205
Fines, forfeits and penalties	13,522	12,277	12,069	(208)	-	12,069
Interest, rents, and concessions	827	2,480	1,195	(1,285)	-	1,195
Assessment levies	74	74	291	217	-	291
Contributions and donations	-	3	85	82	-	85
Miscellaneous	154	154	301	147	-	301
Total revenues	432,269	454,194	473,932	19,738	-	473,932
Expenditures:						
Current:						
Mayor/Council	5,330	7,898	6,048	1,850	(92)	5,956
City Manager	7,605	21,285	10,972	10,313	(124)	10,848
City Attorney	6,096	6,612	5,849	763	(29)	5,820
City Clerk	1,768	1,798	1,584	214	-	1,584
City Treasurer	2,336	2,352	2,028	324	(65)	1,963
Finance	8,258	13,792	6,096	7,696	(384)	5,712
Information technology	13,986	14,528	13,988	540	(970)	13,018
Human resources	3,883	4,301	3,823	478	(30)	3,793
Subtotal - General government	49,262	72,566	50,388	22,178	(1,694)	48,694
Police	130,462	144,513	138,713	5,800	(240)	138,473
Fire	108,470	117,410	119,595	(2,185)	(158)	119,437
Public works	9,039	14,210	14,169	41	(562)	13,607
Convention and cultural services	5,592	6,567	5,598	969	22	5,620
Parks and recreation	20,822	23,254	21,562	1,692	(134)	21,428
Community development	31,862	36,554	33,863	2,691	(523)	33,340
Library	8,380	8,380	8,380	-	-	8,380
Utilities	2,116	4,649	1,816	2,833	-	1,816
Citywide and community support	41,118	46,425	46,876	(451)	(300)	46,576
Capital outlay	46,962	46,354	27,686	18,668	(6,173)	21,513
Debt service:						
Principal	2,016	2,016	2,016	-	-	2,016
Interest and fiscal charges	86	86	86	-	-	86
Total expenditures	456,187	522,984	470,748	52,236	(9,762)	460,986
Excess (deficiency) of revenues over (under) expenditures	(23,918)	(68,790)	3,184	71,974	9,762	12,946
Other financing sources (uses):						
Transfers in	33,772	33,809	35,414	1,605	-	35,414
Transfers out	(29,149)	(31,810)	(31,545)	265	-	(31,545)
Total other financing sources (uses)	4,623	1,999	3,869	1,870	-	3,869
Net change in fund balance	\$ (19,295)	\$ (66,791)	\$ 7,053	\$ 73,844	\$ 9,762	\$ 16,815

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, 2018

(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	\$ 46,542	\$ 46,542	\$ 46,484	\$ (58)	\$ -	\$ 46,484
Interest, rents, and concessions	-	-	180	180	-	180
Total revenues	46,542	46,542	46,664	122	-	46,664
Expenditures:						
Current:						
Police	23,272	25,552	24,688	864	(63)	24,625
Fire	13,138	13,738	13,866	(128)	(34)	13,832
Parks and recreation	9,488	9,768	9,667	101	(1,190)	8,477
Community development	262	262	250	12	-	250
Library	506	506	506	-	-	506
Capital outlay	22,665	24,090	8,086	16,004	(603)	7,483
Total expenditures	69,331	73,916	57,063	16,853	(1,890)	55,173
Excess (deficiency) of revenues over (under) expenditures	(22,789)	(27,374)	(10,399)	16,975	1,890	(8,509)
Net change in fund balance	\$ (22,789)	\$ (27,374)	\$ (10,399)	\$ 16,975	\$ 1,890	\$ (8,509)

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

City of Sacramento
Proprietary Funds
Statement of Net Position

June 30, 2018
(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	\$ 117,111	\$ 39,365	\$ 35,979	\$ 43,730
Cash and investments held by fiscal agent	-	-	-	-
Receivables, net:				
Taxes	-	-	-	-
Accounts	18,471	11,814	5,870	8,978
Loans	99	136	451	-
Intergovernmental	675	1,164	1,313	-
Interest	932	255	236	243
Due from other funds	11,075	-	-	-
Inventories	872	45	394	-
Prepaid items	306	1	8	-
Intangible asset, current portion	-	-	-	-
Total current assets	149,541	52,780	44,251	52,951
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	50,325	6,510	4,748	1,110
Cash and investments held by fiscal agent	7,289	981	745	-
Advances to other funds	-	-	-	-
Loans receivable	792	281	1,948	-
Intangible assets	-	-	-	-
Capital assets:				
Land	1,754	1,138	18,724	1,133
Buildings and improvements	43,526	27,183	8,907	32,153
Machinery and equipment	25,681	5,147	17,613	12,437
Vehicles	-	-	-	-
Transmission and distribution system	724,638	184,638	407,212	-
Construction in progress	263,193	11,858	3,006	528
Software	822	568	1,113	245
Easements	134	-	157	-
Less: accumulated depreciation/amortization	(274,088)	(80,231)	(193,624)	(30,532)
Total noncurrent assets	844,066	158,073	270,549	17,074
Total assets	993,607	210,853	314,800	70,025
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	4,916	-	-	-
Deferred outflows related to pensions	11,752	2,624	3,356	4,411
Deferred outflows related to OPEB	1,000	356	450	1,163
Total deferred outflows of resources	17,668	2,980	3,806	5,574

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

City of Sacramento
Proprietary Funds
Statement of Net Position

June 30, 2018
(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	\$ 43,386	\$ 26,624	\$ 306,195	\$ 113,189
Cash and investments held by fiscal agent	-	-	-	196
Receivables, net:				
Taxes	3,806	-	3,806	-
Accounts	258	1,064	46,455	782
Loans	23	-	709	-
Intergovernmental	-	-	3,152	-
Interest	236	137	2,039	465
Due from other funds	-	-	11,075	577
Inventories	-	-	1,311	-
Prepaid items	6	36	357	5,221
Intangible asset, current portion	-	8	8	-
Total current assets	47,715	27,869	375,107	120,430
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	-	746	63,439	-
Cash and investments held by fiscal agent	7,746	1,746	18,507	-
Advances to other funds	-	-	-	12,270
Loans receivable	20	1	3,042	-
Intangible assets	-	136	136	-
Capital assets:				
Land	21,740	5,825	50,314	-
Buildings and improvements	113,040	62,937	287,746	7,159
Machinery and equipment	4,831	6,235	71,944	543
Vehicles	-	-	-	156,537
Transmission and distribution system	-	-	1,316,488	-
Construction in progress	25,088	3,590	307,263	391
Software	46	32	2,826	256
Easements	-	-	291	-
Less: accumulated depreciation/amortization	(65,977)	(39,149)	(683,601)	(99,828)
Total noncurrent assets	106,534	42,099	1,438,395	77,328
Total assets	154,249	69,968	1,813,502	197,758
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	4,916	-
Deferred outflows related to pensions	2,058	2,522	26,723	3,075
Deferred outflows related to OPEB	107	176	3,252	431
Total deferred outflows of resources	2,165	2,698	34,891	3,506

City of Sacramento
Proprietary Funds
Statement of Net Position

June 30, 2018
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	16,015	14,041	1,515	1,837
Accrued payroll	1,578	453	700	697
Accrued compensated absences	111	30	178	127
Due to other funds	-	-	-	-
Interest payable	4,754	472	130	56
Liability for landfill closure	-	-	-	157
Deposits	15	-	15	-
Unearned revenue	3,744	-	-	-
Accrued claims and judgements	142	92	127	322
Capital leases payable	-	-	-	-
Revenue and other bonds payable, net	13,527	687	699	1,085
Notes payable	448	766	2,381	-
	<u>40,334</u>	<u>16,541</u>	<u>5,745</u>	<u>4,281</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	2,055	587	1,951	1,141
Advances from other funds	-	-	-	-
Water fee credits	214	-	-	-
Net OPEB liability	18,489	6,573	8,324	21,506
Accrued claims and judgements	-	-	-	-
Liability for landfill closure	-	-	-	2,214
Capital leases payable	-	-	-	-
Revenue and other bonds payable, net	405,201	29,817	1,524	15,129
Notes payable	11,120	1,499	6,705	-
Net pension liability	39,526	13,213	28,434	20,934
	<u>476,605</u>	<u>51,689</u>	<u>46,938</u>	<u>60,924</u>
Total noncurrent liabilities				
Total liabilities				
	<u>516,939</u>	<u>68,230</u>	<u>52,683</u>	<u>65,205</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	572	-	-	288
Deferred inflows related to pensions	318	63	175	332
Deferred inflows related to OPEB	996	354	449	1,159
	<u>1,886</u>	<u>417</u>	<u>624</u>	<u>1,779</u>
Total deferred inflows of resources				
<u>NET POSITION</u>				
Net investment in capital assets	388,191	119,578	252,680	-
Restricted for:				
Capital projects	32,602	5,521	-	350
Other programs	-	-	1,559	1,074
Unrestricted	71,657	20,087	11,060	7,191
	<u>492,450</u>	<u>145,186</u>	<u>265,299</u>	<u>8,615</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, 2018
(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	6,035	1,650	41,093	5,642
Accrued payroll	267	427	4,122	540
Accrued compensated absences	41	45	532	85
Due to other funds	18,925	-	18,925	-
Interest payable	197	110	5,719	5
Liability for landfill closure	-	-	157	-
Deposits	-	144	174	-
Unearned revenue	1,474	436	5,654	291
Accrued claims and judgements	14	50	747	18,878
Capital leases payable	-	1,345	1,345	29
Revenue and other bonds payable, net	6,898	2,639	25,535	403
Notes payable	-	-	3,595	-
Total current liabilities	33,851	6,846	107,598	25,873
Noncurrent liabilities:				
Accrued compensated absences	409	544	6,687	897
Advances from other funds	5,455	-	5,455	-
Water fee credits	-	-	214	-
Net OPEB liability	1,971	3,257	60,120	7,972
Accrued claims and judgements	-	-	-	59,896
Liability for landfill closure	-	-	2,214	-
Capital leases payable	-	2,340	2,340	15
Revenue and other bonds payable, net	14,958	17,852	484,481	805
Notes payable	-	-	19,324	-
Net pension liability	8,008	10,138	120,253	13,842
Total noncurrent liabilities	30,801	34,131	701,088	83,427
Total liabilities	64,652	40,977	808,686	109,300
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	-	267	1,127	-
Deferred inflows related to pensions	54	109	1,051	23
Deferred inflows related to OPEB	106	175	3,239	429
Total deferred inflows of resources	160	551	5,417	452
<u>NET POSITION</u>				
Net investment in capital assets	90,756	17,978	869,183	63,807
Restricted for:				
Capital projects	-	-	38,473	-
Other programs	-	-	2,633	-
Unrestricted	846	13,160	124,001	27,705
Total net position	\$ 91,602	\$ 31,138	\$ 1,034,290	\$ 91,512

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, 2018
(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	\$ 119,379	\$ 36,724	\$ 38,226	\$ 63,117
Rents and concessions	-	-	-	150
Charge to other agencies for contract services	-	860	1,286	-
Miscellaneous	-	12	-	289
Total operating revenues	<u>119,379</u>	<u>37,596</u>	<u>39,512</u>	<u>63,556</u>
Operating expenses:				
Employee services	38,080	10,568	16,894	17,421
Services and supplies	12,485	12,294	13,503	37,217
Depreciation/amortization	20,728	3,893	10,308	1,358
Insurance premiums	-	-	-	-
Claims and judgements	-	148	86	196
Total operating expenses	<u>71,293</u>	<u>26,903</u>	<u>40,791</u>	<u>56,192</u>
Operating income (loss)	<u>48,086</u>	<u>10,693</u>	<u>(1,279)</u>	<u>7,364</u>
Nonoperating revenues (expenses):				
Interest and investment revenue	725	82	104	39
Transient occupancy taxes	-	-	-	-
Revenue from other agencies	1,216	-	7	405
Insurance and other claim recoveries	-	-	-	-
Interest (expense)	(16,429)	(1,348)	(408)	(506)
Amortization of bond prepaid insurance	(23)	-	-	-
Gain or (loss) on disposition of capital assets	424	-	-	-
Total nonoperating revenues (expenses)	<u>(14,087)</u>	<u>(1,266)</u>	<u>(297)</u>	<u>(62)</u>
Income (loss) before contributions and transfers	33,999	9,427	(1,576)	7,302
Capital contributions	10,154	7,304	6,334	-
Transfers in	28	92	142	97
Transfers out	(13,299)	(4,078)	(4,268)	(6,973)
Change in net position	30,882	12,745	632	426
Total net position, beginning of year, as restated	<u>461,568</u>	<u>132,441</u>	<u>264,667</u>	<u>8,189</u>
Total net position, end of year	<u>\$ 492,450</u>	<u>\$ 145,186</u>	<u>\$ 265,299</u>	<u>\$ 8,615</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, 2018
(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	\$ 3,641	\$ 24,701	\$ 285,788	\$ 87,671
Rents and concessions	6,165	717	7,032	-
Charge to other agencies for contract services	-	-	2,146	-
Miscellaneous	42	41	384	4
Total operating revenues	9,848	25,459	295,350	87,675
Operating expenses:				
Employee services	6,999	10,334	100,296	12,698
Services and supplies	7,261	7,170	89,930	28,132
Depreciation/amortization	1,944	1,671	39,902	10,925
Insurance premiums	-	-	-	4,987
Claims and judgements	6	8	444	15,424
Total operating expenses	16,210	19,183	230,572	72,166
Operating income (loss)	(6,362)	6,276	64,778	15,509
Nonoperating revenues (expenses):				
Interest and investment revenue	-	63	1,013	747
Transient occupancy taxes	26,839	-	26,839	-
Revenue from other agencies	-	485	2,113	510
Insurance and other claim recoveries	-	-	-	715
Interest (expense)	(1,585)	(881)	(21,157)	(27)
Amortization of bond prepaid insurance	-	-	(23)	-
Gain or (loss) on disposition of capital assets	-	-	424	63
Total nonoperating revenues (expenses)	25,254	(333)	9,209	2,008
Income (loss) before contributions and transfers	18,892	5,943	73,987	17,517
Capital contributions	-	-	23,792	-
Transfers in	-	5,204	5,563	432
Transfers out	(1,940)	(9,530)	(40,088)	(664)
Change in net position	16,952	1,617	63,254	17,285
Total net position, beginning of year, as restated	74,650	29,521	971,036	74,227
Total net position, end of year	\$ 91,602	\$ 31,138	\$ 1,034,290	\$ 91,512

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, 2018
(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	\$ 119,023	\$ 36,987	\$ 38,581	\$ 63,265
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(11,714)	(11,827)	(13,562)	(37,020)
Payments to employees	(35,334)	(9,718)	(14,352)	(16,425)
Claims and judgements paid	(31)	(127)	(84)	(115)
Net cash provided by (used for) operating activities	<u>71,944</u>	<u>15,315</u>	<u>10,583</u>	<u>9,705</u>
Cash flows from noncapital financing activities:				
Transient occupancy taxes	-	-	-	-
Interfund cashflow loans	(18,780)	-	-	-
Transfers in from other funds	28	92	142	97
Transfers out to other funds	(12,760)	(4,014)	(4,268)	(6,821)
Collections on interfund loans	-	-	-	-
Loans made to other funds	-	-	-	-
Interfund loan repayments	7,705	-	-	-
Loans received from other funds	-	-	-	-
Intergovernmental revenue received	3,971	-	-	405
Claim and judgement recoveries	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(19,836)</u>	<u>(3,922)</u>	<u>(4,126)</u>	<u>(6,319)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(76,272)	(9,911)	(1,543)	324
Proceeds from sale of capital assets	424	-	-	-
Proceeds from issuance of debt	3,843	-	-	-
Principal payments on capital debt	(10,022)	(1,394)	(3,120)	(1,450)
Interest payments on capital debt	(18,227)	(1,422)	(431)	(697)
Intergovernmental revenue received	-	-	7	-
Transfers in from other funds	-	-	-	-
Transfers out to other funds	(538)	(64)	-	(152)
Capital contributions received	5,990	1,638	-	-
Loan repayments received	1,206	134	439	-
Net cash used for capital and related financing activities	<u>(93,596)</u>	<u>(11,019)</u>	<u>(4,648)</u>	<u>(1,975)</u>
Cash flows from investing activities:				
Collection/payment of interest and investment	627	6	38	(35)
Loan repayments received	-	-	-	-
Net cash provided by investing activities	<u>627</u>	<u>6</u>	<u>38</u>	<u>(35)</u>
Net increase (decrease) in cash and cash equivalents	(40,861)	380	1,847	1,376
Cash and cash equivalents, beginning of year	<u>215,586</u>	<u>46,476</u>	<u>39,625</u>	<u>43,464</u>
Cash and cash equivalents, end of year	<u>\$ 174,725</u>	<u>\$ 46,856</u>	<u>\$ 41,472</u>	<u>\$ 44,840</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, 2018
(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	\$ 9,327	\$ 25,082	\$ 292,265	\$ -
Receipts from interfund services provided	-	-	-	152,869
Payments to suppliers	(7,791)	(7,730)	(89,644)	(99,397)
Payments to employees	(6,371)	(9,604)	(91,804)	(11,483)
Claims and judgements paid	(7)	-	(364)	(17,441)
Net cash provided by (used for) operating activities	(4,842)	7,748	110,453	24,548
Cash flows from noncapital financing activities:				
Transient occupancy taxes	25,955	-	25,955	-
Interfund cashflow loans	-	-	(18,780)	-
Transfers in from other funds	-	5,204	5,563	4
Transfers out to other funds	(1,940)	(2,026)	(31,829)	(600)
Collections on interfund loans	-	-	-	1,133
Loans made to other funds	-	534	534	(327)
Interfund loan repayments	(250)	-	7,455	-
Loans received from other funds	11,075	-	11,075	-
Intergovernmental revenue received	-	522	4,898	510
Claim and judgement recoveries	-	-	-	148
Net cash provided by (used for) noncapital financing activities	34,840	4,234	4,871	868
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(12,705)	(869)	(100,976)	(21,591)
Proceeds from sale of capital assets	-	-	424	568
Proceeds from issuance of debt	-	-	3,843	-
Principal payments on capital debt	(6,568)	(3,716)	(26,270)	(390)
Interest payments on capital debt	(1,529)	(1,053)	(23,359)	(69)
Intergovernmental revenue received	-	-	7	-
Transfers in from other funds	-	-	-	364
Transfers out to other funds	-	(7,504)	(8,258)	-
Capital contributions received	-	-	7,628	-
Loan repayments received	-	-	1,779	-
Net cash used for capital and related financing activities	(20,802)	(13,142)	(145,182)	(21,118)
Cash flows from investing activities:				
Collection/payment of interest and investment	(103)	30	563	584
Loan repayments received	23	-	23	-
Net cash provided by investing activities	(80)	30	586	584
Net increase (decrease) in cash and cash equivalents	9,116	(1,130)	(29,272)	4,882
Cash and cash equivalents, beginning of year	42,016	30,246	417,413	108,503
Cash and cash equivalents, end of year	\$ 51,132	\$ 29,116	\$ 388,141	\$ 113,385

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, 2018

(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	\$ 117,111	\$ 39,365	\$ 35,979	\$ 43,730
Cash and investments held by fiscal agent	-	-	-	-
Restricted cash and investments held by City	50,325	6,510	4,748	1,110
Restricted cash and investments held by fiscal agent	7,289	981	745	-
Total cash and cash equivalents, end of year	<u>\$ 174,725</u>	<u>\$ 46,856</u>	<u>\$ 41,472</u>	<u>\$ 44,840</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 48,086	\$ 10,693	\$ (1,279)	\$ 7,364
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	20,644	3,839	10,250	1,330
Amortization of intangible assets	84	54	58	28
Pension expense	3,358	937	1,633	842
OPEB expense	17	5	8	20
Changes in assets and liabilities:				
Accounts receivable, net	(761)	(609)	(607)	(291)
Intergovernmental receivables	-	-	(323)	-
Other receivables	200	-	-	-
Inventories	461	(17)	(4)	-
Prepaid items	40	4	2	4
Accounts payable	70	480	(57)	(1,001)
Accrued payroll	16	39	84	61
Accrued compensated absences	(624)	(131)	817	73
Accrued claims and judgements	(52)	21	2	81
Liability for landfill closure	-	-	-	1,194
Deposits	1	-	-	-
Unearned revenue	404	-	(1)	-
Net cash provided by (used for) operating activities	<u>\$ 71,944</u>	<u>\$ 15,315</u>	<u>\$ 10,583</u>	<u>\$ 9,705</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ 4,021	\$ 3,736	\$ 6,334	\$ -
Capitalized interest	-	-	-	-
Amortization of bond premium and discount	2,717	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	13,172	1,177	705	-
Purchase of capital assets on accounts payable	-	-	-	527

(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, 2018
(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	\$ 43,386	\$ 26,624	\$ 306,195	\$ 113,189
Cash and investments held by fiscal agent	-	-	-	196
Restricted cash and investments held by City	-	746	63,439	-
Restricted cash and investments held by fiscal agent	7,746	1,746	18,507	-
Total cash and cash equivalents, end of year	\$ 51,132	\$ 29,116	\$ 388,141	\$ 113,385
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (6,362)	\$ 6,276	\$ 64,778	\$ 15,509
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	1,944	1,657	39,664	10,908
Amortization of intangible assets	-	14	238	17
Pension expense	725	677	8,172	1,120
OPEB expense	1	2	53	8
Changes in assets and liabilities:				
Accounts receivable, net	(20)	(268)	(2,556)	21
Intergovernmental receivables	-	-	(323)	-
Other receivables	-	-	200	-
Inventories	-	-	440	-
Prepaid items	15	(1)	64	9
Accounts payable	(545)	(559)	(1,612)	(1,060)
Accrued payroll	(16)	10	194	44
Accrued compensated absences	(82)	46	99	55
Accrued claims and judgements	(1)	3	54	(2,026)
Liability for landfill closure	-	-	1,194	-
Deposits	-	144	145	-
Unearned revenue	(501)	(253)	(351)	(57)
Net cash provided by (used for) operating activities	\$ (4,842)	\$ 7,748	\$ 110,453	\$ 24,548
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 14,091	\$ -
Capitalized interest	269	-	269	-
Amortization of bond premium and discount	(25)	127	3,026	40
Amortization of bond loss on refunding	-	-	(328)	-
Amortization of bond gain on refunding	-	24	240	-
Amortization of bond prepaid insurance	-	-	(23)	-
Capital asset acquisitions on accounts payable	-	-	15,054	3,083
Purchase of capital assets on accounts payable	-	-	527	-

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

City of Sacramento
Fiduciary Funds
Statement of Net Position

June 30, 2018
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund	Agency Funds
<u>ASSETS</u>				
Cash and cash equivalents held by City	\$ 4,149	\$ 156,239	\$ 11,084	\$ 15,106
Cash and investments held by fiscal agent	-	-	21,352	17,899
Prepays	-	-	348	-
Receivables, net:				
Taxes	-	-	-	165
Accounts	-	-	-	8
Interest	1,481	542	-	33
Investments, at fair value:				
U.S. government obligations	973	-	-	-
Corporate bonds/notes	29,338	-	-	-
Equity securities	33,029	-	-	-
Exchange traded funds	166,072	-	-	-
Municipal bonds/notes	51,185	-	-	-
Mortgage loans	1,527	-	-	-
Loans receivable	-	-	6,108	-
Capital assets:				
Land	-	-	7,601	-
Buildings and improvements	-	-	751	-
Less: accumulated depreciation/amortization	-	-	(184)	-
Total assets	287,754	156,781	47,060	\$ 33,211
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	2,192	-
<u>LIABILITIES</u>				
Accounts payable	11	-	2,043	\$ 8
Benefits payable	1,134	-	-	-
Due to bondholders	-	-	-	33,203
Interest payable	-	-	447	-
Contracts payable	-	-	14,118	-
Pollution remediation obligations	-	-	195	-
Bonds payable	-	-	88,065	-
Notes payable	-	-	167,593	-
Total liabilities	1,145	-	272,461	\$ 33,211
<u>NET POSITION</u>				
Held in trust for:				
Net position restricted for pensions	286,609	-	-	
External pool participants	-	156,781	-	
Redevelopment dissolution	-	-	(223,209)	
Total net position (deficit)	\$ 286,609	\$ 156,781	\$ (223,209)	

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

City of Sacramento
Fiduciary Funds
Statement of Changes in Net Position

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund
Additions:			
Property taxes	\$ -	\$ -	\$ 28,901
Contributions:			
Employer	8,645	-	-
Employees	55	-	-
Total contributions	8,700	-	-
Investment income:			
From investment activities:			
Net appreciation (depreciation) in fair value of investments	13,305	(1,541)	-
Interest	4,378	2,555	591
Dividends	4,444	-	-
Other income	-	-	11
Total investment income	22,127	1,014	602
Investment expenses:			
Banking, interest, and fiscal agent expenses	57	160	-
Professional services	1,088	-	-
Total investment expenses	1,145	160	-
Net income from investment activities	20,982	854	602
Deposits	-	69,264	-
Total additions	29,682	70,118	29,503
Deductions:			
Benefits	31,583	-	-
Withdrawals	-	65,782	-
Interest expense	-	-	11,699
Other enforceable obligation payments	-	-	6,297
Loan forgiveness	-	-	220
Loss on disposal of capital asset	-	-	4,236
Depreciation expense	-	-	93
Total deductions	31,583	65,782	22,545
Change in net position	(1,901)	4,336	6,958
Net position (deficit), beginning of year	288,510	152,445	(230,167)
Net position (deficit), end of year	<u>\$ 286,609</u>	<u>\$ 156,781</u>	<u>\$ (223,209)</u>

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

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Notes to the Basic Financial Statements

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018
(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, 2018
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements

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 applicable provisions were implemented July 1, 2017 and as a result, the City has restated beginning net position for certain City funds, as well as, governmental and business-type activities. See note 17 for more information.

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 applicable provisions were implemented July 1, 2017 and did not have a material impact to the financial statements.

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 applicable provisions were implemented July 1, 2017 and did not have a material impact to the financial statements.

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 applicable provisions were implemented July 1, 2017 and did not have a material impact to the financial statements.

GASB Statement No. 89 – In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. The provisions in Statement 89 are effective for fiscal years beginning after December 15, 2019. The City has early implemented the applicable provisions of this Statement effective July 1, 2017.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements (Continued)

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. 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. 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.

GASB Statement No. 88 – In March 2018, the GASB issued Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve consistency in the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements, and to provide financial statement users with additional essential information about debt. This provisions in Statement 88 are effective for fiscal years beginning after June 15, 2018. The City has not determined the effect of implementing this statement.

GASB Statement No. 90 – In August 2018, the GASB issued Statement No. 90, *Majority Equity Interests - An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in a legally separate organizations and to improve the relevance of financial statement information for certain component units. The provisions in Statement 90 are effective for fiscal years beginning after December 15, 2018. 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, 2018
(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 user 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, 2018
(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 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, 2018
(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, 2018. 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, 2018
(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, 2018
(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.

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 and deferred outflows related to pensions and OPEB, 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 four items recognized in the statement of net position, gain on refunding, deferred service concession arrangement revenue and deferred inflows related to pensions and OPEB. 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, 2018
(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, 2018
(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 2018-0235 adopted with the fiscal year 2018/19 annual budget. The adopted Reserve goal is to achieve a reserve equal to 10% of annual General Fund revenues and a target reserve equal to two months of regular ongoing 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.

