

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

City of Sacramento, California



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City of Sacramento

California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2016

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

**Leyne Milstein, Director of Finance
Dennis Kauffman, Finance Operations Manager
Russ Robertson, Accounting Manager**

CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2016

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CITY OF SACRAMENTO, CALIFORNIA

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CITY OF SACRAMENTO, CALIFORNIA

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Introductory Section

Howard Chan
Interim City Manager

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

December 23, 2016

Honorable Mayor and City Council
City of Sacramento, California:

Dear Mayor and Members of the City Council:

We are pleased to transmit to you the Comprehensive Annual Financial Report (CAFR) for the City of Sacramento (City) for the fiscal year ended June 30, 2016. 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, 2016. Their unmodified (“clean”) opinion has been included as the first component of the financial section of the CAFR.

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

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

PROFILE OF THE CITY

The City of Sacramento, capital of the State of California, was established in 1849. The sixth largest city in California based on population, Sacramento also serves as the seat of Sacramento County government. The State of California Department of Finance estimated the population on January 1, 2016, at 485,683 for the City and 1,495,297 for the County. Encompassing 99 square miles, the City is located in the northern section of California’s Central Valley at the confluence of the Sacramento and American rivers.

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

REPORTING ENTITY

This CAFR presents the financial status of the City and its four component units:

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

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

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

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

RASA was created to serve as the custodian for the assets and to wind down the affairs of the former Redevelopment Agency of the City of Sacramento. RASA is reported as a fiduciary-type component unit.

BUDGET INFORMATION

The City Charter requires that the City Manager submit a proposed budget to the City Council at least 60 days prior to the start of each fiscal year. Once approved by City Council, the annual budget serves as the foundation for the City's financial planning, control and reporting. Budgetary control is maintained at the department level by fund. Budgetary control for multi-year projects is maintained at the individual project level by fund. Additional budgetary information can be found in Note 1 to the financial statements and on the City's website.

LOCAL ECONOMY

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

Like most cities in the country, Sacramento continued its economic recovery in 2016. As of June 2016, unemployment for the Sacramento metropolitan area and Sacramento County was 5.3% and 5.8%, respectively, compared to 5.6% and 5.8%, respectively, one year earlier. According to the latest University of California, Los Angeles Anderson Forecast, slow and steady growth in employment in California is expected to continue in 2017. While there is an expectation of continued economic growth, economic data indicates that growth in the Sacramento region will continue to generally lag behind national trends and other areas of California.

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

BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANNING

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

RELEVANT FINANCIAL POLICIES

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

The Council policy directs unbudgeted one-time general revenue received in a fiscal year, not required to balance the budget as part of the midyear review or year-end close, be added to the EUR. Unbudgeted one-time general revenue of \$8.0 million was added to the EUR during year-end close bringing the balance to \$46.95 million, approximately 10.8% of estimated FY2016/17 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.

During the year, the City adopted several new policies to promote prudent financial management including Other Post-Employment Benefits (OPEB) Funding, Development Stabilization Contingency Reserve (DSCR) and Development Services Fund Management, and Budget Control.

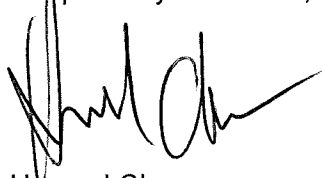
AWARDS AND ACKNOWLEDGEMENTS

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, 2015. This marks the 27th 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.

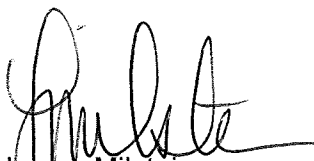
In order to receive this award, the City published an easily readable and efficiently organized CAFR. The report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements. We believe this CAFR also meets the requirements of the program and we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

The Department of Finance, in particular the Accounting Division, takes great pride in the preparation of the CAFR. The professionalism, commitment and effort of each employee of the Accounting Division have made this report possible. We also want to 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
Interim City Manager



Leyne Milstein
Director of Finance



Russell Robertson
Accounting Manager

City of Sacramento

Directory of City Officials

June 30, 2016

Kevin Johnson
Mayor

Angelique Ashby
Councilmember, District 1

Jay Schenirer
Councilmember, District 5

Allen Warren
Councilmember, District 2

Eric Guerra
Councilmember, District 6

Jeff Harris
Councilmember, District 3

Rick Jennings, II
Vice Mayor, District 7

Steve Hansen
Councilmember, District 4

Larry Carr
Mayor Pro Tem, District 8

John F. Shirey
City Manager

James Sanchez
City Attorney

Shirley Concolino
City Clerk

John Colville
Interim 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, 2015

Executive Director/CEO

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Financial Section



INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sacramento, California (City), as of and for the year ended June 30, 2016, 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, 2016, 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

Change in Reporting Entity

As described in Note 1 to the financial statements, the City is no longer reporting the Sacramento Regional Arts Facilities Financing Corporation due to the refunding of the debt issued and reported within that fund. Our opinion is not modified with respect to this matter.

Implementation of GASB Pronouncements

As described in Note 1, the City adopted Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*, and GASB Statement No. 82, *Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73*, effective July 1, 2015. Our opinion is 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 contributions, and schedule of funding progress for the other post employment benefits plan, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and 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 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 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 23, 2016, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Vavrinik, Trine, Day & Co. LLP

Sacramento, California
December 23, 2016

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City of Sacramento
Management's Discussion and Analysis
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

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, 2016. 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

- In fiscal year 2016, the City invested \$223 million in the construction of the Golden 1 Center, an indoor multi-use facility, expected to host about 200 entertainment and sporting events per year, including 42 Sacramento Kings games. The City issued lease revenue bonds totaling \$272 million to finance its portion of this public-private entertainment venue.
- The City issued 2015 Refunding Revenue Bonds in fiscal year 2016 to refund the outstanding 2002 and 2003 Capital Improvement Revenue Bonds, 2005 Refunding Revenue Bonds, and the 2006 Capital Improvement Revenue Bonds Series A and Series C. The refunding resulted in an economic gain to the City of \$21.6 million.
- The City spent \$29.6 million in fiscal year 2016 on the \$170 million rehabilitation project at the City's original water treatment plant on the Sacramento River, built in 1923 and the E.A. Fairbairn water treatment plant on the American River. This three-year construction project, funded with water revenue bonds issued in 2013, will secure water supply for Sacramento residents and businesses.
- The City's General Fund revenue and other financing sources (uses) exceeded expenditures by \$26.6 million in fiscal year 2016. This is primarily attributable to revenues collected in excess of amounts budgeted for property, sales and use, utility users, and business operations taxes.
- The City's total government-wide net position increased by \$90.4 million in the current year, a 4.7 percent increase.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

Government-wide Financial Statements

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

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

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

Fund Financial Statements

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

The City has three types of fund financial statements:

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

The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these resources to finance its operations.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

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

City of Sacramento
Summary of Net Position
As of June 30, 2016 and 2015
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percent Change
	2016	2015	2016	2015	2016	2015	
Current and other assets	\$ 774	\$ 697	\$ 405	\$ 466	\$ 1,179	\$ 1,163	1.4%
Capital assets	1,997	1,783	1,252	1,148	3,249	2,931	10.8%
Total assets	<u>2,771</u>	<u>2,480</u>	<u>1,657</u>	<u>1,614</u>	<u>4,428</u>	<u>4,094</u>	8.2%
Deferred outflows of resources	75	68	17	21	92	89	3.4%
Long-term liabilities	1,615	1,309	667	681	2,282	1,990	14.7%
Other liabilities	102	73	45	45	147	118	24.6%
Total Liabilities	<u>1,717</u>	<u>1,382</u>	<u>712</u>	<u>726</u>	<u>2,429</u>	<u>2,108</u>	15.2%
Deferred inflows of resources	56	122	10	18	66	140	-52.9%
Net position							
Net investment in							
capital assets	1,498	1,445	785	748	2,283	2,193	4.1%
Restricted	157	191	43	36	200	227	-11.9%
Unrestricted	(582)	(592)	124	107	(458)	(485)	-5.6%
Total net position	<u>\$ 1,073</u>	<u>\$ 1,044</u>	<u>\$ 952</u>	<u>\$ 891</u>	<u>\$ 2,025</u>	<u>\$ 1,935</u>	4.7%

Analysis of net position

As noted earlier, total net position of the primary government increased \$90 million this year. Total assets increased \$334 million and total liabilities increased \$321 million. Deferred outflows of resources increased \$3 million, and deferred inflows of resources decreased \$74 million.

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

Governmental activities

Current and other assets increased \$77 million primarily due to unspent 2015 Lease Revenue Bond proceeds of \$31.6 million and the associated debt service reserve of \$41 million.

Capital assets increased \$214 million primarily due to construction costs of the Golden 1 Center, offset by depreciation and retirements. More detailed capital asset information is in Note 4 to the financial statements.

The increase in deferred outflows of resources of \$7 million is primarily due to the recognition of pension contributions subsequent to the measurement date as well as new deferred outflows related to the net difference between projected and actual earnings on pension plan investments.

Governmental long-term liabilities increased \$306 million primarily due to the issuance of bonds to finance the construction of the Golden 1 Center. More information is available in Note 7 to the financial statements.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

Deferred inflows of resources decreased \$66 million primarily due to netting \$83 million of deferred outflows related to differences between projected and actual earnings on pension plan investments. This decrease was offset by an increase of deferred inflows of resources of \$18 million due to a change in actuarial assumptions for the current fiscal year.

Restricted net position, representing amounts that must be used in accordance with external restrictions, decreased \$34 million mostly due to the use of debt service cash reserves in the 2015 debt refunding.

Business-type activities

Current and other assets of business-type activities decreased \$61 million compared to the prior year primarily due to continued water and wastewater capital project spending of 2013 bond proceeds.

Capital assets increased \$104 million due to capital asset additions including rehabilitation of water treatment plants, water mains and meters, partially offset by current year depreciation and asset retirements. More detailed capital asset information is in Note 4 to the financial statements.

Deferred outflows of resources decreased \$3.2 million primarily due to the elimination of approximately \$6.3 million related to a previous loss on refunding. This decrease was offset by a \$3 million increase related to recognition of pension related contributions and net differences between projected and actual earnings on pension plan investments.

Long-term liabilities, excluding the net pension liability, decreased \$14 million primarily due to retirement of existing debt of \$18 million offset by \$6.7 million in new capital leases. More detailed information about long-term liabilities is available in Note 7 to the financial statements.

Net investments in capital assets increased \$37 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, 2016

City of Sacramento							
Changes in Net Position							
For the Fiscal Years Ended June 30, 2016 and 2015							
(in thousands)							
	Governmental		Business-type		Total Primary		Total
	Activities		Activities		Government		
	2016	2015	2016	2015	2016	2015	Percent
							Change
Revenues							
Program revenues:							
Charges for services	\$ 145,299	\$ 141,438	\$ 262,985	\$ 260,383	\$ 408,284	\$ 401,821	1.6%
Operating grants & contributions	35,442	52,306	3,435	2,142	38,877	54,448	-28.6%
Capital grants & contributions	122,528	115,354	7,433	7,292	129,961	122,646	6.0%
General revenues:							
Property taxes	138,354	129,714	-	-	138,354	129,714	6.7%
Local sales taxes	42,529	42,397	-	-	42,529	42,397	0.3%
Utility users tax	61,404	59,947	-	-	61,404	59,947	2.4%
Other taxes	28,232	23,808	21,800	20,108	50,032	43,916	13.9%
Unrestricted:							
Sales taxes shared state revenue	67,983	58,476	-	-	67,983	58,476	16.3%
State of California in-lieu sales tax	14,387	16,632	-	-	14,387	16,632	-13.5%
Investment earnings	11,328	8,769	4,428	1,567	15,756	10,336	52.4%
Miscellaneous	12,954	11,060	20	5	12,974	11,065	17.3%
Gain on disposition of capital assets	-	5,340	-	-	-	5,340	0.0%
Total revenues	680,440	665,241	300,101	291,497	980,541	956,738	2.5%
Expenses							
General government	59,037	52,474	-	-	59,037	52,474	12.5%
Police	164,750	166,797	-	-	164,750	166,797	-1.2%
Fire	137,859	127,561	-	-	137,859	127,561	8.1%
Public works	121,184	118,707	-	-	121,184	118,707	2.1%
Economic development	13,049	11,075	-	-	13,049	11,075	17.8%
Convention and cultural services	24,139	19,441	-	-	24,139	19,441	24.2%
Parks & recreation	53,911	56,573	-	-	53,911	56,573	-4.7%
Community development	36,251	30,221	-	-	36,251	30,221	20.0%
Library	16,294	15,629	-	-	16,294	15,629	4.3%
Interest on long-term debt	30,404	29,046	-	-	30,404	29,046	4.7%
Water	-	-	73,150	69,428	73,150	69,428	5.4%
Wastewater	-	-	25,348	25,432	25,348	25,432	-0.3%
Storm drainage	-	-	40,971	41,830	40,971	41,830	-2.1%
Solid waste	-	-	47,703	47,149	47,703	47,149	1.2%
Community center	-	-	17,277	17,690	17,277	17,690	-2.3%
Parking	-	-	14,451	13,704	14,451	13,704	5.5%
Child development	-	-	5,519	6,151	5,519	6,151	-10.3%
Total expenses	656,878	627,524	224,419	221,384	881,297	848,908	3.8%
Revenue over (under) expenses	23,562	37,717	75,682	70,113	99,244	107,830	-8.0%
Contributions to permanent funds	-	1	-	-	-	1	0.0%
Special items	(8,830)	-	-	4,554	(8,830)	4,554	-
Transfers	14,773	32,148	(14,773)	(32,148)	-	-	-
Change in net position	29,505	69,866	60,909	42,519	90,414	112,385	-19.5%
Net position, beginning of year	1,043,612	973,746	891,261	848,742	1,934,873	1,822,488	6.2%
Net position, end of year	\$ 1,073,117	\$ 1,043,612	\$ 952,170	\$ 891,261	\$ 2,025,287	\$ 1,934,873	4.7%

Fiscal year 2015 amounts for General Services have been reclassified to Public Works due to the combining of the departments in fiscal year 2016.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

Analysis of the changes in net position

Total government-wide revenues of the primary government increased \$23.8 million, a 2.5 percent increase from the prior year, and total expenses increased \$32.4 million, a 3.8 percent increase. These changes are discussed in more detail below.