Other Post-Employment Benefits (OPEB) - For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's California Public Employees Retirement System (CalPERS) Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2018:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and investments	\$ 909,550	\$ 507,953	\$ 1,417,503
Restricted cash and investments	129,923	-	129,923
Total	\$ 1,039,473	\$ 507,953	\$ 1,547,426

Under the authority of the Sacramento City Charter, the Sacramento City Council, by Resolution 2017-0324, 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 22, 2017. 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 22, 2017. 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 2018, the asset allocations consisted of the following: 35% Fixed Income securities, 35% Large Cap Growth stocks, 25% 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, 2018
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Local agency bonds	5 years*	None	None	None
U.S. Treasury obligations	5 years*	None	None	None
U.S. agency securities	5 years*	None	None	None
Supranational securities	5 years	30%	None	AA
Bankers 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, 2018
(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, 2018 are as follows:

Cash and Investment Type	No Maturity	Remaining Maturity in Years			Total
		Under 1	1-5	Over 5	
Certificates of deposit	\$ -	\$ 71,996	\$ 27,295	\$ -	\$ 99,291
Commercial paper	-	214,543	-	-	214,543
Corporate bonds/notes	-	170,028	192,636	16,987	379,651
Deposits	18,797	-	-	-	18,797
Equities	38,213	-	-	-	38,213
Exchange traded funds	168,224	-	-	-	168,224
Investment Trust of California (CalTRUST)	-	93,704	21,153	-	114,857
Mortgage loans	-	-	-	1,526	1,526
Municipal bonds/notes	-	17,038	103,736	49,691	170,465
Mutual funds	-	31,306	-	-	31,306
Supranational securities	-	7,969	24,330	-	32,299
U.S. agency securities	-	36,352	208,653	953	245,958
U.S. Treasury bills	-	22,338	253	-	22,591
U.S. Treasury notes	-	-	9,705	-	9,705
Total Cash and Investments	\$ 225,234	\$ 665,274	\$ 587,761	\$ 69,157	\$ 1,547,426

Investments in callable securities are investments that, although having clearly defined maturities, allow for the issuer to redeem or call such securities earlier than their respective maturity dates. The investor must then replace the called securities with investments that may have lower yield than the original securities. The fair values of the callable securities held at June 30, 2018 by investment type are as follows:

Investment Type	Total
Certificates of deposit	\$ 2,995
Corporate bonds/notes	58,282
Municipal bonds/notes	30,145
Supranational Securities	14,607
U.S. agencies	116,068

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018
(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, 2018 are as follows:

Cash and Investment Type	S & P	Moody's	Total
Certificates of deposit	A	P1	\$ 65,002
	not rated	not rated	34,289
Commercial paper	A	P1	214,543
Corporate bonds/notes	A	A	147,861
	A	Aa	17,160
	A	Baa	8,124
	A	not rated	19,203
	AA	A	21,458
	AA	Aa	118,018
	AA	not rated	969
	AAA	Aaa	16,822
	BBB	A	8,697
	BBB	Baa	18,480
	BBB	not rated	2,783
	not rated	withdrawn	76
	Deposits	not rated	not rated
Equities (exempt from disclosure)	N/A	N/A	38,213
Exchange traded funds (exempt from disclosure)	N/A	N/A	168,224
Investment Trust of California (CalTRUST)	not rated	not rated	114,857
Mortgage loans	not rated	not rated	1,526
Municipal bonds/notes	A	A	6,868
	A	Baa	3,317
	A	not rated	5,925
	AA	A	12,934
	AA	Aa	99,335
	AA	not rated	23,521
	AAA	not rated	1,542
	not rated	A	10,483
	not rated	Aa	6,440
	not rated	not rated	100
Mutual funds	AAA	Aaa	26,173
	AAA	not rated	5,133

City of Sacramento
Notes to the Financial Statements
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(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Credit Risk (Continued)

Cash and Investment Type	S & P	Moody's	Total
Supranational securities	AAA	Aaa	22,588
	not rated	Aaa	9,711
U.S. agency securities	AA	Aaa	207,065
	AAA	Aaa	88
	not rated	not rated	37,921
	N/A	N/A	884
U.S. Treasury bills (exempt from disclosure)	N/A	N/A	22,591
U.S. Treasury notes (exempt from disclosure)	N/A	N/A	9,705
Total Cash and Investments			\$ 1,547,426

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, 2018:

Federal Home Loan Banks	\$ 92,474
JP Morgan	80,527

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, 2018
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value 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, 2018 was \$22,393 and \$8,913 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 CALTRUST, 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, 2018
(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, 2018. 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, 2018
(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, 2018:

Investments by Fair Value Level	Balance at June 30, 2018	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)
Certificates of deposit	\$ 97,291	\$ -	\$ 97,291	\$ -
Commercial paper	214,543	-	-	214,543
Corporate bonds/notes	372,669	-	372,669	-
Equities	38,213	38,213	-	-
Exchange traded funds	168,224	168,224	-	-
Mortgage loans	1,526	-	-	1,526
Municipal bonds/notes	170,465	-	170,465	-
Supranational securities	32,299	-	32,299	-
U. S. agency securities	193,263	-	193,263	-
U.S. Treasury notes	9,705	9,705	-	-
Total Investments by Fair Value Level	1,298,198	\$ 216,142	\$ 865,987	\$ 216,069
Investments Not Measured at Fair Value				
Certificates of deposit (Non Negotiable)	2,000			
Total Investments Not Measured at Fair Value	2,000			
Investments Measured at Net Asset Value				
Mutual funds	22,393			
Total Investments Measured at Net Asset Value	22,393			
Investments Uncategorized				
Investment Trust of California (CalTRUST)	114,857			
Total Investments Uncategorized	114,857			
Total City's Pooled Investments	1,437,448			
Investments Held Outside City Pool by Fair Value Level				
Corporate bonds/notes	6,982	\$ -	\$ 6,982	\$ -
U.S. agency securities	52,695	-	52,695	-
U.S. Treasury bills	22,591	22,591	-	-
Total Investments Held Outside City Pool by Fair Value Level	82,268	\$ 22,591	\$ 59,677	\$ -
Investments Held Outside City Pool Measured at Net Asset Value				
Mutual funds	8,913			
Total Investments Held Outside City Pool Measured at Net Asset Value	8,913			
Total Investments Held Outside City Pool	91,181			
Total Investments	1,528,629			
Total Deposits	18,797			
Total Cash and Investments	\$ 1,547,426			

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018
(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 6.49% 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, 2018:

Statement of Net Position:

Investments at fair value	\$ 1,079,102
Interest receivables	4,152
Net Position	<u>\$ 1,083,254</u>
Equity of internal pool participants	\$ 1,012,952
Equity of external pool participants	70,302
Total equity	<u>\$ 1,083,254</u>

Statement of Changes in Net Position:

Net position at July 1, 2017	\$ 1,050,921
Net change in investments by pool participants	32,333
Net position at June 30, 2018	<u>\$ 1,083,254</u>

A summary of the investment classifications as of June 30, 2018 is as follows:

	Fair Value	Adjusted Cost	Interest Rates	Maturity Dates
Certificates of deposit	\$ 97,365	\$ 97,870	0.93-3.12%	07/18-09/22
Commercial paper	214,543	214,647	1.47-2.54%	07/18-03/19
Corporate bonds/notes	318,382	323,530	0.50-7.62%	10/18-06/23
Deposits	17,387	17,387	0.00-1.85%	N/A
Investment Trust of California (CalTRUST)	84,603	84,603	1.73-2.02%	N/A
Municipal bonds/notes	105,573	107,276	1.15-6.09%	07/18-10/22
Mutual funds	19,950	19,950	0.77-1.45%	N/A
Supranational securities	32,299	32,913	1.35-2.12%	08/18-01/23
U.S. agency securities	179,295	182,732	1.09-3.27%	09/18-06/23
U.S. Treasury notes	9,705	9,951	1.75%	11/21
Total cash and investments in City sponsored investment pool	<u>\$ 1,079,102</u>	<u>\$ 1,090,859</u>		

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Participation in External Investment Pools

The City is 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, 2018, the City's investment in CalTRUST is \$114,857, of which \$75,103 was invested in the Short-term pool, \$21,153 in the Medium-term pool, and \$18,601 in the BlackRock federal funds 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, 2018
(dollar amounts expressed in thousands)

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2018, were as follows:

	<u>Taxes</u>	<u>Accounts</u>	<u>Loans</u>	<u>Inter- govern- mental</u>	<u>Interest</u>	<u>Total</u>
Governmental activities						
General Fund	\$ 25,464	\$ 22,318	\$ -	\$ 1,445	\$ 920	\$ 50,147
Measure U Fund	7,471	-	-	-	169	7,640
1997 Lease Revenue Bond Fund	-	-	32,733	-	274	33,007
2015 Golden 1 Center Lease Revenue Bond Fund	-	-	141,433	-	43	141,476
Other governmental funds	4,952	6,990	6,154	33,286	332	51,714
Internal service funds	-	782	-	-	465	1,247
	<u>\$ 37,887</u>	<u>\$ 30,090</u>	<u>\$ 180,320</u>	<u>\$ 34,731</u>	<u>\$ 2,203</u>	<u>\$ 285,231</u>
Amounts not scheduled for collection during the subsequent year						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 170,402</u>	<u>\$ 13,106</u>	<u>\$ -</u>	<u>\$ 183,508</u>
Business-type activities						
Water Fund	\$ -	\$ 18,471	\$ 891	\$ 675	\$ 932	\$ 20,969
Wastewater Fund	-	11,814	417	1,164	255	13,650
Storm Drainage Fund	-	5,870	2,399	1,313	236	9,818
Solid Waste Fund	-	8,978	-	-	243	9,221
Community Center Fund	3,806	258	43	-	236	4,343
Other enterprise funds	-	1,064	1	-	137	1,202
	<u>\$ 3,806</u>	<u>\$ 46,455</u>	<u>\$ 3,751</u>	<u>\$ 3,152</u>	<u>\$ 2,039</u>	<u>\$ 59,203</u>

Included in the Accounts Receivable amounts above are allowances for doubtful accounts of \$21,310 in governmental activities and \$508 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 \$3,722, reported with the associated deferred inflow in the government-wide statement of net position.

The Golden 1 Center was sold to the Sacramento Kings under the terms of the Arena Management, Operations and Lease Agreement during the fiscal year ended June 30, 2017. The agreed-upon minimum lease payments to be received from the Kings is \$407,699 over 36 years. The present value of these minimum lease payments discounted at 5.674% is \$143,412. Loan receivable balance as of June 30, 2018 is \$141,433. 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, 2018
(dollar amounts expressed in thousands)

NOTE 4 – CAPITAL ASSETS

Summary

The following is a summary of capital assets as of June 30, 2018:

	Governmental Activities	Business- Type Activities	Total
Capital assets not being depreciated/amortized			
Land	\$ 205,856	\$ 50,314	\$ 256,170
Easements	928	291	1,219
Construction in progress	137,326	307,263	444,589
Total capital assets not being depreciated/amortized	344,110	357,868	701,978
Depreciable/amortizable capital assets			
Buildings and improvements	679,506	287,746	967,252
Equipment	79,370	71,944	151,314
Software	6,413	2,826	9,239
Vehicles	156,537	-	156,537
Transmission and distribution system	4,777	1,316,488	1,321,265
Roadway network	1,672,385	-	1,672,385
Streetlight network	243,880	-	243,880
Park improvements	207,021	-	207,021
Total depreciable/amortizable capital assets	3,049,889	1,679,004	4,728,893
Less accumulated depreciation/amortization for:			
Buildings and improvements	(249,225)	(154,634)	(403,859)
Equipment	(57,055)	(44,759)	(101,814)
Software	(2,725)	(1,140)	(3,865)
Vehicles	(94,318)	-	(94,318)
Transmission and distribution system	(921)	(483,068)	(483,989)
Roadway network	(1,045,829)	-	(1,045,829)
Street light network	(89,497)	-	(89,497)
Park improvements	(64,358)	-	(64,358)
Total accumulated depreciation/amortization	(1,603,928)	(683,601)	(2,287,529)
Depreciable/amortizable capital assets, net	1,445,961	995,403	2,441,364
Total capital assets, net	\$ 1,790,071	\$ 1,353,271	\$ 3,143,342

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 4 – CAPITAL ASSETS (Continued)

Governmental Activities

Governmental capital asset activity for the year ended June 30, 2018 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	\$ 204,014	\$ 1,842	\$ -	\$ -	\$ 205,856
Easements	913	15	-	-	928
Construction in progress	108,497	72,993	(44,164)	-	137,326
Total capital assets not being depreciated/amortized	<u>313,424</u>	<u>74,850</u>	<u>(44,164)</u>	<u>-</u>	<u>344,110</u>
Depreciable/amortizable capital assets					
Buildings and improvements	676,206	3,300	-	-	679,506
Equipment	73,726	5,644	-	-	79,370
Software	6,138	275	-	-	6,413
Vehicles	145,626	18,744	(7,833)	-	156,537
Transmission and distribution system	4,777	-	-	-	4,777
Roadway network	1,660,276	21,395	(9,286)	-	1,672,385
Streetlight network	236,223	7,657	-	-	243,880
Park improvements	193,517	13,504	-	-	207,021
Total depreciable/amortizable capital assets	<u>2,996,489</u>	<u>70,519</u>	<u>(17,119)</u>	<u>-</u>	<u>3,049,889</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(236,035)	(13,190)	-	-	(249,225)
Equipment	(54,117)	(2,938)	-	-	(57,055)
Software	(2,118)	(607)	-	-	(2,725)
Vehicles	(90,859)	(10,782)	7,323	-	(94,318)
Transmission and distribution system	(834)	(87)	-	-	(921)
Roadway network	(1,012,730)	(42,385)	9,286	-	(1,045,829)
Streetlight network	(83,720)	(5,777)	-	-	(89,497)
Park improvements	(57,014)	(7,344)	-	-	(64,358)
Total accumulated depreciation/amortization	<u>(1,537,427)</u>	<u>(83,110)</u>	<u>16,609</u>	<u>-</u>	<u>(1,603,928)</u>
Depreciable/amortizable capital assets, net	<u>1,459,062</u>	<u>(12,591)</u>	<u>(510)</u>	<u>-</u>	<u>1,445,961</u>
Governmental activities capital assets, net	<u>\$ 1,772,486</u>	<u>\$ 62,259</u>	<u>\$ (44,674)</u>	<u>\$ -</u>	<u>\$ 1,790,071</u>

Depreciation/amortization expense was charged to functions as follows:

General government	\$ 5,570
Police	873
Fire	1,115
Public works	49,532
Convention and cultural services	4,213
Parks and recreation	9,679
Community development	247
Library	955
Capital assets held by the City's internal service funds are charged to the functions based on their usage of assets	<u>10,926</u>
Total governmental activities depreciation/amortization expense	<u>\$ 83,110</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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, 2018 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	261,264	110,652	(64,653)	-	307,263
Total capital assets not being depreciated/amortized	<u>311,869</u>	<u>110,652</u>	<u>(64,653)</u>	<u>-</u>	<u>357,868</u>
Depreciable/amortizable capital assets					
Buildings and improvements	281,831	5,915	-	-	287,746
Equipment	60,344	11,600	-	-	71,944
Software	2,237	589	-	-	2,826
Transmission and distribution system	1,255,850	60,638	-	-	1,316,488
Total depreciable/amortizable capital assets	<u>1,600,262</u>	<u>78,742</u>	<u>-</u>	<u>-</u>	<u>1,679,004</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(148,683)	(5,951)	-	-	(154,634)
Equipment	(42,171)	(2,588)	-	-	(44,759)
Software	(878)	(262)	-	-	(1,140)
Transmission and distribution system	(451,974)	(31,094)	-	-	(483,068)
Total accumulated depreciation/amortization	<u>(643,706)</u>	<u>(39,895)</u>	<u>-</u>	<u>-</u>	<u>(683,601)</u>
Depreciable/amortizable capital assets, net	<u>956,556</u>	<u>38,847</u>	<u>-</u>	<u>-</u>	<u>995,403</u>
Business-type activities capital assets, net	<u>\$ 1,268,425</u>	<u>\$ 149,499</u>	<u>\$ (64,653)</u>	<u>\$ -</u>	<u>\$ 1,353,271</u>
Depreciation/amortization expense was charged to functions as follows:					
Water		\$ 20,728			
Wastewater		3,893			
Storm drainage		10,308			
Solid waste		1,358			
Community center		1,944			
Parking		1,586			
Child development		<u>78</u> ⁽¹⁾			
Total business-type activities depreciation/amortization expense		<u>\$ 39,895</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, 2018
(dollar amounts expressed in thousands)

NOTE 5 – PAYABLES

Payables as of June 30, 2018, were as follows:

	<u>Vendors</u>	<u>Employees</u>	<u>Interest</u>	<u>Deposits</u>	<u>Total</u>
Governmental activities					
General Fund	\$ 20,939	\$ 25,594	\$ -	\$ 167	\$ 46,700
Measure U Fund	2,437	-	-	-	2,437
1997 Lease Revenue Bond Fund	-	-	274	-	274
Other governmental funds	31,749	101	7,510	3,093	42,453
Internal service funds	5,642	540	5	-	6,187
	<u>\$ 60,767</u>	<u>\$ 26,235</u>	<u>\$ 7,789</u>	<u>\$ 3,260</u>	<u>\$ 98,051</u>
Total governmental activities					
Business-type activities					
Water Fund	\$ 16,015	\$ 1,578	\$ 4,754	\$ 15	\$ 22,362
Wastewater Fund	14,041	453	472	-	14,966
Storm Drainage Fund	1,515	700	130	15	2,360
Solid Waste Fund	1,837	697	56	-	2,590
Community Center Fund	6,035	267	197	-	6,499
Other enterprise funds	1,650	427	110	144	2,331
	<u>\$ 41,093</u>	<u>\$ 4,122</u>	<u>\$ 5,719</u>	<u>\$ 174</u>	<u>\$ 51,108</u>
Total business-type activities					

Included in the Interest Payable amount related to 1997 Lease Revenue Bond Fund above is the interest payable accrual of \$274, 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 \$5,384, reported in the government-wide statement of net position.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018
(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, 2018, were \$1,021.

Sublease rental income for the fiscal year ended June 30, 2018 was \$672. The total amount of minimum rentals to be received in the future under non-cancelable subleases is \$1,400.

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>
2019	\$ 911
2020	807
2021	703
2022	670
2023	788
2024-2028	3,056
2029-2033	3,196
2034-2038	2,889
2039-2043	2,567
2044-2048	2,706
2049-2053	2,837
2054-2058	766
2059-2063	179
	<hr/>
Total future minimum lease payments	<u>\$ 22,075</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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, 2018. 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	\$ 6,408	\$ -	\$ (1,479)	\$ 4,929	\$ 1,558
1993 Refunded Revenue Bonds, Series B	10,744	-	(2,478)	8,266	2,612
1997 Lease Revenue Bonds	54,650	-	(21,917)	32,733	2,523
2006 Capital Improvement Revenue Bonds, Series B	45,865	-	(1,255)	44,610	1,335
2006 Capital Improvement Revenue Bonds, Series E	80,803	-	-	80,803	460
2015 Refunding Revenue Bonds	106,080	-	(8,994)	97,086	7,900
2015 Lease Revenue Bonds - Golden 1 Center	272,870	-	(3,425)	269,445	3,510
2016 Lease Financing	8,380	-	(435)	7,945	450
Subtotal, revenue and other bonds	585,800	-	(39,983)	545,817	20,348
Notes Payable:					
1997 State Department of Boating & Waterways	193	-	(95)	98	98
1985 Marina Phase I	1,445	-	(48)	1,397	53
1985 Marina Phase II	2,243	-	(67)	2,176	69
1985 Marina Phase III	280	-	(137)	143	143
1985 Marina Phase IV	245	-	(77)	168	82
2008 Sacramento Marina South Basin	10,477	-	-	10,477	1,208
Subtotal, notes payable	14,883	-	(424)	14,459	1,653
Capital Lease Obligations:					
JP Morgan Fleet Financing	289	-	(289)	-	-
Fire trucks and equipment #3	1,580	-	(504)	1,076	526
Liquid nitrate gas (LNG) - Refueling Trailer	74	-	(30)	44	29
Parking meters system with AutoVu	1,839	-	(1,222)	617	617
Bank of America - Marina South Basin	673	-	(111)	562	116
Subtotal, capital lease obligations	4,455	-	(2,156)	2,299	1,288
Plus deferred amounts:					
For issuance discounts	(6)	-	2	(4)	(2)
For issuance premiums	20,303	-	(1,187)	19,116	1,187
Subtotal deferred amounts	20,297	-	(1,185)	19,112	1,185
Subtotal, debt governmental activities	625,435	-	(43,748)	581,687	24,474
Other Long-term Liabilities:					
Accrued claims and judgements	83,418	15,902	(17,450)	81,870	21,973
Compensated absences	36,282	39,417	(37,004)	38,695	2,710
Net OPEB liability	347,293	369	(18,270)	329,392	-
Net pension liability	758,731	175,888	(75,401)	859,218	-
Pollution remediation obligations	1,794	596	(1,760)	630	122
Derivative instrument - interest rate swap	571	-	(571)	-	-
Financing plan fee credits:					
North Natomas	39,102	3	(5,365)	33,740	1,833
Jacinto Creek	1,002	4	-	1,006	-
Park Development	1,014	-	(694)	320	440
Subtotal, other long-term liabilities	1,269,207	232,179	(156,515)	1,344,871	27,078
Total governmental activities	\$ 1,894,642	\$ 232,179	\$ (200,263)	\$ 1,926,558	\$ 51,552

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Activity (Continued)

BUSINESS-TYPE ACTIVITIES:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Revenue and other bonds:					
1993 Refunded Revenue Bonds, Series A	\$ 26,459	\$ -	\$ (6,102)	\$ 20,357	\$ 6,432
1993 Refunded Revenue Bonds, Series B	11,736	-	(2,707)	9,029	2,853
2006 Capital Improvement Revenue Bonds, Ser. E	92,277	-	-	92,277	-
Water Revenue Bonds, Series 2013	204,230	-	(3,960)	200,270	4,150
Water Revenue Bonds, Series 2017	52,610	-	-	52,610	785
Wastewater Revenue Bonds, Series 2013	29,715	-	(605)	29,110	630
2015 Refunding Revenue Bonds	60,620	-	(7,335)	53,285	7,660
Subtotal, revenue and other bonds	<u>477,647</u>	<u>-</u>	<u>(20,709)</u>	<u>456,938</u>	<u>22,510</u>
Notes Payable:					
State Water Resources Control Board	162	-	(162)	-	-
State Water Resources Control Board	8,964	-	(2,163)	6,801	2,217
State Water Resources Control Board	974	-	(316)	658	325
State Water Resources Control Board	1,493	-	(361)	1,132	368
State Water Resources Control Board	622	-	(152)	470	153
California Department of Public Health	8,162	-	(437)	7,725	448
California Infrastructure and Economic Development Bank (I-Bank)	2,371	-	(81)	2,290	84
Drinking Water State Revolving Fund	-	3,843	-	3,843	-
Subtotal, notes payable	<u>22,748</u>	<u>3,843</u>	<u>(3,672)</u>	<u>22,919</u>	<u>3,595</u>
Capital Lease Obligations:					
JP Morgan Capital Lease Refinance	564	-	(564)	-	-
Parking Equipment - Schedule 19	2,831	-	(795)	2,036	805
Parking Equipment - Schedule 20	2,179	-	(530)	1,649	540
Subtotal, capital lease obligations	<u>5,574</u>	<u>-</u>	<u>(1,889)</u>	<u>3,685</u>	<u>1,345</u>
Less deferred amounts:					
For issuance discounts	(186)	-	56	(130)	(60)
For issuance premiums	56,290	-	(3,082)	53,208	3,085
Subtotal, deferred amounts	<u>56,104</u>	<u>-</u>	<u>(3,026)</u>	<u>53,078</u>	<u>3,025</u>
Subtotal, debt, business type activities	<u>562,073</u>	<u>3,843</u>	<u>(29,296)</u>	<u>536,620</u>	<u>30,475</u>
Other Long-term Liabilities:					
Compensated absences	7,120	7,773	(7,674)	7,219	532
Net OPEB liability	63,389	66	(3,335)	60,120	-
Net pension liability	106,016	26,452	(12,215)	120,253	-
Accrued claims and judgements	693	54	-	747	747
Water fee credits	214	-	-	214	-
Liability for landfill closure	1,177	1,194	-	2,371	157
Subtotal, other long-term liabilities	<u>178,609</u>	<u>35,539</u>	<u>(23,224)</u>	<u>190,924</u>	<u>1,436</u>
Total business-type activities	<u>\$ 740,682</u>	<u>\$ 39,382</u>	<u>\$ (52,520)</u>	<u>\$ 727,544</u>	<u>\$ 31,911</u>
Total long-term liabilities	<u>\$ 2,635,324</u>	<u>\$ 271,560</u>	<u>\$ (252,782)</u>	<u>\$ 2,654,102</u>	<u>\$ 83,463</u>

The June 30, 2017 beginning balance of governmental activities and business-type activities have been restated to reflect the Net OPEB (other post-employment benefits) liability required by GASB Statement No. 75, in the amounts of \$347,293 and \$63,389, respectively.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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, 2018, 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 and remarketed in July 2017, due in annual installments of \$4,136 to \$4,275 through July 2027, bearing an interest rate of 5.625%. The bonds were issued to finance the acquisition and lease back of a sports and entertainment arena. Prior to remarketing, 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 \$42,307 will be paid using 100% of future lease revenue. Current year principal and interest paid was \$23,505 and lease revenue was \$2,279.
- \$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 \$350,392 as of June 30, 2018. Current year principal and interest paid was \$14,018 and water fee revenue was \$119,379.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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 \$48,885 as of June 30, 2018. Current year principal and interest paid was \$1,957 and wastewater fee revenue was \$37,596.
- \$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 \$101,306 as of June 30, 2018. Current year principal and interest paid was \$1,806 and water fee revenue was \$119,379.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018
(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, 2018, 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.
- \$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 \$7,101. Current year principal and interest paid was \$2,367 and wastewater and storm drainage fee revenue was \$77,108.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Notes Payable (Continued)

Issued Amount

- \$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 \$684. Current year principal and interest paid was \$342 and wastewater and storm drainage fee revenue was \$77,108.
- \$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 \$495. Current year principal and interest paid was \$165 and wastewater and storm drainage fee revenue was \$77,108.
- \$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 \$1,191. Current year principal and interest paid was \$397 and wastewater and storm drainage fee revenue was \$77,108.
- \$10,000 California Department of Public Health
Authorized September 2009 for the installation of approximately 13,000 water meters. The note, with a 2.5% interest rate, will be repaid over 20 years, through 2033, with annual principal and interest payments of approximately \$639. The City pledged future water enterprise fund revenue to repay the note. Current year water fee revenue was \$119,379.
- \$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 \$3,170. Current year principal and interest paid was \$162 and storm drainage fee revenue was \$39,512.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Notes Payable (Continued)

Issued Amount

\$173,142 Drinking Water State Revolving Fund (DWSRF)
Authorized in May 2017, the DWSRF has agreed to fund the City's Accelerated Meter Installation and Pipe Replacement Program. Under the agreement, the City is to pay for project costs upfront and the DWSRF is to reimburse the City with loan amounts not to exceed \$173,142. Construction began in October 2017 with a projected end date of January 2021. The final reimbursement request deadline is July 2021, when required semi-annual note principal payments begin. The note will be repaid over a 20-year period, bearing an interest rate of 1.7%. Annual principal and interest payments will be approximately \$10,248. The City has pledged future water fee revenues to repay the note. Current year water fee revenues were \$119,379. The amount claimed and reimbursed by the City as of June 30, 2018 was \$3,843.

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, 2018, 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
2019	\$ 1,358	\$ 1,399	\$ 2,757
2020	722	1,400	2,122
2021	139	984	1,123
2022	139	-	139
2023	68	-	68
	2,426	3,783	6,209
Total minimum lease payments	2,426	3,783	6,209
Less amounts representing interest	(127)	(98)	(225)
Net present value of minimum lease payments	\$ 2,299	\$ 3,685	\$ 5,984

The following is a schedule of property under capital leases by major classes at June 30, 2018:

	Governmental Activities	Business-Type Activities	Total
Buildings and improvements	\$ 1,523	\$ -	\$ 1,523
Equipment	10,441	6,028	16,469
Less: accumulated depreciation	(2,368)	(66)	(2,434)
Total	\$ 9,596	\$ 5,962	\$ 15,558

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, 2018
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Other Long-term Liabilities (Continued)

Net OPEB liability (other post-employment benefits) – Net liability for retiree medical benefits accounted for and reported in accordance with the newly introduced GASB Statement No. 75, which replaced GASB Statement No. 45. The net OPEB liability is \$329,392 and \$60,120 for governmental activities and business-type activities, respectively, at June 30, 2018. Refer to Note 9 for more detailed information.

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

Financing plan fee credits – Issued to developers as consideration for infrastructure and other capital improvements constructed on behalf of the City within the scope of the 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 \$859,218 and \$120,253 for governmental activities and business-type activities, respectively, at June 30, 2018. 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, 2018.

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
2019	\$ 20,348	\$ 28,319	\$ 1,653	\$ 616
2020	20,377	27,368	448	586
2021	20,697	26,396	377	567
2022	17,118	25,530	396	548
2023	18,607	24,802	414	530
2024 - 2028	105,948	108,918	2,370	2,350
2029 - 2033	109,747	80,758	2,963	1,758
2034 - 2038	76,650	54,689	3,470	1,021
2039 - 2043	52,985	38,414	2,368	279
2044 - 2048	69,670	21,702	-	-
2049 - 2053	33,670	2,873	-	-
Subtotals	545,817	439,769	14,459	8,255
Less: Issuance discounts	(4)	-	-	-
Plus: Issuance premiums	19,116	-	-	-
Totals	\$ 564,929	\$ 439,769	\$ 14,459	\$ 8,255

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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
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	777	225
2023	15,346	18,140	792	209
2024 - 2028	89,358	77,908	4,201	801
2029 - 2033	104,628	53,159	4,323	354
2034 - 2038	64,350	32,395	1,724	64
2039 - 2043	82,160	14,571	404	-
2044 - 2048	14,847	2,030	-	-
Subtotals	456,938	280,228	22,919	2,827
Less: Issuance discounts	(130)	-	-	-
Plus: Issuance premiums	53,208	-	-	-
Totals	<u>\$ 510,016</u>	<u>\$ 280,228</u>	<u>\$ 22,919</u>	<u>\$ 2,827</u>

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Department of Treasury at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and determined the liability to be zero at June 30, 2018.

Special Assessment Debt

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are \$161,815 at June 30, 2018. 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 \$188,609 at June 30, 2018. Special facility revenue bonds were issued to provide administrative and service facilities for four non-profit organizations and for offices leased to the State of California Department of General Services (State). The bonds issued are special limited obligations of the City, payable solely from and secured by a pledge of revenue to be received from loan or lease agreements between the City and the non-profit organizations or the State. The redevelopment agency bonds were issued by the Sacramento City Financing Authority to finance redevelopment activities and to refund certain other obligations of the redevelopment agency. The City is not liable for repayment of these bonds, and accordingly, they are not reflected in the accompanying basic financial statements.

City of Sacramento

Notes to the Financial Statements

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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, 2018, 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	\$ 349,931	\$ 87,555	\$ 739
Safety Plan	591,480	161,965	24,910
SCERS	38,060	-	2,163
Total	<u>\$ 979,471</u>	<u>\$ 249,520</u>	<u>\$ 27,812</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.

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>.

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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50-63	52-67
Monthly benefits, as a % of annual salary	1.4% to 2.4%	1.0% to 2.5%
Required employee contribution rates	6.72%	6.75%
Required employer contribution rates	17.19%	17.19%

	Safety	
	Classic	PEPRA
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
Formula	3% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life
Retirement age	50	50-57
Monthly benefits, as a % of annual salary	3.0%	2.0% to 2.7%
Required employee contribution rates	9.18%	11.50%
Required employer contribution rates	38.89%	38.89%

Employees Covered – At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	2,279	1,160
Inactive employees entitled to but not yet receiving benefits	4,218	405
Active employees	2,576	1,212
Total	<u>9,073</u>	<u>2,777</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, 2018, the contributions for the miscellaneous and safety plans were \$26,947 and \$49,102 respectively.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS (Continued)

Net Pension Liability

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017. 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, 2016 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2016	June 30, 2016
Measurement Date	June 30, 2017	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% ⁽¹⁾	3.3% - 14.2% ⁽¹⁾
Mortality	2014 CalPERS Experience Study	2014 CalPERS Experience Study

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 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 <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2014.pdf>.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
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NOTE 8 – PENSION PLANS (Continued)

Net Pension Liability (Continued)

Discount Rate – The discount rate used to measure the total pension liability was 7.15% for each Plan, a decrease from the previous rate, 7.65%. 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, CALPERS staff considered 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	47%	4.90%	5.38%
Global Fixed Income	19%	0.80%	2.27%
Inflation Sensitive	6%	0.60%	1.39%
Private Equity	12%	6.60%	6.63%
Real Estate	11%	2.80%	5.21%
Infrastructure and Forestland	3%	3.90%	5.36%
Liquidity	2%	(0.40%)	(0.90%)
Total	<u>100%</u>		

(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, 2018
(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, 2017	<u>\$ 1,111,622</u>	<u>\$ 817,697</u>	<u>\$ 293,925</u>
Changes in the year:			
Service cost	27,795	-	27,795
Interest on the total pension liability	84,334	-	84,334
Changes of assumptions	75,970	-	75,970
Difference between Expected and Actual Experience	(838)	-	(838)
Plan to Plan resource movement	-	74	(74)
Contribution - employer	-	28,719	(28,719)
Contribution - employee	-	12,190	(12,190)
Net investment income	-	91,481	(91,481)
Benefit payments, including refunds of employee contributions	(42,305)	(42,305)	-
Administrative expense	-	(1,209)	1,209
Net changes	<u>144,956</u>	<u>88,950</u>	<u>56,006</u>
Balance at June 30, 2018	<u>\$ 1,256,578</u>	<u>\$ 906,647</u>	<u>\$ 349,931</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	<u>\$ 1,650,594</u>	<u>\$ 1,128,142</u>	<u>\$ 522,452</u>
Changes in the year:			
Service cost	37,372	-	37,372
Interest on the total pension liability	123,132	-	123,132
Changes of assumptions	107,046	-	107,046
Difference between Expected and Actual Experience	(15,086)	-	(15,086)
Plan to Plan resource movement	-	(74)	74
Contribution - employer	-	40,609	(40,609)
Contribution - employee	-	18,980	(18,980)
Net investment income	-	125,586	(125,586)
Benefit payments, including refunds of employee contributions	(78,232)	(78,232)	-
Administrative expense	-	(1,665)	1,665
Net changes	<u>174,232</u>	<u>105,204</u>	<u>69,028</u>
Balance at June 30, 2018	<u>\$ 1,824,826</u>	<u>\$ 1,233,346</u>	<u>\$ 591,480</u>
Totals of both Miscellaneous and Safety Plans	<u>\$ 3,081,404</u>	<u>\$ 2,139,993</u>	<u>\$ 941,411</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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 discount rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.15%	6.15%	6.15%
Net Pension Liability	\$ 537,260	\$ 853,190	\$ 1,390,450
Current Discount Rate	7.15%	7.15%	7.15%
Net Pension Liability	\$ 349,931	\$ 591,480	\$ 941,411
1% Increase	8.15%	8.15%	8.15%
Net Pension Liability	\$ 196,569	\$ 377,785	\$ 574,354

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, 2018 the City recognized pension expense of \$60,510 and \$77,791 for the Miscellaneous and Safety Plans respectively. At June 30, 2018, the City reported deferred outflows/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	\$ 26,947	\$ -	\$ 49,102	\$ -	\$ 76,049	\$ -
Changes of assumption	48,838	-	86,849	12,413	135,687	12,413
Differences between actual and expected experience	-	648	8,860	12,497	8,860	13,145
Net differences between projected and actual earnings on plan investments	11,679	-	17,154	-	28,833	-
Proportionate share	91	91	-	-	91	91
Total	<u>\$ 87,555</u>	<u>\$ 739</u>	<u>\$ 161,965</u>	<u>\$ 24,910</u>	<u>\$ 249,520</u>	<u>\$ 25,649</u>

The amount of \$76,049 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, 2019. Other amounts reported as deferred inflows of resources related to pensions will be recognized as reductions of pension expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>	<u>Total</u>
2019	\$ 26,677	\$ 14,358	\$ 41,035
2020	34,929	33,996	68,925
2021	4,910	25,640	30,550
2022	(6,647)	8,754	2,107
2023	-	5,205	5,205
Total	<u>\$ 59,869</u>	<u>\$ 87,953</u>	<u>\$ 147,822</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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, 2018
(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, 2018 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	902	51	56	1,009
Inactive members entitled to but not yet receiving benefits	8	-	1	9
Active plan members	11	-	-	11
Total plan members	<u>921</u>	<u>51</u>	<u>57</u>	<u>1,029</u>

Cost-of-living Adjustment – This adjustment, established in 1969, provides for annual retirement benefit increases of up to 3% of normal benefits based on a corresponding rise in the consumer price index. Cost-of-living benefits are payable to retirees and beneficiaries of all of the above plans after one year of retirement. The cost-of-living adjustment was 3% for fiscal year 2018. Members contribute to this adjustment at a rate of 1% of their normal retirement contributions. The City is required to fund all costs in excess of members' contributions and investment earnings.

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

Contributions – The City Charter grants the authority to establish and amend the contribution requirements of the City and active employees to the SCERS Board. The 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, 2018, the average active employee contribution rate was 5.97% of annual pay, and the City's average contribution rate was 1.4% of annual payroll. For the fiscal year ended June 30, 2018, the contributions for the SCERS plan were \$8,645.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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, 2018 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, 2018 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.75%	
Salary increase	2.75%	CPI Plus 0.5% merit, average
Investment rate of return	6.50%	percent, net of pension plan investment including inflation

Mortality rates for service retirements and beneficiaries were based on CalPERS 1997-2015 Mortality Table projected for future mortality improvement utilizing Society of Actuaries Scale MP-2017. Mortality rates for disability retirements were based on CalPERS 1997-2015 Mortality Table for non-work Disabled Retirees for Miscellaneous and CalPERS 1997-2015 Mortality Table for work-related Disabled Retirees for Safety. Both tables were projected for future mortality improvement utilizing Society of Actuaries Scale MP-2017.

The actuarial assumption used in the June 30, 2018 valuation were based on the results from the CalPERS 1997-2015 Experience Study, project with fully generational Scale MP-2017.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Fixed Income	35.0%	1.47%
Large Cap Growth	35.0%	4.36%
Equity Income	25.0%	4.36%
International	5.0%	4.93%
Total	100.0%	

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, 2018
(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, 2018 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2017	\$ 336,878	\$ 288,510	\$ 48,368
Changes in the year:			
Service Cost	92	-	92
Interest	20,877	-	20,877
Change of assumptions	862		862
Differences between expected and actual experience	(2,457)		(2,457)
Contribution - employer	-	8,645	(8,645)
Contribution - employee	-	55	(55)
Net investment income	-	20,982	(20,982)
Benefit payments, including refunds of employee contributions	(31,583)	(31,583)	-
Net changes	(12,209)	(1,901)	(10,308)
Balance at June 30, 2018	\$ 324,669	\$ 286,609	\$ 38,060

Change of assumptions and changes in experience affecting the measurement of the Total Pension Liability since the prior measurement date – Mortality improvement was changed from fully generational projection with Society of Actuaries Scale MP-2016 to fully generational projection with Society of Actuaries Scale MP-2017. Mortality tables were updated from the CalPERS 1997-2011 Experience Study to the CalPERS 1997-2015 Experience Study. Inflation and salary scale remained consistent since the prior measurement date, at 2.75% and 3.25% respectively.

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 discount rate:

	1% decrease (5.5%)	Current Discount Rate (6.5%)	1% increase (7.5%)
SCERS net pension liability	\$ 65,476	\$ 38,060	\$ 14,329

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
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NOTE 8 – PENSION PLANS (Continued)

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

For the year ended June 30, 2018, the City recognized pension expense of \$2,336 attributable to the SCERS plans. At June 30, 2018, the City reported deferred inflows of resources related to pensions from the following sources:

	Deferred Inflows of Resources
Net differences between projected and actual earnings on plan investments	<u>\$ 2,163</u>

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

Fiscal Year Ended June 30,	Net Deferred Outflows/(Inflows) of Resources
2019	\$ 1,027
2020	(198)
2021	(2,399)
2022	(593)
Total	<u>\$ (2,163)</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 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, 2018, employees contributed \$3,966 and the City contributed \$3,238 to the 401(a).

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB)

General Information

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 an Agent-multiple employer defined benefit OPEB plan (the plan) through CalPERS. The post-retirement health, dental, and vision care employer contributions range from \$0 to \$834.73 per month per participant, which covers between 0% and 100% of the benefit cost, depending on the choice of plan and number of dependents. Participants have the choice of enrolling in one of several health plans, one of two dental plans, and one of two vision plans. To be eligible for the City paid benefits, the employee must retire with a minimum of ten full years of active City service and be 50 years of age. Participants with a minimum of twenty years of service are eligible for 100% of the maximum benefit. Participants with more than fifteen years but less than twenty years of service are eligible for 75% of the maximum benefit. Participants with more than ten years but less than fifteen years of service are eligible for 50% of the maximum benefit. The eligibility of the City’s post-retirement health contributions has been eliminated for employees hired after a certain date dependent upon the employee’s labor agreement. 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.

In addition, the City established an irrevocable trust to pre-fund the other post-employment Annual Required Contribution benefits with the California Employers’ Retiree Benefit Trust (CERBT). The CERBT financial statements and additional reports can be obtained from the CalPERS website www.calpers.ca.gov.

City of Sacramento
Notes to the Financial Statements
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 (dollar amounts expressed in thousands)

NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

General Information (Continued)

Employees Covered – At June 30, 2018, the following current and former employees were covered by the benefit terms under the Plan:

Inactive employees or beneficiaries currently receiving benefits	2,826
Inactive employees entitled to but not yet receiving benefits	420
Active employees	<u>3,716</u>
Total	<u><u>6,962</u></u>

Contributions – The plan and its contribution requirements are established by memorandums of understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The City is currently funding the OPEB plan on a pay-as-you-go basis. However, the City Council has authorized the City Manager to establish an OPEB trust fund with CalPERS. Contributions recognized by the plan from the employer for the year ended June 30, 2018 were \$21,072.

Net OPEB Liability

Actuarial Assumptions – The total OPEB liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	3.95%
Inflation	2.75%
Salary Increases	3.0%
Investment Rate of Return	6.75%
Healthcare cost trend rate	Non-Medicare - 7.5% for 2019, decreasing to 4% for 2076 and later. Medicare - 6.5% for 2019, decreasing to 4% for 2076 and later.

Pre-retirement mortality information was derived from data collected during 1997 to 2011 CalPERS Experience Study dated January 2014 and post-retirement mortality information was derived from the 2007 to 2011 CalPERS Experience Study. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov, under Forms and Publications.

Pre-retirement turnover information was developed based on CalPERS' specific data. For further details, please refer to the 2007 to 2011 Experience Study Report. The Experience Study Report may be accessed on the CalPERS website www.calpers.ca.gov, under Forms and Publications.

City of Sacramento
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018
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NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Net OPEB Liability (Continued)

Discount Rate – The discount rate used to measure the total OPEB liability was 3.95% for the 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 Plan’s contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on the OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on the OPEB 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 OPEB 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 asset allocation and most recent best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long Term Expected Real Rate of Return</u>
Global Equity	57%	4.82%
Fixed Income	27%	1.47%
Treasury Inflation-Protected Securities (TIPS)	5%	1.29%
Commodities	3%	0.84%
Real Estate Investment Trusts (REITs)	8%	3.76%
Total	<u>100%</u>	

Changes in the Net OPEB Liability – The changes in the OPEB liability for the OPEB plan as of June 30, 2018 are as follows:

	<u>Increase (Decrease)</u>		
	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability/(Asset)</u>
Balance at June 30, 2017	<u>\$ 425,766</u>	<u>\$ 15,084</u>	<u>\$ 410,682</u>
Changes in the year:			
Service cost	11,872	-	11,872
Interest on the total OPEB liability	15,313	-	15,313
Changes of assumptions	(24,429)	-	(24,429)
Contribution - employer	-	21,605	(21,605)
Contribution - employee	-	297	(297)
Net investment income	-	2,034	(2,034)
Benefit payments, including refunds	(12,565)	(12,565)	-
Administrative expense	-	(10)	10
Net changes	<u>(9,809)</u>	<u>11,361</u>	<u>(21,170)</u>
Balance at June 30, 2018	<u>\$ 415,957</u>	<u>\$ 26,445</u>	<u>\$ 389,512</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
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NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Net OPEB Liability (Continued)

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

	Discount Rate		
	1% decrease (2.95%)	Current Rate (3.95%)	1% increase (4.95%)
Net OPEB liability	\$ 454,908	\$ 389,512	\$ 336,829

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

	Trend Rate		
	1% decrease 6.5%-5.5% decreasing to (3%)	Current Rate 7.5% - 6.5% decreasing to (4%)	1% increase 8.5%-7.5% decreasing to (5%)
Net OPEB liability	\$ 331,170	\$ 389,512	\$ 463,363

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

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB – For the year ended June 30, 2018, the City recognized OPEB expense of \$21,420. At June 30, 2018, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions subsequent to measurement date	\$ 21,072	\$ -
Changes of assumption	-	20,424
Net differences between projected and actual earnings on plan investments	-	561
Total	<u>\$ 21,072</u>	<u>\$ 20,985</u>

City of Sacramento
Notes to the Financial Statements
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NOTE 9 – OTHER POST-EMPLOYMENT BENEFITS (OPEB) (Continued)

Net OPEB Liability (Continued)

The amount of \$21,072 reported as deferred outflows of resources related to OPEB resulting from the OPEB plan contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2019. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as OPEB expense as follows:

Fiscal Year Ended June 30,	Net Deferred Outflows/(Inflows) of Resources
2019	\$ (4,145)
2020	(4,145)
2021	(4,145)
2022	(4,146)
2023	(4,005)
2024	(399)
Total	<u>\$ (20,985)</u>

NOTE 10 – FUND EQUITY AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2018, the government-wide statement of net position reported restricted net position of \$233,893 in governmental activities. Of this amount, \$37,697 is restricted for enabling legislation.

The Capital Grants Fund, a capital project fund, had a deficit fund balance of \$6,299 as of June 30, 2018. 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 \$4,039 as of June 30, 2018. Both the Golf and Marina programs within this fund had deficit fund balances of \$5,361 and \$1,766, 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 \$1,742 as of June 30, 2018. It is anticipated that this deficit will be funded by future operating subsidies.

For the fiscal year ended June 30, 2018, General Fund expenditures for Fire and Citywide Community Support exceeded appropriations by \$2,185 and \$451 respectively and overspending was funded by revenue collected in excess of budgeted amounts.

City of Sacramento
Notes to the Financial Statements
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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, 2018:

	<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental activities:				
General Fund	Debt service	\$ 2,737	\$ (23,005)	\$ (20,268)
General Fund	In-lieu tax transfers	31,688	-	31,688
General Fund	Program support	989	(8,540)	(7,551)
2015 Golden 1 Center Lease Revenue Bond Fund	Debt service	6,400	-	6,400
Other Governmental Funds	Debt service	23,697	(2,321)	21,376
Other Governmental Funds	Program support	5,047	(1,935)	3,112
Internal Service Funds	Debt service	428	(64)	364
Internal Service Funds	Program support	4	(600)	(596)
Total governmental activities		<u>70,990</u>	<u>(36,465)</u>	<u>34,525</u>
Business-type activities:				
Water Fund	Debt service	-	(49)	(49)
Water Fund	In-lieu tax transfers	-	(12,760)	(12,760)
Water Fund	Program support	28	(490)	(462)
Wastewater Fund	Debt service	-	(64)	(64)
Wastewater Fund	In-lieu tax transfers	-	(4,014)	(4,014)
Wastewater Fund	Program support	92	-	92
Storm Drainage Fund	Debt service	-	(105)	(105)
Storm Drainage Fund	In-lieu tax transfers	-	(4,163)	(4,163)
Storm Drainage Fund	Program support	142	-	142
Solid Waste Fund	Debt service	-	(152)	(152)
Solid Waste Fund	In-lieu tax transfers	-	(6,821)	(6,821)
Solid Waste Fund	Program support	97	-	97
Community Center Fund	In-lieu tax transfers	-	(1,904)	(1,904)
Community Center Fund	Program support	-	(36)	(36)
Other Enterprise Funds	Debt service	-	(7,504)	(7,504)
Other Enterprise Funds	In-lieu tax transfers	-	(2,026)	(2,026)
Other Enterprise Funds	Program support	5,204	-	5,204
Total business-type activities		<u>5,563</u>	<u>(40,088)</u>	<u>(34,525)</u>
Total government-wide statements		<u>\$ 76,553</u>	<u>\$ (76,553)</u>	<u>\$ -</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
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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, 2018:

	<u>Receivables</u>	<u>Payables</u>	<u>Interfund Balances</u>
General Fund	\$ 3,800	\$ -	\$ 3,800
Other Governmental Funds	3,800	(7,142)	(3,342)
Internal Service Funds	<u>12,847</u>	<u>-</u>	<u>12,847</u>
Total governmental activities	<u>20,447</u>	<u>(7,142)</u>	<u>13,305</u>
Water Fund	11,075	-	11,075
Community Center Fund	<u>-</u>	<u>(24,380)</u>	<u>(24,380)</u>
Total business-type activities	<u>11,075</u>	<u>(24,380)</u>	<u>(13,305)</u>
Total	<u>\$ 31,522</u>	<u>\$ (31,522)</u>	<u>\$ -</u>

\$12,847 was loaned by the City’s internal service funds to cover short-term operating deficits (approximately \$327) and to assist in development of community resources (approximately \$12,520). Included in the \$12,520 of interfund loans is \$12,270 that is not expected to be repaid within one year.

\$327 was borrowed by the Capital Grants Fund for short-term loans.

\$6,815 was borrowed by the Golf Fund for development of community resources.

\$5,705 was borrowed by the Community Center Fund for development of community resources.

\$18,675 was borrowed by the Community Center Fund for short-term, i.e. \$3,800 from the General Fund, \$3,800 from the Innovation and Growth Fund and \$11,075 from the Water Fund, to finance a renovation of the Sacramento Convention Center.

City of Sacramento
Notes to the Financial Statements
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NOTE 12 – RISK MANAGEMENT

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

The Risk Management Internal Service Fund self-insures the first \$2,000 of each workers’ compensation claim. Excess worker’s compensation insurance is purchased through the 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 auto liability claims provides \$35,000 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, 2018 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, 2018, the Risk Management Internal Service Fund had a net position of \$19,484.

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

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

	2018	2017
Accrued claims and judgements, July 1	\$ 80,749	\$ 71,939
Incurred claims and adjustment expenses	15,424	27,187
Claim payments	<u>(17,428)</u>	<u>(18,377)</u>
Accrued claims and judgements, June 30	<u>\$ 78,745</u>	<u>\$ 80,749</u>

City of Sacramento
Notes to the Financial Statements
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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 Drinking Water State Revolving Fund 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 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 California Infrastructure and Economic Development Bank Loan. See Note 7 for more detailed information.

Construction and Other Commitments

The City has commitments of \$149,711 for contracts awarded but not completed as of June 30, 2018. The following table shows the distribution of those commitments among major and non-major funds.

Governmental Activities:		Business-type Activities:	
General Fund	\$ 10,310	Water Fund	\$ 76,518
Measure U	1,890	Wastewater Fund	6,838
Other governmental funds	26,632	Storm Drainage Fund	3,218
Internal service funds	15,120	Solid Waste Fund	2,178
		Community Center Fund	6,246
		Other enterprise funds	<u>761</u>
Total governmental activities	<u>\$ 53,952</u>	Total business-type activities	<u>\$ 95,759</u>

The major contracts outstanding are \$57,670 for residential water meter projects; \$16,673 for renovation of the convention center complex; \$15,000 for the purchase of vehicles, primarily replacement refuse trucks and garbage trucks; \$5,484 for Ramona Avenue extension; \$4,206 for design and construction of a 3 million gallon water storage reservoir; \$3,913 for upgrade of the utility billing system; \$3,907 for the development of 20,400 square foot space to house a workforce development and employment initiative for the medical and health related fields for the Oak Park Project; \$3,519 for the Whole Person Care program, a statewide initiative for the coordination of health, behavioral health, and social services for the homeless population; \$2,781 for sewer system upgrades; and \$2,118 for design and construction of a fixed-rail streetcar system between downtown West Sacramento and Midtown Sacramento.

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, 2018 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, 2018. 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
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(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 \$2,371 is required for future post closure monitoring costs as of June 30, 2018. 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 post closure 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 \$1,794 at June 30, 2017 and \$630 at June 30, 2018. Pollution remediation outlays totaled approximately \$1,029 for the fiscal year ended June 30, 2018. 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 \$600.

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

JOINT VENTURES

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, 2018, 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, 2018, were \$8,886. In addition, the City paid cost reimbursements and program support of \$17 to the library during the same period. The City also contributed the use of its library facilities to the Library. In order to provide funding for additional services and hours in City libraries, the City levies and passes through to the Library a parcel tax which totaled \$7,535 for the fiscal year ended June 30, 2018. 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 \$3,550 of support to SRFECC during the fiscal year ended June 30, 2018. 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, 2018, the City provided \$467 of annual support to the NCRPSTA. Payments for rent and training during the fiscal year ended June 30, 2018 were \$4. 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, 2018, the City provided general support of \$45, paid \$112 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 funds for design and construction of the fixed-rail system.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

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

JOINTLY GOVERNED ORGANIZATIONS WITH RELATED PARTY TRANSACTIONS

The City participates in several jointly governed organizations for which it appoints a minority of board members. The City may also provide minor financial support or have other financial transactions with these organizations, but it does not have a financial interest in or responsibility to the organizations. The following organizations had financial transactions with the City during the fiscal year ended June 30, 2018:

The City provided \$112 in annual support and \$23 in project/program expenses to the Regional Water Authority.

The City provided \$144 in annual support to the Sacramento Groundwater Authority.

The City provided \$91 in annual support, \$54 in program expenses and \$1,488 for Downtown/Riverfront Transit Project to the Sacramento Area Council of Governments.

The City received \$414 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 \$172 in Workforce Investment Act grants from the Sacramento Employee 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, 2018, the successor agency had a deficit of \$223,209 which will be eliminated with future property tax revenue distributions from the Redevelopment Property Tax Trust Fund administered by the County Auditor-Controller.

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

City of Sacramento
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2018
(dollar amounts expressed in thousands)

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)

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

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

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

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

As of June 30, 2018, contracts payable of \$14,118 reported in the private-purpose trust fund are allocations of the Sacramento Housing Redevelopment Agency’s (SHRA) OPEB and pension unfunded liabilities for the former redevelopment agency employees.

Capital Assets

The following is a summary of changes in capital assets for the year ended June 30, 2018:

	Beginning Balance	Increases	Decreases	Ending Balance
Capital assets not being depreciated/amortized				
Land	\$ 12,020	\$ -	\$ (4,419)	\$ 7,601
Depreciable/amortizable capital assets				
Buildings and improvements	3,721	-	(2,970)	751
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,001)	(93)	910	(184)
Depreciable/amortizable capital assets, net	2,720	(93)	(2,060)	567
Total activities capital assets, net	\$ 14,740	\$ (93)	\$ (6,479)	\$ 8,168

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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, 2018:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds:					
2015 Tax Allocation Refunding Bonds TE, Series A	\$ 59,927	\$ -	\$ (7,967)	\$ 51,960 ⁽²⁾	\$ 7,460
2015 Tax Allocation Refunding Bonds TX, Series B	39,428	-	(3,323)	36,105 ⁽²⁾	11,720
Subtotal, revenue bonds	99,355	-	(11,290)	88,065	19,180
Notes Payable:					
1993 Merged Downtown TABS	11,173	332 ⁽¹⁾	(11,505)	-	-
2003 Del Paso TE TABS, Series A	5,223	312 ⁽¹⁾	(24)	5,511 ⁽²⁾	-
2005 Merged Downtown TE, Series A	125,454	7,022 ⁽¹⁾	(532)	131,944 ⁽²⁾	-
2005 Oak Park TE, Series A	3,316	183 ⁽¹⁾	(14)	3,485 ⁽²⁾	-
2006 65th Street TX Master Lease, Series B	3,485	-	(95)	3,390	100
2006 North Sacramento TX Master Lease, Series B	4,070	-	(110)	3,960	120
2006 Stockton Blvd Master Lease	1,990	-	-	1,990	20
2008 BOA Public Capital Corporation	2,087	-	(143)	1,944	152
2009 Army Depot TX Swap	2,806	-	(78)	2,728	83
2009 River District TX Swap	2,625	-	(73)	2,552	77
Boating and Waterways Loan	192	-	(94)	98	98
City of Sacramento CIEDB - Utilities/Detention Basin	1,186	-	(41)	1,145	42
Globe Mills	3,560	-	(267)	3,293	284
North Sacramento CIEDB Loan	3,152	-	(125)	3,027	129
Stockton Blvd CIEDB Loan	2,633	-	(107)	2,526	109
Subtotal, notes payable	172,952	7,849	(13,208)	167,593	1,214
Total, long-term debt	\$ 272,307	\$ 7,849	\$ (24,498)	\$ 255,658	\$ 20,394

- (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, 2018:

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2019	\$ 19,180	\$ 2,953	\$ 1,214	\$ 1,321
2020	10,675	2,491	11,192	1,260
2021	19,855	1,984	1,491	1,202
2022	2,630	1,591	19,005	1,140
2023	2,560	1,461	19,227	1,070
2024 - 2028	10,210	5,504	93,594	4,119
2029 - 2033	10,630	3,395	77,335	2,276
2034 - 2038	7,684	462	18,145	565
Subtotal	83,424	19,841	241,203	12,953
Less: Unaccreted interest	-	-	(73,610)	-
Less: Issuance discounts	(29)	-	-	-
Plus: Issuance premiums	4,670	-	-	-
Total	\$ 88,065	\$ 19,841	\$ 167,593	\$ 12,953

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2018
(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 \$3,722 in the government-wide statement of net position as of June 30, 2018.

NOTE 17 – RESTATEMENT OF BEGINNING NET POSITION

For the year ended June 30, 2018, the City implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. As a result, in accordance with the pronouncement, the beginning net position of governmental and business-type activities has been restated as follows:

	Net position, as of June 30, 2017, as originally reported	Restatement due to implementation of GASB 75	Net position, as of June 30, 2017, as restated
Governmental activities	\$ 1,040,836	\$ (152,198)	\$ 888,638
Business-type activities	998,815	(27,779)	971,036
Total	<u>\$ 2,039,651</u>	<u>\$ (179,977)</u>	<u>\$ 1,859,674</u>

Beginning net position of the proprietary funds has been restated as follows:

	Net position, as of June 30, 2017, as originally reported	Restatement due to implementation of GASB 75	Net position, as of June 30, 2017, as restated
Water fund	\$ 470,111	\$ (8,543)	\$ 461,568
Wastewater Fund	135,478	(3,037)	132,441
Storm Drainage Fund	268,513	(3,846)	264,667
Solid Waste Fund	18,126	(9,937)	8,189
Community Center Fund	75,561	(911)	74,650
Other enterprise funds	31,026	(1,505)	29,521
Total	<u>\$ 998,815</u>	<u>\$ (27,779)</u>	<u>\$ 971,036</u>
Internal Service Funds	<u>\$ 77,910</u>	<u>\$ (3,683)</u>	<u>\$ 74,227</u>

NOTE 18 – SUBSEQUENT EVENT

On November 1, 2018, the City issued the 2018 Transient Occupancy Tax (TOT) Revenue Bonds, Senior Series A and B, and Subordinate Series C as authorized by City Resolution 2018-0386. The TOT Revenue Bonds were issued at total par of \$283,315 plus premium of \$32,555, to fund \$305,200 of project costs, \$8,103 of capitalized interest, and \$2,567 of costs of issuance. Project costs will include costs of renovating the City's Convention Center, Community Center Theater, and Memorial Auditorium among other eligible projects.

Required Supplementary Information

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

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

Notes to the Required Supplementary Information

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

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

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

	Fiscal Year			
	2015	2016	2017	2018
Actuarially determined contributions	\$ 22,711	\$ 26,156	\$ 30,084	\$ 26,947
Contributions in relation to the actuarially determined contribution	22,711	26,156	30,084	26,947
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 157,449	\$ 166,403	\$ 177,179	\$ 179,827
Contributions as a percentage of covered payroll	14.42%	15.72%	16.98%	14.98%

Notes to the Required Supplementary Information

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary Increase	3.3% to 14.2% depending on Age, Service, and type of employment
Investment rate of return	7.5% (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 four years are shown.

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

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

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

Notes to the Required Supplementary Information

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

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

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

	Fiscal Year			
	2015	2016	2017	2018
Actuarially determined contributions	\$ 36,638	\$ 40,959	\$ 47,222	\$ 49,102
Contributions in relation to the actuarially determined contribution	36,638	40,959	47,222	49,102
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll **	\$ 112,067	\$ 120,120	\$ 125,152	\$ 135,628
Contributions as a percentage of covered payroll	32.69%	34.10%	37.73%	36.20%

Notes to the Required Supplementary Information

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary Increase	3.3% to 14.2% depending on age, service, and type of employment
Investment rate of return	7.5% (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 four years are shown.

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

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

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

Notes to the Required Supplementary Information

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

	Fiscal Year			
	2015	2016	2017	2018
Actuarially determined contributions	\$ 9,183	\$ 8,645	\$ 8,645	\$ 8,645
Contributions in relation to the actuarially determined contribution	9,183	8,645	8,645	8,645
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
Covered payroll **	\$ 1,180	\$ 1,020	\$ 1,049	\$ 921
Contributions as a percentage of covered payroll	778%	848%	824%	939%

Notes to the Required Supplementary Information

Valuation date:	6/30/2015	6/30/2016	6/30/2017	6/30/2018
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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	3.50%
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

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

	Fiscal Year
	2018
Total pension liability	
Service cost	\$ 11,872
Interest on the total OPEB liability	15,313
Changes of assumptions	(24,429)
Benefit payments	(12,565)
Net change in total OPEB liability	(9,809)
Total OPEB liability -- beginning	425,766
Total OPEB liability -- ending (a)	\$ 415,957
Plan fiduciary net position	
Contributions - employer	\$ 21,605
Contributions - employee	297
Net investment income	2,034
Benefit payments	(12,565)
Administrative expense	(10)
Net change in fiduciary net position	11,361
Plan fiduciary net position -- beginning	15,084
Plan fiduciary net position -- ending (b)	\$ 26,445
Net OPEB liability -- ending (a) - (b)	\$ 389,512
Plan fiduciary net position as a percentage of the total OPEB liability	6.36%
Covered payroll	\$ 237,926
Net OPEB liability as a percentage of covered payroll	163.71%
Measurement date	June 30, 2017

Notes to the Required Supplementary Information

* Fiscal year 2018 was the first year of implementation, therefore, only one year is shown.

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

	<u>Fiscal Year</u> <u>2018</u>
Actuarially determined contributions	\$ 36,393
Contributions in relation to the actuarially determined contribution	21,072
Contribution deficiency (excess)	<u>15,321</u>
Covered payroll	\$ 237,926
Contributions as a percentage of covered payroll	8.86%

Notes to the Required Supplementary Information

Valuation date: 6/30/2016

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll over a closed rolling 18 year period
Asset valuation method	Market value
Inflation	2.75%
Salary Increase	3%
Investment rate of return	6.75%
Healthcare cost trend rate	Non- Medicare - 7.5% for 2019, decreasing to 4% for 2076 and later Medicare - 6.5% for 2019, decreasing to 4% for 2076 and later
Mortality	Mortality assumptions are based on mortality rates resulting from the CalPERS 1997-2011 Experience Study and SCERS June 30, 2013 valuation assumptions

* Fiscal year 2018 was the first year of implementation, therefore, only one year is shown.