Governmental activities

Total revenues for governmental activities increased \$15.2 million from the prior year, a 2.3 percent increase. Total expenses increased \$29.4 million, a 4.7 percent increase, and net transfers from business-type activities decreased \$17.4 million, a 54.0 percent decrease from the prior 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 lower in 2016 primarily because fewer capital assets were transferred out of governmental activities.

Revenue

Capital grants and contributions revenue increased \$7.2 million from the prior year primarily due to Redevelopment Agency Successor Agency contributions of unspent redevelopment bond proceeds. Operating grants and contributions decreased \$16.9 million compared to the prior year primarily due to non-recurring economic development operating contributions and reimbursements in the prior year.

Property tax revenue increased \$8.6 million in 2016 due to recovering Sacramento area commercial and residential real estate assessed valuations. Other tax revenues, including business operations tax and real property transfer tax, increased \$0.6 million in 2016 mostly due to the continued economic recovery. Sales tax revenue was \$8.5 million higher due to a one-time true-up payment in fiscal year 2016, marking the end of the State's "triple flip" fiscal recovery program.

Expenses

As stated above, total governmental expenses increased by \$29.4 million. This increase is primarily attributable to the increase in fire (\$10.3 million), general government (\$6.6 million), community development (\$6.0 million), convention and cultural services (\$4.7 million), plus other department increases (\$6.5 million), offset by decreases in police (\$2.0 million) and parks and recreation (\$2.7 million).

Expenses in fire and most other departments increased due to rising labor costs. General government increased primarily due to \$5.5 million paid for costs of issuance on new bonds issued during the year. Community development increased during the year because of new development projects throughout the City. The increase in convention and cultural services is primarily a result of the \$4.2 million contribution for improvements to the Fremont Building to become the new E. Claire Raley Studios for the Performing Arts.

Business-type activities

Total revenues for business-type activities increased \$8.6 million from the prior year, a 3.0 percent increase. Total expenses for business-type activities increased \$3.0 million from the prior year, a 1.4 percent increase. Net transfers from business-type activities to governmental activities decreased \$17.4 million primarily because business-type capital asset transfers in from governmental funds increased in the current fiscal year by about \$17.8 million.

Revenue

Charges for services increased \$2.6 million mostly due to fees charged to other agencies for storm drainage services of approximately \$1.7 million.

Other taxes revenue increased \$1.7 million due to higher transient occupancy tax revenue generated from higher hotel occupancy and higher hotel average room rates resulting from trending improvements in the Sacramento area economy.

Investment earnings increased by \$2.9 million due to increasing returns on investments in the current fiscal year.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

Expenses

Water expenses increased \$3.7 million due primarily to labor cost increases of \$1 million, service and supply increases of \$1.4 million related to utility costs and emergency water purchases from the County of Sacramento, and higher depreciation expense for new capital assets of \$0.7 million.

Storm Drainage fund expenses decreased \$0.9 million mainly due a reduction of labor costs of \$0.4 million compared to the prior year due to non-recurring additional work necessary during the 2015 Winter Storm event.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

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

Governmental Funds

The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. Total fund balance for governmental funds increased by \$91.4 million in 2016. Compared to the prior year, total revenues for governmental funds increased by \$58.6 million, total expenditures increased \$268.3 million, net other financing sources increased \$266.1 million, and in fiscal year 2016 there was a special item expenditure of \$8.8 million. These changes are discussed in more detail below.

General Fund

Total General Fund revenue increased by \$27.3 million compared to the prior year mostly due to increases in tax revenues of \$19.8 million, intergovernmental revenue of \$2.9 million, charges for services revenue of \$2.2 million, fines, forfeits and penalties revenue of \$1.3 million and interest of \$1.3 million. Tax revenue increases were mainly due to increases in sales and use tax of \$9.1 million, property tax of \$5.1 million, real property transfer tax of \$2.2 million, business operations tax of \$1.6 million, and utility users tax of \$1.5 million. The increase in charges for services was primarily attributable to development activity and medical marijuana permit fees.

Total General Fund expenditures increased by \$25.4 million during fiscal year 2016. Fire department expenditures increased \$8.0 million primarily due to rising labor costs. General government expenditures increased \$4.1 million mainly labor cost increases and additional staffing in various departments. Citywide and community support expenditures increased \$10.7 million primarily because of a \$6.7 million OPEB Trust contribution paid during the year. Community development expenditures increased by \$5.3 million and Public Works expenditures decreased by \$4.6 million primarily because of the reclassification of the Animal Care Division from the Public Works department to the Community Development department.

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 taking into account these budget adjustments, General Fund revenues were \$32.9 million higher than final budgeted amounts. Sales and use and real property transfer tax collections exceeded the budgeted amounts by \$10.3 million and \$5.8 million, respectively. Charges for services and intergovernmental revenue exceeded budgeted amounts by \$5.4 million and \$4.4 million, respectively. Interest revenue exceeded budget by nearly \$1 million.

General Fund budgetary expenditures were \$40.6 million lower than final budget amounts. All General Fund departments reported favorable operating expenditure budget variances primarily due to salary savings from vacant positions, except for the Police Department due to a mandatory one percent labor savings associated with a prior labor agreement (\$1.4 million) and increasing overtime costs. Capital outlay expenditures were less than budgeted amounts by \$29.0 million because of the multi-year nature of most capital projects. Unspent multi-year project budgets, as well as other unspent Council-approved program budgets, are carried over to the subsequent fiscal year.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

Measure U Fund

Measure U Fund revenue was lower and expenditures were higher in fiscal year 2016 compared to fiscal year 2015 by \$1.1 million and \$11.7 million respectively. Expenditures were higher in fiscal year 2016 primary for funding additional police officer positions and parks and recreation programs. Measure U resources are used to restore police, fire, gang prevention and intervention, library, animal care and parks and recreation services.

Capital Grants Fund

Capital Grant Fund revenue and expenditures decreased \$22.6 million and \$27.7 million, respectively.

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

- Intermodal Phase II Construction Project - \$6.0 million increase,
- Township 9 Project - \$3.3 million increase,
- Riverfront Reconnection Phase 1 Project - \$7.4 million increase,
- Railyards Transit-Oriented Development (Proposition 1C) - \$6.5 million decrease,
- Downtown ESC Project - \$7.6 million decrease,
- Cosumnes River Boulevard Extension and Interstate 5 Interchange - \$10.8 million decrease,
- McClatchy Park Redevelopment Project – \$1.3 million decrease,
- Artivio Guerrero Park Project - \$1.9 million decrease,
- 5th Street & Railyard Boulevard Project – \$4.6 million decrease, and
- Net change in other capital grant projects – \$6.6 million decrease.

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

- Intermodal Phase II Construction Project - \$2.0 million increase,
- Township 9 Project - \$3.3 million increase,
- Riverfront Reconnection Phase 1 Project - \$8.9 million increase,
- Roseville Road Bridge Project - \$1.8 million increase,
- Artivio Guerrero Park Project - \$1.9 million decrease
- Cosumnes River Boulevard Extension and Interstate 5 Interchange - \$16.7 million decrease,
- Railyard TOD PROP 1C project – \$6.5 million decrease,
- Downtown ESC project – \$7.6 million decrease,
- McClatchy Park Redevelopment Project – \$1.4 million decrease,
- 5th Street & Railyard Boulevard Project – \$4.6 million decrease, and
- Net change in other capital grant projects – \$5.0 million decrease.

1997 Lease Revenue Bond Fund

The lease receivable and associated revenue, from the Sacramento Kings ownership group, for debt service on the bonds, decreased in accordance with the bond payment schedule, as described in Note 7 to the financial statements.

Golden 1 Center Capital Projects Fund

This fund, new in fiscal year 2016, was established to account for the Golden 1 Center project costs. In fiscal year 2016, \$223 million was transferred to this fund, from bond proceeds in the debt service fund and expended for the Golden 1 Center capital project.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

Other Governmental Funds

Other governmental fund revenues increased \$54.7 million due largely to the following fluctuations:

- \$25.0 million from RASA for amounts owed for refunded master lease debt,
- \$11.9 million from RASA of unspent bond proceeds to be used for redevelopment projects, and
- \$9.2 million increase in North Natomas development fee revenue due partly to the lifting of the building moratorium in April 2015.

Other governmental fund expenditures increased \$105.6 million due largely to the following:

- An increase in bond escrow payments of \$113.8 million and issuance costs for the 2015 Refunding Revenue Bonds partially offset by approximately \$12.9 million in decreases in the parks and recreation and operating grant funds, and
- Other governmental funds net other financing sources increased \$115.3 million primarily due to the issuance of the 2015 Refunding Revenue Bonds, the 2015 Lease Revenue Bonds (Golden 1 Center) and the 2016 Lease Financing (H Street Theater Complex). In fiscal year 2016, there was a special item expenditure to the former discretely-presented component unit for \$8.8 million to refund the component unit's debt.

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 \$2.6 million, and operating expenses increased \$1.2 million. Net non-operating revenues increased \$4.0 million and capital contributions increased \$17.9 million. These changes are discussed in more detail below.

Water Fund

Water Fund operating revenue decreased \$2.0 million compared to the prior year because of drought and the water restrictions that the City established for customers during fiscal year 2016. Operating expenses increased \$3.2 million compared to the prior year mainly due to the increase in salaries and benefits of \$1 million as the result of salary step increases and a cost of living adjustment (COLA), and increases in service and supply expenses of \$1.4 million that were mainly related to utilities and emergency water purchases from the County of Sacramento. Additionally, depreciation expense of new capital assets accounted for another \$0.7 million of the increase. Net non-operating revenue increased by \$1.9 million mainly due to investment portfolio performance which generated an increase of \$1.4 million in investment revenue. Capital contributions increased by \$15.4 million mainly due to the capital contribution received related to the Cosumnes Boulevard extension in the amount of \$13.5 million.

Wastewater Fund

Wastewater Fund operating revenue, operating expenses and net non-operating revenue in the current year remained relatively flat compared to the previous year. Capital contributions decreased by \$2.1 million due to less capital grant revenue and developer impact fees received this year compared to the previous year.

Storm Drainage Fund

Storm Drainage Fund operating revenue increased by \$2.5 million compared to the prior year primarily due to additional fees received from contract services in the amount of \$1.7 million. Operating expenses and net non-operating revenue remained flat compared to the previous year. Capital contributions increased by \$4.6 million compared to the prior year mainly due to the contribution of capital assets related to the McKinley Village in the amount of \$2.5 million and the Cosumnes Boulevard extension for another \$2.6 million during the fiscal year.

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

Solid Waste Fund

Solid Waste Fund operating revenue increased by \$1.2 million compared to the prior year mainly due to additional utility fee charges in the amount \$1.1 million that were received under service agreements entered during fiscal year 2016. Total operating expenses and net non-operating revenue in the current year did not change significantly compared to the previous year.

Parking Fund

Parking fund operating revenue increased \$1 million compared to the prior year mainly due to an increase in managed lots. Total operating expenses and net non-operating revenue in the current year did not change significantly compared to the previous year.

Community Center Fund

Community Center Fund transient occupancy tax non-operating revenue increased again in fiscal year 2016 by \$1.7 million due to the increase in Sacramento area hotel room occupancy and room rates.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2016, the City had invested \$3.2 billion in a broad range of capital assets, including land, buildings, vehicles, parks and park improvements, roads, bridges, and water, wastewater and storm drainage transmission and distribution systems. The current year capital asset additions of \$654 million were offset by current year depreciation expense of \$124 million and retirements of \$212 million for a net increase in capital assets of \$318 million.