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, 2018
(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	\$ 130,515	\$ 4,653	\$ 130,151	\$ 5,735	\$ 271,054
Cash and investments held by fiscal agent	-	51	-	-	51
Receivables, net:					
Taxes	4,952	-	-	-	4,952
Accounts	3,776	-	3,214	-	6,990
Loans	2,334	98	-	-	2,432
Intergovernmental	5,260	13,486	14,540	-	33,286
Interest	173	3	142	14	332
Due from other funds	3,800	-	-	-	3,800
Restricted assets:					
Cash and investments held by City	116	-	14,272	-	14,388
Cash and investments held by fiscal agent	714	9,617	4,519	-	14,850
Total assets	\$ 151,640	\$ 27,908	\$ 166,838	\$ 5,749	\$ 352,135
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 13,964	\$ -	\$ 17,785	\$ -	\$ 31,749
Accrued payroll	70	-	-	-	70
Accrued claims and judgements	31	-	-	-	31
Matured notes and interest payable	3,109	-	-	-	3,109
Due to other funds	-	-	327	-	327
Deposits	2,446	647	-	-	3,093
Unearned revenue	23	-	3,720	-	3,743
Advances from other funds	6,815	-	-	-	6,815
Total liabilities	26,458	647	21,832	-	48,937
Deferred inflows of resources:					
Unavailable revenue	3,811	13,489	11,856	-	29,156
Total deferred inflows of resources	3,811	13,489	11,856	-	29,156
Fund balances:					
Nonspendable:					
Noncurrent assets	-	98	-	-	98
Permanent fund principal	-	-	-	878	878
Restricted:					
Capital projects	17,097	-	142,342	-	159,439
Debt service	830	8,970	-	-	9,800
Public works programs	18,857	-	-	-	18,857
Economic development programs	44,920	-	-	-	44,920
Other programs	28,268	-	1,886	4,871	35,025
Committed:					
Capital projects	1,602	-	-	-	1,602
Debt service	-	2,788	-	-	2,788
Other programs	21,092	-	-	-	21,092
Assigned:					
Debt service	-	1,916	-	-	1,916
Other programs	283	-	-	-	283
Unassigned	(11,578)	-	(11,078)	-	(22,656)
Total fund balances	121,371	13,772	133,150	5,749	274,042
Total liabilities, deferred inflows of resources and fund balances	\$ 151,640	\$ 27,908	\$ 166,838	\$ 5,749	\$ 352,135

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:					
Taxes	\$ 17,355	\$ -	\$ 4,766	\$ -	\$ 22,121
Intergovernmental	22,838	355	34,842	-	58,035
Charges for services	20,957	-	206	-	21,163
Fines, forfeits and penalties	574	-	-	-	574
Interest, rents, and concessions	3,308	1,538	2,005	174	7,025
Community service fees	1,406	-	29,248	-	30,654
Assessment levies	46,542	-	215	-	46,757
Contributions and donations	2,918	-	9,802	-	12,720
Miscellaneous	402	-	28	-	430
Total revenues	116,300	1,893	81,112	174	199,479
Expenditures:					
Current:					
General government	21,371	-	2,549	158	24,078
Police	6,175	-	-	-	6,175
Fire	2,892	-	-	-	2,892
Public works	23,634	-	12,600	-	36,234
Convention and cultural services	8,752	-	-	-	8,752
Parks and recreation	8,555	-	155	-	8,710
Community development	10,208	-	1,989	-	12,197
Library	7,535	-	-	-	7,535
Utilities	214	-	4	-	218
Capital outlay	10,798	-	50,603	-	61,401
Debt service:					
Principal	1,351	13,679	6,057	-	21,087
Interest and fiscal charges	1,023	12,479	(357)	-	13,145
Total expenditures	102,508	26,158	73,600	158	202,424
Excess (deficiency) of revenues over (under) expenditures	13,792	(24,265)	7,512	16	(2,945)
Other financing sources (uses):					
Transfers in	2,065	23,697	2,982	-	28,744
Transfers out	(660)	-	(3,596)	-	(4,256)
Issuance of long-term debt	-	-	8	-	8
Total other financing sources (uses)	1,405	23,697	(606)	-	24,496
Net change in fund balances	15,197	(568)	6,906	16	21,551
Fund balances, beginning of year	106,174	14,340	126,244	5,733	252,491
Fund balances, end of year	\$ 121,371	\$ 13,772	\$ 133,150	\$ 5,749	\$ 274,042

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 is used to account for the receipts and disbursements of former redevelopment property tax revenues as well as the Brownfield Revolving Loan Program and the Sheraton Master Owner Participation Agreement (MOPA).

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

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.

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City of Sacramento
Other Special Revenue Funds
Combining Balance Sheet

June 30, 2018

(in thousands)

	<u>Transportation and Development Fund</u>	<u>Culture and Leisure Fund</u>	<u>Parks and Recreation Fund</u>	<u>Economic Development Fund</u>
ASSETS				
Cash and investments held by City	\$ 49,395	\$ 5,184	\$ 9,463	\$ 35,038
Receivables, net:				
Taxes	-	-	-	4,952
Accounts	778	265	13	-
Loans	-	-	-	2,334
Intergovernmental	-	-	48	-
Interest	169	-	4	-
Due from other funds	-	-	-	3,800
Restricted assets:				
Cash and investments held by City	-	116	-	-
Cash and investments held by fiscal agent	-	714	-	-
Total assets	\$ 50,342	\$ 6,279	\$ 9,528	\$ 46,124
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,240	\$ 139	\$ 332	\$ 1,187
Accrued payroll	-	30	-	17
Accrued claims and judgements	-	-	31	-
Matured notes and interest payable	-	3,109	-	-
Deposits	2,111	151	-	-
Unearned revenue	-	23	-	-
Advances from other funds	-	6,815	-	-
Total liabilities	4,351	10,267	363	1,204
Deferred Inflows of resources:				
Unavailable revenue	112	51	23	-
Total deferred inflows of resources	112	51	23	-
Fund balances:				
Restricted:				
Capital projects	8,043	49	5,327	-
Debt service	-	830	-	-
Public works programs	18,857	-	-	-
Economic development programs	-	-	-	44,920
Other programs	-	1,596	3,056	-
Committed:				
Capital projects	197	405	-	-
Other programs	18,782	1,034	476	-
Assigned:				
Other programs	-	-	283	-
Unassigned	-	(7,953)	-	-
Total fund balances (deficit)	45,879	(4,039)	9,142	44,920
Total liabilities, deferred inflows of resources and fund balances	\$ 50,342	\$ 6,279	\$ 9,528	\$ 46,124

City of Sacramento
Other Special Revenue Funds
Combining Balance Sheet
June 30, 2018
(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	\$ 7,776	\$ 2,067	\$ 19,834	\$ 1,758	\$ 130,515
Receivables, net:					
Taxes	-	-	-	-	4,952
Accounts	878	-	1,842	-	3,776
Loans	-	-	-	-	2,334
Intergovernmental	5,035	145	-	32	5,260
Interest	-	-	-	-	173
Due from other funds	-	-	-	-	3,800
Restricted assets:					
Cash and investments held by City	-	-	-	-	116
Cash and investments held by fiscal agent	-	-	-	-	714
Total assets	\$ 13,689	\$ 2,212	\$ 21,676	\$ 1,790	\$ 151,640
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 4,790	\$ 229	\$ 5,047	\$ -	\$ 13,964
Accrued payroll	-	23	-	-	70
Accrued claims and judgements	-	-	-	-	31
Matured notes and interest payable	-	-	-	-	3,109
Deposits	184	-	-	-	2,446
Unearned revenue	-	-	-	-	23
Advances from other funds	-	-	-	-	6,815
Total liabilities	4,974	252	5,047	-	26,458
Deferred Inflows of resources:					
Unavailable revenue	3,625	-	-	-	3,811
Total deferred inflows of resources	3,625	-	-	-	3,811
Fund balances:					
Restricted:					
Capital projects	-	-	3,678	-	17,097
Debt service	-	-	-	-	830
Public works programs	-	-	-	-	18,857
Economic development programs	-	-	-	-	44,920
Other programs	8,715	1,960	12,941	-	28,268
Committed:					
Capital projects	-	-	-	1,000	1,602
Other programs	-	-	10	790	21,092
Assigned:					
Other programs	-	-	-	-	283
Unassigned	(3,625)	-	-	-	(11,578)
Total fund balances (deficit)	5,090	1,960	16,629	1,790	121,371
Total liabilities, deferred inflows of resources and fund balances	\$ 13,689	\$ 2,212	\$ 21,676	\$ 1,790	\$ 151,640

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
Revenues:				
Taxes	\$ 11,321	\$ -	\$ -	\$ 6,034
Intergovernmental	-	-	652	-
Charges for services	17,241	1,929	-	-
Fines, forfeits and penalties	574	-	-	-
Interest, rents, and concessions	133	1,773	366	554
Community service fees	510	-	896	-
Assessment levies	528	-	-	-
Contributions and donations	-	50	455	-
Miscellaneous	-	17	35	350
Total revenues	30,307	3,769	2,404	6,938
Expenditures:				
Current:				
General government	-	-	-	1,101
Police	-	-	-	-
Fire	-	-	-	-
Public works	9,487	-	-	-
Convention and cultural services	-	1,455	-	-
Parks and recreation	-	-	1,531	-
Community development	9,780	-	-	-
Library	-	-	-	-
Utilities	-	-	-	-
Capital outlay	1,685	208	1,989	2,470
Debt service:				
Principal	-	1,351	-	-
Interest and fiscal charges	-	1,023	-	-
Total expenditures	20,952	4,037	3,520	3,571
Excess (deficiency) of revenues over (under) expenditures	9,355	(268)	(1,116)	3,367
Other financing sources (uses):				
Transfers in	1,315	-	253	5
Transfers out	(544)	-	-	-
Total other financing sources (uses)	771	-	253	5
Net change in fund balances	10,126	(268)	(863)	3,372
Fund balances (deficit), beginning of year	35,753	(3,771)	10,005	41,548
Fund balances (deficit), end of year	<u>\$ 45,879</u>	<u>\$ (4,039)</u>	<u>\$ 9,142</u>	<u>\$ 44,920</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, 2018

(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Total Other Special Revenue Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 17,355
Intergovernmental	20,076	1,931	-	179	22,838
Charges for services	1,787	-	-	-	20,957
Fines, forfeits and penalties	-	-	-	-	574
Interest, rents, and concessions	109	29	319	25	3,308
Community service fees	-	-	-	-	1,406
Assessment levies	-	-	46,014	-	46,542
Contributions and donations	2,413	-	-	-	2,918
Miscellaneous	-	-	-	-	402
Total revenues	24,385	1,960	46,333	204	116,300
Expenditures:					
Current:					
General government	8,222	2,230	9,818	-	21,371
Police	6,175	-	-	-	6,175
Fire	2,892	-	-	-	2,892
Public works	523	-	13,623	1	23,634
Convention and cultural services	363	-	6,934	-	8,752
Parks and recreation	575	-	6,449	-	8,555
Community development	302	-	126	-	10,208
Library	-	-	7,535	-	7,535
Utilities	-	-	214	-	214
Capital outlay	4,232	-	214	-	10,798
Debt service:					
Principal	-	-	-	-	1,351
Interest and fiscal charges	-	-	-	-	1,023
Total expenditures	23,284	2,230	44,913	1	102,508
Excess (deficiency) of revenues over (under) expenditures	1,101	(270)	1,420	203	13,792
Other financing sources (uses):					
Transfers in	-	492	-	-	2,065
Transfers out	(116)	-	-	-	(660)
Total other financing sources (uses)	(116)	492	-	-	1,405
Net change in fund balances	985	222	1,420	203	15,197
Fund balances (deficit), beginning of year	4,105	1,738	15,209	1,587	106,174
Fund balances (deficit), end of year	\$ 5,090	\$ 1,960	\$ 16,629	\$ 1,790	\$ 121,371

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, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 10,929	\$ 10,929	\$ 11,321	\$ 392
Fines, forfeits and penalties	600	600	574	(26)
Interest, rents, and concessions	40	40	58	18
Total revenues	11,569	11,569	11,953	384
Expenditures:				
Current:				
Public works	9,814	10,431	9,483	948
Capital outlay	3,714	3,714	1,120	2,594
Total expenditures	13,528	14,145	10,603	3,542
Net change in fund balance for budgeted activities	\$ (1,959)	\$ (2,576)	1,350	\$ 3,926
Net change in fund balance for Transportation and Development Special Revenue Fund activities for which annual budgets are not adopted.			8,776	
Net change in fund balance			\$ 10,126	

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, 2018
(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:				
Charges for services	\$ 1,486	\$ 1,486	\$ 1,929	\$ 443
Interest, rents and concessions	1,544	1,544	1,773	229
Contributions and donations	45	45	50	5
Miscellaneous	-	-	17	17
Total revenues	<u>3,075</u>	<u>3,075</u>	<u>3,769</u>	<u>694</u>
Expenditures:				
Current:				
Convention and cultural services	1,311	1,315	1,455	(140)
Capital outlay	462	575	208	367
Debt service:				
Principal	1,467	1,467	1,351	116
Interest and fiscal charges	<u>1,094</u>	<u>1,094</u>	<u>1,023</u>	<u>71</u>
Total expenditures	<u>4,334</u>	<u>4,451</u>	<u>4,037</u>	<u>414</u>
Net change in fund balance for budgeted activities	<u>\$ (1,259)</u>	<u>\$ (1,376)</u>	<u>\$ (268)</u>	<u>\$ 1,108</u>

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, 2018

(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 560	\$ 1,106	\$ 652	\$ (454)
Charges for services	-	-	-	-
Interest, rents and concessions	45	45	57	12
Community service fees	46	46	70	24
Total revenues	<u>651</u>	<u>1,197</u>	<u>779</u>	<u>(418)</u>
Expenditures:				
Current:				
Parks and recreation	1,052	1,467	1,169	298
Total expenditures	<u>1,052</u>	<u>1,467</u>	<u>1,169</u>	<u>298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(401)</u>	<u>(270)</u>	<u>(390)</u>	<u>(120)</u>
Other financing sources (uses):				
Transfers in	300	300	253	(47)
Total other financing sources (uses)	<u>300</u>	<u>300</u>	<u>253</u>	<u>(47)</u>
Net change in fund balance for budgeted activities	<u>\$ (101)</u>	<u>\$ 30</u>	<u>(137)</u>	<u>\$ (167)</u>
Net change in fund balance for Parks and Recreation Special Revenue Fund activities for which annual budgets are not adopted.			<u>(726)</u>	
Net change in fund balance			<u>\$ (863)</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, 2018
(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	\$ 1,137	\$ 1,137	\$ 1,933	\$ 796
Interest, rents and concessions	-	-	29	29
Total revenues	<u>1,137</u>	<u>1,137</u>	<u>1,962</u>	<u>825</u>
Expenditures:				
Current:				
General government	<u>1,870</u>	<u>2,375</u>	<u>2,230</u>	<u>145</u>
Total expenditures	<u>1,870</u>	<u>2,375</u>	<u>2,230</u>	<u>145</u>
Excess (deficiency) of revenues over (under) expenditures	(733)	(1,238)	(268)	970
Other financing sources				
Operating transfers in	<u>490</u>	<u>490</u>	<u>490</u>	<u>-</u>
Net change in fund balance for budgeted activities	<u>\$ (243)</u>	<u>\$ (748)</u>	<u>\$ 222</u>	<u>\$ 970</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, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest, rents, and concessions	\$ -	\$ -	\$ 319	\$ 319
Assessment levies	43,901	44,897	46,014	1,117
Total revenues	43,901	44,897	46,333	1,436
Expenditures:				
Current:				
General government	9,170	9,474	9,818	(344)
Public works	14,161	14,434	13,623	811
Convention and cultural services	5,651	6,337	6,934	(597)
Parks and recreation	6,701	6,576	6,449	127
Community development	150	150	126	24
Library	7,649	7,649	7,535	114
Utilities	678	678	214	464
Capital outlay	3,962	3,915	214	3,701
Total expenditures	48,122	49,213	44,913	4,300
Net change in fund balance for budgeted activities	\$ (4,221)	\$ (4,316)	\$ 1,420	\$ (2,864)

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, 2018
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 173	\$ 173	\$ 179	\$ 6
Interest, rents, and concessions	-	-	25	25
Total revenues	<u>173</u>	<u>173</u>	<u>204</u>	<u>31</u>
Expenditures:				
Current:				
Public Works	-	-	1	(1)
Capital outlay	<u>1,000</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total expenditures	<u>1,000</u>	<u>1,000</u>	<u>1</u>	<u>999</u>
Net change in fund balance for budgeted activities	<u>\$ (827)</u>	<u>\$ (827)</u>	<u>\$ 203</u>	<u>\$ 1,030</u>

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OTHER DEBT SERVICE FUNDS

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

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, 2018

(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	\$ 31	\$ 2,746
Cash and investments held by fiscal agent	-	-	42
Receivables, net:			
Loans	-	-	-
Intergovernmental	-	-	11,496
Interest	1	2	-
Restricted assets:			
Cash and investments held by fiscal agent	1,181	3,231	3,958
Total assets	<u>\$ 1,208</u>	<u>\$ 3,264</u>	<u>\$ 18,242</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Total liabilities	-	-	-
Deferred inflows of resources:			
Unavailable revenue	1	2	11,496
Total deferred inflows of resources	1	2	11,496
Fund balances:			
Nonspendable:			
Noncurrent assets	-	-	-
Restricted:			
Debt service	1,181	3,231	3,958
Committed:			
Debt service	-	-	2,788
Assigned:			
Debt service	26	31	-
Total fund balances	1,207	3,262	6,746
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,208</u>	<u>\$ 3,264</u>	<u>\$ 18,242</u>

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2018

(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	\$ -	\$ 1,846
Cash and investments held by fiscal agent	-	-	9
Receivables, net:			
Loans	-	-	-
Intergovernmental	-	1,990	-
Interest	-	-	-
Restricted assets:			
Cash and investments held by fiscal agent	-	-	-
Total assets	<u>\$ 3</u>	<u>\$ 1,990</u>	<u>\$ 1,855</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Total liabilities	-	-	-
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	-	1,855
Total fund balances	3	-	1,855
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3</u>	<u>\$ 1,990</u>	<u>\$ 1,855</u>

(continued)

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2018

(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	\$ 4,653
Cash and investments held by fiscal agent	-	-	51
Receivables, net:			
Loans	-	98	98
Intergovernmental	-	-	13,486
Interest	-	-	3
Restricted assets:			
Cash and investments held by fiscal agent	1,247	-	9,617
Total assets	<u>\$ 1,247</u>	<u>\$ 99</u>	<u>\$ 27,908</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ 647	\$ -	\$ 647
Total liabilities	<u>647</u>	<u>-</u>	<u>647</u>
Deferred inflows of resources:			
Unavailable revenue	-	-	13,489
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>13,489</u>
Fund balances:			
Nonspendable:			
Noncurrent assets	-	98	98
Restricted:			
Debt service	600	-	8,970
Committed:			
Debt service	-	-	2,788
Assigned:			
Debt service	-	1	1,916
Total fund balances	<u>600</u>	<u>99</u>	<u>13,772</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,247</u>	<u>\$ 99</u>	<u>\$ 27,908</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, 2018

(in thousands)

	1993 Series A Revenue Bond Fund	1993 Series B Revenue Bond Fund	2006 Series B Revenue Bond Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 355
Interest, rents, and concessions	(4)	(10)	889
Total revenues	<u>(4)</u>	<u>(10)</u>	<u>1,244</u>
Expenditures:			
Debt service:			
Principal	875	2,478	1,255
Interest and fiscal charges	181	513	2,699
Total expenditures	<u>1,056</u>	<u>2,991</u>	<u>3,954</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,060)</u>	<u>(3,001)</u>	<u>(2,710)</u>
Other financing sources:			
Transfers in	<u>1,039</u>	<u>2,945</u>	<u>2,435</u>
Total other financing sources (uses)	<u>1,039</u>	<u>2,945</u>	<u>2,435</u>
Net change in fund balances	(21)	(56)	(275)
Fund balances, beginning of year	<u>1,228</u>	<u>3,318</u>	<u>7,021</u>
Fund balances, end of year	<u>\$ 1,207</u>	<u>\$ 3,262</u>	<u>\$ 6,746</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, 2018

(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	39
Total revenues	-	105	39
Expenditures:			
Debt service:			
Principal	-	-	8,542
Interest and fiscal charges	-	4,132	4,710
Total expenditures	-	4,132	13,252
Excess (deficiency) of revenues over (under) expenditures	-	(4,027)	(13,213)
Other financing sources:			
Transfers in	-	4,027	13,251
Total other financing sources (uses)	-	4,027	13,251
Net change in fund balances	-	-	38
Fund balances, beginning of year	3	-	1,817
Fund balances, end of year	<u>\$ 3</u>	<u>\$ -</u>	<u>\$ 1,855</u>

(continued)

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

For the Fiscal Year Ended June 30, 2018

(in thousands)

	2016 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 355
Interest, rents, and concessions	510	9	1,538
Total revenues	510	9	1,893
Expenditures:			
Debt service:			
Principal	435	94	13,679
Interest and fiscal charges	235	9	12,479
Total expenditures	670	103	26,158
Excess (deficiency) of revenues over (under) expenditures	(160)	(94)	(24,265)
Other financing sources:			
Transfers in	-	-	23,697
Total other financing sources (uses)	-	-	23,697
Net change in fund balances	(160)	(94)	(568)
Fund balances, beginning of year	760	193	14,340
Fund balances, end of year	\$ 600	\$ 99	\$ 13,772

(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 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 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.

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City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2018
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Capital Projects Fund	Crocker Art Museum Expansion Fund	Capital Grants Fund
ASSETS				
Cash and investments held by City	\$ -	\$ 47,676	\$ -	\$ -
Receivables, net:				
Accounts	-	108	-	523
Interest	-	-	-	-
Intergovernmental	-	5,904	-	8,636
Restricted assets:				
Cash and investments held by City	631	-	127	30
Cash and investments held by fiscal agent	4,519	-	-	-
Total assets	\$ 5,150	\$ 53,688	\$ 127	\$ 9,189
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 4,518	\$ 4,644	\$ -	\$ 6,249
Due to other funds	-	-	-	327
Unearned revenue	-	480	-	556
Total liabilities	4,518	5,124	-	7,132
Deferred Inflows of resources:				
Unavailable revenue	-	2,780	-	8,356
Total deferred inflows of resources	-	2,780	-	8,356
Fund balances:				
Restricted:				
Capital projects	632	48,506	127	2,057
Other programs	-	-	-	-
Unassigned	-	(2,722)	-	(8,356)
Total fund balances	632	45,784	127	(6,299)
Total liabilities, deferred inflows of resources and fund balances	\$ 5,150	\$ 53,688	\$ 127	\$ 9,189

City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2018
(in thousands)

	Financing Plans Fund	Special Districts Capital Projects Fund	Economic Development Fund	Total Other Capital Projects Funds
ASSETS				
Cash and investments held by City	\$ 75,467	\$ 7,008	\$ -	\$ 130,151
Receivables, net:				
Accounts	623	3	1,957	3,214
Interest	142	-	-	142
Intergovernmental	-	-	-	14,540
Restricted assets:				
Cash and investments held by City	-	-	13,484	14,272
Cash and investments held by fiscal agent	-	-	-	4,519
Total assets	<u>\$ 76,232</u>	<u>\$ 7,011</u>	<u>\$ 15,441</u>	<u>\$ 166,838</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,046	\$ -	\$ 328	\$ 17,785
Due to other funds	-	-	-	327
Unearned revenue	2,684	-	-	3,720
Total liabilities	<u>4,730</u>	<u>-</u>	<u>328</u>	<u>21,832</u>
Deferred Inflows of resources:				
Unavailable revenue	359	-	361	11,856
Total deferred inflows of resources	<u>359</u>	<u>-</u>	<u>361</u>	<u>11,856</u>
Fund balances:				
Restricted:				
Capital projects	69,257	7,011	14,752	142,342
Other programs	1,886	-	-	1,886
Unassigned	-	-	-	(11,078)
Total fund balances	<u>71,143</u>	<u>7,011</u>	<u>14,752</u>	<u>133,150</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 76,232</u>	<u>\$ 7,011</u>	<u>\$ 15,441</u>	<u>\$ 166,838</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, 2018
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Capital Projects Fund	Crocker Art Museum Expansion Fund	Capital Grants Fund
Revenues:				
Interest, rents, and concessions	\$ 74	\$ 787	\$ 2	\$ 65
Community service fees	-	-	-	-
Assessment levies	-	-	-	-
Contributions and donations	-	-	-	2,148
Taxes	-	4,766	-	-
Intergovernmental	-	22,428	-	11,722
Charges for services	-	206	-	-
Miscellaneous	-	-	-	-
Total revenues	74	28,187	2	13,935
Expenditures:				
Current:				
General government	-	-	-	-
Public works	-	12,102	-	460
Parks and recreation	-	-	-	-
Community development	-	-	-	-
Utilities	-	-	-	-
Capital outlay	2,099	14,613	-	14,608
Debt service:				
Principal	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	2,099	26,715	-	15,068
(Deficiency) excess of revenues (under) over expenditures	(2,025)	1,472	2	(1,133)
Other financing sources (uses):				
Transfers in	-	1,210	-	-
Transfers out	-	-	-	(1,275)
Issuance of long-term debt	-	-	-	-
Total other financing sources (uses)	-	1,210	-	(1,275)
Net change in fund balances	(2,025)	2,682	2	(2,408)
Fund balances, beginning of year	2,657	43,102	125	(3,891)
Fund balances, end of year	\$ 632	\$ 45,784	\$ 127	\$ (6,299)

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Financing Plans Fund	Special Districts Capital Projects Fund	Economic Development Fund	Total Other Capital Projects Funds
Revenues:				
Interest, rents, and concessions	\$ 747	\$ 104	\$ 226	\$ 2,005
Community service fees	29,248	-	-	29,248
Assessment levies	-	215	-	215
Contributions and donations	-	6,059	1,595	9,802
Taxes	-	-	-	4,766
Intergovernmental	-	-	692	34,842
Charges for services	-	-	-	206
Miscellaneous	28	-	-	28
	<u>30,023</u>	<u>6,378</u>	<u>2,513</u>	<u>81,112</u>
Expenditures:				
Current:				
General government	488	96	1,965	2,549
Public works	38	-	-	12,600
Parks and recreation	155	-	-	155
Community development	1,989	-	-	1,989
Utilities	4	-	-	4
Capital outlay	8,002	6,122	5,159	50,603
Debt service:				
Principal	6,057	-	-	6,057
Interest and fiscal charges	(357)	-	-	(357)
	<u>16,376</u>	<u>6,218</u>	<u>7,124</u>	<u>73,600</u>
(Deficiency) excess of revenues (under) over expenditures	<u>13,647</u>	<u>160</u>	<u>(4,611)</u>	<u>7,512</u>
Other financing sources (uses):				
Transfers in	-	-	1,772	2,982
Transfers out	(2,321)	-	-	(3,596)
Issuance of long-term debt	8	-	-	8
	<u>(2,313)</u>	<u>-</u>	<u>1,772</u>	<u>(606)</u>
Net change in fund balances	11,334	160	(2,839)	6,906
Fund balances, beginning of year	<u>59,809</u>	<u>6,851</u>	<u>17,591</u>	<u>126,244</u>
Fund balances, end of year	<u>\$ 71,143</u>	<u>\$ 7,011</u>	<u>\$ 14,752</u>	<u>\$ 133,150</u>

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PERMANENT FUNDS

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

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.

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City of Sacramento
Permanent Funds
Combining Balance Sheet

June 30, 2018

(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	\$ 1,022	\$ 3,067	\$ 1,288
Receivables, net:			
Interest	<u>3</u>	<u>8</u>	<u>3</u>
Total assets	<u>\$ 1,025</u>	<u>\$ 3,075</u>	<u>\$ 1,291</u>
<u>FUND BALANCES</u>			
Fund balances:			
Nonspendable:			
Permanent fund principal	\$ 272	\$ 278	\$ 25
Restricted:			
Other programs	<u>753</u>	<u>2,797</u>	<u>1,266</u>
Total fund balances	<u>\$ 1,025</u>	<u>\$ 3,075</u>	<u>\$ 1,291</u>

City of Sacramento
Permanent Funds
Combining Balance Sheet

June 30, 2018

(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	\$ 314	\$ 5,735
Receivables, net:			
Interest	-	-	14
Total assets	<u>\$ 44</u>	<u>\$ 314</u>	<u>\$ 5,749</u>
<u>FUND BALANCES</u>			
Fund balances:			
Nonspendable:			
Permanent fund principal	\$ 3	\$ 300	\$ 878
Restricted:			
Other programs	41	14	4,871
Total fund balances	<u>\$ 44</u>	<u>\$ 314</u>	<u>\$ 5,749</u>

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

For the Fiscal Year Ended June 30, 2018

(in thousands)

	<u>Ann Land Fund</u>	<u>Bertha Henschel Fund</u>	<u>George Clark Scholarship Fund</u>
Revenues:			
Interest, rents, and concessions	\$ 14	\$ 42	\$ 113
Total revenues	<u>14</u>	<u>42</u>	<u>113</u>
Expenditures:			
Current:			
General government	35	105	18
Total expenditures	<u>35</u>	<u>105</u>	<u>18</u>
Net change in fund balances	(21)	(63)	95
Fund balances, beginning of year	<u>1,046</u>	<u>3,138</u>	<u>1,196</u>
Fund balances, end of year	<u>\$ 1,025</u>	<u>\$ 3,075</u>	<u>\$ 1,291</u>

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

For the Fiscal Year Ended June 30, 2018

(in thousands)

	<u>Alice Miller Fund</u>	<u>Sacramento History Museum Fund</u>	<u>Total Permanent Funds</u>
Revenues:			
Interest, rents, and concessions	\$ -	\$ 5	\$ 174
Total revenues	<u>-</u>	<u>5</u>	<u>174</u>
Expenditures:			
Current:			
General government	-	-	158
	<u>-</u>	<u>-</u>	<u>158</u>
Net change in fund balances	-	5	16
Fund balances, beginning of year	<u>44</u>	<u>309</u>	<u>5,733</u>
Fund balances, end of year	<u>\$ 44</u>	<u>\$ 314</u>	<u>\$ 5,749</u>

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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.