City of Sacramento
Capital Assets

As of June 30, 2016 and 2015
(net of depreciation, in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2016	2015	2016	2015	2016	2015
Capital assets not being depreciated						
Land	\$ 202	\$ 199	\$ 50	\$ 50	\$ 252	\$ 249
Easements	1	1	-	-	1	1
Construction in progress	350	201	266	187	616	388
Depreciable capital assets:						
Buildings and improvements	407	419	138	142	545	561
Equipment	23	24	22	23	45	47
Software	3	4	1	1	4	5
Vehicles	52	53	-	-	52	53
Transmission and distribution systems	3	3	775	745	778	748
Road network	666	614	-	-	666	614
Street light network	150	129	-	-	150	129
Park and park improvements	140	136	-	-	140	136
Total capital assets	\$ 1,997	\$ 1,783	\$ 1,252	\$ 1,148	\$ 3,249	\$ 2,931

City of Sacramento
Management's Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

This year's major capital asset additions include:

- \$223 million on the Golden 1 Center Project.
- \$29.6 million for the Sacramento River & E.A. Fairbairn Water Treatment Plants Rehabilitation.
- Other capital projects in progress including the Intermodal Depot, Riverfront Reconnection, and the East Sacramento and Curtis Park Water Main Replacements. 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.

Long-term Debt

The following table summarizes the City's outstanding debt at June 30, 2016 and 2015:

City of Sacramento						
Outstanding Debt						
As of June 30, 2016 and 2015						
(in millions)						
	Governmental		Business-Type		Total Primary	
	Activities		Activities		Government	
	2016	2015	2016	2015	2016	2015
Revenue and other bonds, net	\$ 628	\$ 399	\$ 493	\$ 520	\$ 1,121	\$ 919
Notes payable	15	16	26	30	41	46
Capital lease obligations	7	10	9	4	16	14
Total outstanding debt	<u>\$ 650</u>	<u>\$ 425</u>	<u>\$ 528</u>	<u>\$ 554</u>	<u>\$ 1,178</u>	<u>\$ 979</u>

Total outstanding debt for governmental activities increased \$225 million due to the issuance of \$273 million of 2015 Lease Revenue bonds for the Golden 1 Center, \$9 million for the 2016 Lease Financing, offset by a net reduction of \$44 million for the 2015 Refunding Bonds and principal payments on existing obligations.

Total outstanding debt for business-type activities decreased \$26 million due to \$18 million in principal payments on existing obligations, a net reduction of \$15 million due to the 2015 Refunding Bonds, offset by \$7 million in new capital leases.

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, 2016, as determined by Standard & Poor's (S & P), Moody's Investors Service, Inc. (Moody's), and Fitch Ratings (Fitch):

Bond issues:	<u>S & P</u>	<u>Moody's</u>
• 1993 Refunded Lease Revenue Bonds, Series A	A+	A2
• 1993 Refunded Lease Revenue Bonds, Series B	A+	A2
• 1997 Lease Revenue Bonds	AA-	A2
• 2006 Capital Improvement Revenue Bonds, Series B and D	A+	A2
• 2006 Capital Improvement Revenue Bonds, Series E	A+	A2
• 2015 Refunding Revenue Bonds	A+/AA	A2

City of Sacramento
Management’s Discussion and Analysis (Continued)
(Required Supplementary Information - Unaudited)
For the Fiscal Year Ended June 30, 2016

Bond issues:	<u>S & P</u>	<u>Fitch</u>
• Water Revenue Bonds, Series 2013	AA-	AA-
• Wastewater Revenue Bonds, Series 2013	AA-	AA
• 2015 Lease Revenue Bonds (Golden 1 Center)	A+	A

The City’s issuer credit rating as of June 30, 2016, 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.

ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

Economic Factors

Sacramento’s economy continues to improve. Unemployment in the Sacramento metropolitan area has fallen from 5.8 percent at the end of fiscal year 2015 to 5.3 percent at the end of fiscal year 2016. The housing market has continued to improve during the fiscal year 2016. Although the trend reflects an increase in revenues, commitments for labor contracts, increasing retirement contributions and rising costs for utilities continue to add costs to the City’s General Fund budget.

Next Year’s Budget

General Fund budget appropriations for fiscal year 2017 are \$438.8 million, an increase of 8.6 percent compared to the fiscal year 2016 approved budget. In addition to the allocation of resources for several priority initiatives, the approved budget appropriates \$1,300,000 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, 2016
(in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 484,226	\$ 259,458	\$ 743,684
Receivables, net	173,685	64,292	237,977
Internal balances	6,048	(6,048)	-
Inventories	-	2,574	2,574
Prepaid items	1,084	446	1,530
Restricted cash and investments	109,495	84,066	193,561
Intangible assets	-	159	159
Land and other capital assets not being depreciated	553,056	316,748	869,804
Other capital assets, net of depreciation	1,443,869	935,248	2,379,117
Total assets	2,771,463	1,656,943	4,428,406
DEFERRED OUTFLOWS OF RESOURCES			
Accumulated decrease in fair value of hedging derivative instrument	3,217	-	3,217
Loss on refunding of debt	3,736	5,571	9,307
Deferred outflows related to pensions	67,900	11,816	79,716
Total deferred outflows of resources	74,853	17,387	92,240
LIABILITIES			
Payables	98,618	40,651	139,269
Unearned revenue	3,248	4,681	7,929
Long-term liabilities:			
Due within one year	46,388	30,169	76,557
Due in more than one year	1,568,572	636,388	2,204,960
Total liabilities	1,716,826	711,889	2,428,715
DEFERRED INFLOWS OF RESOURCES			
Service concession arrangement	5,849	-	5,849
Gain on debt refunding	-	1,609	1,609
Deferred inflows related to pensions	50,524	8,662	59,186
Total deferred inflows of resources	56,373	10,271	66,644
NET POSITION			
Net investment in capital assets	1,497,796	785,353	2,283,149
Restricted for:			
Capital projects	80,054	40,772	120,826
Debt service	1,203	-	1,203
Public works programs	20,521	-	20,521
Economic development programs	16,888	-	16,888
Ambulance services	1,085	-	1,085
Other programs	28,381	2,203	30,584
Trust and endowments:			
Expendable	8,008	-	8,008
Nonexpendable	878	-	878
Unrestricted	(581,697)	123,842	(457,855)
Total net position	\$ 1,073,117	\$ 952,170	\$ 2,025,287

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, 2016

(in thousands)

Functions/Programs	Program Revenues					Net (Expense) Revenue
	Operating Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:						
Governmental activities:						
General government	\$ 69,736	\$ (10,699)	\$ 7,103	\$ 2,245	\$ 61	\$ (49,628)
Police	164,750	-	11,022	6,082	-	(147,646)
Fire	137,859	-	31,204	1,393	-	(105,262)
Public works	121,184	-	37,179	11,320	78,831	6,146
Economic development	13,049	-	7,889	804	15,412	11,056
Convention and cultural services	24,139	-	10,085	602	3,927	(9,525)
Parks and recreation	53,911	-	13,792	5,506	7,207	(27,406)
Community development	36,251	-	27,025	355	17,090	8,219
Library	16,294	-	-	7,135	-	(9,159)
Interest on long-term debt	30,404	-	-	-	-	(30,404)
Total governmental activities	<u>667,577</u>	<u>(10,699)</u>	<u>145,299</u>	<u>35,442</u>	<u>122,528</u>	<u>(353,609)</u>
Business-type activities:						
Water	70,131	3,019	98,533	2,266	4,902	32,551
Wastewater	24,242	1,106	31,532	35	1,274	7,493
Storm drainage	39,160	1,811	40,166	19	1,257	471
Solid waste	45,214	2,489	60,253	550	-	13,100
Community center	16,012	1,265	8,782	-	-	(8,495)
Parking	13,442	1,009	17,646	1	-	3,196
Child development	5,519	-	6,073	564	-	1,118
Total business-type activities	<u>213,720</u>	<u>10,699</u>	<u>262,985</u>	<u>3,435</u>	<u>7,433</u>	<u>49,434</u>
Total primary government	<u>\$ 881,297</u>	<u>\$ -</u>	<u>\$ 408,284</u>	<u>\$ 38,877</u>	<u>\$ 129,961</u>	<u>\$ (304,175)</u>

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

City of Sacramento

Statement of Activities

For the Fiscal Year Ended June 30, 2016

(in thousands)

	Primary Government		
	Governmental Activities	Business-type Activities	Total
Change in net position:			
Net (expense) revenue	\$ (353,609)	\$ 49,434	\$ (304,175)
General revenues:			
Taxes:			
Property taxes	138,354	-	138,354
Utility user taxes	61,404	-	61,404
Local sales tax	42,529	-	42,529
Property transfer tax	10,787	-	10,787
Business operations tax	11,332	-	11,332
Transient occupancy tax	4,353	21,800	26,153
Other taxes	1,760	-	1,760
Unrestricted sales taxes shared state revenue	67,983	-	67,983
Unrestricted in lieu sales tax	14,387	-	14,387
Unrestricted investment earnings	11,328	4,428	15,756
Unrestricted miscellaneous	12,954	20	12,974
Special items	(8,830)	-	(8,830)
Transfers	14,773	(14,773)	-
Total general revenues, special items, and transfers	383,114	11,475	394,589
Change in net position	29,505	60,909	90,414
Net position, beginning of year	1,043,612	891,261	1,934,873
Net position, end of year	\$ 1,073,117	\$ 952,170	\$ 2,025,287

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, 2016
(in thousands)

	<u>General Fund</u>	<u>Measure U Fund</u>	<u>Capital Grants Fund</u>
ASSETS			
Cash and investments held by City	\$ 133,188	\$ 39,260	\$ -
Cash and investments held by fiscal agent	-	-	-
Receivables, net:			
Taxes	34,534	7,581	-
Accounts	13,817	-	2,755
Loans	4	-	-
Intergovernmental	1,500	-	13,875
Interest	529	149	-
Prepaid items	2	-	-
Restricted assets:			
Cash and investments held by City	1,860	-	29
Cash and investments held by fiscal agent	-	-	-
Total assets	<u>\$ 185,434</u>	<u>\$ 46,990</u>	<u>\$ 16,659</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 11,452	\$ 758	\$ 8,836
Accrued payroll	18,470	-	-
Accrued claims and judgements	310	-	-
Matured notes and interest payable	-	-	-
Due to other funds	-	-	2,976
Deposits	239	-	-
Unearned revenue	756	-	1,421
Advances from other funds	-	-	-
Total liabilities	<u>31,227</u>	<u>758</u>	<u>13,233</u>
Deferred inflows of resources:			
Unavailable revenue	<u>4,211</u>	<u>700</u>	<u>8,682</u>
Fund balances:			
Nonspendable:			
Prepaid items	2	-	-
Noncurrent assets	-	-	-
Permanent fund principal	-	-	-
Restricted:			
Capital projects	1,860	-	3,426
Debt service	-	-	-
Public works programs	-	-	-
Ambulance service	1,085	-	-
Economic development programs	-	-	-
Other programs	17	-	-
Committed:			
Economic uncertainty	46,950	-	-
Capital projects	37,526	5,843	-
Debt service	-	-	-
Community center theater renovation	8,500	-	-
B Street Theater project	-	-	-
Fire programs	5,720	-	-
OPEB trust fund	6,752	-	-
Homeless programs	250	-	-
Other programs	13,953	39,689	-
Assigned:			
Debt service	-	-	-
Unrealized investment gains	732	-	-
Other programs	-	-	-
Unassigned	<u>26,649</u>	<u>-</u>	<u>(8,682)</u>
Total fund balances (deficit)	<u>149,996</u>	<u>45,532</u>	<u>(5,256)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 185,434</u>	<u>\$ 46,990</u>	<u>\$ 16,659</u>

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

City of Sacramento
Governmental Funds
Balance Sheet

June 30, 2016
(in thousands)

	1997 Lease Revenue Bond Fund	Golden 1 Center Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS				
Cash and investments held by City	\$ 60	\$ -	\$ 214,107	\$ 386,615
Cash and investments held by fiscal agent	-	-	614	614
Receivables, net:				
Taxes	-	-	2,939	45,054
Accounts	-	-	3,987	20,559
Loans	57,315	-	2,769	60,088
Intergovernmental	-	-	24,920	40,295
Interest	662	-	151	1,491
Prepaid items	-	-	-	2
Restricted assets:				
Cash and investments held by City	4,650	-	19,376	25,915
Cash and investments held by fiscal agent	-	31,572	52,008	83,580
Total assets	<u>\$ 62,687</u>	<u>\$ 31,572</u>	<u>\$ 320,871</u>	<u>\$ 664,213</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ 31,557	\$ 9,182	\$ 61,785
Accrued payroll	-	-	147	18,617
Accrued claims and judgements	-	-	97	407
Matured notes and interest payable	-	-	1,985	1,985
Due to other funds	-	-	-	2,976
Deposits	4,650	-	1,605	6,494
Unearned revenue	-	-	705	2,882
Advances from other funds	-	-	7,040	7,040
Total liabilities	<u>4,650</u>	<u>31,557</u>	<u>20,761</u>	<u>102,186</u>
Deferred inflows of resources:				
Unavailable revenue	<u>57,977</u>	<u>-</u>	<u>18,721</u>	<u>90,291</u>
Fund balances:				
Nonspendable:				
Prepaid items	-	-	-	2
Noncurrent assets	-	-	283	283
Permanent fund principal	-	-	878	878
Restricted:				
Capital projects	-	15	135,121	140,422
Debt service	-	-	50,577	50,577
Public works programs	-	-	14,522	14,522
Ambulance service	-	-	-	1,085
Economic development programs	-	-	16,887	16,887
Other programs	-	-	27,793	27,810
Committed:				
Economic uncertainty	-	-	-	46,950
Capital projects	-	-	1,174	44,543
Debt service	-	-	9,847	9,847
Community center theater renovation	-	-	-	8,500
B Street Theater project	-	-	21,360	21,360
Fire programs	-	-	-	5,720
OPEB trust fund	-	-	-	6,752
Homeless programs	-	-	-	250
Other programs	-	-	11,335	64,977
Assigned:				
Debt service	-	-	2,547	2,547
Unrealized investment gains	-	-	40	772
Other programs	60	-	-	60
Unassigned	<u>-</u>	<u>-</u>	<u>(10,975)</u>	<u>6,992</u>
Total fund balances (deficit)	<u>60</u>	<u>15</u>	<u>281,389</u>	<u>471,736</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 62,687</u>	<u>\$ 31,572</u>	<u>\$ 320,871</u>	<u>\$ 664,213</u>