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City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position

June 30, 2018
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ 24,221	\$ 2,403	\$ 26,624
Receivables, net:			
Accounts	770	294	1,064
Interest	137	-	137
Prepaid items	36	-	36
Intangible asset, current portion	-	8	8
Total current assets	<u>25,164</u>	<u>2,705</u>	<u>27,869</u>
Noncurrent assets:			
Restricted assets:			
Cash and investments held by City	713	33	746
Cash and investments held by fiscal agent	1,746	-	1,746
Loans receivable	1	-	1
Intangible assets	-	136	136
Capital assets:			
Land	5,825	-	5,825
Buildings and improvements	61,391	1,546	62,937
Machinery and equipment	6,235	-	6,235
Construction in progress	3,590	-	3,590
Software	32	-	32
Less: accumulated depreciation/amortization	(38,046)	(1,103)	(39,149)
Total noncurrent assets	<u>41,487</u>	<u>612</u>	<u>42,099</u>
Total assets	<u>66,651</u>	<u>3,317</u>	<u>69,968</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	1,278	1,244	2,522
Deferred outflows related to OPEB	154	22	176
Total deferred outflows of resources	<u>1,432</u>	<u>1,266</u>	<u>2,698</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position

June 30, 2018
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	1,557	93	1,650
Accrued payroll	178	249	427
Accrued compensated absences	32	13	45
Interest payable	110	-	110
Deposits	144	-	144
Unearned revenue	262	174	436
Accrued claims and judgements	1	49	50
Capital leases payable	1,345	-	1,345
Revenue and other bonds payable, net	2,639	-	2,639
Total current liabilities	<u>6,268</u>	<u>578</u>	<u>6,846</u>
Noncurrent liabilities:			
Accrued compensated absences	298	246	544
Net OPEB liability	2,846	411	3,257
Capital leases payable	2,340	-	2,340
Net pension liability	5,170	4,968	10,138
Revenue and other bonds payable, net	17,852	-	17,852
Total noncurrent liabilities	<u>28,506</u>	<u>5,625</u>	<u>34,131</u>
Total liabilities	<u>34,774</u>	<u>6,203</u>	<u>40,977</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Gain on debt refundings	267	-	267
Deferred inflows related to pensions	9	100	109
Deferred inflows related to OPEB	153	22	175
Total deferred inflows of resources	<u>429</u>	<u>122</u>	<u>551</u>
<u>NET POSITION</u>			
Net investment in capital assets	17,535	443	17,978
Unrestricted	15,345	(2,185)	13,160
Total net position (deficit)	<u>\$ 32,880</u>	<u>\$ (1,742)</u>	<u>\$ 31,138</u>

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Operating revenues:			
Charges for services:			
User fees and charges	\$ 18,286	\$ 6,415	\$ 24,701
Rents and concessions	717	-	717
Miscellaneous	37	4	41
Total operating revenues	<u>19,040</u>	<u>6,419</u>	<u>25,459</u>
Operating expenses:			
Employee services	4,779	5,555	10,334
Services and supplies	6,229	941	7,170
Depreciation/amortization	1,586	85	1,671
Claims and judgements	-	8	8
Total operating expenses	<u>12,594</u>	<u>6,589</u>	<u>19,183</u>
Operating income (loss)	<u>6,446</u>	<u>(170)</u>	<u>6,276</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	37	26	63
Revenue from other agencies	5	480	485
Interest expense	(881)	-	(881)
Total nonoperating revenues (expenses)	<u>(839)</u>	<u>506</u>	<u>(333)</u>
Income (loss) before transfers	5,607	336	5,943
Transfers in	5,204	-	5,204
Transfers out	(9,530)	-	(9,530)
Change in net position	1,281	336	1,617
Total net position (deficit), beginning of year, as restated	<u>31,599</u>	<u>(2,078)</u>	<u>29,521</u>
Total net position (deficit), end of year	<u>\$ 32,880</u>	<u>\$ (1,742)</u>	<u>\$ 31,138</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 18,720	\$ 6,362	\$ 25,082
Payments to suppliers	(6,792)	(938)	(7,730)
Payments to employees	(4,399)	(5,205)	(9,604)
Net cash provided by (used for) operating activities	<u>7,529</u>	<u>219</u>	<u>7,748</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	5,204	-	5,204
Transfers out to other funds	(2,026)	-	(2,026)
Loans made to other funds	534	-	534
Intergovernmental revenue received	5	517	522
Net cash provided by (used for) noncapital financing activities	<u>3,717</u>	<u>517</u>	<u>4,234</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(882)	13	(869)
Principal payments on capital debt	(3,716)	-	(3,716)
Interest payments on capital debt	(1,053)	-	(1,053)
Transfers out to other funds	(7,504)	-	(7,504)
Net cash provided by (used for) capital and related financing activities	<u>(13,155)</u>	<u>13</u>	<u>(13,142)</u>
Cash flows from investing activities:			
Collection of interest and investment revenue	4	26	30
Net cash provided by (used for) investing activities	<u>4</u>	<u>26</u>	<u>30</u>
Net increase (decrease) in cash and cash equivalents	(1,905)	775	(1,130)
Cash and cash equivalents, beginning of year	28,585	1,661	30,246
Cash and cash equivalents, end of year	<u>\$ 26,680</u>	<u>\$ 2,436</u>	<u>\$ 29,116</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ 24,221	\$ 2,403	\$ 26,624
Restricted cash and investments held by City	713	33	746
Restricted cash and investments held by fiscal agent	1,746	-	1,746
Total cash and cash equivalents, end of year	<u>\$ 26,680</u>	<u>\$ 2,436</u>	<u>\$ 29,116</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018
(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)	\$ 6,446	\$ (170)	\$ 6,276
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	1,580	77	1,657
Amortization of intangible assets	6	8	14
Pension expense	340	337	677
OPEB expense	2	-	2
Changes in assets and liabilities:			
Accounts receivable, net	(211)	(57)	(268)
Prepaid items	(1)	-	(1)
Accounts payable	(562)	3	(559)
Accrued payroll	3	7	10
Accrued compensated absences	40	6	46
Accrued claims and judgements	(5)	8	3
Deposits	144	-	144
Unearned revenue	(253)	-	(253)
Net cash provided by (used for) operating activities	<u>\$ 7,529</u>	<u>\$ 219</u>	<u>\$ 7,748</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ 127	\$ -	\$ 127
Amortization of bond gain on refunding	24	-	24

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WATER FUND

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City of Sacramento
Water Fund
Combining Schedule of Net Position

June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund
<u>ASSETS</u>				
Current assets:				
Cash and investments held by City	\$ -	\$ 117,111	\$ -	\$ -
Receivables, net:				
Accounts	9	18,462	-	-
Loans	99	-	-	-
Intergovernmental	-	-	675	-
Interest	5	927	-	-
Due from other funds	-	19,244	-	-
Inventories	-	872	-	-
Prepaid items	-	306	-	-
	<u>113</u>	<u>156,922</u>	<u>675</u>	<u>-</u>
Total current assets				
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	33,460	-	-	4,128
Cash and investments held by fiscal agent	-	351	-	6,938
Loans receivable	792	-	-	-
Capital assets:				
Land	584	1,170	-	-
Buildings and improvements	-	41,642	597	1,287
Machinery and equipment	-	16,153	582	47
Transmission and distribution systems	1,282	607,282	2,471	95,256
Construction in progress	16,368	24,371	812	176,584
Software	-	822	-	-
Easement	-	134	-	-
Less: accumulated depreciation/amortization	(113)	(267,399)	(706)	(5,268)
	<u>52,373</u>	<u>424,526</u>	<u>3,756</u>	<u>278,972</u>
Total noncurrent assets				
Total assets	<u>52,486</u>	<u>581,448</u>	<u>4,431</u>	<u>278,972</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	4,916	-	-
Deferred outflows related to pensions	-	11,752	-	-
Deferred outflows related to OPEB	-	1,000	-	-
	<u>-</u>	<u>17,668</u>	<u>-</u>	<u>-</u>
Total deferred outflows of resources				

City of Sacramento
Water Fund
Combining Schedule of Net Position

June 30, 2018
(in thousands)

	2017 Water Revenue Bonds Fund	Drinking Water SRF Loan Fund	Eliminations	Total Water Fund
<u>ASSETS</u>				
Current assets:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 117,111
Receivables, net:				
Accounts	-	-	-	18,471
Loans	-	-	-	99
Intergovernmental	-	-	-	675
Interest	-	-	-	932
Due from other funds	-	-	(8,169)	11,075
Inventories	-	-	-	872
Prepaid items	-	-	-	306
	<u>-</u>	<u>-</u>	<u>(8,169)</u>	<u>149,541</u>
Total current assets				
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	12,737	-	-	50,325
Cash and investments held by fiscal agent	-	-	-	7,289
Loans receivable	-	-	-	792
Capital assets:				
Land	-	-	-	1,754
Buildings and improvements	-	-	-	43,526
Machinery and equipment	7,771	1,128	-	25,681
Transmission and distribution systems	17,257	1,090	-	724,638
Construction in progress	30,494	14,564	-	263,193
Software	-	-	-	822
Easement	-	-	-	134
Less: accumulated depreciation/amortization	(578)	(24)	-	(274,088)
	<u>67,681</u>	<u>16,758</u>	<u>-</u>	<u>844,066</u>
Total noncurrent assets				
Total assets	<u>67,681</u>	<u>16,758</u>	<u>(8,169)</u>	<u>993,607</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	-	4,916
Deferred outflows related to pensions	-	-	-	11,752
Deferred outflows related to OPEB	-	-	-	1,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,668</u>
Total deferred outflows of resources				

City of Sacramento
Water Fund
Combining Schedule of Net Position

June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	562	4,530	187	-
Due to other funds	-	-	464	-
Accrued payroll	-	1,578	-	-
Accrued compensated absences	-	111	-	-
Interest payable	-	563	-	3,321
Deposits	-	15	-	-
Unearned revenue	1,201	2,541	2	-
Accrued claims and judgements	-	142	-	-
Revenue and other bonds payable, net	-	7,152	-	5,261
Notes payable	-	448	-	-
	<u>1,763</u>	<u>17,080</u>	<u>653</u>	<u>8,582</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	-	2,055	-	-
Water fee credits	-	214	-	-
Net OPEB liability	-	18,489	-	-
Revenue and other bonds payable, net	-	121,623	-	222,218
Notes payable	-	7,277	-	-
Net pension liability	-	39,526	-	-
	<u>-</u>	<u>189,184</u>	<u>-</u>	<u>222,218</u>
Total noncurrent liabilities	-	189,184	-	222,218
Total liabilities	<u>1,763</u>	<u>206,264</u>	<u>653</u>	<u>230,800</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	-	572	-	-
Deferred inflows related to pensions	-	318	-	-
Deferred inflows related to OPEB	-	996	-	-
	<u>-</u>	<u>1,886</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	-	1,886	-	-
<u>NET POSITION</u>				
Net investment in capital assets	18,121	294,711	3,756	53,481
Restricted for:				
Capital projects	32,602	-	-	-
Unrestricted	-	96,255	22	(5,309)
	<u>-</u>	<u>96,255</u>	<u>22</u>	<u>(5,309)</u>
Total net position	<u>\$ 50,723</u>	<u>\$ 390,966</u>	<u>\$ 3,778</u>	<u>\$ 48,172</u>

(continued)

City of Sacramento
Water Fund
Combining Schedule of Net Position

June 30, 2018
(in thousands)

	2017 Water Revenue Bonds Fund	Drinking Water SRF Loan Fund	Eliminations	Total Water Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	5,311	5,425	-	16,015
Due to other funds	-	7,705	(8,169)	-
Accrued payroll	-	-	-	1,578
Accrued compensated absences	-	-	-	111
Interest payable	870	-	-	4,754
Deposits	-	-	-	15
Unearned revenue	-	-	-	3,744
Accrued claims and judgements	-	-	-	142
Revenue and other bonds payable, net	1,114	-	-	13,527
Notes payable	-	-	-	448
	<u>7,295</u>	<u>13,130</u>	<u>(8,169)</u>	<u>40,334</u>
Total current liabilities				
Noncurrent liabilities:				
Accrued compensated absences	-	-	-	2,055
Water fee credits	-	-	-	214
Net OPEB liability	-	-	-	18,489
Revenue and other bonds payable, net	61,360	-	-	405,201
Notes payable	-	3,843	-	11,120
Net pension liability	-	-	-	39,526
	<u>61,360</u>	<u>3,843</u>	<u>-</u>	<u>476,605</u>
Total noncurrent liabilities				
Total liabilities	<u>68,655</u>	<u>16,973</u>	<u>(8,169)</u>	<u>516,939</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	-	-	-	572
Deferred inflows related to pensions	-	-	-	318
Deferred inflows related to OPEB	-	-	-	996
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,886</u>
Total deferred inflows of resources				
<u>NET POSITION</u>				
Net investment in capital assets	5,207	12,915	-	388,191
Restricted for:				
Capital projects	-	-	-	32,602
Unrestricted	(6,181)	(13,130)	-	71,657
	<u>(974)</u>	<u>(215)</u>	<u>-</u>	<u>492,450</u>
Total net position	<u>\$ (974)</u>	<u>\$ (215)</u>	<u>\$ -</u>	<u>\$ 492,450</u>

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund
Operating revenues:				
Charges for services:				
User fees and charges	\$ -	\$ 119,374	\$ 5	\$ -
Total operating revenues	-	119,374	\$ 5	-
Operating expenses:				
Employee services	-	37,705	310	-
Services and supplies	34	14,819	1,109	(3,755)
Depreciation/amortization	19	17,463	169	2,475
Total operating expenses	53	69,987	1,588	(1,280)
Operating income (loss)	(53)	49,387	(1,583)	1,280
Nonoperating revenues (expenses):				
Interest and investment revenue	552	(352)	-	51
Revenue from other agencies	-	303	913	-
Interest expense	-	(5,198)	-	(8,884)
Amortization of bond prepaid insurance	-	(23)	-	-
Gain or (loss) on disposition of capital assets	-	424	-	-
Total nonoperating revenues (expenses)	552	(4,846)	913	(8,833)
Income (loss) before contributions and transfers	499	44,541	(670)	(7,553)
Capital contributions	6,133	4,021	-	-
Transfers in	-	28	-	14,033
Transfers out	-	(29,137)	-	-
Change in net position	6,632	19,453	(670)	6,480
Total net position (deficit), beginning of year, as restated	44,091	371,513	4,448	41,692
Total net position (deficit), end of year	<u>\$ 50,723</u>	<u>\$ 390,966</u>	<u>\$ 3,778</u>	<u>\$ 48,172</u>

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	2017 Water Revenue Bonds Fund	Drinking Water SRF Loan Fund	Eliminations	Total Water Fund
Operating revenues:				
Charges for services:				
User fees and charges	\$ -	\$ -	\$ -	\$ 119,379
Total operating revenues	-	-	-	119,379
Operating expenses:				
Employee services	-	65	-	38,080
Services and supplies	193	85	-	12,485
Depreciation/amortization	578	24	-	20,728
Total operating expenses	771	174	-	71,293
Operating income (loss)	(771)	(174)	-	48,086
Nonoperating revenues (expenses):				
Interest and investment revenue	515	(41)	-	725
Revenue from other agencies	-	-	-	1,216
Interest expense	(2,347)	-	-	(16,429)
Amortization of bond prepaid insurance	-	-	-	(23)
Gain or (loss) on disposition of capital assets	-	-	-	424
Total nonoperating revenues (expenses)	(1,832)	(41)	-	(14,087)
Income (loss) before contributions and transfers	(2,603)	(215)	-	33,999
Capital contributions	-	-	-	10,154
Transfers in	1,805	-	(15,838)	28
Transfers out	-	-	15,838	(13,299)
Change in net position	(798)	(215)	-	30,882
Total net position (deficit), beginning of year, as restated	(176)	-	-	461,568
Total net position (deficit), end of year	\$ (974)	\$ (215)	\$ -	\$ 492,450

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ 119,018	\$ 5	\$ -
Payments to suppliers	(31)	(13,766)	(1,394)	3,755
Payments to employees		(34,959)	(310)	
Claims and judgements paid	-	(31)	-	-
Net cash provided by (used for) operating activities	(31)	70,262	(1,699)	3,755
Cash flows from noncapital financing activities:				
Interfund cashflow loans	-	(19,244)	464	
Transfers in from other funds	-	28	-	-
Transfers out to other funds	-	(12,760)	-	-
Interfund loan repayments	-	2,778	(2,778)	-
Intergovernmental revenue received	-	303	3,668	-
Net cash provided by (used for) noncapital financing activities	-	(28,895)	1,354	-
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(7,950)	(7,544)	345	(5,547)
Proceeds from issuance of debt	-	-	-	-
Principal payments on capital debt	-	(6,062)	-	(3,960)
Interest payments on capital debt	-	(6,364)	-	(10,058)
Transfers in from other funds	-	-	-	14,033
Transfers out to other funds	-	(16,376)	-	-
Capital contributions received	5,990	-	-	-
Loan repayments received	1,206	-	-	-
Net cash provided by (used for) capital and related financing activities	(754)	(35,922)	345	(5,532)
Cash flows from investing activities:				
Collection of interest and investment revenue	562	(460)	-	51
Net cash provided by (used for) investing activities	562	(460)	-	51
Net increase (decrease) in cash and cash equivalents	(223)	4,985	-	(1,726)
Cash and cash equivalents, beginning of year	33,683	112,477	-	12,792
Cash and cash equivalents, end of year	<u>\$ 33,460</u>	<u>\$ 117,462</u>	<u>\$ -</u>	<u>\$ 11,066</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	\$ -	\$ 117,111	\$ -	\$ -
Restricted cash and investments held by City	33,460	-	-	4,128
Restricted cash and investments held by fiscal agent	-	351	-	6,938
Total cash and cash equivalents, end of year	<u>\$ 33,460</u>	<u>\$ 117,462</u>	<u>\$ -</u>	<u>\$ 11,066</u>

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2018
(in thousands)

	2017 Water Revenue Bonds Fund	Drinking Water SRF Loan Fund	Eliminations	Total Water Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ -	\$ -	\$ -	\$ 119,023
Payments to suppliers	(193)	(85)	-	(11,714)
Payments to employees	-	(65)	-	(35,334)
Claims and judgements paid	-	-	-	(31)
Net cash provided by (used for) operating activities	(193)	(150)	-	71,944
Cash flows from noncapital financing activities:				
Interfund cashflow loans	-	-	-	(18,780)
Transfers in from other funds	-	-	-	28
Transfers out to other funds	-	-	-	(12,760)
Interfund loan repayments	-	7,705	-	7,705
Intergovernmental revenue received	-	-	-	3,971
Net cash provided by (used for) noncapital financing activities	-	7,705	-	(19,836)
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(44,219)	(11,357)	-	(76,272)
Proceeds from issuance of debt	-	3,843	-	3,843
Principal payments on capital debt	-	-	-	(10,022)
Interest payments on capital debt	(1,805)	-	-	(18,227)
Transfers in from other funds	1,805	(15,838)	-	-
Transfers out to other funds	-	15,838	-	(538)
Capital contributions received	-	-	-	5,990
Loan repayments received	-	-	-	1,206
Net cash provided by (used for) capital and related financing activities	(44,219)	(7,514)	-	(93,596)
Cash flows from investing activities:				
Collection of interest and investment revenue	515	(41)	-	627
Net cash provided by (used for) investing activities	515	(41)	-	627
Net increase (decrease) in cash and cash equivalents	(43,897)	-	-	(40,861)
Cash and cash equivalents, beginning of year	56,634	-	-	215,586
Cash and cash equivalents, end of year	<u>\$ 12,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,725</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	\$ -	\$ -	\$ -	\$ 117,111
Restricted cash and investments held by City	12,737	-	-	50,325
Restricted cash and investments held by fiscal agent	-	-	-	7,289
Total cash and cash equivalents, end of year	<u>\$ 12,737</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 174,725</u>

(continued)

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (53)	\$ 49,387	\$ (1,583)	\$ 1,280
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	19	17,379	169	2,475
Amortization of intangible assets	-	84	-	-
Pension expense	-	3,358	-	-
OPEB expense	-	17	-	-
Changes in assets and liabilities:				
Accounts receivable, net	-	(761)	-	-
Other receivables	-	200	-	-
Inventories	-	461	-	-
Prepaid items	-	40	-	-
Accounts payable	3	352	(285)	-
Accrued payroll	-	16	-	-
Accrued compensated absences	-	(624)	-	-
Accrued claims and judgements	-	(52)	-	-
Deposits	-	1	-	-
Unearned revenue	-	404	-	-
Net cash provided by (used for) operating activities	<u>\$ (31)</u>	<u>\$ 70,262</u>	<u>\$ (1,699)</u>	<u>\$ 3,755</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ 4,021	\$ -	\$ -
Amortization of bond premium and discount	-	1,277	-	1,111
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	559	1,739	138	-

(continued)

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2018
(in thousands)

	<u>2017 Water Revenue Bonds Fund</u>	<u>Drinking Water SRF Loan Fund</u>	<u>Eliminations</u>	<u>Total Water Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (771)	\$ (174)	\$ -	\$ 48,086
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	578	24	-	20,644
Amortization of intangible assets	-	-	-	84
Pension expense	-	-	-	3,358
OPEB expense	-	-	-	17
Changes in assets and liabilities:				
Accounts receivable, net	-	-	-	(761)
Other receivables	-	-	-	200
Inventories	-	-	-	461
Prepaid items	-	-	-	40
Accounts payable	-	-	-	70
Accrued payroll	-	-	-	16
Accrued compensated absences	-	-	-	(624)
Accrued claims and judgements	-	-	-	(52)
Deposits	-	-	-	1
Unearned revenue	-	-	-	404
Net cash provided by (used for) operating activities	<u>\$ (193)</u>	<u>\$ (150)</u>	<u>\$ -</u>	<u>\$ 71,944</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ -	\$ 4,021
Amortization of bond premium and discount	329	-	-	2,717
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	5,311	5,425	-	13,172

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WASTEWATER FUND

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City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ -	\$ 39,946	\$ (581)
Receivables, net:			
Accounts	319	11,495	-
Loans	-	136	-
Intergovernmental	-	-	1,164
Interest	-	255	-
Inventories	-	45	-
Prepaid items	-	1	-
	<u>319</u>	<u>51,878</u>	<u>583</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Cash and investments held by City	5,209	840	-
Cash and investments held by fiscal agent	-	-	-
Loans receivable	-	281	-
Capital assets:			
Land	-	1,138	-
Buildings and improvements	-	15,685	-
Machinery and equipment	-	4,846	-
Transmission and distribution systems	1,013	159,765	3,595
Construction in progress	788	7,258	2,473
Software	-	471	-
Less: accumulated depreciation/amortization	(43)	(78,893)	(45)
	<u>6,967</u>	<u>111,391</u>	<u>6,023</u>
Total noncurrent assets			
Total assets			
	<u>7,286</u>	<u>163,269</u>	<u>6,606</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	-	2,624	-
Deferred outflows related to OPEB	-	356	-
	<u>-</u>	<u>2,980</u>	<u>-</u>
Total deferred outflows of resources			

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2018
(in thousands)

	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ -	\$ -	\$ 39,365
Receivables, net:			
Accounts	-	-	11,814
Loans	-	-	136
Intergovernmental	-	-	1,164
Interest	-	-	255
Inventories	-	-	45
Prepaid items	-	-	1
	<u>-</u>	<u>-</u>	<u>52,780</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Cash and investments held by City	461	-	6,510
Cash and investments held by fiscal agent	981	-	981
Loans receivable	-	-	281
Capital assets:			
Land	-	-	1,138
Buildings and improvements	11,498	-	27,183
Machinery and equipment	301	-	5,147
Transmission and distribution systems	20,265	-	184,638
Construction in progress	1,339	-	11,858
Software	97	-	568
Less: accumulated depreciation/amortization	(1,250)	-	(80,231)
	<u>33,692</u>	<u>-</u>	<u>158,073</u>
Total noncurrent assets			
Total assets	<u>33,692</u>	<u>-</u>	<u>210,853</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	-	-	2,624
Deferred outflows related to OPEB	-	-	356
	<u>-</u>	<u>-</u>	<u>2,980</u>
Total deferred outflows of resources			

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	7	13,451	583
Accrued payroll	-	453	-
Accrued compensated absences	-	30	-
Interest payable	-	25	-
Accrued claims and judgements	-	92	-
Revenue and other bonds payable, net	-	-	-
Notes payable	-	766	-
	<u>7</u>	<u>14,817</u>	<u>583</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	-	587	-
Net OPEB liability	-	6,573	-
Revenue and other bonds payable, net	-	-	-
Notes payable	-	1,499	-
Net pension liability	-	13,213	-
	<u>-</u>	<u>21,872</u>	<u>-</u>
Total noncurrent liabilities			
Total liabilities	<u>7</u>	<u>36,689</u>	<u>583</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	-	63	-
Deferred inflows related to OPEB	-	354	-
	<u>-</u>	<u>417</u>	<u>-</u>
Total deferred inflows of resources			
<u>NET POSITION</u>			
Net investment in capital assets	1,758	108,005	6,023
Restricted for:			
Capital projects	5,521	-	-
Unrestricted	-	21,138	-
	<u>-</u>	<u>21,138</u>	<u>-</u>
Total net position (deficit)	<u>\$ 7,279</u>	<u>\$ 129,143</u>	<u>\$ 6,023</u>

(continued)

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2018
(in thousands)

	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	-	-	14,041
Accrued payroll	-	-	453
Accrued compensated absences	-	-	30
Interest payable	447	-	472
Accrued claims and judgements	-	-	92
Revenue and other bonds payable, net	687	-	687
Notes payable	-	-	766
	<u>1,134</u>	<u>-</u>	<u>16,541</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	-	-	587
Net OPEB liability	-	-	6,573
Revenue and other bonds payable, net	29,817	-	29,817
Notes payable	-	-	1,499
Net pension liability	-	-	13,213
	<u>29,817</u>	<u>-</u>	<u>51,689</u>
Total noncurrent liabilities			
Total liabilities	<u>30,951</u>	<u>-</u>	<u>68,230</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	-	-	63
Deferred inflows related to OPEB	-	-	354
	<u>-</u>	<u>-</u>	<u>417</u>
Total deferred inflows of resources			
<u>NET POSITION</u>			
Net investment in capital assets	3,792	-	119,578
Restricted for:			
Capital projects	-	-	5,521
Unrestricted	(1,051)	-	20,087
	<u>2,741</u>	<u>-</u>	<u>145,186</u>
Total net position (deficit)	<u>\$ 2,741</u>	<u>\$ -</u>	<u>\$ 145,186</u>

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
Operating revenues:			
Charges for services:			
User fees and charges	\$ -	\$ 36,724	\$ -
Charge to other agencies for contract services	-	860	-
Miscellaneous	-	12	-
Total operating revenues	-	37,596	-
Operating expenses:			
Employee services	-	10,568	-
Services and supplies	-	12,739	44
Depreciation/amortization	10	3,390	22
Claims and judgements	-	148	-
Total operating expenses	10	26,845	66
Operating income (loss)	(10)	10,751	(66)
Nonoperating revenues (expenses):			
Interest and investment revenue	68	9	-
Interest expense	-	(61)	-
Total nonoperating revenues (expenses)	68	(52)	-
Income (loss) before contributions and transfers	58	10,699	(66)
Capital contributions	1,884	3,736	1,684
Transfers in	-	92	-
Transfers out	-	(6,035)	-
Change in net position	1,942	8,492	1,618
Total net position (deficit), beginning of year, as restated	5,337	120,651	4,405
Total net position (deficit), end of year	\$ 7,279	\$ 129,143	\$ 6,023

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
Operating revenues:			
Charges for services:			
User fees and charges	\$ -	\$ -	\$ 36,724
Charge to other agencies for contract services	-	-	860
Miscellaneous	-	-	12
Total operating revenues	-	-	37,596
Operating expenses:			
Employee services	-	-	10,568
Services and supplies	(489)	-	12,294
Depreciation/amortization	471	-	3,893
Claims and judgements	-	-	148
Total operating expenses	(18)	-	26,903
Operating income (loss)	18	-	10,693
Nonoperating revenues (expenses):			
Interest and investment revenue	5	-	82
Interest expense	(1,287)	-	(1,348)
Total nonoperating revenues (expenses)	(1,282)	-	(1,266)
Income (loss) before contributions and transfers	(1,264)	-	9,427
Capital contributions	-	-	7,304
Transfers in	1,957	(1,957)	92
Transfers out	-	1,957	(4,078)
Change in net position	693	-	12,745
Total net position (deficit), beginning of year, as restated	2,048	-	132,441
Total net position (deficit), end of year	\$ 2,741	\$ -	\$ 145,186

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ 36,987	\$ -
Payments to suppliers	-	(12,244)	(72)
Payments to employees	-	(9,718)	-
Claims and judgements paid	-	(127)	-
Net cash provided by (used for) operating activities	-	14,898	(72)
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	92	-
Transfers out to other funds	-	(4,014)	-
Net cash provided by (used for) noncapital financing activities	-	(3,922)	-
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(508)	(7,620)	(1,270)
Principal payments on capital debt	-	(789)	-
Interest payments on capital debt	-	(70)	-
Transfers in from other funds	-	-	-
Transfers out to other funds	-	(2,021)	-
Capital contributions received	1,565	-	73
Loan repayments received	-	134	-
Net cash provided by (used for) capital and related financing activities	1,057	(10,366)	(1,197)
Cash flows from investing activities:			
Collection of interest and investment revenue	68	(67)	-
Net cash provided by (used for) investing activities	68	(67)	-
Net increase (decrease) in cash and cash equivalents	1,125	543	(1,269)
Cash and cash equivalents, beginning of year	4,084	40,243	688
Cash and cash equivalents, end of year	<u>\$ 5,209</u>	<u>\$ 40,786</u>	<u>\$ (581)</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ -	\$ 39,946	\$ (581)
Restricted cash and investments held by City	5,209	840	-
Restricted cash and investments held by fiscal agent	-	-	-
Total cash and cash equivalents, end of year	<u>\$ 5,209</u>	<u>\$ 40,786</u>	<u>\$ (581)</u>

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2018
(in thousands)

	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
Cash flows from operating activities:			
Receipts from customers and users	\$ -	\$ -	\$ 36,987
Payments to suppliers	489	-	(11,827)
Payments to employees	-	-	(9,718)
Claims and judgements paid	-	-	(127)
Net cash provided by (used for) operating activities	<u>489</u>	<u>-</u>	<u>15,315</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	-	92
Transfers out to other funds	-	-	(4,014)
Net cash provided by (used for) noncapital financing activities	<u>-</u>	<u>-</u>	<u>(3,922)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(513)	-	(9,911)
Principal payments on capital debt	(605)	-	(1,394)
Interest payments on capital debt	(1,352)	-	(1,422)
Transfers in from other funds	1,957	(1,957)	-
Transfers out to other funds	-	1,957	(64)
Capital contributions received	-	-	1,638
Loan repayments received	-	-	134
Net cash provided by (used for) capital and related financing activities	<u>(513)</u>	<u>-</u>	<u>(11,019)</u>
Cash flows from investing activities:			
Collection of interest and investment revenue	<u>5</u>	<u>-</u>	<u>6</u>
Net cash provided by (used for) investing activities	<u>5</u>	<u>-</u>	<u>6</u>
Net increase (decrease) in cash and cash equivalents	(19)	-	380
Cash and cash equivalents, beginning of year	<u>1,461</u>	<u>-</u>	<u>46,476</u>
Cash and cash equivalents, end of year	<u>\$ 1,442</u>	<u>\$ -</u>	<u>\$ 46,856</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ -	\$ -	\$ 39,365
Restricted cash and investments held by City	461	-	6,510
Restricted cash and investments held by fiscal agent	<u>981</u>	<u>-</u>	<u>981</u>
Total cash and cash equivalents, end of year	<u>\$ 1,442</u>	<u>\$ -</u>	<u>\$ 46,856</u>

(continued)

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2018
(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)	\$ (10)	\$ 10,751	\$ (66)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	10	3,346	22
Amortization of intangible assets	-	44	-
Pension expense	-	937	-
OPEB expense	-	5	-
Changes in assets and liabilities:			
Accounts receivable, net	-	(609)	-
Inventories	-	(17)	-
Prepaid items	-	4	-
Accounts payable	-	508	(28)
Accrued payroll	-	39	-
Accrued compensated absences	-	(131)	-
Accrued claims and judgements	-	21	-
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 14,898</u>	<u>\$ (72)</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ 3,736	\$ -
Amortization of bond premium and discount	-	-	-
Capital asset acquisitions on accounts payable	-	594	583

(continued)

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows

For the Fiscal Year Ended June 30, 2018
(in thousands)

	<u>2013 Wastewater Revenue Bonds Fund</u>	<u>Eliminations</u>	<u>Total Wastewater Fund</u>
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:			
Operating income (loss)	\$ 18	\$ -	\$ 10,693
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	461	-	3,839
Amortization of intangible assets	10	-	54
Pension expense	-	-	937
OPEB expense	-	-	5
Changes in assets and liabilities:			
Accounts receivable, net	-	-	(609)
Inventories	-	-	(17)
Prepaid items	-	-	4
Accounts payable	-	-	480
Accrued payroll	-	-	39
Accrued compensated absences	-	-	(131)
Accrued claims and judgements	-	-	21
Net cash provided by (used for) operating activities	<u>\$ 489</u>	<u>\$ -</u>	<u>\$ 15,315</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets	\$ -	\$ -	\$ 3,736
Amortization of bond premium and discount	57	-	57
Capital asset acquisitions on accounts payable	-	-	1,177

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INTERNAL SERVICE FUNDS

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

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.