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

City of Sacramento
Governmental Funds
Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2016
(in thousands)

Fund balances - total governmental funds		\$ 471,736
<p>Amounts reported for governmental activities in the statement of net position are different because:</p>		
Revenue and other resources not available to liquidate liabilities of the current period are not recognized in the funds.		90,291
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.		291
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the funds:		
Governmental capital assets	3,314,053	
Less: accumulated depreciation	<u>(1,371,964)</u>	
		1,942,089
Certain current liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of the following:		
Interest payable		(6,316)
Deferred outflows of resources are not recognized in the current period and therefore not reported in the governmental funds.		
Deferred outflows related to pension	66,836	
Deferred inflows related to pensions	(49,414)	
Loss on refunding of debt	<u>3,736</u>	
		21,158
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	(33,848)	
Accrued claims and judgements	(1,726)	
Financing plan fee credits	(46,129)	
Net pension liability	(623,637)	
Pollution remediation obligations	(1,664)	
Revenue and other bonds payable, net	(625,357)	
Capital lease obligations payable	(7,192)	
Notes payable	(14,728)	
OPEB liability	<u>(167,831)</u>	
		(1,522,112)
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>75,980</u>
Net position of governmental activities		<u><u>\$ 1,073,117</u></u>

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, 2016
(in thousands)

	General Fund	Measure U Fund	Capital Grants Fund
Revenues:			
Taxes	\$ 306,543	\$ 42,229	\$ -
Intergovernmental	16,253	-	40,796
Charges for services	73,632	-	-
Fines, forfeits, and penalties	12,110	-	-
Interest, rents, and concessions	3,002	596	37
Community service fees	-	-	-
Assessment levies	172	-	-
Contributions and donations	13	-	11,032
Miscellaneous	245	-	-
Total revenues	<u>411,970</u>	<u>42,825</u>	<u>51,865</u>
Expenditures:			
Current:			
General government	28,909	512	-
Police	128,891	17,099	-
Fire	106,399	11,665	-
Public works	11,308	-	9
Convention and cultural services	4,637	-	-
Economic development	2,114	-	60
Parks and recreation	15,144	8,012	-
Community development	25,960	124	-
Library	7,130	506	-
Utilities	393	-	-
Citywide and community support	47,961	-	-
Capital outlay	12,577	2,020	47,893
Debt service:			
Principal	3,035	-	-
Interest and fiscal charges	184	-	-
Bond issuance costs	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total expenditures	<u>394,642</u>	<u>39,938</u>	<u>47,962</u>
Excess (deficiency) of revenues over (under) expenditures	<u>17,328</u>	<u>2,887</u>	<u>3,903</u>
Other financing sources (uses):			
Transfers in	34,256	-	-
Transfers out	(25,032)	-	(34)
Issuance of long-term debt	-	-	-
Premium on long term debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>9,224</u>	<u>-</u>	<u>(34)</u>
Special item	-	-	-
Net change in fund balances	26,552	2,887	3,869
Fund balances (deficit), beginning of year	<u>123,444</u>	<u>42,645</u>	<u>(9,125)</u>
Fund balances (deficit), end of year	<u>\$ 149,996</u>	<u>\$ 45,532</u>	<u>\$ (5,256)</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, 2016
(in thousands)

	1997 Lease Revenue Bond Fund	Golden 1 Center Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ -	\$ -	\$ 16,710	\$ 365,482
Intergovernmental	-	-	71,141	128,190
Charges for services	-	-	16,133	89,765
Fines, forfeits, and penalties	-	-	610	12,720
Interest, rents, and concessions	3,310	207	8,069	15,221
Community service fees	-	-	16,460	16,460
Assessment levies	-	-	43,303	43,475
Contributions and donations	2,475	-	22,300	35,820
Miscellaneous	-	-	2,516	2,761
Total revenues	5,785	207	197,242	709,894
Expenditures:				
Current:				
General government	-	-	4,776	34,197
Police	-	-	6,255	152,245
Fire	-	-	1,750	119,814
Public works	-	-	30,877	42,194
Convention and cultural services	-	-	7,101	11,738
Economic development	-	-	7,697	9,871
Parks and recreation	-	-	14,645	37,801
Community development	-	-	8,026	34,110
Library	-	-	7,135	14,771
Utilities	-	-	308	701
Citywide and community support	-	-	-	47,961
Capital outlay	-	223,322	52,005	337,817
Debt service:				
Principal	2,475	-	10,971	16,481
Interest and fiscal charges	3,293	-	21,345	24,822
Bond issuance costs	-	-	5,483	5,483
Payment to refunded bond escrow agent	-	-	38,052	38,052
Total expenditures	5,768	223,322	216,426	928,058
Excess (deficiency) of revenues over (under) expenditures	17	(223,115)	(19,184)	(218,164)
Other financing sources (uses):				
Transfers in	-	223,130	49,424	306,810
Transfers out	(2,190)	-	(243,102)	(270,358)
Issuance of long-term debt	-	-	401,943	401,943
Premium on long term debt	-	-	13,972	13,972
Payment to refunded bond escrow agent	-	-	(133,931)	(133,931)
Total other financing sources (uses)	(2,190)	223,130	88,306	318,436
Special items	-	-	(8,830)	(8,830)
Net change in fund balances	(2,173)	15	60,292	91,442
Fund balances (deficit), beginning of year	2,233	-	221,097	380,294
Fund balances (deficit), end of year	<u>\$ 60</u>	<u>\$ 15</u>	<u>\$ 281,389</u>	<u>\$ 471,736</u>

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, 2016

(in thousands)

Net change in fund balances - total governmental funds \$ 91,442

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

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.

Capital outlay	303,486	
Depreciation expense	<u>(74,833)</u>	
		228,653

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

Infrastructure dedications		8,641
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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.

Issuance of long-term debt, including premium	(415,915)	
Payments to refunding escrows	171,983	
Principal repayments on long-term debt	<u>16,481</u>	
		(227,451)

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.

(39,814)

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, 2016

(in thousands)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.

Compensated absences	(2,180)	
Accrued claims and judgements	(284)	
Pension expense	15,787	
Other post-employment benefits	(17,366)	
Pollution remediation	(1,045)	
Accrued interest	(7,019)	
Amortization of prepaid bond insurance	(565)	
Amortization of bond discount	(2)	
Amortization of bond premium	1,147	
Amortization of gain/loss on refunding	<u>(220)</u>	(11,747)

Capital assets transferred from governmental activities to business-type activities are reported as transfers in the statement of activities. The transfers are not reported in the governmental funds as the amount did not involve the transfer of financial resources. (21,651)

Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The net expense of the internal service funds is reported with the governmental activities. 1,432

Change in net position of governmental activities \$ 29,505

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, 2016

(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	\$ 284,357	\$ 284,506	\$ 306,543	\$ 22,037	\$ -	\$ 306,543
Intergovernmental	9,082	11,845	16,253	4,408	-	16,253
Charges for services	65,258	68,243	73,632	5,389	-	73,632
Fines, forfeits and penalties	12,037	12,037	12,110	73	-	12,110
Interest, rents, and concessions	887	2,200	3,002	802	-	3,002
Assessment levies	74	74	172	98	-	172
Contributions and donations	-	13	13	-	-	13
Miscellaneous	124	124	245	121	-	245
Total revenues	371,819	379,042	411,970	32,928	-	411,970
Expenditures:						
Current:						
Mayor/Council	3,783	4,275	3,727	548	-	3,727
City Manager	2,483	5,396	3,171	2,225	(484)	2,687
City Attorney	5,195	5,736	5,441	295	(24)	5,417
City Clerk	1,142	1,199	1,189	10	-	1,189
City Treasurer	1,982	2,062	1,825	237	(16)	1,809
Finance	5,327	5,356	4,888	468	(83)	4,805
Information technology	6,962	7,144	6,689	455	(10)	6,679
Human resources	2,685	2,872	2,603	269	(7)	2,596
Subtotal - General government	29,559	34,040	29,533	4,507	(624)	28,909
Police	123,176	127,364	129,064	(1,700)	(173)	128,891
Fire	103,910	106,866	106,399	467	-	106,399
Public works	10,459	11,825	11,343	482	(35)	11,308
Convention and cultural services	4,576	4,855	4,691	164	(54)	4,637
Economic development	2,125	2,401	2,204	197	(90)	2,114
Parks and recreation	15,454	15,761	15,222	539	(78)	15,144
Community development	26,826	30,777	26,024	4,753	(64)	25,960
Library	7,130	7,130	7,130	-	-	7,130
Utilities	561	1,173	393	780	-	393
Citywide and community support	41,594	49,875	48,890	985	(929)	47,961
Capital outlay	41,290	45,877	16,818	29,059	(4,241)	12,577
Debt service:						
Principal	3,035	3,035	3,035	-	-	3,035
Interest and fiscal charges	184	184	184	-	-	184
Total expenditures	409,879	441,163	400,930	40,233	(6,288)	394,642
Excess (deficiency) of revenues over (under) expenditures	(38,060)	(62,121)	11,040	73,161	6,288	17,328
Other financing sources (uses):						
Transfers in	30,143	32,656	34,257	1,601	(1)	34,256
Transfers out	(24,560)	(26,363)	(25,032)	1,331	-	(25,032)
Total other financing sources (uses)	5,583	6,293	9,225	2,932	(1)	9,224
Net change in fund balance	\$ (32,477)	\$ (55,828)	\$ 20,265	\$ 76,093	\$ 6,287	\$ 26,552

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, 2016

(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	\$ 42,046	\$ 42,046	\$ 42,229	\$ 183	\$ -	\$ 42,229
Interest, rents, and concessions	-	-	596	596	-	596
Total revenues	42,046	42,046	42,825	779	-	42,825
Expenditures:						
Current:						
General government	-	1,000	878	122	(366)	512
Police	18,592	17,792	17,139	653	(40)	17,099
Fire	12,184	12,184	11,667	517	(2)	11,665
Parks and recreation	8,836	9,025	8,734	291	(722)	8,012
Community development	176	176	124	52	-	124
Library	506	506	506	-	-	506
Capital outlay	8,797	9,251	3,436	5,815	(1,416)	2,020
Total expenditures	49,091	49,934	42,484	7,450	(2,546)	39,938
Excess (deficiency) of revenues over (under) expenditures	(7,045)	(7,888)	341	8,229	2,546	2,887
Net change in fund balance	\$ (7,045)	\$ (7,888)	\$ 341	\$ 8,229	\$ 2,546	\$ 2,887

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

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2016
(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	\$ 101,832	\$ 36,137	\$ 32,042	\$ 42,531
Cash and investments held by fiscal agent	1	-	5	-
Receivables, net:				
Taxes	-	-	-	-
Accounts	19,345	11,050	5,703	9,459
Loans	2,473	131	431	-
Intergovernmental	1,522	590	2,972	-
Interest	721	173	161	165
Due from other funds	-	-	-	-
Inventories	1,937	78	559	-
Prepaid items	392	-	17	-
Intangible asset, current portion	-	-	-	-
Total current assets	<u>128,223</u>	<u>48,159</u>	<u>41,890</u>	<u>52,155</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	46,115	7,625	4,363	1,021
Cash and investments held by fiscal agent	7,317	994	765	-
Advances to other funds	-	-	-	-
Loans receivable	2,097	551	2,838	-
Intangible assets	-	-	-	-
Capital assets:				
Land	1,754	1,138	18,724	1,133
Buildings and improvements	40,365	26,551	8,795	31,150
Machinery and equipment	16,725	5,147	17,613	12,437
Vehicles	-	-	-	-
Transmission and distribution system	635,268	163,963	397,595	-
Construction in progress	241,359	13,623	1,636	226
Software	516	324	907	161
Easements	134	-	157	-
Less: accumulated depreciation/amortization	<u>(234,134)</u>	<u>(72,341)</u>	<u>(172,523)</u>	<u>(27,776)</u>
Total noncurrent assets	<u>757,516</u>	<u>147,575</u>	<u>280,870</u>	<u>18,352</u>
Total assets	<u>885,739</u>	<u>195,734</u>	<u>322,760</u>	<u>70,507</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	5,571	-	-	-
Deferred outflows related to pensions	<u>3,420</u>	<u>1,136</u>	<u>2,905</u>	<u>2,766</u>
Total deferred outflows of resources	<u>8,991</u>	<u>1,136</u>	<u>2,905</u>	<u>2,766</u>

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

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2016
(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	\$ 20,376	\$ 26,469	\$ 259,387	\$ 96,689
Cash and investments held by fiscal agent	53	12	71	308
Receivables, net:				
Taxes	2,352	-	2,352	-
Accounts	282	904	46,743	53
Loans	21	85	3,141	-
Intergovernmental	-	-	5,084	-
Interest	85	114	1,419	296
Due from other funds	-	-	-	3,226
Inventories	-	-	2,574	-
Prepaid items	-	37	446	791
Intangible asset, current portion	-	8	8	-
Total current assets	<u>23,169</u>	<u>27,629</u>	<u>321,225</u>	<u>101,363</u>
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	1,329	4,802	65,255	-
Cash and investments held by fiscal agent	7,945	1,790	18,811	-
Advances to other funds	-	-	-	12,838
Loans receivable	66	1	5,553	-
Intangible assets	-	151	151	-
Capital assets:				
Land	21,740	5,825	50,314	-
Buildings and improvements	111,885	61,930	280,676	7,159
Machinery and equipment	4,831	7,699	64,452	543
Vehicles	-	-	-	138,086
Transmission and distribution system	-	-	1,196,826	-
Construction in progress	6,112	3,187	266,143	58
Software	46	4	1,958	256
Easements	-	-	291	-
Less: accumulated depreciation/amortization	(62,068)	(39,822)	(608,664)	(91,266)
Total noncurrent assets	<u>91,886</u>	<u>45,567</u>	<u>1,341,766</u>	<u>67,674</u>
Total assets	<u>115,055</u>	<u>73,196</u>	<u>1,662,991</u>	<u>169,037</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	5,571	-
Deferred outflows related to pensions	<u>729</u>	<u>860</u>	<u>11,816</u>	<u>1,064</u>
Total deferred outflows of resources	<u>729</u>	<u>860</u>	<u>17,387</u>	<u>1,064</u>

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2016
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
<u>LIABILITIES</u>				
Current liabilities:				
Accounts payable	10,636	11,219	2,549	2,256
Accrued payroll	1,060	289	891	554
Accrued compensated absences	177	25	55	125
Due to other funds	-	-	-	-
Interest payable	4,052	504	196	75
Liability for landfill closure	-	-	-	85
Deposits	9	1,285	15	10
Unearned revenue	1,780	-	122	-
Accrued claims and judgements	138	50	89	171
Capital leases payable	-	151	-	1,627
Revenue and other bonds payable, net	11,562	637	628	1,010
Notes payable	426	771	2,391	-
Total current liabilities	29,840	14,931	6,936	5,913
Noncurrent liabilities:				
Accrued compensated absences	2,228	755	1,826	1,005
Advances from other funds	-	-	-	-
Water fee credits	976	-	-	-
OPEB liability	9,231	3,372	4,315	10,939
Accrued claims and judgements	-	-	-	-
Liability for landfill closure	-	-	-	1,092
Capital leases payable	-	-	-	565
Revenue and other bonds payable, net	368,228	31,166	2,886	17,261
Notes payable	8,162	3,054	11,533	-
Net pension liability	28,038	10,572	25,020	20,483
Total noncurrent liabilities	416,863	48,919	45,580	51,345
Total liabilities	446,703	63,850	52,516	57,258
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	953	-	-	340
Deferred inflows related to pensions	2,486	1,064	2,583	1,175
Total deferred inflows of resources	3,439	1,064	2,583	1,515
<u>NET POSITION</u>				
Net investment in capital assets	342,381	107,393	256,347	-
Restricted for:				
Capital projects	34,700	3,488	-	1,255
Other programs	-	-	1,299	904
Unrestricted	67,507	21,075	12,920	12,341
Total net position	\$ 444,588	\$ 131,956	\$ 270,566	\$ 14,500

(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, 2016
(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	1,758	2,202	30,620	3,190
Accrued payroll	272	357	3,423	447
Accrued compensated absences	36	41	459	82
Due to other funds	250	-	250	-
Interest payable	312	150	5,289	7
Liability for landfill closure	-	-	85	-
Deposits	-	-	1,319	-
Unearned revenue	2,081	698	4,681	366
Accrued claims and judgements	11	45	504	17,616
Capital leases payable	-	1,303	3,081	27
Revenue and other bonds payable, net	6,210	2,405	22,452	383
Notes payable	-	-	3,588	-
Total current liabilities	10,930	7,201	75,751	22,118
Noncurrent liabilities:				
Accrued compensated absences	605	463	6,882	871
Advances from other funds	5,798	-	5,798	-
Water fee credits	-	-	976	-
OPEB liability	1,029	1,813	30,699	4,192
Accrued claims and judgements	-	-	-	54,359
Liability for landfill closure	-	-	1,092	-
Capital leases payable	-	5,009	5,574	72
Revenue and other bonds payable, net	28,399	23,011	470,951	1,610
Notes payable	-	-	22,749	-
Net pension liability	5,802	7,550	97,465	9,788
Total noncurrent liabilities	41,633	37,846	642,186	70,892
Total liabilities	52,563	45,047	717,937	93,010
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Gain on debt refunding	-	316	1,609	-
Deferred inflows related to pensions	523	831	8,662	1,111
Total deferred inflows of resources	523	1,147	10,271	1,111
<u>NET POSITION</u>				
Net investment in capital assets	58,780	20,452	785,353	52,744
Restricted for:				
Capital projects	1,329	-	40,772	-
Other programs	-	-	2,203	-
Unrestricted	2,589	7,410	123,842	23,236
Total net position	\$ 62,698	\$ 27,862	\$ 952,170	\$ 75,980

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, 2016
(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	\$ 98,388	\$ 30,501	\$ 37,038	\$ 60,118
Rents and concessions	-	-	-	18
Charge to other agencies for contract services	-	1,030	3,128	-
Miscellaneous	145	1	-	117
Total operating revenues	<u>98,533</u>	<u>31,532</u>	<u>40,166</u>	<u>60,253</u>
Operating expenses:				
Employee services	26,508	8,164	22,826	15,233
Services and supplies	21,112	12,979	6,002	28,319
Depreciation/amortization	18,223	4,104	11,502	1,657
Insurance premiums	-	-	-	-
Claims and judgements	108	6	69	310
Total operating expenses	<u>65,951</u>	<u>25,253</u>	<u>40,399</u>	<u>45,519</u>
Operating income (loss)	<u>32,582</u>	<u>6,279</u>	<u>(233)</u>	<u>14,734</u>
Nonoperating revenues (expenses):				
Interest and investment revenue	1,920	529	600	572
Transient occupancy taxes	-	-	-	-
Revenue from other agencies	2,266	-	19	550
Insurance and other claim recoveries	-	-	-	-
Interest income (expense)	(7,009)	(95)	(572)	(2,105)
Amortization of bond prepaid insurance	(190)	-	-	(79)
Gain or (loss) on disposition of capital assets	-	-	-	-
Total nonoperating revenues (expenses)	<u>(3,013)</u>	<u>434</u>	<u>47</u>	<u>(1,062)</u>
Income (loss) before contributions and transfers	29,569	6,713	(186)	13,672
Capital contributions	19,123	3,017	6,979	-
Transfers in	184	8	32	134
Transfers out	(11,200)	(3,358)	(4,082)	(6,560)
Change in net position	37,676	6,380	2,743	7,246
Total net position, beginning of year	<u>406,912</u>	<u>125,576</u>	<u>267,823</u>	<u>7,254</u>
Total net position, end of year	<u>\$ 444,588</u>	<u>\$ 131,956</u>	<u>\$ 270,566</u>	<u>\$ 14,500</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, 2016
(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	\$ 2,952	\$ 23,057	\$ 252,054	\$ 66,711
Rents and concessions	5,762	658	6,438	-
Charge to other agencies for contract services	-	-	4,158	-
Miscellaneous	68	24	355	22
Total operating revenues	8,782	23,739	263,005	66,733
Operating expenses:				
Employee services	6,514	8,671	87,916	10,485
Services and supplies	6,951	7,088	82,451	25,692
Depreciation/amortization	2,018	1,892	39,396	10,031
Insurance premiums	-	-	-	3,329
Claims and judgements	3	3	499	17,560
Total operating expenses	15,486	17,654	210,262	67,097
Operating income (loss)	(6,704)	6,085	52,743	(364)
Nonoperating revenues (expenses):				
Interest and investment revenue	368	439	4,428	1,448
Transient occupancy taxes	21,800	-	21,800	-
Revenue from other agencies	-	565	3,400	55
Insurance and other claim recoveries	-	-	-	271
Interest expense	(1,791)	(2,223)	(13,795)	(33)
Amortization of bond prepaid insurance	-	(93)	(362)	-
Gain or (loss) on disposition of capital assets	-	-	-	83
Total nonoperating revenues (expenses)	20,377	(1,312)	15,471	1,824
Income (loss) before contributions and transfers	13,673	4,773	68,214	1,460
Capital contributions	-	-	29,119	-
Transfers in	2	43	403	321
Transfers out	(3,771)	(7,856)	(36,827)	(349)
Change in net position	9,904	(3,040)	60,909	1,432
Total net position, beginning of year	52,794	30,902	891,261	74,548
Total net position, end of year	\$ 62,698	\$ 27,862	\$ 952,170	\$ 75,980

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, 2016
(in thousands)

	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Cash flows from operating activities:				
Receipts from customers and users	\$ 99,080	\$ 31,671	\$ 38,405	\$ 60,971
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(19,561)	(11,736)	(4,762)	(28,203)
Payments to employees	(25,644)	(7,983)	(23,958)	(14,464)
Claims and judgements paid	(96)	(19)	(60)	(263)
Net cash provided by (used for) operating activities	<u>53,779</u>	<u>11,933</u>	<u>9,625</u>	<u>18,041</u>
Cash flows from noncapital financing activities:				
Transient occupancy taxes	-	-	-	-
Transfers in from other funds	21	8	32	134
Transfers out to other funds	(10,541)	(3,341)	(4,082)	(6,504)
Collections on interfund loans	-	-	-	-
Loans made to other funds	-	-	-	-
Interfund loan repayments	-	-	-	-
Intergovernmental revenue received	1,299	-	-	550
Claim and judgement recoveries	-	-	-	-
Net cash provided by (used for) noncapital financing activities	<u>(9,221)</u>	<u>(3,333)</u>	<u>(4,050)</u>	<u>(5,820)</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(97,140)	(11,952)	(1,622)	(366)
Proceeds from sale of capital assets	294	300	-	-
Proceeds from issuance of debt	40,127	-	-	18,432
Principal payments on capital debt	(50,016)	(1,459)	(2,942)	(23,083)
Interest payments on capital debt	(16,458)	(1,509)	(612)	(546)
Intergovernmental revenue received	-	-	19	-
Transfers in from other funds	-	-	-	-
Transfers out to other funds	(652)	(17)	-	(56)
Capital contributions received	1,820	3,029	-	-
Loan repayments received	99	127	421	-
Cash received as a deposit	-	1,285	-	-
Net cash used for capital and related financing activities	<u>(121,926)</u>	<u>(10,196)</u>	<u>(4,736)</u>	<u>(5,619)</u>
Cash flows from investing activities:				
Collection of interest and investment revenue	2,535	642	610	550
Loan repayments received	-	-	-	-
Net cash provided by investing activities	<u>2,535</u>	<u>642</u>	<u>610</u>	<u>550</u>
Net increase (decrease) in cash and cash equivalents	(74,833)	(954)	1,449	7,152
Cash and cash equivalents, beginning of year	<u>230,098</u>	<u>45,710</u>	<u>35,726</u>	<u>36,400</u>
Cash and cash equivalents, end of year	<u>\$ 155,265</u>	<u>\$ 44,756</u>	<u>\$ 37,175</u>	<u>\$ 43,552</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, 2016
(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	\$ 8,591	\$ 23,685	\$ 262,403	\$ -
Receipts from interfund services provided	-	-	-	128,417
Payments to suppliers	(6,618)	(6,713)	(77,593)	(90,357)
Payments to employees	(6,602)	(8,896)	(87,547)	(10,425)
Claims and judgements paid	(4)	(189)	(631)	(16,322)
Net cash provided by (used for) operating activities	<u>(4,633)</u>	<u>7,887</u>	<u>96,632</u>	<u>11,313</u>
Cash flows from noncapital financing activities:				
Transient occupancy taxes	22,095	-	22,095	-
Transfers in from other funds	2	3	200	-
Transfers out to other funds	(3,771)	(1,912)	(30,151)	(325)
Collections on interfund loans	-	-	-	12,239
Loans made to other funds	-	-	-	(2,976)
Interfund loan repayments	(250)	-	(250)	-
Intergovernmental revenue received	-	646	2,495	55
Claim and judgement recoveries	-	-	-	284
Net cash provided by (used for) noncapital financing activities	<u>18,076</u>	<u>(1,263)</u>	<u>(5,611)</u>	<u>9,277</u>
Cash flows from capital and related financing activities:				
Acquisition and construction of capital assets	(920)	(2,331)	(114,331)	(11,124)
Proceeds from sale of capital assets	-	-	594	360
Proceeds from issuance of debt	-	24,083	82,642	1,463
Principal payments on capital debt	(5,911)	(20,076)	(103,487)	(1,732)
Interest payments on capital debt	(2,035)	(959)	(22,119)	(72)
Intergovernmental revenue received	-	-	19	-
Transfers in from other funds	-	40	40	298
Transfers out to other funds	-	(5,944)	(6,669)	-
Capital contributions received	-	-	4,849	-
Loan repayments received	-	-	647	-
Cash received as a deposit	-	-	1,285	-
Net cash used for capital and related financing activities	<u>(8,866)</u>	<u>(5,187)</u>	<u>(156,530)</u>	<u>(10,807)</u>
Cash flows from investing activities:				
Collection of interest and investment revenue	309	751	5,397	1,394
Loan repayments received	21	85	106	-
Net cash provided by investing activities	<u>330</u>	<u>836</u>	<u>5,503</u>	<u>1,394</u>
Net increase (decrease) in cash and cash equivalents	4,907	2,273	(60,006)	11,177
Cash and cash equivalents, beginning of year	<u>24,796</u>	<u>30,800</u>	<u>403,530</u>	<u>85,820</u>
Cash and cash equivalents, end of year	<u>\$ 29,703</u>	<u>\$ 33,073</u>	<u>\$ 343,524</u>	<u>\$ 96,997</u>