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City of Sacramento
Internal Service Funds
Combining Statement of Net Position

June 30, 2018
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ 21,336	\$ 91,853	\$ 113,189
Cash and investments held by fiscal agent	-	196	196
Receivables, net:			
Accounts	62	720	782
Interest	-	465	465
Due from other funds	-	577	577
Prepaid items	5,221	-	5,221
Total current assets	<u>26,619</u>	<u>93,811</u>	<u>120,430</u>
Noncurrent assets:			
Advances to other funds	-	12,270	12,270
Capital assets:			
Buildings and improvements	7,159	-	7,159
Machinery and equipment	543	-	543
Vehicles	156,537	-	156,537
Software	256	-	256
Construction in progress	391	-	391
Less: accumulated depreciation/amortization	<u>(99,828)</u>	<u>-</u>	<u>(99,828)</u>
Total noncurrent assets	<u>65,058</u>	<u>12,270</u>	<u>77,328</u>
Total assets	<u>91,677</u>	<u>106,081</u>	<u>197,758</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	1,946	1,129	3,075
Deferred outflows related to OPEB	370	61	431
Total deferred outflows of resources	<u>2,316</u>	<u>1,190</u>	<u>3,506</u>

City of Sacramento
Internal Service Funds
Combining Statement of Net Position

June 30, 2018
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	3,744	1,898	5,642
Accrued payroll	352	188	540
Accrued compensated absences	50	35	85
Interest payable	5	-	5
Unearned revenue	-	291	291
Accrued claims and judgements	29	18,849	18,878
Capital leases payable	29	-	29
Revenue and other bonds payable, net	403	-	403
	<u>4,612</u>	<u>21,261</u>	<u>25,873</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	582	315	897
Net OPEB liability	6,848	1,124	7,972
Accrued claims and judgements	-	59,896	59,896
Capital leases payable	15	-	15
Revenue and other bonds payable, net	805	-	805
Net pension liability	8,719	5,123	13,842
	<u>16,969</u>	<u>66,458</u>	<u>83,427</u>
Total noncurrent liabilities			
Total liabilities	<u>21,581</u>	<u>87,719</u>	<u>109,300</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	15	8	23
Deferred inflows related to OPEB	369	60	429
	<u>384</u>	<u>68</u>	<u>452</u>
Total deferred inflows of resources			
<u>NET POSITION</u>			
Net investment in capital assets	63,807	-	63,807
Unrestricted	8,221	19,484	27,705
	<u>\$ 72,028</u>	<u>\$ 19,484</u>	<u>\$ 91,512</u>
Total net position			

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

For the Fiscal Year Ended June 30, 2018
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services:			
User fees and charges	\$ 56,362	\$ 31,309	\$ 87,671
Miscellaneous	4	-	4
Total operating revenues	<u>56,366</u>	<u>31,309</u>	<u>87,675</u>
Operating expenses:			
Employee services	8,019	4,679	12,698
Services and supplies	21,256	6,876	28,132
Depreciation/amortization	10,925	-	10,925
Insurance premiums	-	4,987	4,987
Claims and judgements	-	15,424	15,424
Total operating expenses	<u>40,200</u>	<u>31,966</u>	<u>72,166</u>
Operating income (loss)	<u>16,166</u>	<u>(657)</u>	<u>15,509</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	216	531	747
Revenue from other agencies	492	18	510
Insurance and other claim recoveries	-	715	715
Interest expense	(27)	-	(27)
Gain (loss) on disposition of capital assets	63	-	63
Total nonoperating revenues (expenses)	<u>744</u>	<u>1,264</u>	<u>2,008</u>
Income (loss) before contributions and transfers	16,910	607	17,517
Transfers in	428	4	432
Transfers out	(664)	-	(664)
Change in net position	16,674	611	17,285
Total net position, beginning of year, as restated	<u>55,354</u>	<u>18,873</u>	<u>74,227</u>
Total net position, end of year	<u>\$ 72,028</u>	<u>\$ 19,484</u>	<u>\$ 91,512</u>

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 56,381	\$ 96,488	\$ 152,869
Payments to suppliers	(23,322)	(76,075)	(99,397)
Payments to employees	(7,328)	(4,155)	(11,483)
Claims and judgements paid	(13)	(17,428)	(17,441)
Net cash provided by (used for) operating activities	<u>25,718</u>	<u>(1,170)</u>	<u>24,548</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	4	4
Transfers out to other funds	(600)	-	(600)
Collections on interfund loans	-	1,133	1,133
Loans made to other funds	-	(327)	(327)
Intergovernmental revenue received	492	18	510
Claim and judgement recoveries	-	148	148
Net cash provided by (used for) noncapital financing activities	<u>(108)</u>	<u>976</u>	<u>868</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(21,591)	-	(21,591)
Proceeds from sale of capital assets	568	-	568
Principal payments on capital debt	(390)	-	(390)
Interest payments on capital debt	(69)	-	(69)
Transfers in from other funds	364	-	364
Net cash used for capital and related financing activities	<u>(21,118)</u>	<u>-</u>	<u>(21,118)</u>
Cash flows from investing activities:			
Collection of interest and investment revenue	<u>216</u>	<u>368</u>	<u>584</u>
Net cash provided by investing activities	<u>216</u>	<u>368</u>	<u>584</u>
Net increase in cash and cash equivalents	4,708	174	4,882
Cash and cash equivalents, beginning of year	<u>16,628</u>	<u>91,875</u>	<u>108,503</u>
Cash and cash equivalents, end of year	<u>\$ 21,336</u>	<u>\$ 92,049</u>	<u>\$ 113,385</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ 21,336	\$ 91,853	\$ 113,189
Cash and investments held by fiscal agent	-	196	196
Total cash and cash equivalents, end of year	<u>\$ 21,336</u>	<u>\$ 92,049</u>	<u>\$ 113,385</u>

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2018
(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)	\$ 16,166	\$ (657)	\$ 15,509
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	10,908	-	10,908
Amortization of intangible assets	17	-	17
Pension expense	661	459	1,120
OPEB expense	7	1	8
Changes in assets and liabilities:			
Accounts receivable, net	15	6	21
Prepaid items	6	3	9
Accounts payable	(2,072)	1,012	(1,060)
Accrued payroll	28	16	44
Accrued compensated absences	4	51	55
Unearned revenue	-	(57)	(57)
Accrued claims and judgements	(22)	(2,004)	(2,026)
Net cash provided by (used for) operating activities	<u>\$ 25,718</u>	<u>\$ (1,170)</u>	<u>\$ 24,548</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium, discount	\$ 40	\$ -	\$ 40
Capital asset acquisitions on accounts payable	3,083	-	3,083

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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 Net Position

June 30, 2018
(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	\$ 70,033	\$ 86,206	\$ 156,239
Receivables, net:			
Interest	269	273	542
Total assets	<u>70,302</u>	<u>86,479</u>	<u>156,781</u>
<u>NET POSITION</u>			
Held in trust	<u>\$ 70,302</u>	<u>\$ 86,479</u>	<u>\$ 156,781</u>

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

For the Fiscal Year Ended June 30, 2018
(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	\$ (679)	\$ (862)	\$ (1,541)
Interest	<u>1,157</u>	<u>1,398</u>	<u>2,555</u>
Total investment earnings	478	536	1,014
Less investment expenses:			
Banking, interest, and fiscal agent expenses	<u>160</u>	<u>-</u>	<u>160</u>
Net income from investing activities	<u>318</u>	<u>536</u>	<u>854</u>
Net investment income	318	536	854
Deposits	<u>68,007</u>	<u>1,257</u>	<u>69,264</u>
Total additions	68,325	1,793	70,118
Deductions:			
Withdrawals	<u>65,748</u>	<u>34</u>	<u>65,782</u>
Change in net position	2,577	1,759	4,336
Net position, beginning of year	<u>67,725</u>	<u>84,720</u>	<u>152,445</u>
Net position, end of year	<u>\$ 70,302</u>	<u>\$ 86,479</u>	<u>\$ 156,781</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 Assets and Liabilities
For the Fiscal Year Ended June 30, 2018
(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	\$ 1,980	\$ 1,139	\$ 1,270	\$ 1,849
Cash and investments held by fiscal agent	928	1,016	1,055	889
Receivables, net:				
Accounts	13	8	13	8
Total assets	<u>\$ 2,921</u>	<u>\$ 2,163</u>	<u>\$ 2,338</u>	<u>\$ 2,746</u>
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ 12	\$ 4	\$ 8
Due to bondholders	2,921	1,068	1,251	2,738
Total liabilities	<u>\$ 2,921</u>	<u>\$ 1,080</u>	<u>\$ 1,255</u>	<u>\$ 2,746</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	\$ 13,557	\$ 28,528	\$ 28,828	\$ 13,257
Cash and investments held by fiscal agent	15,579	17,422	15,991	17,010
Receivables, net:				
Taxes	216	228	279	165
Interest	31	33	31	33
Total assets	<u>\$ 29,383</u>	<u>\$ 46,211</u>	<u>\$ 45,129</u>	<u>\$ 30,465</u>
<u>LIABILITIES</u>				
Liabilities:				
Accounts payable	\$ -	\$ 1,038	\$ 1,038	\$ -
Due to bondholders	29,383	31,714	30,632	30,465
Total liabilities	<u>\$ 29,383</u>	<u>\$ 32,752</u>	<u>\$ 31,670</u>	<u>\$ 30,465</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	\$ 15,537	\$ 29,667	\$ 30,098	\$ 15,106
Cash and investments held by fiscal agent	16,507	18,438	17,046	17,899
Receivables, net:				
Taxes	216	228	279	165
Accounts	13	8	13	8
Interest	31	33	31	33
Total assets	<u>\$ 32,304</u>	<u>\$ 48,374</u>	<u>\$ 47,467</u>	<u>\$ 33,211</u>
<u>LIABILITIES</u>				
Liabilities:				
Accounts payable	\$ -	\$ 1,050	\$ 1,042	\$ 8
Due to bondholders	32,304	32,782	31,883	33,203
Total liabilities	<u>\$ 32,304</u>	<u>\$ 33,832</u>	<u>\$ 32,925</u>	<u>\$ 33,211</u>

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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				
	2009	2010	2011	2012	2013
Governmental activities					
Net investment in capital assets	\$ 1,249,993	\$ 1,286,576	\$ 1,328,932	\$ 1,367,540	\$ 1,369,377
Restricted for:					
Capital projects	221,594	186,619	156,157	149,904	131,822
Debt service	544	494	1,105	1,101	641
Public works programs	-	-	21,484	18,103	16,756
Economic development programs	-	-	-	-	23,979
Ambulance services	-	-	-	-	-
Other programs	30,836	32,443	23,544	23,274	21,087
Trust and endowments:					
Expendable	4,442	4,690	5,659	6,870	7,225
Nonexpendable	1,934	1,934	1,934	878	878
Unrestricted	84,092	76,953	16,107	6,128	1,837
Total governmental activities net position	\$ 1,593,435	\$ 1,589,709	\$ 1,554,922	\$ 1,573,798	\$ 1,573,602
Business-type activities					
Net investment in capital assets	\$ 687,417	\$ 691,197	\$ 701,157	\$ 705,527	\$ 720,039
Restricted for:					
Capital projects	16,866	25,781	30,184	33,209	33,168
Other programs	-	-	-	530	349
Unrestricted	92,458	106,148	113,804	123,265	140,385
Total business-type activities net position	\$ 796,741	\$ 823,126	\$ 845,145	\$ 862,531	\$ 893,941
Primary government					
Net investment in capital assets	\$ 1,937,410	\$ 1,977,773	\$ 2,030,089	\$ 2,073,067	\$ 2,089,416
Restricted for:					
Capital projects	238,460	212,400	186,341	183,113	164,990
Debt service	544	494	1,105	1,101	641
Public works programs	-	-	21,484	18,103	16,756
Economic development programs	-	-	-	-	23,979
Ambulance services	-	-	-	-	-
Other programs	30,836	32,443	23,544	23,804	21,436
Trust and endowments:					
Expendable	4,442	4,690	5,659	6,870	7,225
Nonexpendable	1,934	1,934	1,934	878	878
Unrestricted	176,550	183,101	129,911	129,393	142,222
Total primary government net position	\$ 2,390,176	\$ 2,412,835	\$ 2,400,067	\$ 2,436,329	\$ 2,467,543

- 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 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.
- (3) Net position for governmental activities for all fiscal years prior to 2014 have been restated to remove the Cal EPA building and land.
- (4) 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.
- (5) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.
- (6) Fiscal year 2017 beginning net position was restated due to the implementation of GASB 75.

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				
	2014	2015	2016	2017	2018
Governmental activities					
Net investment in capital assets	\$ 1,393,447	\$ 1,445,139	\$ 1,497,796	\$ 1,296,493	\$ 1,335,576
Restricted for:					
Capital projects	116,271	116,910	80,054	119,131	136,831
Debt service	652	665	1,203	872	606
Public works programs	16,462	19,027	20,521	18,866	24,750
Economic development programs	22,493	17,280	16,888	16,251	44,920
Ambulance services	-	1,085	1,085	-	-
Other programs	22,315	26,735	28,381	23,645	26,786
Trust and endowments					
Expendable	7,928	7,789	8,008	8,545	8,656
Nonexpendable	878	878	878	878	878
Unrestricted	30,170	(591,896)	(581,697)	(443,845)	(667,254)
Total governmental activities net position	\$ 1,610,616	\$ 1,043,612	\$ 1,073,117	\$ 1,040,836	\$ 911,749
Business-type activities					
Net investment in capital assets	\$ 733,980	\$ 748,312	\$ 785,353	\$ 807,004	\$ 869,183
Restricted for:					
Capital projects	33,255	33,914	40,772	39,155	38,473
Other programs	1,215	1,730	2,203	2,607	2,633
Unrestricted	177,814	107,305	123,842	150,049	124,001
Total business-type activities net assets	\$ 946,264	\$ 891,261	\$ 952,170	\$ 998,815	\$ 1,034,290
Primary government					
Net investment in capital assets	\$ 2,127,427	\$ 2,193,451	\$ 2,283,149	\$ 2,103,497	\$ 2,204,759
Restricted for:					
Capital projects	149,526	150,824	120,826	158,286	175,304
Debt service	652	665	1,203	872	606
Public works programs	16,462	19,027	20,521	18,866	24,750
Economic development programs	22,493	17,280	16,888	16,251	44,920
Ambulance services	-	1,085	1,085	-	-
Other programs	23,530	28,465	30,584	26,252	29,419
Trust and endowments					
Expendable	7,928	7,789	8,008	8,545	8,656
Nonexpendable	878	878	878	878	878
Unrestricted	207,984	(484,591)	(457,855)	(293,796)	(543,253)
Total primary government net position	\$ 2,556,880	\$ 1,934,873	\$ 2,025,287	\$ 2,039,651	\$ 1,946,039

- 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 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.
- (3) Net position for governmental activities for all fiscal years prior to 2014 have been restated to remove the Cal EPA building and land.
- (4) 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.
- (5) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.
- (6) Fiscal year 2017 beginning net position was restated due to the implementation of GASB 75.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
Expenses ⁽³⁾					
<i>Governmental Activities</i>					
General government	\$ 45,956	\$ 44,278	\$ 42,238	\$ 40,846	\$ 36,681
Police	153,874	152,922	159,908	153,392	157,432
Fire	107,119	109,210	111,174	116,418	117,451
Public works	-	-	-	-	126,636
General services ⁽⁴⁾	25,067	26,110	22,614	23,083	15,343
Transportation	95,238	89,358	97,350	98,384	-
Economic development ⁽⁵⁾	10,055	9,815	10,467	9,704	10,468
Convention and cultural services	18,573	18,064	21,348	19,857	19,537
Parks and recreation	54,209	51,984	56,162	45,448	48,457
Code enforcement	10,882	10,984	-	-	-
Community development	-	18,848	25,821	24,286	29,253
Neighborhood services	1,370	1,105	-	-	-
Development services	24,063	-	-	-	-
Planning	2,973	-	-	-	-
Library	13,976	16,827	14,635	13,301	13,753
Interest on long-term debt	29,284	29,658	24,903	23,583	22,420
Total governmental activities expenses	592,639	579,163	586,620	568,302	597,431
<i>Business type activities</i>					
Water	66,757	60,902	63,073	67,335	68,643
Wastewater	20,498	17,389	18,990	20,491	22,776
Storm drainage	38,483	37,040	37,815	37,692	36,755
Solid waste	67,911	47,076	48,203	53,205	49,794
Community center	20,342	19,563	18,530	18,125	17,251
Child development	7,617	6,797	6,274	5,885	6,116
Marina	1,045	1,625	2,662	2,008	-
Parking	16,009	16,390	15,786	15,732	15,358
Total business-type activities	238,662	206,782	211,333	220,473	216,693
Total primary government expenses	\$ 831,301	\$ 785,945	\$ 797,953	\$ 788,775	\$ 814,124

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.

(5) The Department of Economic Development has been reallocated to the Departments of General Government in FY18.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
Expenses ⁽³⁾					
<i>Governmental Activities</i>					
General government	\$ 41,190	\$ 52,474	\$ 59,037	\$ 59,033	\$ 100,625
Police	157,248	166,797	164,750	176,955	199,746
Fire	125,461	127,561	137,859	146,693	160,216
Public works	103,632	103,088	121,184	106,328	122,340
General services ⁽⁴⁾	13,807	15,619	-	-	-
Transportation	-	-	-	-	-
Economic development ⁽⁵⁾	17,080	11,075	13,049	13,397	-
Convention and cultural services	17,916	19,441	24,139	20,380	21,066
Parks and recreation	52,336	56,573	53,911	50,156	55,518
Code enforcement	-	-	-	-	-
Community development	26,484	30,221	36,251	41,726	50,879
Neighborhood services	-	-	-	-	-
Development services	-	-	-	-	-
Planning	-	-	-	-	-
Library	13,720	15,629	16,294	16,122	17,376
Interest on long-term debt	22,178	29,046	30,404	27,626	23,144
Total governmental activities expenses	591,052	627,524	656,878	658,416	750,910
<i>Business type activities</i>					
Water	66,627	69,428	73,150	80,176	87,745
Wastewater	25,673	25,432	25,348	29,075	28,251
Storm drainage	36,664	41,830	40,971	40,479	41,199
Solid waste	49,014	47,149	47,703	51,693	56,698
Community center	17,204	17,690	17,277	16,607	17,795
Child development	6,297	6,151	5,519	5,743	6,589
Marina	-	-	-	-	-
Parking	15,238	13,704	14,451	11,955	13,475
Total business-type activities	216,717	221,384	224,419	235,728	251,752
Total primary government expenses	\$ 807,769	\$ 848,908	\$ 881,297	\$ 894,144	\$ 1,002,662

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.

(5) The Department of Economic Development has been reallocated to the Departments of General Government in FY18.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
Program Revenues					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 5,290	\$ 6,614	\$ 5,827	\$ 5,608	\$ 6,924
Police	4,819	4,098	10,316	9,714	9,693
Fire	24,448	22,711	21,998	21,643	24,288
Public works	-	-	-	-	28,321
General services ⁽⁴⁾	10,878	9,964	10,442	10,965	3,175
Transportation	26,391	28,857	28,614	28,309	-
Economic development ⁽⁵⁾	8,345	8,497	9,136	8,800	8,685
Convention and cultural services	11,026	9,689	9,364	7,985	8,817
Parks and recreation	10,187	10,122	10,039	11,579	10,604
Code enforcement	7,932	5,627	-	-	-
Community development	-	8,752	15,409	15,459	15,423
Neighborhood services	195	166	-	-	-
Development services	16,115	-	-	-	-
Planning	108	-	-	-	-
Library	-	-	-	-	33
Total charge for services	125,734	115,097	121,145	120,062	115,963
Operating grants and contributions	53,206	59,179	51,289	54,287	81,822
Capital grants and contributions	119,689	90,888	69,234	112,247	69,323
Total governmental activities program revenues	298,629	265,164	241,668	286,596	267,108
<i>Business - type activities</i>					
Charge for services					
Water	62,619	70,463	79,315	79,809	88,754
Wastewater	19,775	20,284	21,360	21,513	25,134
Storm drainage	32,747	34,082	34,160	34,545	35,682
Solid waste	55,949	58,901	62,906	64,055	60,295
Community center	7,651	7,020	6,780	7,521	7,130
Child development	5,640	5,473	5,309	5,232	5,426
Marina	1,748	1,782	1,464	1,359	-
Parking	18,661	18,784	18,660	18,769	18,823
Total charge for services	204,790	216,789	229,954	232,803	241,244
Operating grants and contributions	2,343	2,381	2,358	3,744	1,095
Capital grants and contributions	38,094	14,148	10,417	5,289	7,480
Total business - type activities program revenues	245,227	233,318	242,729	241,836	249,819
Total primary government program revenues	\$ 543,856	\$ 498,482	\$ 484,397	\$ 528,432	\$ 516,927
Net (Expense) Revenue					
Governmental activities	\$ (294,010)	\$ (313,999)	\$ (344,952)	\$ (281,706)	\$ (330,323)
Business - type activities	6,565	26,536	31,396	21,363	33,126
Total primary government net expenses	\$ (287,445)	\$ (287,463)	\$ (313,556)	\$ (260,343)	\$ (297,197)

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.

(5) The Department of Economic Development has been reallocated to the Departments of General Government in FY18.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
Program Revenues					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 7,270	\$ 6,436	\$ 7,103	\$ 6,573	\$ 19,438
Police	10,804	11,583	11,022	13,068	12,586
Fire	26,155	32,264	31,204	30,897	42,898
Public works	30,337	32,840	37,179	42,897	50,159
General services ⁽⁴⁾	1,756	1,251	-	-	-
Transportation	-	-	-	-	-
Economic development ⁽⁵⁾	8,205	7,659	7,889	9,140	-
Convention and cultural services	9,311	9,303	10,085	10,860	12,456
Parks and recreation	13,359	15,004	13,792	12,954	13,065
Code enforcement	-	-	-	-	-
Community development	17,141	25,069	27,025	32,428	36,019
Neighborhood services	-	-	-	-	-
Development services	-	-	-	-	-
Planning	-	-	-	-	-
Library	59	29	-	-	-
Total charge for services	124,397	141,438	145,299	158,817	186,621
Operating grants and contributions	47,430	52,306	35,442	36,938	41,811
Capital grants and contributions	89,539	115,354	122,528	86,856	101,476
Total governmental activities program revenues	261,366	309,098	303,269	282,611	329,908
<i>Business - type activities</i>					
Charge for services					
Water	94,382	100,523	98,533	108,867	119,379
Wastewater	28,493	32,223	31,532	34,311	37,596
Storm drainage	38,049	37,646	40,166	40,124	39,512
Solid waste	58,561	59,095	60,253	61,548	63,556
Community center	7,718	8,748	8,782	9,488	9,848
Child development	5,632	5,553	6,073	5,713	6,419
Marina	-	-	-	-	-
Parking	18,643	16,595	17,646	18,374	19,003
Total charge for services	251,478	260,383	262,985	278,425	295,313
Operating grants and contributions	1,963	2,142	3,435	3,967	2,179
Capital grants and contributions	4,403	7,292	7,433	6,229	23,726
Total business - type activities program revenues	257,844	269,817	273,853	288,621	321,218
Total primary government program revenues	\$ 519,210	\$ 578,915	\$ 577,122	\$ 571,232	\$ 651,126
Net (Expense) Revenue					
Governmental activities	\$ (329,686)	\$ (318,426)	\$ (353,609)	\$ (375,805)	\$ (421,002)
Business - type activities	41,127	48,433	49,434	52,893	69,466
Total primary government net expenses	\$ (288,559)	\$ (269,993)	\$ (304,175)	\$ (322,912)	\$ (351,536)

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.

(5) The Department of Economic Development has been reallocated to the Departments of General Government in FY18.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
General Revenues and Other					
Changes in Net Position					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 135,806	\$ 123,681	\$ 118,801	\$ 114,874	\$ 114,451
Utility user taxes	57,775	58,693	58,907	58,787	59,066
Other taxes	20,358	18,591	18,327	17,403	27,943
Sales taxes shared state revenue	48,905	46,769	47,680	50,683	52,300
In-lieu sales tax	15,745	14,332	14,548	14,081	16,113
Grants and other intergovernmental revenue not restricted to specific programs	4,224	4,591	2,610	-	-
Investment earnings	14,896	11,508	6,260	10,953	10,101
Miscellaneous	10,368	12,743	12,464	11,005	9,749
Contributions to permanent fund	-	-	4	1	1
Gain (loss) on disposition of capital assets	2,912	-	2,336	-	-
Special items, net	(929)	-	-	-	26,208
Transfers	8,348	19,365	28,229	22,722	19,002
Total Governmental activities	318,408	310,273	310,166	300,509	334,934
<i>Business-type activities</i>					
Taxes:					
Other taxes	15,852	14,233	15,403	15,781	16,555
Investment earnings	5,746	4,964	3,449	2,957	1,299
Miscellaneous	-	-	-	-	-
Gain (loss) on disposition of capital assets	-	17	-	7	-
Special items, net	-	-	-	-	-
Transfers	(8,348)	(19,365)	(28,229)	(22,722)	(19,002)
Total business-type activities	13,250	(151)	(9,377)	(3,977)	(1,148)
Total primary government	\$ 331,658	\$ 310,122	\$ 300,789	\$ 296,532	\$ 333,786
Change in Net Position					
Governmental activities	\$ 24,398	\$ (3,726)	\$ (34,786)	\$ 18,803	\$ 4,611
Business-type activities	19,815	26,385	22,019	17,386	31,978
Total primary government	\$ 44,213	\$ 22,659	\$ (12,767)	\$ 36,189	\$ 36,589

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.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Revenues and Other					
Changes in Net Position					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 122,477	\$ 129,714	\$ 138,354	\$ 146,697	\$ 156,710
Utility user taxes	59,613	59,947	61,404	62,997	62,989
Other taxes	61,584	66,205	70,761	77,608	83,981
Sales taxes shared state revenue	56,575	58,476	67,983	81,296	82,987
In-lieu sales tax	16,823	16,632	14,387	-	-
Grants and other intergovernmental revenue not restricted to specific programs	-	-	-	-	-
Investment earnings	10,136	8,769	11,328	9,178	5,593
Miscellaneous	8,853	11,060	12,954	14,221	17,328
Contributions to permanent fund	1	1	-	-	-
Gain (loss) on disposition of capital assets	4,567	5,340	-	(79,916)	-
Special items, net	(2,500)	-	(8,830)	-	-
Transfers	28,571	32,148	14,773	31,443	34,525
Total Governmental activities	366,700	388,292	383,114	343,524	444,113
<i>Business-type activities</i>					
Taxes:					
Other taxes	17,943	20,108	21,800	23,866	26,839
Investment earnings	3,294	1,567	4,428	1,292	1,013
Miscellaneous	3	5	20	20	37
Gain (loss) on disposition of capital assets	-	-	-	17	424
Special items, net	18,527	4,554	-	-	-
Transfers	(28,571)	(32,148)	(14,773)	(31,443)	(34,525)
Total business-type activities	11,196	(5,914)	11,475	(6,248)	(6,212)
Total primary government	\$ 377,896	\$ 382,378	\$ 394,589	\$ 337,276	\$ 437,901
Change in Net Position					
Governmental activities	\$ 37,014	\$ 69,866	\$ 29,505	\$ (32,281)	\$ 23,111
Business-type activities	52,323	42,519	60,909	47,180	63,254
Total primary government	\$ 89,337	\$ 112,385	\$ 90,414	\$ 14,899	\$ 86,365

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.

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				
	2009	2010	2011	2012	2013
General Fund					
Reserved for:					
Noncurrent assets	\$ 969	\$ 514	\$ -	\$ -	\$ -
Encumbrances	5,189	6,301	-	-	-
Inventories and prepaids	316	304	-	-	-
Unreserved	65,614	47,988	-	-	-
Nonspendable:					
Prepaid items	-	-	63	23	24
Due from Other Funds	-	-	-	-	-
Noncurrent assets	-	-	245	71	48
Restricted:					
Capital projects	-	-	-	-	-
Ambulance service	-	-	-	-	-
Other programs	-	-	86	64	40
Committed:					
Economic uncertainty	-	-	14,340	20,263	27,765
Capital projects	-	-	19,612	21,542	21,789
Community center theater renovation	-	-	-	-	8,500
B Street Theater project	-	-	-	-	-
Fire program	-	-	-	-	-
Pension	-	-	-	-	-
OPEB	-	-	-	-	2,000
Homeless programs	-	-	-	-	-
Gas Tax	-	-	-	-	-
Other programs	-	-	12,468	9,349	9,347
Assigned:					
Unrealized investment gains	-	-	972	402	-
Next year's budget	-	-	5,138	9,354	10,446
Unassigned	-	-	-	-	-
Total general fund	\$ 72,088	\$ 55,107	\$ 52,924	\$ 61,068	\$ 79,959
All Other Governmental Funds					
Reserved for:					
Noncurrent assets	\$ 746	\$ 1,149	\$ -	\$ -	\$ -
Encumbrances	78,390	30,000	-	-	-
Debt service	20,517	20,269	-	-	-
Inventories and prepaids	35	35	-	-	-
Trust obligations	1,934	1,934	-	-	-
Capital projects	-	2,210	-	-	-
Unreserved, reported in:					
Special revenue funds	73,626	93,583	-	-	-
Capital projects funds	104,824	100,308	-	-	-
Debt service funds	9,868	10,047	-	-	-
Permanent funds	2,567	2,798	-	-	-
Nonspendable:					
Prepaid items	-	-	30	29	44
Noncurrent assets	-	-	1,577	605	530
Permanent fund principal	-	-	1,934	878	878
Restricted:					
Capital projects	-	-	161,365	150,475	135,069
Debt service	-	-	20,870	18,230	17,472
Public works programs	-	-	-	-	13,781
Ambulance service	-	-	-	-	-
Economic development programs	-	-	-	-	23,970
Other programs	-	-	50,264	50,026	31,115
Committed:					
Capital projects	-	-	606	469	3,666
Grant retention	-	-	-	-	-
Debt service	-	-	2,278	2,278	2,278
B Street Theater project	-	-	-	-	-
Economic development programs	-	-	-	-	-
Other programs	-	-	646	2,096	6,266
Assigned:					
Debt service	-	-	2,878	2,068	1,805
Unrealized investment gains	-	-	120	42	100
Other programs	-	-	2,281	4,093	3,758
Unassigned	-	-	(31,287)	(48,094)	(29,711)
Total all other governmental funds	\$ 292,507	\$ 262,333	\$ 213,562	\$ 183,195	\$ 211,021

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.