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, 2016
(in thousands)

	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	\$ 101,832	\$ 36,137	\$ 32,042	\$ 42,531
Cash and investments held by fiscal agent	1	-	5	-
Restricted cash and investments held by City	46,115	7,625	4,363	1,021
Restricted cash and investments held by fiscal agent	7,317	994	765	-
Total cash and cash equivalents, end of year	\$ 155,265	\$ 44,756	\$ 37,175	\$ 43,552
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ 32,582	\$ 6,279	\$ (233)	\$ 14,734
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	18,223	4,104	11,502	1,657
Amortization of intangible assets	-	-	-	-
Pension expense	(1,290)	(404)	-	(824)
Expense of refunded debt unamortized loss on refunding	-	-	-	-
Gain on refunded debt	-	-	-	-
Changes in assets and liabilities:				
Accounts receivable, net	440	139	(158)	718
Intergovernmental receivables	-	-	(1,725)	-
Inventories	-	4	10	-
Prepaid items	1,536	-	(8)	-
Accounts payable	15	1,239	1,238	116
Accrued payroll	187	23	9	117
Accrued compensated absences	617	156	(399)	133
OPEB liabilities	1,350	406	486	1,343
Accrued claims and judgements	12	(13)	9	47
Deposits	1	-	(1,228)	-
Unearned revenue	106	-	122	-
Net cash provided by (used for) operating activities	\$ 53,779	\$ 11,933	\$ 9,625	\$ 18,041
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ 221	\$ 220	\$ 1,257	\$ -
Transfer of capital assets from governmental funds, net of depreciation	14,221	1,708	5,722	-
Capitalized interest	9,494	1,245	19	-
Amortization of bond premium and discount	4,621	57	(10)	160
Amortization of bond loss on refunding	(725)	-	-	-
Amortization of bond gain on refunding	190	-	-	26
Amortization of bond prepaid insurance	(190)	-	-	(79)
Capital asset acquisitions on accounts payable	8,282	394	87	-
Water fee credit usage	726	-	-	-
Purchase of capital assets on accounts payable	35	-	-	-
Intergovernmental receivable for capital contributions	1,522	-	-	-
Interest accrual on loans receivable	-	-	-	2

(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, 2016
(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	\$ 20,376	\$ 26,469	\$ 259,387	\$ 96,689
Cash and investments held by fiscal agent	53	12	71	308
Restricted cash and investments held by City	1,329	4,802	65,255	-
Restricted cash and investments held by fiscal agent	7,945	1,790	18,811	-
Total cash and cash equivalents, end of year	\$ 29,703	\$ 33,073	\$ 343,524	\$ 96,997
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	\$ (6,704)	\$ 6,085	\$ 52,743	\$ (364)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	2,018	1,884	39,388	10,031
Amortization of intangible assets	-	8	8	-
Pension expense	(309)	(418)	(3,245)	(495)
Expense of refunded debt unamortized loss on refunding	-	-	-	72
Gain on refunded debt	-	-	-	(165)
Changes in assets and liabilities:				
Accounts receivable, net	(45)	(105)	989	248
Intergovernmental receivables	-	-	(1,725)	-
Inventories	-	-	14	-
Prepaid items	-	4	1,532	77
Accounts payable	333	371	3,312	136
Accrued payroll	42	26	404	101
Accrued compensated absences	115	(1)	621	(100)
OPEB liabilities	64	168	3,817	556
Accrued claims and judgements	(1)	(186)	(132)	1,236
Deposits	-	(10)	(1,237)	-
Unearned revenue	(146)	61	143	(20)
Net cash provided by (used for) operating activities	\$ (4,633)	\$ 7,887	\$ 96,632	\$ 11,313
Noncash investing, capital and financing activities:				
Contributions of capital assets	\$ -	\$ -	\$ 1,698	\$ -
Transfer of capital assets from governmental funds, net of depreciation	-	-	21,651	-
Capitalized interest	269	-	11,027	-
Amortization of bond premium and discount	(25)	894	5,697	-
Amortization of bond loss on refunding	-	(1,427)	(2,152)	72
Amortization of bond gain on refunding	-	-	216	-
Amortization of bond prepaid insurance	-	(7)	(276)	-
Capital asset acquisitions on accounts payable	-	-	8,763	249
Water fee credit usage	-	-	726	-
Purchase of capital assets on accounts payable	-	-	35	-
Intergovernmental receivable for capital contributions	-	-	1,522	-
Interest accrual on loans receivable	-	-	2	-

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

City of Sacramento
Fiduciary Funds
Statement of Fiduciary Net Position

June 30, 2016
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund	Agency Funds
<u>ASSETS</u>				
Cash and cash equivalents held by City	\$ 14,782	\$ 148,827	\$ 5,403	\$ 12,526
Cash and investments held by fiscal agent	-	-	24,322	15,120
Prepays	-	-	530	-
Receivables, net:				
Taxes	-	-	-	217
Accounts	-	-	-	10
Interest	1,686	450	-	15
Intergovernmental	-	-	95	-
Investments, at fair value:				
U.S. government obligations	1,430	-	-	-
Corporate bonds	53,775	-	-	-
Equity securities	50,326	-	-	-
Exchange traded funds	114,915	-	-	-
Municipal bonds	49,223	-	-	-
Mortgage loans	1,924	-	-	-
Loans receivable	-	-	7,384	-
Capital assets:				
Land	-	-	23,062	-
Buildings and improvements	-	-	6,558	-
Less: accumulated depreciation/amortization	-	-	(1,596)	-
Total assets	288,061	149,277	65,758	\$ 27,888
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	-	2,983	-
<u>LIABILITIES</u>				
Accounts payable	19	-	550	\$ 63
Benefits payable	2,872	-	-	-
Due to bondholders	-	-	-	27,810
Interest payable	-	-	507	-
Contracts payable	-	-	11,264	-
Pollution remediation obligations	-	-	295	-
Bonds payable	-	-	109,913	-
Notes payable	-	-	177,958	-
Total liabilities	2,891	-	300,487	27,873
Deferred inflows of resources:	-	-	-	15
Total liabilities and deferred inflows of resources	2,891	-	300,487	\$ 27,888
<u>NET POSITION</u>				
Held in trust for:				
Pension benefits	285,170	-	-	
External pool participants	-	149,277	-	
Redevelopment dissolution	-	-	(231,746)	
Total net position (deficit)	\$ 285,170	\$ 149,277	\$ (231,746)	

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

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

For the Fiscal Year Ended June 30, 2016
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund
Additions:			
Property taxes	\$ -	\$ -	\$ 29,962
Contributions:			
Employer	8,645	-	-
Employees	146	-	-
Total contributions	8,791	-	-
Investment income:			
From investment activities:			
Net appreciation (depreciation) in fair value of investments	(908)	487	-
Interest	5,236	1,634	533
Dividends	4,609	-	-
Total investment income	8,937	2,121	533
Investment expenses:			
Banking, interest, and fiscal agent expenses	104	152	-
Professional services	1,034	-	-
Total investment expenses	1,138	152	-
Net income from investment activities	7,799	1,969	533
Total net investment income	7,799	1,969	533
Deposits	-	80,819	-
Other	-	-	905
Total additions	16,590	82,788	31,400
Deductions:			
Benefits	32,633	-	-
Withdrawals	50	73,293	-
Interest expense	-	-	11,338
Cost of issuance	-	-	1,121
Other enforceable obligation payments	-	-	18,688
Loan forgiveness	-	-	213
Depreciation expense	-	-	164
Total deductions	32,683	73,293	31,524
Extraordinary item - loss on disposition of capital asset	-	-	(2,929)
Change in net position	(16,093)	9,495	(3,053)
Net position (deficit), beginning of year	301,263	139,782	(228,693)
Net position (deficit), end of year	\$ 285,170	\$ 149,277	\$ (231,746)

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, 2016
(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, 2016
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This Statement requires disclosures to be made about fair value measurements, the level of fair value hierarchy, and valuation techniques. These disclosures should be organized by type of asset or liability reported at fair value. It also requires additional disclosures regarding investments in certain entities that calculate net asset value per share (or its equivalent). The provisions in Statement 72 are effective for fiscal years beginning after June 15, 2015. The Statement was implemented effective July 1, 2015.

GASB Statement No. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this Statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments for making decisions and assessing accountability. This Statement established requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statements 67 and 68 for pension plans and pensions that are within their respective scopes. The provisions in Statement 73 are effective for fiscal years beginning after June 15, 2015, except for the certain provisions, which are effective for fiscal years beginning after June 15, 2016. The applicable provisions were implemented July 1, 2015 and did not have a material impact to the financial statements.

GASB Statement No. 76 – In June 2015, GASB issues Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this Statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). This Statement supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The provisions in Statement 76 are effective for fiscal years beginning after June 15, 2015. This Statement was implemented effective July 1, 2015 and did not have a material impact to the financial statements.

GASB Statement No. 79 – In December 2015, GASB issued Statement No. 79, *Certain External Investments Pools and Pool Participants*. The Statement addresses accounting and financial reporting for certain external investment pools and pool participants. The Statement establishes criteria for an external investment pool to qualify for making the election to measure all its investments at amortized cost for financial reporting purposes. The Statement establishes additional note disclosure requirements for qualifying external investment pools that require to measure all their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Both the qualifying external investment pools and their participants are required to disclose information about any limitations or restrictions on participant withdrawals. The provisions in Statement 79 are effective for fiscal years beginning after June 15, 2015, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing. This Statement was implemented effective July 1, 2015 and did not have a material impact to the financial statements.

GASB Statement No. 82 – In March 2016, GASB issued Statement No. 82, *Pension Issues – An Amendment of GASB Statement No. 67, No. 68, and No. 73*. The objective of the Statement is to address certain issues that have been raised with respect to Statement No. 67, *Financial Reporting for Pension Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. Specifically, the Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The provisions in Statement 82 are effective for fiscal years beginning after June 15, 2016. The City has early implemented this Statement effective July 1, 2015.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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. 73 – In June 2015, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The provisions in Statement 73 that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68 are effective for fiscal years beginning after June 15, 2016. The City has not determined its effect on the financial statements.

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

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

GASB Statement No. 77 – In August 2015, GASB issued Statement No. 77, *Tax Abatement Disclosures*. The objective of this Statement is to provide financial statement users with essential information about the nature and magnitude of the reduction in tax revenues through tax abatement programs. The provisions in Statement 77 are effective for fiscal years beginning after December 15, 2015. The City has not determined its effect on the financial statements.

GASB Statement No. 78 – In December 2015, GASB issued Statement No 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. The Statement amends the scope and applicability of GASB Statement No. 68 to exclude certain types of cost-sharing multiple-employer plans. The provisions in Statement 78 are effective for fiscal years beginning after December 15, 2015. The City has not determined its effect on the financial statements.

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements (Continued)

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

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

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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary trust fund financial statements. Agency funds, included in the fiduciary fund financial statements, are also reported using the accrual basis of accounting, however they are not reported using a measurement focus because only assets and liabilities are presented. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

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

Property taxes, sales taxes, utility users taxes, intergovernmental revenue, special assessments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City reports the following major governmental funds:

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

The Measure U Special Revenue Fund was established to account for the temporary half-cent sales tax approved by voters on November 6, 2012.

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

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

Golden 1 Center Capital Project Fund accounts for the proceeds of the bond issue and associated transactions for the construction of the Golden 1 Center.

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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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

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.

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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budget Information (Continued)

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, 2016. 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 – As of July 1, 2015, the City retrospectively, applied GASB Statement No. 72, *Fair Value Measurement and Application*. GASB Statement No. 72 provides guidance for determining a fair value measurement for reporting purposes and applying fair value to certain investments and disclosures related to all fair value measurements. The City categorizes the fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

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

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

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan". The State Revenue and Taxation Code 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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Elements (Continued)

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 the lower of average cost or market 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.

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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Elements (Continued)

Major outlays for capital assets are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. When the asset constructed in business-type activities is financed by a specific bond issue, the interest included is net of interest earned on the invested bond proceeds over the same period. The total interest cost incurred by the City during the current fiscal year was \$61,213. Of this amount, \$11,030, consisting of interest cost of \$11,531 net of interest earned of \$501, was included as part of the cost of capital assets under construction.

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

Deferred Outflows/Inflows of Resources - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an expense/expenditure until then. The City has three items, loss on refunding of debt, accumulated decrease in fair-value of hedging derivative instrument, and deferred outflows related to pensions, which qualifies for reporting in this category.

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

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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Elements (Continued)

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.

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 2016-0216 adopted with the fiscal year 2016/17 annual budget. The adopted Reserve goal is to achieve a reserve equal to 10% of annual General Fund revenue and equal to two months of regular on-going General Fund expenditures, including transfers. The City Manager may recommend a release from the Reserve when the gap between projected revenue and expenditures is greater than \$1,000 in the proposed budget. Additions and releases from the Reserve must be approved by City Council by resolution.

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

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

City of Sacramento
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial Statement Elements (Continued)

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.

NOTE 2 – CASH AND INVESTMENTS

The following is a summary of cash and investments at June 30, 2016:

	Government-wide Statement of Net Position	Fiduciary Funds Statement of Net Position	Total
Cash and investments	\$ 743,684	\$ 492,573	\$ 1,236,257
Restricted cash and investments	193,561	-	193,561
Total	\$ 937,245	\$ 492,573	\$ 1,429,818

Under the authority of the Sacramento City Charter, the Sacramento City Council, by Resolution 2015-0271, 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 25, 2015. 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 November 24, 2015. 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 2016, the asset allocations consisted of the following: 40% Fixed Income securities, 35% Large Cap Growth stocks, 15% Equity Income stocks and 10% 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, 2016
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

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

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

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

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

Interest Rate Risk

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

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

City of Sacramento
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(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, 2016 are as follows:

Cash and Investment Type	No Maturity	Remaining Maturity in Years			Total
		Under 1	1-5	Over 5	
Certificates of deposit	\$ -	\$ 3,497	\$ 20,823	\$ -	\$ 24,320
Commercial paper	-	196,965	-	-	196,965
Corporate bonds/notes	-	135,859	176,475	10,264	322,598
Deposits	3,297	-	-	-	3,297
Equities	55,135	-	-	-	55,135
Exchange traded funds	116,425	-	-	-	116,425
Investment Trust of California (CalTRUST)	-	14,067	150,821	-	164,888
Local Agency Investment Fund (LAIF)	-	20,000	-	-	20,000
Mortgage loans	-	-	-	1,924	1,924
Municipal bonds	-	30,110	108,681	46,432	185,223
Mutual funds	-	89,003	-	-	89,003
U.S. agency securities	-	65,314	175,888	1,425	242,627
U.S. Treasury notes	-	7,413	-	-	7,413
Total Cash and Investments	\$ 174,857	\$ 562,228	\$ 632,688	\$ 60,045	\$ 1,429,818

Investments in callable bonds are investments that, although having clearly defined maturities, allow for the issuer to redeem or call such bonds earlier than their respective maturity dates. The investor must then replace the called bonds with investments that may have lower yield than the original bonds. The fair values of the callable bonds held at June 30, 2016 by investment type are as follows:

Investment Type	Total
Certificates of deposit	\$ 5,019
Corporate bonds/notes	40,242
Municipal bonds	33,272
U.S. agencies	84,586

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(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, 2016 are as follows:

Cash and Investment Type	S & P	Moody's	Total
Certificates of deposit	not rated	not rated	\$ 24,320
Commercial paper	A	P1	190,000
	AA	Aa	6,965
Corporate bonds/notes	A	A	88,628
	A	Aa	3,471
	A	not rated	7,026
	AA	A	53,891
	AA	Aa	82,674
	AA	Aaa	4,981
	AA	withdrawn	3,005
	AAA	Aaa	3,267
	BBB	A	23,519
	BBB	Baa	49,222
	BBB	not rated	2,745
	not rated	withdrawn	169
Deposits	not rated	not rated	3,297
Equities (exempt from disclosure)	N/A	N/A	55,135
Exchange traded funds (exempt from disclosure)	N/A	N/A	116,425
Investment Trust of California (CalTRUST)	not rated	not rated	164,888
Local Agency Investment Fund (LAIF)	not rated	not rated	20,000
Mortgage loans	not rated	not rated	1,924
Municipal bonds	A	A	202
	A	Baa	3,424
	A	not rated	6,559
	AA	A	18,454
	AA	Aa	95,661
	AA	Aaa	2,940
	AA	not rated	18,274
	AAA	Aa	4,052
	AAA	Aaa	13,828
	AAA	not rated	1,379
	SP1	not rated	1,002
	not rated	Aa	16,447
	not rated	Aaa	3,001

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Fair Value and Measurement and Application

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

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

Level 2 – Inputs to the valuation methodology include:

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

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

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

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

The Money Market Mutual funds held by the City pool and outside the City pool are at \$1 net asset value (NAV) per share. The total fair value of these at June 30, 2016 was \$28,321 and \$60,682 respectively, with \$0 unfunded commitments. The redemption frequently is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government agency securities (including repurchase agreements collateralized by U.S Treasury and government agency securities).

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

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

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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, 2016. 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, 2016
(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, 2016:

	Balance at June 30, 2016	Fair Value Measurements on a Recurring Basis Using		
		Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by Fair Value Level				
Certificates of deposit	\$ 21,320	\$ -	\$ 21,320	\$ -
Commercial paper	190,000	-	-	190,000
Corporate bonds/notes	314,274	-	314,274	-
Equities	55,135	55,135	-	-
Exchange traded funds	116,425	116,425	-	-
Mortgage loans	1,924	-	-	1,924
Municipal bonds	185,223	-	185,223	-
U. S. agency securities	183,755	-	183,755	-
Total Investments by Fair Value Level	1,068,056	\$ 171,560	\$ 704,572	\$ 191,924
Investments Not Measured at Fair Value				
Certificates of deposit (Non Negotiable)	3,000			
Deposits	2,728			
Total Investments Not Measured at Fair Value	5,728			
Investments Measured at Net Asset Value				
Mutual funds	28,321			
Total Investments Measured at Net Asset Value	28,321			
Investments Uncategorized				
Investment Trust of California (CalTRUST)	164,888			
Local Agency Investment Fund (LAIF)	20,000			
Total Investments Uncategorized	184,888			
Total City's Pooled Investments	1,286,993			
Investments Held Outside City Pool by Fair Value Level				
Commercial paper	6,965	-	-	6,965
Corporate bonds/notes	8,324	-	8,324	-
Deposits	569	-	-	569
U.S. agency securities	58,872	-	58,872	-
U.S. Treasury notes	7,413	7,413	-	-
Total Investments by Fair Value Level	82,143	\$ 7,413	\$ 67,196	\$ 7,534
Investments Held Outside City Pool Measured at Net Asset Value				
Mutual funds	60,682			
Total Investments Held Outside City Pool Measured at Net Asset Value	60,682			
Total Investments Held Outside City Pool	142,825			
Total Investments	\$ 1,429,818			

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(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 7.06% 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, 2016:

Statement of Net Position:

Investments at fair value	\$ 924,695
Interest receivables	2,506
Net Position	<u>\$ 927,201</u>
Equity of internal pool participants	\$ 861,710
Equity of external pool participants	65,491
Total equity	<u>\$ 927,201</u>

Statement of Changes in Net Position:

Net position at July 1, 2015	\$ 940,145
Net change in investments by pool participants	(12,944)
Net position at June 30, 2016	<u>\$ 927,201</u>

A summary of the investment classifications as of June 30, 2016 is as follows:

	Fair Value	Adjusted Cost	Interest Rates	Maturity Dates
Certificates of deposit	\$ 23,322	\$ 22,868	0.35-2.40%	11/16-12/20
Commercial paper	190,000	189,430	0.50-1.02%	07/16-02/17
Corporate bonds/notes	238,354	237,664	0.68-7.62%	08/16-06/21
Deposits	2,166	2,166	N/A	N/A
Investment Trust of California (CalTRUST)	132,282	132,282	0.42-1.01%	N/A
Municipal bonds	122,692	121,383	0.62-5.95%	07/16-05/21
Mutual funds	28,286	28,286	0.01-0.07%	N/A
Local Agency Investment Fund (LAIF)	20,000	20,000	0.52%	N/A
U.S. government and agency securities	167,593	167,155	0.37-6.25%	08/16-06/21
Total cash and investments in City sponsored investment pool	<u>\$ 924,695</u>	<u>\$ 921,234</u>		

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 2 – CASH AND INVESTMENTS (Continued)

Participation in External Investment Pools

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute. The balance available for withdrawal is based on the accounting records maintained by the LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. As of June 30, 2016, the City's investment in LAIF is \$20,000. The total amount invested by all public agencies in LAIF at that date is \$22,712,085. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2016 had a balance of \$75,442,589. Of that amount, 97.19% is invested in non-derivative financial products, and 2.81% is invested in derivative financial products.

The City is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST, and selects and supervises the activities of the Investment Manager and other agents. As of June 30, 2016, the City's investment in CalTRUST is \$164,888, of which \$14,067 was invested in the Money Market Fund, \$93,493 in the Short-term pool and \$57,328 in the Medium-term pool. Amounts that may be withdrawn from the Money Market Fund are based upon the fund's assets valued using the amortized cost method. Amounts that may be withdrawn from the Short-term and Medium-term pools are based on the net asset value per share and the number of shares held by participants in each pool.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2016, were as follows:

	Taxes	Accounts	Loans	Inter- govern- mental	Interest	Total
Governmental activities						
General Fund	\$ 34,534	\$ 13,817	\$ 4	\$ 1,500	\$ 529	\$ 50,384
Measure U Fund	7,581	-	-	-	149	7,730
Capital Grants Fund	-	2,755	-	13,875	-	16,630
1997 Lease Revenue Bond Fund	-	-	57,315	-	662	57,977
Other governmental funds	2,939	3,987	8,618	24,920	151	40,615
Internal service funds	-	53	-	-	296	349
	<u>\$ 45,054</u>	<u>\$ 20,612</u>	<u>\$ 65,937</u>	<u>\$ 40,295</u>	<u>\$ 1,787</u>	<u>\$ 173,685</u>
Amounts not scheduled for collection during the subsequent year						
	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 54,650</u>	<u>\$ 13,841</u>	<u>\$ -</u>	<u>\$ 68,491</u>
Business-type activities						
Water Fund	\$ -	\$ 19,345	\$ 4,570	\$ 1,522	\$ 721	\$ 26,158
Wastewater Fund	-	11,050	682	590	173	12,495
Storm Drainage Fund	-	5,703	3,269	2,972	161	12,105
Solid Waste Fund	-	9,459	-	-	165	9,624
Community Center Fund	2,352	282	87	-	85	2,806
Other enterprise funds	-	904	86	-	114	1,104
	<u>\$ 2,352</u>	<u>\$ 46,743</u>	<u>\$ 8,694</u>	<u>\$ 5,084</u>	<u>\$ 1,419</u>	<u>\$ 64,292</u>

Included in the Accounts Receivable amounts above are allowances for doubtful accounts of \$13,384 in governmental activities and \$1,407 in business-type activities.