City of Sacramento
Fund Balances, Governmental Funds ^{(1) (2)}
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
General Fund					
Reserved for:					
Noncurrent assets	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	-	-	-	-	-
Inventories and prepaids	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable:					
Prepaid items	66	7	2	12	45
Due from other Funds	-	-	-	3,800	3,800
Noncurrent assets	-	4	-	-	-
Restricted:					
Capital projects	3,401	2,562	1,860	-	-
Ambulance service	-	1,085	1,085	-	-
Other programs	21	7	17	17	-
Committed:					
Economic uncertainty	33,714	38,967	46,950	49,644	52,700
Capital projects	21,728	32,987	37,526	49,265	37,583
Community center theater renovation	8,500	8,500	8,500	-	-
B Street Theater project	-	2,500	-	-	-
Fire program	-	4,420	5,720	1,386	6,189
Pension	-	-	-	-	5,000
OPEB	-	6,717	6,752	5,324	2,619
Homeless programs	1,000	750	250	-	-
Gas Tax	-	-	-	2,087	2,087
Other programs	12,909	8,860	13,953	19,280	37,325
Assigned:					
Unrealized investment gains	173	50	732	-	-
Next year's budget	-	-	-	-	-
Unassigned	17,395	16,028	26,649	24,739	25,021
Total general fund	\$ 98,907	\$ 123,444	\$ 149,996	\$ 155,554	\$ 172,369
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	24	24	-	-	-
Noncurrent assets	451	369	283	193	98
Permanent fund principal	878	878	878	878	878
Restricted:					
Capital projects	126,262	124,790	138,562	149,664	159,439
Debt service	17,548	20,218	51,691	58,904	28,539
Public works programs	11,830	-	14,522	13,152	18,857
Ambulance service	-	13,842	-	-	-
Economic development programs	22,484	17,271	16,887	41,548	44,920
Other programs	29,924	27,029	27,793	28,818	35,025
Committed:					
Capital projects	4,024	3,355	7,017	9,359	18,245
Grant retention	4,049	500	-	-	-
Debt service	6,583	5,660	8,733	19,110	21,543
B Street Theater project	-	16,391	21,360	-	-
Economic development programs	5,125	-	-	-	-
Other programs	25,486	50,001	51,024	56,715	40,683
Assigned:					
Debt service	973	717	2,547	2,406	2,008
Unrealized investment gains	47	15	40	-	-
Other programs	4,047	2,344	60	-	360
Unassigned	(22,121)	(26,554)	(19,657)	(18,037)	(22,656)
Total all other governmental funds	\$ 237,614	\$ 256,850	\$ 321,740	\$ 362,710	\$ 347,939

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.

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

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2009	2010	2011	2012	2013
Revenues					
Taxes	\$ 277,370	\$ 260,749	\$ 254,705	\$ 256,564	\$ 265,605
Intergovernmental	161,418	174,214	125,758	154,937	154,556
Charges for services	70,403	62,962	67,831	62,760	66,369
Fines, forfeits and penalties	12,213	12,118	11,093	11,891	9,892
Interest, rents, and concessions	15,414	10,928	9,627	15,494	13,909
Community service fees	13,297	7,875	3,647	3,058	7,136
Assessment levies	33,204	31,970	33,482	35,294	37,621
Contributions from property owners	8,132	7,972	9,440	6,170	14,269
Miscellaneous	212	196	411	2,090	3,441
Total revenues	591,663	568,984	515,994	548,258	572,798
Expenditures					
General government	31,938	27,471	26,049	24,610	22,712
Police	145,148	147,059	144,081	142,204	138,779
Fire	99,613	102,430	97,573	98,749	99,630
General services ⁽²⁾	23,396	21,025	19,353	19,388	10,306
Transportation	32,902	31,023	29,708	33,183	-
Neighborhood services	1,363	1,007	-	-	-
Convention and cultural services	15,116	13,196	13,291	10,670	9,804
Economic development ⁽³⁾	9,472	9,136	9,819	9,396	10,221
Parks and recreation	45,845	40,312	36,650	30,393	32,257
Code enforcement	10,605	10,279	-	-	-
Community development	-	15,873	23,307	21,819	23,568
Library	13,406	12,366	12,398	11,739	12,362
Utilities	67	67	137	97	979
Nondepartmental	26,028	26,818	33,407	32,269	-
Citywide and community support	-	-	-	-	33,105
Public works	-	-	-	-	34,995
Development services	21,881	-	-	-	-
Planning	2,709	-	-	-	-
Housing and redevelopment	-	-	-	-	-
Planning and building	-	-	-	-	-
Capital outlay					
Capital outlay	180,125	156,146	91,902	118,259	116,705
Subtotal - capital outlay	180,125	156,146	91,902	118,259	116,705
Debt service					
City					
Principal	45,789	18,577	44,189	21,595	19,470
Interest and fiscal charges	30,468	29,697	25,209	24,028	22,949
Bond issuance costs	-	-	-	-	-
Payment to refunded bond escrow	-	-	-	-	-
SHRA					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Subtotal - debt service	76,257	48,274	69,398	45,623	42,419
Total Expenditures	735,871	662,482	607,073	598,399	587,842
Excess (deficiency) of revenues over (under) expenditures	(144,208)	(93,498)	(91,079)	(50,141)	(15,044)
Other Financing Sources (uses)					
Transfers in	65,076	53,621	58,006	55,435	55,166
Transfers out	(33,695)	(30,241)	(27,025)	(27,590)	(27,450)
Issuance of long-term debt	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	-	-	-	-	2,837
Payments to participating governments	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	-	-
Total other financing sources (uses)	45,354	46,343	40,125	27,918	30,553
Special items, net	(929)	-	-	-	31,208
Net change in fund balances	\$ (99,783)	\$ (47,155)	\$ (50,954)	\$ (22,223)	\$ 46,717
Debt services as a percentage of noncapital expenditures	13.72%	9.35%	13.06%	9.41%	8.35%

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

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

(3) The Department of Economic Development has been reallocated to the Department of General Government in FY18.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2014	2015	2016	2017	2018
Revenues					
Taxes	\$ 320,832	\$ 334,649	\$ 365,482	\$ 382,155	\$ 406,011
Intergovernmental	105,172	111,017	128,190	73,082	80,415
Charges for services	71,889	86,061	89,765	105,446	121,368
Fines, forfeits and penalties	11,221	11,403	12,720	11,429	12,643
Interest, rents, and concessions	14,417	12,681	15,221	14,220	10,794
Community service fees	4,693	7,869	16,460	29,740	30,654
Assessment levies	38,668	41,884	43,475	44,339	47,048
Contributions from property owners	43,018	45,177	35,820	33,637	14,253
Miscellaneous	570	501	2,761	383	731
Total revenues	610,480	651,242	709,894	694,431	723,917
Expenditures					
General government	26,170	28,491	34,197	41,413	72,772
Police	138,653	149,448	152,245	159,572	169,273
Fire	107,538	110,585	119,814	127,970	136,161
General services ⁽²⁾	9,564	10,058	-	-	-
Transportation	-	-	-	-	-
Neighborhood services	-	-	-	-	-
Convention and cultural services	10,481	10,978	11,738	12,838	14,372
Economic development ⁽³⁾	12,418	10,797	9,871	13,270	-
Parks and recreation	35,632	38,894	37,801	38,707	38,615
Code enforcement	-	-	-	-	-
Community development	23,902	26,819	34,110	40,499	45,787
Library	12,482	14,496	14,771	14,903	16,421
Utilities	607	522	701	1,583	2,034
Nondepartmental	-	-	-	-	-
Citywide and community support	36,965	37,216	47,961	48,435	46,576
Public works	34,706	35,502	42,194	45,457	49,841
Development services	-	-	-	-	-
Planning	-	-	-	-	-
Housing and redevelopment	-	-	-	-	-
Planning and building	-	-	-	-	-
Capital outlay	-	-	-	-	-
Capital outlay	106,840	128,805	337,817	82,465	90,397
Subtotal - capital outlay	106,840	128,805	337,817	82,465	90,397
Debt service					
City					
Principal	26,218	23,699	16,481	28,677	48,445
Interest and fiscal charges	22,772	33,493	24,822	28,555	24,529
Bond issuance costs	-	-	5,483	49	1,415
Payment to refunded bond escrow	-	-	38,052	-	-
SHRA					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Subtotal - debt service	48,990	57,192	84,838	57,281	74,389
Total Expenditures	604,948	659,803	928,058	684,393	756,638
Excess (deficiency) of revenues over (under) expenditures	5,532	(8,561)	(218,164)	10,038	(32,721)
Other Financing Sources (uses)					
Transfers in	63,584	69,117	306,810	66,386	70,558
Transfers out	(34,527)	(33,267)	(270,358)	(31,871)	(35,801)
Issuance of long-term debt	6,050	3,984	401,943	1,976	8
Premium on long term debt	-	-	13,972	-	-
Proceeds from sale of property	4,902	12,500	-	-	-
Proceeds of long-term capital-related debt	-	-	-	-	-
Payments to participating governments	-	-	-	-	-
Payments to refunded bond escrow	-	-	(133,931)	-	-
Total other financing sources (uses)	40,009	52,334	318,436	36,491	34,765
Special items, net	-	-	(8,830)	-	-
Net change in fund balances	\$ 45,541	\$ 43,773	\$ 91,442	\$ 46,529	\$ 2,044
Debt services as a percentage of noncapital expenditures	9.49%	10.46%	12.71%	9.27%	10.59%

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

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

(3) The Department of Economic Development has been reallocated to the Department of General Government in FY18.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(modified accrual basis of accounting, in thousands)

Fiscal Year	Property	Tax Increment	Sales & Use	Utility Users	Others	Total
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
2018	170,701 ⁽²⁾	-	131,371 ⁽³⁾	62,989	40,950	406,011

Notes: (1) In lieu sales tax is reported as property tax in fiscal year 2009 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			
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	448,778	40,897,785	1.00
2017	42,300,010	1,623,203	9,193	43,932,406	446,690	43,485,716	1.00
2018	45,389,674	1,692,375	8,974	47,091,023	445,647	46,645,376	1.00

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 % is shared by all taxing agencies for which the subject property resides within.

**City of Sacramento
 Direct and Overlapping Property Tax Rates ⁽¹⁾
 Per \$100 of Assessed Value
 Last Ten Fiscal Years**

Fiscal Year End June 30	Basic County, City, and School Levy ⁽²⁾	County of Sacramento	Schools	Special Districts	Total
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
2017	1.0000	—	0.1418	—	1.1418
2018	1.0000	—	0.1365	—	1.1365

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
For the Fiscal Year and Nine Years Ago

(in thousands)

Taxpayer	2018			2009		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Sacramento Kings	\$ 411,221	1	0.88 %	\$ -	-	- %
400 Capitol Mall Owner LP	175,630	2	0.38	-	-	-
Arden Fair Associates	148,584	3	0.32	128,745	5	0.31
500 Capitol Mall LLC	138,357	4	0.30	-	-	-
621 Capitol Mall LLC	132,506	5	0.29	-	-	-
CIM Sacramento LLC	117,626	6	0.25	92,525	10	0.22
300 Capitol Assoc NF LP	114,000	7	0.25	132,810	3	0.32
SG Downtown	112,353	8	0.24	-	-	-
HP Hood LLC	105,643	9	0.23	-	-	-
M H VI Projects LLC	97,794	10	0.21	106,121	8	0.26
Hines VAF II Sacramento	-	-	-	404,301	1	0.96
Teachers Ins. Annuity	-	-	-	165,424	2	0.40
Downtown Plaza LLC	-	-	-	128,786	4	0.31
CLPF Promenade LP	-	-	-	123,025	6	0.30
Sutter Community Hospitals	-	-	-	120,197	7	0.29
Deutsche Bank Nat'l Trust	-	-	-	102,264	9	0.25
	<u>1,553,714</u>		<u>3.35</u>	<u>1,504,198</u>		<u>3.62</u>
All other taxpayers	<u>45,091,662</u>		<u>96.65</u>	<u>40,056,238</u>		<u>96.38</u>
Total	<u>\$ 46,645,376</u>		<u>100.00 %</u>	<u>41,560,436</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
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%
2018	158,378 ^{(2) (3)}	156,689	98.93%	1,689	158,378	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.

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

(in thousands, except Population and Per Capita)

Fiscal Year	Governmental Activities			Business-Type Activities			Total Primary Government
	Revenue Bonds	Notes Payable	Capital Leases	Revenue Bonds	Notes Payable	Capital Leases	
2009	\$ 514,431	\$ 812	\$ 7,354	\$ 312,967	\$ 49,103	\$ 6,487	\$ 891,154
2010	496,641	746	11,203	302,064	56,307	8,295	875,256
2011	477,588	677	9,910	289,950	56,388	7,066	841,579
2012	457,324	605	8,439	277,241	55,131	11,693	810,433
2013 ⁽¹⁾	435,962	530	9,446	542,347	52,536	9,466	1,050,287
2014 ⁽²⁾	419,477	16,053	13,562	540,117	33,288	6,098	1,028,595
2015	398,544	15,680	10,456	519,869	29,844	4,075	978,468
2016 ⁽³⁾	627,351	15,290	7,294	493,406	26,340	8,654	1,178,335
2017 ⁽⁴⁾	606,097	14,883	4,455	533,751	22,748	5,574	1,187,508
2018	564,929	14,459	2,299	510,016	22,919	3,685	1,118,307

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.
(4) In 2017, \$53 million of revenue bonds were issued for improvements to the City's municipal water system.
(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	Percentage of Personal Income	Population	Per Capita
2009	NA	481,097	1,852
2010	NA	486,189	1,800
2011	NA	469,566	1,792
2012	NA	470,956	1,721
2013 ⁽¹⁾	NA	473,509	2,218
2014 ⁽²⁾	NA	475,122	2,165
2015	NA	480,105	2,038
2016 ⁽³⁾	NA	485,683	2,426
2017 ⁽⁴⁾	NA	493,025	2,409
2018	NA	501,344	2,231

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.
(4) In 2017, \$53 million of revenue bonds were issued for improvements to the City's municipal water system.
(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
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	-
2018	-	-	-	46,645,375	0.00%	501,344	-

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, 2018

(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	\$ 413,020	25.684 %	\$ 106,080
Elk Grove Unified School District	82,100	10.955	8,994
Natomas Unified School District	241,698	87.664	211,882
Sacramento Unified School District	502,413	84.607	425,077
San Juan Unified School District	441,660	2.964	13,091
Twin Rivers Unified School District			
Twin Rivers Unified School District (former Elementary School District bonds)	65,810	47.892	31,518
Twin Rivers Unified School District (former Grant Joint Union High School District bonds)	216,056	47.899	103,489
Robla School District	39,475	54.495	21,512
City of Sacramento Community Facilities Districts	161,685	100.000	161,685
Elk Grove Unified School District Community Facilities District No. 1	201,614	12.147	24,490
City of Sacramento 1915 Act Bonds	3,700	100.000	3,700
California Statewide Community Development Authority Assessment District Bonds	505	100.000	505
Sacramento Area Flood Control Agency Consolidated Capital Districts Assessment District	278,195	85.335	237,398
Sacramento Area Flood Control Agency Natomas Local Assessment District	33,620	82.936	27,883
Subtotal - Overlapping Tax and Assessment debt			1,377,303
Direct and Overlapping General Fund Debt:			
Sacramento County General Fund Obligations	213,681	31.231	66,735
Sacramento County Pension Obligations	925,700	31.231	289,105
Sacramento County Board of Education Certificates of Participation	4,840	31.231	1,512
Los Rios Community College District Certificates of Participation	440	25.684	113
Sacramento Unified School District Certificates of Participation	65,565	84.607	55,473
San Juan Unified School District Certificates of Participation	251	2.964	7
Twin Rivers Unified School District Certificates of Participation	65,440	47.899	31,345
Sacramento Metropolitan Fire District General Fund Obligations	9,090	-	-
Sacramento Metropolitan Fire District General Pension Obligations	49,424	-	-
Arcade Creek Recreation and Park District General Fund Obligations	291	1.213	4
Subtotal - Lease Obligation Debt			444,293
Total Overlapping Debt			1,821,596
City of Sacramento Direct Debt			581,687
Total Direct and Overlapping Debt			\$ 2,403,283

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.

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		
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%
2018	46,645,376	6,996,806	-	-	-	6,996,806	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)
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
2018	1,529,501	76,776	50,197	34	N/A	245,906	4.2

Sources: (A) California Department of Finance - Population estimates as of January 1st of each year:
<http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php>

(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)	2018			2009		
	Employee (A) ⁽¹⁾	Rank	Percentage of Total Employment (B) ⁽²⁾	Employee (A) ⁽¹⁾	Rank	Percentage of Total Employment (B)
State of California	75,801	1	11.28%	73,273	1	11.96%
Sacramento County	12,208	3	1.82%	13,304	2	2.17%
Kaiser Permanente	11,005	4	1.64%	7,979	4	1.30%
UC Davis Health System	12,840	2	1.91%	8,496	3	1.39%
U.S. Government	10,325	5	1.54%	-		-
Sutter Health	8,177	6	1.22%	7,314	5	1.19%
Dignity Health	7,000	7	1.04%	-		-
Intel Corporation	6,000	9	0.89%	6,000	8	0.98%
Apple, Inc.	5,000	10	0.74%	-		-
Elk Grove Unified School District	6,210	8	0.92%	6,391	7	1.04%
City of Sacramento	4,556	11	0.68%	4,556	11	0.74%
Sacramento City Unified School District	-		-	6,500	6	1.06%
Los Rios Community College	-		-	-		-
Mercy/Catholic Healthcare West	-		-	5,922	9	0.97%
San Juan Unified School District	-		-	5,190	10	0.85%

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 671,700 (per Employment Development Department website) in June 2018.

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

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

PROJECT AREA	Fiscal Year				
	2009	2010	2011	2012	2013
Merged Downtown					
Secured	\$ 2,549,340	\$ 2,656,453	\$ 2,504,312	\$ 2,427,850	\$ 2,366,130
Unsecured	174,529	172,285	160,110	145,125	137,567
Utility	997	997	997	997	770
Total	<u>\$ 2,724,866</u>	<u>\$ 2,829,735</u>	<u>\$ 2,665,419</u>	<u>\$ 2,573,972</u>	<u>\$ 2,504,467</u>
Del Paso Heights					
Secured	\$ 414,673	\$ 317,546	\$ 305,405	\$ 286,172	\$ 276,998
Unsecured	14,272	37,627	17,112	10,267	9,550
Utility	1	1	1	1	1
Total	<u>\$ 428,946</u>	<u>\$ 355,174</u>	<u>\$ 322,518</u>	<u>\$ 296,440</u>	<u>\$ 286,549</u>
Alkali Flat					
Secured	\$ 126,892	\$ 132,387	\$ 128,304	\$ 121,651	\$ 119,184
Unsecured	4,273	4,759	3,740	2,962	4,982
Utility	-	-	-	-	-
Total	<u>\$ 131,165</u>	<u>\$ 137,146</u>	<u>\$ 132,044</u>	<u>\$ 124,613</u>	<u>\$ 124,166</u>
Oak Park					
Secured	\$ 611,302	\$ 460,439	\$ 438,987	\$ 428,226	\$ 427,642
Unsecured	11,361	13,418	10,613	8,973	9,898
Utility	-	-	-	-	-
Total	<u>\$ 622,663</u>	<u>\$ 473,857</u>	<u>\$ 449,600</u>	<u>\$ 437,199</u>	<u>\$ 437,540</u>
River District (formerly Richards Blvd)					
Secured	\$ 434,882	\$ 454,256	\$ 405,518	\$ 403,771	\$ 396,061
Unsecured	44,693	45,813	41,732	31,661	33,655
Utility	4,120	4,200	4,200	4,264	4,779
Total	<u>\$ 483,695</u>	<u>\$ 504,269</u>	<u>\$ 451,450</u>	<u>\$ 439,696</u>	<u>\$ 434,495</u>
North Sacramento					
Secured	\$ 613,238	\$ 563,978	\$ 555,744	\$ 526,139	\$ 506,029
Unsecured	37,027	33,239	36,014	35,675	39,802
Utility	-	-	-	-	-
Total	<u>\$ 650,265</u>	<u>\$ 597,217</u>	<u>\$ 591,758</u>	<u>\$ 561,814</u>	<u>\$ 545,831</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				
	2014	2015	2016	2017	2018
Merged Downtown					
Secured	\$ 2,300,993	\$ 2,344,213	\$ 2,461,341	\$ 2,682,975	\$ 3,294,112
Unsecured	132,581	138,662	124,172	110,587	131,439
Utility	770	770	748	748	748
Total	<u>\$ 2,434,344</u>	<u>\$ 2,483,645</u>	<u>\$ 2,586,261</u>	<u>\$ 2,794,310</u>	<u>\$ 3,426,299</u>
Del Paso Heights					
Secured	\$ 289,856	\$ 311,285	\$ 317,886	\$ 338,354	\$ 380,389
Unsecured	12,659	14,464	13,621	15,440	14,149
Utility	1	1	1	1	1
Total	<u>\$ 302,516</u>	<u>\$ 325,750</u>	<u>\$ 331,508</u>	<u>\$ 353,795</u>	<u>\$ 394,539</u>
Alkali Flat					
Secured	\$ 112,883	\$ 120,103	\$ 123,251	\$ 136,555	\$ 158,376
Unsecured	3,224	3,504	2,963	2,996	2,920
Utility	-	-	-	-	-
Total	<u>\$ 116,107</u>	<u>\$ 123,607</u>	<u>\$ 126,214</u>	<u>\$ 139,551</u>	<u>\$ 161,296</u>
Oak Park					
Secured	\$ 466,006	\$ 476,624	\$ 501,132	\$ 567,966	\$ 610,203
Unsecured	9,763	9,483	24,938	27,750	28,003
Utility	-	-	-	-	-
Total	<u>\$ 475,769</u>	<u>\$ 486,107</u>	<u>\$ 526,070</u>	<u>\$ 595,716</u>	<u>\$ 638,206</u>
River District (formerly Richards Blvd)					
Secured	\$ 375,825	\$ 403,452	\$ 393,540	\$ 404,183	\$ 413,627
Unsecured	29,486	35,352	37,314	34,732	36,120
Utility	4,779	4,779	2,591	2,591	2,591
Total	<u>\$ 410,090</u>	<u>\$ 443,583</u>	<u>\$ 433,445</u>	<u>\$ 441,506</u>	<u>\$ 452,338</u>
North Sacramento					
Secured	\$ 498,272	\$ 509,637	\$ 523,526	\$ 555,437	\$ 556,306
Unsecured	36,413	40,115	36,778	36,563	36,555
Utility	-	-	-	-	-
Total	<u>\$ 534,685</u>	<u>\$ 549,752</u>	<u>\$ 560,304</u>	<u>\$ 592,000</u>	<u>\$ 592,861</u>

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

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

PROJECT AREA	Fiscal Year				
	2009	2010	2011	2012	2013
Franklin Boulevard					
Secured	\$ 615,732	\$ 571,385	\$ 571,094	\$ 554,662	\$ 553,114
Unsecured	47,150	44,573	41,821	38,551	39,862
Utility	-	-	-	-	-
Total	<u>\$ 662,882</u>	<u>\$ 615,958</u>	<u>\$ 612,915</u>	<u>\$ 593,213</u>	<u>\$ 592,976</u>
Stockton Boulevard					
Secured	\$ 476,809	\$ 390,475	\$ 372,566	\$ 355,452	\$ 334,059
Unsecured	16,399	16,598	17,048	17,468	17,101
Utility	-	-	-	-	-
Total	<u>\$ 493,208</u>	<u>\$ 407,073</u>	<u>\$ 389,614</u>	<u>\$ 372,920</u>	<u>\$ 351,160</u>
Army Depot					
Secured	\$ 1,011,483	\$ 835,497	\$ 826,480	\$ 810,113	\$ 790,956
Unsecured	118,889	120,863	119,918	116,198	116,489
Utility	578	578	578	579	943
Total	<u>\$ 1,130,950</u>	<u>\$ 956,938</u>	<u>\$ 946,976</u>	<u>\$ 926,890</u>	<u>\$ 908,388</u>
65th Street					
Secured	\$ 240,544	\$ 224,753	\$ 242,905	\$ 230,618	\$ 229,458
Unsecured	29,115	25,010	25,040	25,808	17,346
Utility	-	-	-	-	-
Total	<u>\$ 269,659</u>	<u>\$ 249,763</u>	<u>\$ 267,945</u>	<u>\$ 256,426</u>	<u>\$ 246,804</u>
Railyards					
Secured	\$ -	\$ 49,467	\$ 71,772	\$ 80,928	\$ 84,191
Unsecured	-	-	251	3,521	4,548
Utility	-	641	680	768	771
Total	<u>\$ -</u>	<u>\$ 50,108</u>	<u>\$ 72,703</u>	<u>\$ 85,217</u>	<u>\$ 89,510</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				
	2014	2015	2016	2017	2018
Franklin Boulevard					
Secured	\$ 556,190	\$ 482,823	\$ 474,370	\$ 497,711	\$ 544,375
Unsecured	37,903	32,000	31,565	35,431	34,068
Utility	-	-	-	-	-
Total	<u>\$ 594,093</u>	<u>\$ 514,823</u>	<u>\$ 505,935</u>	<u>\$ 533,142</u>	<u>\$ 578,443</u>
Stockton Boulevard					
Secured	\$ 345,330	\$ 364,463	\$ 384,262	\$ 403,482	\$ 442,555
Unsecured	17,293	17,731	16,742	15,941	15,798
Utility	-	-	-	-	-
Total	<u>\$ 362,623</u>	<u>\$ 382,194</u>	<u>\$ 401,004</u>	<u>\$ 419,423</u>	<u>\$ 458,353</u>
Army Depot					
Secured	\$ 826,125	\$ 864,133	\$ 928,249	\$ 979,664	\$ 1,052,144
Unsecured	149,382	139,964	110,209	106,652	111,552
Utility	943	943	1,072	1,072	1,072
Total	<u>\$ 976,450</u>	<u>\$ 1,005,040</u>	<u>\$ 1,039,530</u>	<u>\$ 1,087,388</u>	<u>\$ 1,164,768</u>
65th Street					
Secured	\$ 228,785	\$ 231,632	\$ 243,684	\$ 276,299	\$ 350,567
Unsecured	14,536	17,543	14,033	15,339	17,768
Utility	-	-	-	-	-
Total	<u>\$ 243,321</u>	<u>\$ 249,175</u>	<u>\$ 257,717</u>	<u>\$ 291,638</u>	<u>\$ 368,335</u>
Railyards					
Secured	\$ 80,200	\$ 75,245	\$ 68,288	\$ 62,600	\$ 66,406
Unsecured	4,454	5,973	10,940	7,310	7,151
Utility	-	-	-	-	-
Total	<u>\$ 84,654</u>	<u>\$ 81,218</u>	<u>\$ 79,228</u>	<u>\$ 69,910</u>	<u>\$ 73,557</u>

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
Merged Downtown
As of June 30, 2018
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
PAUL BRENNER/300 CAPITOL MALL NF LP	\$ 114,000	\$ 102,000	\$ (12,000)	1.75%
1415 MERIDIAN PLAZA INVESTORS LP	75,500	70,900	(4,600)	0.67%
CIM	72,899	34,065	(38,834)	5.66%
WIP 800 J LOFTS LIMITED PARTNERSHIP	59,441	17,831	(41,610)	6.07%
CAPITAL TOWERS APARTMENTS LLC	52,150	31,290	(20,860)	3.04%
CAPITAL TOWERS APARTMENTS LLC	52,150	31,290	(20,860)	3.04%
HILTON WORLDWIDE	36,270	2,665	(33,605)	4.90%
COMCAST CABLE	30,196	3,020	(27,176)	3.96%
COMCAST CABLE	24,244	17,941	(6,303)	0.92%
CAPITAL TOWERS APARTMENTS LLC	22,200	13,320	(8,880)	1.29%
Sub Total	539,050	324,322	(214,728)	31.31%
All Other Taxpayers	146,765	-	-	-
Total	\$ 685,815	\$ 324,322	\$ (214,728)	31.31%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018

(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
TAE O LEE	\$ 273	\$ -	\$ (273)	53.74%
MONA SUE AYERS	120	52	(68)	13.39%
COMCAST CABLE	115	60	(55)	10.83%
Sub Total	508	112	(396)	77.95%
All Other Taxpayers	-	-	-	-
Total	\$ 508	\$ 112	\$ (396)	77.95%

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
REALTY ADVISORS INC	\$ 7,629	\$ 3,750	\$ (3,879)	50.85%
Sub Total	7,629	3,750	(3,879)	50.85%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 7,629</u>	<u>\$ 3,750</u>	<u>\$ (3,879)</u>	<u>50.85%</u>

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
BIMBO BAKERIES USA INC	\$ 17,778	\$ 12,000	\$ (5,778)	32.18%
WALGREEN CO	176	95	(81)	0.45%
Sub Total	17,954	12,095	(5,859)	32.63%
All Other Taxpayers	-	-	-	-
Total	\$ 17,954	\$ 12,095	\$ (5,859)	32.63%

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
REALTY ADVISORS INC	\$ 768	\$ 280	\$ (488)	12.57%
ZIMMER US INC	3,115	1,386	(1,729)	44.53%
Sub Total	3,883	1,666	(2,217)	57.10%
All Other Taxpayers	-	-	-	-
Total	\$ 3,883	\$ 1,666	\$ (2,217)	57.10%

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
SENT EXPO POINTE LLC	\$ 7,800	\$ 5,850	\$ (1,950)	8.69%
RECREATIONAL EQUIPMENT	7,079	3,580	(3,499)	15.60%
BAGHER/KEFAYAT NAVID TRUST	5,520	2,637	(2,883)	12.85%
TAKLA INVESTMENT LLC	474	220	(254)	1.13%
WALGREEN CO	291	88	(203)	0.90%
WALGREEN CO	232	120	(112)	0.50%
COMCAST CABLE	226	115	(111)	0.49%
COMCAST CABLE	203	107	(96)	0.43%
COMCAST CABLE	189	97	(92)	0.41%
COMCAST CABLE	182	92	(90)	0.40%
Sub Total	22,196	12,906	(9,290)	41.41%
All Other Taxpayers	237	-	-	-
Total	\$ 22,433	\$ 12,906	\$ (9,290)	41.41%

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
6200 FRANKLIN LLC	\$ 19,319	\$ 14,875	\$ (4,444)	9.97%
6200 FRANKLIN LLC	18,428	14,875	(3,553)	7.97%
MACY'S WEST STORES	6,334	5,153	(1,181)	2.65%
NAKASH ENTERPRISES INC	339	100	(239)	0.54%
COMCAST CABLE	111	62	(49)	0.11%
COMCAST CABLE	30	12	(18)	0.04%
Sub Total	44,561	35,077	(9,484)	21.28%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 44,561</u>	<u>\$ 35,077</u>	<u>\$ (9,484)</u>	<u>21.28%</u>

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018

(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
RITE AID CORPORATION	\$ 6,385	\$ 5,000	\$ (1,385)	4.23%
EKG INVESTORS LLC	4,160	3,500	(660)	2.02%
LEONARD W GRAY	3,519	1,056	(2,463)	7.53%
EKG INVESTORS LLC	3,463	2,950	(513)	1.57%
LEONARD W GRAY	3,450	1,145	(2,305)	7.04%
EKG INVESTORS LLC	3,370	2,950	(420)	1.28%
EKG INVESTORS LLC	2,930	2,000	(930)	2.84%
EKG INVESTORS LLC	2,230	1,875	(355)	1.08%
EKG INVESTORS LLC	1,570	995	(575)	1.76%
H/S ENERGY LLC	1,540	920	(620)	1.89%
Sub Total	32,617	22,391	(10,226)	31.25%
All Other Taxpayers	110	-	-	-
Total	<u>\$ 32,727</u>	<u>\$ 22,391</u>	<u>\$ (10,226)</u>	<u>31.25%</u>

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
CEMEX	\$ 5,896	\$ 1,000	\$ (4,896)	54.78%
ESTES TERMINALS CALIFORNIA LLC	1,796	539	(1,257)	14.07%
RICHARD N REESE FAMILY LLC	1,119	780	(339)	3.79%
CBIP LLC	66	31	(35)	0.39%
CAPITOL CITY GRANITE INC	60	6	(54)	0.60%
Sub Total	8,937	2,356	(6,581)	73.64%
All Other Taxpayers	-	-	-	-
Total	\$ 8,937	\$ 2,356	\$ (6,581)	73.64%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018

(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
TARGET CORPORATION	\$ 27,290	\$ 1,242	\$ (26,048)	32.09%
TARGET CORPORATION	27,114	1,400	(25,714)	31.68%
TARGET CORPORATION	26,726	1,380	(25,346)	31.22%
COMCAST CABLE	43	22	(21)	0.03%
Sub Total	81,173	4,044	(77,129)	95.02%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 81,173</u>	<u>\$ 4,044</u>	<u>\$ (77,129)</u>	<u>95.02%</u>

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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, 2018**

(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
SIMS METAL MGMT	\$ 1,017	\$ 509	\$ (508)	49.95%
Sub Total	1,017	509	(508)	49.95%
All Other Taxpayers	-	-	-	-
Total	<u>\$ 1,017</u>	<u>\$ 509</u>	<u>\$ (508)</u>	<u>49.95%</u>

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

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

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2018.

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	2018			2009		
	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)	\$ 411,411	1	10.33%	\$ -	-	-
SG Downtown LLC	230,410	2	5.78%	-	-	-
PAC West Office Equities Limited Partnership	207,774	3	5.21%	-	-	-
400 Capitol Mall Owner LP	179,143	4	4.50%	-	-	-
SRI Eleven 621 Capitol Mall LLC	134,067	5	3.36%	-	-	-
GV/Hi Pk Tower Owner LLC	122,910	6	3.08%	-	-	-
300 Capitol Associates NF LP	117,700	7	2.95%	135,252	3	4.78%
CIM/J Street Hotel Sacramento LP (PMC Commercial Trust)	97,512	8	2.45%	129,852	4	4.59%
GSA Sacramento CA LLC	95,064	9	2.39%	-	-	-
Capital Towers Apartments LLC	93,850	10	2.36%	-	-	-
Hines Sacramento Wells Fargo Center	-	-	-	233,050	1	8.24%
CIM/980 9th St	-	-	-	153,026	2	5.41%
Downtown Plaza	-	-	-	128,745	5	4.55%
621 Capitol Mall	-	-	-	94,238	6	3.33%
Sacramento Equities REIT	-	-	-	89,250	7	3.15%
1415 Meridian Plaza LLC/Valley View Invest	-	-	-	81,393	8	2.88%
500 Capitol Mall	-	-	-	75,657	9	2.67%
Capitol Regency LLC	-	-	-	68,294	10	2.41%
Sub Total	1,689,841		42.41%	1,188,757		42.01%
All Other Taxpayers	2,294,697		57.59%	1,640,978		57.99%
Total	<u>\$ 3,984,538</u>		<u>100.00%</u>	<u>\$ 2,829,735</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 2017-18 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	2018			2009		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Greater Sacramento Urban League	\$ 6,585	1	1.57%	\$ -	-	-
Research Properties	5,680	2	1.36%	5,019	1	1.38%
BM Ventures LLC	5,612	3	1.34%			-
Ramon Canyon Associates LP	3,089	4	0.74%			-
John A/Leta K Nichols 1994 Rev Trust	2,991	5	0.72%	2,553	2	0.70%
James G Riggs/Elisa R Garin Trust	2,766	6	0.66%			-
4555 Carmichael LLC	2,505	7	0.60%			-
US Rentals Inc	2,459	8	0.59%	2,128	6	0.59%
Proffutt Limited Partnership	2,364	9	0.57%			-
Terkensha Associates	1,926	10	0.46%			-
Lundblom Family Trust	-		-	2,379	3	0.66%
23002 Moulton Parkway LLC	-		-	2,293	4	0.63%
Harry G/Mariann Brix 1993 Family Trust	-		-	2,213	5	0.61%
Maki Stephen	-		-	1,948	7	0.54%
Proffutt Limited Partnership	-		-	1,717	8	0.47%
Lenore Wyatt Living Trust	-		-	1,622	9	0.45%
A B Land Holdings	-		-	1,561	10	0.43%
Sub Total	35,977		8.60%	23,433		6.45%
All Other Taxpayers	382,208		91.40%	339,615		93.55%
Total	\$ 418,185		100.00%	\$ 363,048		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2009		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Efren R Cota LTD	\$ 22,134	1	11.12%	\$ -	-	-
Hearst-Argyle Stations Inc	18,108	2	9.10%	21,217	1	15.33%
Realty Advisors Inc	7,782	3	3.91%	6,876	2	4.97%
Blackpine City Flats LLC	3,395	4	1.71%	-	-	-
1001 G State Rehabilitation Limited Partnership	2,913	5	1.46%	-	-	-
1220 E State LLC	2,913	6	1.46%	-	-	-
520 Ninth St	2,335	7	1.17%	2,063	8	1.49%
Ng-Yu Trust	2,200	8	1.11%	-	-	-
Leaders Choice LLC	2,144	9	1.08%	-	-	-
John Dailey Trust	2,111	10	1.06%	-	-	-
MND Creamery LLC	-	-	-	4,888	4	3.53%
Washington SHRWD II LP	-	-	-	5,568	3	4.02%
Norman/Sara Evans 1990 Trust	-	-	-	4,269	5	3.08%
Boys and Girls Club	-	-	-	4,127	6	2.98%
US Housing Partners II LP	-	-	-	3,936	7	2.84%
James Fortino Trust/Court on G Inc.	-	-	-	2,000	9	1.44%
700 E Street Building Power	-	-	-	1,894	10	1.37%
Sub Total	66,035		33.19%	56,838		41.05%
All Other Taxpayers	132,924		66.81%	81,606		58.95%
Total	\$ 198,959		100.00%	\$ 138,444		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2009		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Regents University CA	\$ 22,440	1	3.22%	\$ 9,583	2	1.99%
Rainbow Baking Co of Sac Valley (BBU INC)	11,600	2	1.66%	23,802	1	4.95%
University of the Pacific	9,777	3	1.40%	-	-	-
Great Chi Investment LLC	6,018	4	0.86%	-	-	-
Broadway/Stockton Food Source Inv LLC	5,556	5	0.80%	6,579	3	1.37%
Crestwood-Medical Center Hospital	4,673	6	0.67%	4,131	4	0.86%
Security Public Storage - Sacramento	4,051	7	0.58%	3,513	5	0.73%
Edmar Invs LLC (Walgreens)	3,443	8	0.49%	3,042	6	0.63%
Broadway Triangle	3,245	9	0.47%	-	-	-
Sac Alhambra LLC	2,958	10	0.42%	-	-	-
Campbell Taggart Baking Company	-	-	-	2,110	7	0.44%
St Hope	-	-	-	1,903	8	0.40%
Chu, Stephen C/Hossanna S Ho	-	-	-	1,840	9	0.38%
Joh Skinner 2001 Living Trust	-	-	-	1,732	10	0.36%
Sub Total	73,761		10.58%	58,235		12.11%
All Other Taxpayers	623,529		89.42%	422,489		87.89%
Total	\$ 697,290		100.00%	\$ 480,724		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2009		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
California Almond Growers Exchange	\$ 92,061	1	19.94%	\$ 27,703	2	5.53%
Grove River District LLC	36,823	2	7.98%	-	-	-
T9 Affordable Housig Partners L	15,873	3	3.44%	-	-	-
Scannell Properties 310 LLC	14,250	4	3.09%	-	-	-
Capitol Station 65 LLC	9,617	5	2.08%	8,553	6	1.71%
Hoseit Management LLC	7,419	6	1.61%	-	-	-
DFN LLC	6,801	7	1.47%	-	-	-
Detmer Family Limited Partnership	6,732	8	1.46%	5,495	10	1.10%
Sandman Property LLC	6,496	9	1.41%	-	-	-
JMDH Real Estate Sacramento LLC	6,270	10	1.36%	-	-	-
Grove Investment Company	-	-	-	29,649	1	5.91%
RECP HAW Sacramento LLC	-	-	-	20,375	3	4.06%
Mendell Allan/ETAL	-	-	-	12,483	4	2.49%
BRE/LQ Props LLC	-	-	-	11,166	5	2.23%
HKM	-	-	-	6,996	7	1.40%
Riverpark Business Center LLC	-	-	-	6,087	8	1.21%
Dos Rios Venture	-	-	-	5,548	9	1.11%
Sub Total	202,342		43.84%	134,055		26.74%
All Other Taxpayers	259,252		56.16%	367,294		73.26%
Total	\$ 461,594		100.00%	\$ 501,349		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2009		
	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	\$ 35,081	1	5.79%	\$ 27,697	1	4.63%
Price Company	23,902	2	3.95%	21,081	4	3.52%
Omninet Sacramento Jardinette LLC	16,576	3	2.74%	-	-	-
McCuen Acoma Street Investors	12,780	4	2.11%	11,292	6	1.89%
Sent Expo Pointe LLC	7,800	5	1.29%	7,853	8	-
Plaza Ave Apartments LLC	7,462	6	1.23%	-	-	-
Recreational Equipment Inc	7,220	7	1.19%	-	-	-
North Sacramento Land Co	6,642	8	1.10%	-	-	-
Sacramento Healthcare Investors LP	6,628	9	1.09%	-	-	-
Slobe Robert J	6,529	10	1.08%	-	-	-
JB Management LP	-	-	-	26,358	2	4.40%
PD Hotel Associates LLC	-	-	-	23,362	3	3.90%
Merliz Inc	-	-	-	16,987	5	2.84%
Radiological Associates	-	-	-	8,145	7	1.36%
OCC Fund Ltd Partnership	-	-	-	7,056	9	1.18%
2006 Tcherkoyan Family Trust	-	-	-	7,029	10	1.17%
Sub Total	130,620		21.58%	156,860		26.20%
All Other Taxpayers	474,747		78.42%	441,798		73.80%
Total	\$ 605,367		100.00%	\$ 598,658		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2009		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
6200 Franklin LLC	\$ 20,153	1	3.47%	\$ -	-	-
United States Cold Storage Calif	10,418	2	1.80%	9,410	4	1.52%
Hillside Apartments LLC	7,858	3	1.35%	-	-	-
Sacramento Children's Home (Garfield Beach CVS LLC)	7,682	4	1.32%	-	-	-
Greystone Place Invs LLC	7,127	5	1.23%	-	-	-
ARB Invs	7,023	6	1.21%	-	-	-
Rosedown Associates LLC	6,429	7	1.11%	9,591	3	1.55%
ABF Freight System Inc	4,909	8	0.85%	-	-	-
Extra Space Properties Two LLC	4,632	9	0.80%	7,741	5	1.25%
Campus Plaza Associates	4,632	10	0.80%	-	-	-
Campbell Soup	-	-	-	132,205	1	21.40%
Western Village LP	-	-	-	13,083	2	2.12%
TESCO Controls Inc.	-	-	-	5,553	6	0.90%
Sei/PSP Vi Joint Ventures	-	-	-	4,034	7	0.65%
Bowling Green Associates	-	-	-	3,879	8	0.63%
Con-Way Western Express Inc.	-	-	-	3,077	9	0.50%
Franklin Center LLC	-	-	-	3,058	10	0.49%
Sub Total	80,863		13.93%	191,631		31.02%
All Other Taxpayers	499,495		86.07%	426,153		68.98%
Total	\$ 580,358		100.00%	\$ 617,784		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2009		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Stockton Plaza Partners LLC	\$ 14,626	1	3.08%	\$ 14,222	3	3.47%
EKG Investors LLC/Sct Investors LLC/Etal	14,260	2	3.00%	20,158	1	4.92%
Sustained Invs LLC	10,664	3	2.25%	-	-	-
John M/Nancy M Kehriotis Living Trust	8,163	4	1.72%	7,213	5	1.76%
NT Stockton Invs LLC	7,940	5	1.67%	4,697	10	1.15%
Long Sight Properties LLC	6,513	6	1.37%	-	-	-
ESS Prisa II LLC	6,272	7	1.32%	4,740	9	1.16%
Brittany Arms LLC	6,248	8	1.32%	5,520	6	1.35%
Little Saigon Plaza Sacramento	5,930	9	1.25%	-	-	-
SF Florin LP	5,091	10	1.07%	-	-	-
BE Saigon Plaza LLC	-	-	-	17,415	2	4.25%
Gonzalez Jaime/Gloria	-	-	-	9,201	4	2.24%
Hill Ct Inv Group Ltd Part	-	-	-	5,505	7	1.34%
Golden Prop Inv	-	-	-	5,202	8	1.27%
Sub Total	85,707		18.05%	93,873		22.89%
All Other Taxpayers	389,003		81.95%	316,235		77.11%
Total	\$ 474,710		100.00%	\$ 410,108		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2009		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Elder Creek Transfer/Recovery Inc	\$ 11,176	1	1.37%	\$ 10,443	4	1.07%
Watt Elder Creek Holdings LLC	8,061	2	0.99%	-	-	-
Power Inn Business Park LLC	5,777	3	0.71%	-	-	-
Pitalo John E	4,861	4	0.59%	-	-	-
Kennedy Estates Housing Associates	3,545	5	0.43%	-	-	-
Younger Creek Management LLC	3,315	6	0.41%	-	-	-
Central Valley Industrial Core Holdings LLC	3,245	7	0.40%	-	-	-
Preet LLC	2,460	8	0.30%	-	-	-
BP West Coast Products LLC	1,856	9	0.23%	-	-	-
ARC Cafehd LLC (Vereit Operating Partnership LP)	1,805	10	0.22%	-	-	-
Engineered Polymer Solutions	-	-	-	15,676	1	1.60%
R/G Hayward LLC	-	-	-	14,996	2	1.53%
Buzz Oates LLC	-	-	-	10,443	3	1.07%
Ballantyne Diana S/Mark C/Jan W Leo	-	-	-	7,789	5	0.79%
C/S Logistics Sacramento/TRA	-	-	-	6,956	6	0.71%
Air Products/chemicals Inc	-	-	-	6,575	7	0.67%
Southern Calif Cement	-	-	-	6,507	8	0.66%
Vivion Shops LLC	-	-	-	5,092	9	0.52%
Inland Empire Investments	-	-	-	4,223	10	0.43%
Sub Total	46,101		5.64%	88,700		9.05%
All Other Taxpayers	771,443		94.36%	891,120		90.95%
Total	\$ 817,544		100.00%	\$ 979,820		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2009		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
NB Element DST	\$ 81,885	1	18.73%	\$ -	-	-
SSC Sacramento Apartments LLC	72,420	2	16.56%	-	-	-
AMCAL Sacramento LLC	43,696	3	9.99%	-	-	-
Target Corporation	27,962	4	6.39%	15,093	2	6.02%
65th St Village LLC (65th & Folsom LP)	11,546	5	2.64%	-	-	-
Sutter Valley Hospitals	11,365	6	2.60%	-	-	-
CPCA 7716 Folsom Blvd LLC	8,182	7	1.87%	-	-	-
Atlas Disposal Industries LLC	6,466	8	1.48%	6,263	6	2.50%
Jackson IV LLC	6,019	9	1.38%	-	-	-
Dimension Properties LLC	5,380	10	1.23%	4,662	7	1.86%
Valeo Sacramento	-	-	-	36,316	1	14.48%
Mark/Marjorie Friedman Family Turst Et al	-	-	-	10,146	3	4.04%
Farming Company Folsom Blvd LLC Et al	-	-	-	10,092	4	4.02%
Kenneth/Susan Cathchot Family 2005 Revocable Trust	-	-	-	6,288	5	2.51%
American River Self Storage LP	-	-	-	4,527	8	1.80%
NMC I LLC/BBK I LLC	-	-	-	3,892	9	1.55%
2800 Pico Associates LLC	-	-	-	3,827	10	1.53%
Sub Total	274,921		62.87%	101,106		40.31%
All Other Taxpayers	162,351		37.13%	149,724		59.69%
Total	\$ 437,272		100.00%	\$ 250,830		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2017-18 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	2018			2010 ⁽¹⁾		
	Taxable Value ⁽²⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Downtown Railyard Venture LLC	\$ 18,819	1	26.21%	\$ -	-	-
Pac West Office Equities Limited Partnership	11,381	2	15.85%	-	-	-
1238 Sutter Street LLC	7,548	3	10.51%	-	-	-
Mercy Housing CA 47	4,967	4	6.92%	-	-	-
Sutter HOJ LP	4,947	5	6.89%	-	-	-
Sacramento Co Emp Credit Union	4,618	6	6.43%	4,068	5	5.23%
PDRA/Company LLC	4,003	7	5.57%	3,537	6	4.54%
PLF Bldg LLC	3,771	8	5.25%	-	-	-
Strumwasser Michael J/Silvia M	3,310	9	4.61%	2,924	7	3.76%
Bowman/Bay Building Joint Venture	2,394	10	3.33%	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	65,758		91.57%	67,716		87.00%
All Other Taxpayers	6,053		8.43%	10,117		13.00%
Total	\$ 71,811		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 2017-18 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
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
2017-18	67,464	823	11,550	55,091	398	138.42	24,270	24,668	2.23 (5)

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
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
2017-18	37,146	451	5,665	31,030	-	-	146	146	212.53 (5)

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
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
2017-18	3,978	50	638	3,290	-	-	14	14	235.00

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 subordinate debts and a majority of the senior debts were refunded in 2015.

(5) 1993 Merged Downtown TABS were paid off in 2018.

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
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
2017-18	1,791	29	317	1,445	-	-	471	471	3.07

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
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
2017-18	6,213	79	1,091	5,043	-	-	34	34	148.32

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
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
2017-18	1,793	23	338	1,432	-	-	230	230	6.23

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 subordinate debts and a majority of the senior debts were refunded in 2015.

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Ten Fiscal Years
(in thousands)

North Sacramento

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
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
2017-18	3,229	40	323	2,866	218	13.15	377	595	4.82

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
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
2017-18	2,511	30	217	2,264	-	-	41	41	55.22

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
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
2017-18	2,598	33	770	1,795	180	9.97	167	347	5.17

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 subordinate debts and a majority of the senior debts were refunded in 2015.

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Ten Fiscal Years
(in thousands)

Army Depot

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
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
2017-18	5,428	67	1,376	3,985	-	-	268	268	14.87

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
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
2017-18	2,578	29	784	1,765	-	-	387	387	4.56

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 subordinate debts and a majority of the senior debts were refunded in 2015.

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

Function/Program	Full-time Equivalent Employees as of June 30,									
	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Citywide and Community Support	-	-	-	-	23	23	21	5	5	5
Code Enforcement	107	90	-	-	-	-	-	-	-	-
Community Development	-	107	170	166	159	163	166	219	227	250
Convention and Cultural Services	214	206	196	194	133	138	126	120	116	115
Development Services	222	-	-	-	-	-	-	-	-	-
Economic Development	27	22	18	14	11	11	11	11	12 ⁽²⁾	-
Fire	655	582	611	589	527	642	657	674	678	672
General Government	400	329	319	312	305	320	325	370	431	512
General Services	307	257	247	225	368	367	372	- ⁽¹⁾	-	-
Neighborhood Services	15	9	-	-	-	-	-	-	-	-
Parks and Recreation	872	680	648	579	553	577	568	599	683	616
Planning	34	-	-	-	-	-	-	-	-	-
Police	1,271	1,091	1,060	900	847	940	973	1,033	1,052	1,030
Public Works	-	-	-	-	395	406	415	732	725	723
Transportation	437	424	409	409	-	-	-	-	-	-
Utilities	741	752	698	698	505	510	522	538	528	546
Total	5,300	4,549	4,374	4,083	3,825	4,095	4,157	4,300	4,458	4,470

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

(2) The Department of Economic Development has been reallocated to the Department of General Government.

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

Function/program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Adult arrests	21,230	20,555	19,885	17,058	18,650	19,570	18,113	16,778	14,476	13,350
Citizen initiated calls for service with officer responses	173,045	176,157	166,207	154,193	154,233	118,975	141,181	149,275	148,663	152,597
Fire ⁽¹⁾										
Number of incidents	64,525	59,608 ⁽²⁾	71,111	73,343	74,427	75,000	80,596	85,742	90,018	92,026
Number of structure fires	401	359 ⁽²⁾	606	652	680	586	784	756	735	767
Number of construction inspection/reviews	NA	2,790	NA	1,895	4,568 ⁽¹²⁾	4,761	3,234	4,181	8,268 ⁽²³⁾	10,102
General Services										
Number of animal licenses issued	18,732	17,094	17,132	17,318	15,810 ⁽¹³⁾	15,057	8,995	12,016 ⁽²¹⁾	14,428	12,002
Number of animal outplacements	4,025	3,300	2,901	3,750	5,521 ⁽¹⁴⁾	6,167	7,447	8,789	9,248	9,589
Public Works										
Number of traffic investigations completed	1,028	903	712 ⁽⁴⁾	717	821	936	678	896	1,001	1,041
Number of parking citations issued	236,103	240,248	184,215 ⁽⁵⁾	164,492	165,700	171,066	196,586	192,708	183,326	197,170
Convention and Cultural Services										
Number of Community Convention Center events	528	453	417	389	378	378	358	408	430	372
Community Convention Center event attendance	862,000	780,000	873,577	796,000	645,000 ⁽¹⁵⁾	881,253	775,253	744,145	905,733 ⁽²⁴⁾	1,034,980
Number of Zoo attendance	467,446	481,452	498,518	526,959	508,061	512,758	549,407	533,368	500,573	500,535
Parks and Recreation										
Number of students enrolled in START	8,695	8,563	7,437	5,755 ⁽⁷⁾	5,330	5,603	6,897	4,534 ⁽²²⁾	2,785 ⁽²⁵⁾	711 ⁽²⁷⁾
Number of students enrolled in 4th R ⁽⁹⁾	2,675	2,600	2,142	1,899	1,949	1,955	2,007	1,863	1,180	2,419 ⁽²⁸⁾
Number of lunches served through food programs	197,020	120,726 ⁽³⁾	133,687	42,848 ⁽⁸⁾	- ⁽¹⁶⁾	-	-	-	-	-
Community Development ⁽¹⁸⁾										
Number of building permits issued	13,182	11,786	11,474	11,545	12,146	13,950	14,002	17,041	18,701	20,582
Building permit valuation (in million of dollars)	557	543	387	281	391	362	544	778	1,267	1,243
Vehicles abated by City	898	694	429	254 ⁽¹⁰⁾	282	343	356	772	1,644	2,306
Notice and orders issued on housing and dangerous buildings	360	305	250	188 ⁽¹¹⁾	253	154	279	239	206	382
Water										
Number of accounts	137,029	136,600	136,812	137,148	135,353	135,590	134,971	136,130	139,238	140,735
Amount distributed/pumped (million of gallons)	42,726	38,453	37,393	38,692	40,034	34,896	29,557	27,324	28,511	30,800
Wastewater										
Number of accounts	76,802	76,385	76,394	76,477	76,484	76,657	76,471	76,849	77,137	77,521
Amount distributed/pumped (million of gallons)	15,889	14,302	NA	10,695	6,805 ⁽¹⁷⁾	10,603	10,605	10,605	10,605	25,836
Storm Drainage										
Number of accounts	132,727	132,556	133,188	133,814	134,651	135,834	136,850	137,754	139,198	140,934
Amount distributed/pumped (million of gallons)	27,936	27,288	NA	28,445	17,602	14,585 ⁽¹⁹⁾	24,179	20,225	46,964 ⁽²⁶⁾	18,321 ⁽²⁶⁾
Solid Waste										
Residential garbage disposed (in Tons)	104,542	112,203	110,103	106,085	109,141	109,060	111,140	112,497	118,355	118,437
Commercial garbage collected (in Tons)	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.
(27) In FY18, the number of students enrolled in START decreased due to reduced funding and non renewal of 21st century federal grant.
(28) In FY18, the number of students enrolled in 4th R Program increased due to the addition of new site, i.e. Paso Verde. An average of 100 participants enrolled monthly at this site.

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

Function/program	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Police										
Number of stations ⁽¹⁾	4	4	4	4	4	4	4	4	4	4
Police										
Number of patrol units ⁽²⁾	210	242	242	242	263	243	226	231	234	229
Number of aircraft	3	3	3	4	4	4	4	4	4	5
Number of watercraft	2	2	2	3	3	3	2 ⁽¹²⁾	2	5	4
Fire										
Number of stations	23	23	23	24	24	24	24	24	24	24
Number of fire suppression, support or prevention vehicles	150	160	160	159	159	159	159	162	162	162
Number of watercraft	NA	NA	NA	NA	NA	NA	1 ⁽¹²⁾	1	1	6
Public Works										
Miles of streets	3,044	3,063	3,108	3,108	3,065	3,077	3,059	3,059	3,075	3,062
Number of street lights	41,131	41,252	41,301	41,679	41,788	42,048	42,225	42,627	42,914	43,223
Number of City parking spaces ⁽³⁾	8,484	8,484	8,484	8,484	8,484	8,484	4,775 ⁽¹³⁾	4,775	4,775	4,775
Miles of off-street bikeways	78	78	82	82	83	84	57	57	57	88
Parks and recreation										
Number of parks	208	212	213	213	222	222	222	225	227	227
Park acreage ⁽⁴⁾	3,167	3,171	3,171	3,150 ⁽¹⁰⁾	3,161 ⁽¹¹⁾	3,161	3,161	3,183	3,177	3,177
Number of community centers ⁽⁵⁾	13	13	13	13	13	13	13	13	13	14
Number of swimming pools (including wading pools)	26	26	26	26	26	26	26	27	27	27
Water										
Miles of water mains and distribution lines ^{(6) (7)}	1,720	1,724	1,596	1,599	1,599	1,597	1,727	1,599	1,604	1,607
Sewers and storm drainage										
Miles of sanitary sewers and storm drainage ⁽⁸⁾	1,693	1,950	1,954	1,951	1,951	1,951	1,873	1,869	1,876	1,960
Off-street parking										
Number of City garages and open parking lots	10	10	10	10	10	10	7 ⁽¹³⁾	7	7	7
Golf										
Number of golf courses	6	6	6	6	6	6	6	6	6	6
Marina										
Number of boat harbor slips	475	475	475	475	475	475	475	475	475	475

- Notes: (1) 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
	2018	2009
Number of budgeted positions	4,470	5,300
Area in square miles	97	97
Altitude in feet	20	20
City of Sacramento facilities and services:		
Police		
Number of stations	4	4
Number of police personnel sworn / civilian (actual)	664/284	804/440
Number of patrol units	229	210
Fire		
Number of stations	24	23
Number of fire personnel sworn / unsworn	630/51	591/43
Number of fire protection, support and prevention vehicles	162	150
Utilities		
Miles of water mains and distribution lines ⁽¹⁾	1,607	1,720
Annual water production in gallons	31 Billion	42.8 billion
Miles of sanitary sewers and storm drainage ⁽²⁾	1,960	1,693 ⁽¹⁾
Public Works		
Miles of streets	3,062	3,044
Number of street lights	43,223	41,131
Number of City managed parking lots / spaces	21/4812	19/10,280
Miles of off-street bikeways	88	78
Boat harbor slips ⁽³⁾	475	475 ⁽²⁾
Convention and Cultural Services		
Golf courses	6	6
Zoo animals ⁽⁴⁾	456	500
Fairytale town attendance for year	256,979	232,738
Crocker Art Museum attendance for year	274,488	132,271
Community Convention Center attendance for year	1,034,980	862,000
Parks and Recreation		
Parks	227	208
Park acreage ⁽⁵⁾	3,177	3,167
Camp Sacramento attendance for year	3,114	2,593
Community centers	14	13
Neighborhood centers	3	8
Swimming pools	12	12
Baseball fields ⁽⁶⁾	103	47
Soccer fields	131	132
Ball courts	202	161
Library ⁽⁷⁾		
Library branches	12	27
Library books and audiovisual recordings in circulation	1,688,503	1,622,262

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 FY2005 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

Vice Mayor, District 4

JAY SCHENIRER

Councilmember, District 5

ERIC GUERRA

Councilmember, District 6

RICK JENNINGS, II

Councilmember, 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 City of Sacramento population is estimated at 501,344 as reported by the State of California, Department of Finance as of January 2018.