Included in the Loans Receivable amount related to Other governmental funds above is the present value of the installment payments under the golf service concession arrangement of \$5,849, reported with the associated deferred inflow in the government-wide statement of net position.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 4 – CAPITAL ASSETS

Summary

The following is a summary of capital assets as of June 30, 2016:

	Governmental Activities	Business- Type Activities	Total
Capital assets not being depreciated/amortized			
Land	\$ 202,374	\$ 50,314	\$ 252,688
Easements	913	291	1,204
Construction in progress	349,769	266,143	615,912
Total capital assets not being depreciated/amortized	<u>553,056</u>	<u>316,748</u>	<u>869,804</u>
Depreciable/amortizable capital assets			
Buildings and improvements	630,189	280,676	910,865
Equipment	73,409	64,452	137,861
Software	4,866	1,958	6,824
Vehicles	138,086	-	138,086
Transmission and distribution system	3,622	1,196,826	1,200,448
Roadway network	1,639,363	-	1,639,363
Streetlight network	227,620	-	227,620
Park improvements	189,943	-	189,943
Total depreciable/amortizable capital assets	<u>2,907,098</u>	<u>1,543,912</u>	<u>4,451,010</u>
Less accumulated depreciation/amortization for:			
Buildings and improvements	(222,701)	(142,690)	(365,391)
Equipment	(50,885)	(43,685)	(94,570)
Software	(1,666)	(712)	(2,378)
Vehicles	(86,052)	-	(86,052)
Transmission and distribution system	(766)	(421,577)	(422,343)
Roadway network	(973,054)	-	(973,054)
Street light network	(78,128)	-	(78,128)
Park improvements	(49,977)	-	(49,977)
Total accumulated depreciation/amortization	<u>(1,463,229)</u>	<u>(608,664)</u>	<u>(2,071,893)</u>
Depreciable/amortizable capital assets, net	<u>1,443,869</u>	<u>935,248</u>	<u>2,379,117</u>
Total capital assets, net	<u>\$ 1,996,925</u>	<u>\$ 1,251,996</u>	<u>\$ 3,248,921</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 4 – CAPITAL ASSETS (Continued)

Governmental Activities

Governmental capital asset activity for the year ended June 30, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	\$ 199,142	\$ 3,232	\$ -	\$ -	\$ 202,374
Easements	697	216	-	-	913
Construction in progress	201,226	320,907	(172,230)	(134)	349,769
Total capital assets not being depreciated/amortized	401,065	324,355	(172,230)	(134)	553,056
Depreciable/amortizable capital assets					
Buildings and improvements	628,851	1,338	-	-	630,189
Equipment	70,484	2,925	-	-	73,409
Software	4,866	-	-	-	4,866
Vehicles	133,335	8,763	(4,012)	-	138,086
Transmission and distribution system	3,622	21,517	-	(21,517)	3,622
Roadway network	1,564,431	98,750	(23,818)	-	1,639,363
Streetlight network	202,480	25,140	-	-	227,620
Park improvements	179,467	10,476	-	-	189,943
Total depreciable/amortizable capital assets	2,787,536	168,909	(27,830)	(21,517)	2,907,098
Less accumulated depreciation/amortization for:					
Buildings and improvements	(209,975)	(12,726)	-	-	(222,701)
Equipment	(46,709)	(4,176)	-	-	(50,885)
Software	(1,341)	(325)	-	-	(1,666)
Vehicles	(79,955)	(9,880)	3,783	-	(86,052)
Transmission and distribution system	(718)	(48)	-	-	(766)
Roadway network	(950,996)	(45,876)	23,818	-	(973,054)
Streetlight network	(73,076)	(5,052)	-	-	(78,128)
Park improvements	(43,196)	(6,781)	-	-	(49,977)
Total accumulated depreciation/amortization	(1,405,966)	(84,864)	27,601	-	(1,463,229)
Depreciable/amortizable capital assets, net	1,381,570	84,045	(229)	(21,517)	1,443,869
Governmental activities capital assets, net	\$ 1,782,635	\$ 408,400	\$ (172,459)	\$ (21,651)	\$ 1,996,925

Depreciation/amortization expense was charged to functions as follows:

General government	\$ 5,373
Police	2,197
Fire	1,151
Public works	51,358
Economic development	100
Convention and cultural services	4,298
Parks and recreation	9,235
Community development	160
Library	961
Capital assets held by the City's internal service funds are charged to the functions based on their usage of assets	10,031
Total governmental activities depreciation/amortization expense	\$ 84,864

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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, 2016 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land	\$ 50,314	\$ -	\$ -	\$ -	\$ 50,314
Easements	157	-	-	134	291
Construction in progress	186,564	118,957	(39,378)	-	266,143
Total capital assets not being depreciated/amortized	<u>237,035</u>	<u>118,957</u>	<u>(39,378)</u>	<u>134</u>	<u>316,748</u>
Depreciable/amortizable capital assets					
Buildings and improvements	278,585	2,091	-	-	280,676
Equipment	63,136	1,316	-	-	64,452
Software	1,681	277	-	-	1,958
Transmission and distribution system	1,137,022	38,287	-	21,517	1,196,826
Total depreciable/amortizable capital assets	<u>1,480,424</u>	<u>41,971</u>	<u>-</u>	<u>21,517</u>	<u>1,543,912</u>
Less accumulated depreciation/amortization for:					
Buildings and improvements	(136,615)	(6,075)	-	-	(142,690)
Equipment	(40,423)	(3,262)	-	-	(43,685)
Software	(574)	(138)	-	-	(712)
Transmission and distribution system	(391,663)	(29,914)	-	-	(421,577)
Total accumulated depreciation/amortization	<u>(569,275)</u>	<u>(39,389)</u>	<u>-</u>	<u>-</u>	<u>(608,664)</u>
Depreciable/amortizable capital assets, net	<u>911,149</u>	<u>2,582</u>	<u>-</u>	<u>21,517</u>	<u>935,248</u>
Business-type activities capital assets, net	<u>\$ 1,148,184</u>	<u>\$ 121,539</u>	<u>\$ (39,378)</u>	<u>\$ 21,651</u>	<u>\$ 1,251,996</u>
Depreciation/amortization expense was charged to functions as follows:					
Water		\$ 18,223			
Wastewater		4,104			
Storm drainage		11,502			
Solid waste		1,657			
Community center		2,018			
Parking		1,807			
Child development		78			
Total business-type activities depreciation/amortization expense		<u>\$ 39,389</u>			

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 5 – PAYABLES

Payables as of June 30, 2016, were as follows:

	<u>Vendors</u>	<u>Employees</u>	<u>Interest</u>	<u>Deposits</u>	<u>Total</u>
Governmental activities					
General Fund	\$ 11,452	\$ 18,780	\$ -	\$ 239	\$ 30,471
Measure U Fund	758	-	-	-	758
Capital Grants Fund	8,836	-	-	-	8,836
1997 Lease Revenue Bond Fund	-	-	662	4,650	5,312
2015 Golden 1 Center					
Capital Projects Fund	31,557	-	-	-	31,557
Other governmental funds	9,182	178	7,075	1,605	18,040
Internal service funds	3,190	447	7	-	3,644
Total governmental activities	<u>\$ 64,975</u>	<u>\$ 19,405</u>	<u>\$ 7,744</u>	<u>\$ 6,494</u>	<u>\$ 98,618</u>
Business-type activities					
Water Fund	\$ 10,636	\$ 1,060	\$ 4,052	\$ 9	\$ 15,757
Wastewater Fund	11,219	289	504	1,285	13,297
Storm Drainage Fund	2,549	891	196	15	3,651
Solid Waste Fund	2,256	554	75	10	2,895
Community Center Fund	1,758	272	312	-	2,342
Other enterprise funds	2,202	357	150	-	2,709
Total business-type activities	<u>\$ 30,620</u>	<u>\$ 3,423</u>	<u>\$ 5,289</u>	<u>\$ 1,319</u>	<u>\$ 40,651</u>

Included in the Interest Payable amount related to 1997 Lease Revenue Bond Fund above is the interest payable accrual of \$662, 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 \$5,654, reported in the government-wide statement of net position.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(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, 2016, were \$924.

Sublease rental income for the fiscal year ended June 30, 2016 was \$690. The total amount of minimum rentals to be received in the future under non-cancelable subleases is \$2,491.

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>
2017	\$ 650
2018	564
2019	572
2020	578
2021	583
2022 - 2026	3,016
2027 - 2031	3,161
2032 - 2036	3,176
2037 - 2041	2,492
2042 - 2046	2,628
2047 - 2051	2,757
2052 - 2056	1,807
2057 - 2061	200
2062	32
	<hr/>
Total future minimum lease payments	<u><u>\$ 22,216</u></u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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, 2016. Certain long-term liabilities provide financing to both governmental and business-type activities.

GOVERNMENTAL 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	\$ 9,141	\$ -	\$ (1,330)	\$ 7,811	\$ 1,403
1993 Refunded Revenue Bonds, Series B	15,326	-	(2,230)	13,096	2,352
1996 Lighting and Landscaping Bonds	1,100	-	(1,100)	-	-
1997 Lease Revenue Bonds	59,790	-	(2,475)	57,315	2,665
1999 CFD No. 2 Revenue Bonds, Series A	1,750	-	(140)	1,610	150
2002 Capital Improvement Revenue Bonds	1,275	-	(1,275)	-	-
2003 Capital Improvement Revenue Bonds	15,395	-	(15,395)	-	-
2005 Refunding Revenue Bonds	51,486	-	(51,486)	-	-
2006 Capital Improvement Revenue Bonds, Series A	73,315	-	(73,315)	-	-
2006 Capital Improvement Revenue Bonds, Series B	48,170	-	(1,120)	47,050	1,185
2006 Capital Improvement Revenue Bonds, Series C	25,605	-	(25,605)	-	-
2006 Capital Improvement Revenue Bonds, Series D	1,160	-	(685)	475	475
2006 Capital Improvement Revenue Bonds, Series E	80,803	-	-	80,803	-
2015 Refunding Revenue Bonds	-	115,725	-	115,725	9,645
2015 Lease Revenue Bonds - Golden 1 Center	-	272,870	-	272,870	-
2016 Lease Financing	-	9,115	-	9,115	735
	<u>384,316</u>	<u>397,710</u>	<u>(176,156)</u>	<u>605,870</u>	<u>18,610</u>
Subtotal, revenue and other bonds					
Notes Payable:					
1997 State Department of Boating & Waterways	369	-	(86)	283	90
1985 Marina Phase I	1,539	-	(46)	1,493	48
1985 Marina Phase II	2,367	-	(61)	2,306	64
1985 Marina Phase III	536	-	(125)	411	131
1985 Marina Phase IV	392	-	(72)	320	75
2008 Sacramento Marina South Basin	10,477	-	-	10,477	768
	<u>15,680</u>	<u>-</u>	<u>(390)</u>	<u>15,290</u>	<u>1,176</u>
Subtotal, notes payable					

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Activity (Continued)

GOVERNMENTAL ACTIVITIES (Continued):	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Capital Lease Obligations:					
JP Morgan Fleet Financing	\$ 1,430	\$ -	\$ (567)	\$ 863	\$ 574
JP Morgan Capital Lease Refinance	1,257	-	(814)	443	442
Fire trucks and equipment #3	2,523	-	(461)	2,062	482
Liquid nitrate gas (LNG) - Refueling Trailer	127	-	(26)	101	27
Parking meters system with AutoVu	4,238	-	(1,192)	3,046	1,207
Bank of America - Marina South Basin	881	-	(102)	779	106
Subtotal, capital lease obligations	<u>10,456</u>	<u>-</u>	<u>(3,162)</u>	<u>7,294</u>	<u>2,838</u>
Plus deferred amounts:					
For issuance discounts	(126)	-	118	(8)	(2)
For issuance premiums	14,354	14,110	(6,975)	21,489	1,187
Subtotal deferred amounts	<u>14,228</u>	<u>14,110</u>	<u>(6,857)</u>	<u>21,481</u>	<u>1,185</u>
Subtotal, debt governmental activities	<u>424,680</u>	<u>411,820</u>	<u>(186,565)</u>	<u>649,935</u>	<u>23,809</u>
Other Long-term Liabilities:					
Accrued claims and judgements	73,782	17,844	(17,859)	73,767	19,408
Compensated absences	32,721	34,610	(32,531)	34,800	2,195
OPEB liability	154,102	36,799	(18,878)	172,023	-
Net Pension liability	573,024	112,365	(51,964)	633,425	-
Pollution remediation obligations	619	1,118	(73)	1,664	59
Derivative instrument - interest rate swap	5,727	-	(2,510)	3,217	-
Financing plan fee credits:					
North Natomas	40,157	5,514	(2,862)	42,809	609
Jacinto Creek	944	24	-	968	-
Park Development	3,148	20	(816)	2,352	308
Subtotal, other long-term liabilities	<u>884,224</u>	<u>208,294</u>	<u>(127,493)</u>	<u>965,025</u>	<u>22,579</u>
Total governmental activities	<u>\$ 1,308,904</u>	<u>\$ 620,114</u>	<u>\$ (314,058)</u>	<u>\$ 1,614,960</u>	<u>\$ 46,388</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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	\$ 37,741	\$ -	\$ (5,490)	\$ 32,251	\$ 5,792
1993 Refunded Revenue Bonds, Series B	16,739	-	(2,435)	14,304	2,568
2005 Refunding Revenue Bonds	83,713	-	(83,713)	-	-
2006 Capital Improvement Revenue Bonds, Ser. E	92,277	-	-	92,277	-
Water Revenue Bonds, Series 2013	211,655	-	(3,645)	208,010	3,780
Wastewater Revenue Bonds, Series 2013	30,855	-	(560)	30,295	580
2015 Refunding Revenue Bonds	-	67,655	-	67,655	7,035
Subtotal, revenue and other bonds	472,980	67,655	(95,843)	444,792	19,755
Notes Payable:					
State Water Resources Control Board	472	-	(153)	319	157
State Water Resources Control Board	13,166	-	(2,078)	11,088	2,123
State Water Resources Control Board	1,585	-	(302)	1,283	309
State Water Resources Control Board	2,182	-	(340)	1,842	349
State Water Resources Control Board	908	-	(141)	767	145
California Department of Public Health	9,004	-	(416)	8,588	426
California Infrastructure and Economic Development Bank (I-Bank)	2,527	-	(77)	2,450	79
Subtotal, notes payable	29,844	-	(3,507)	26,337	3,588
Capital Lease Obligations:					
Refuse Trucks - Schedule 16	2,104	-	(1,035)	1,069	1,069
Sewer Cleaning Trucks - Schedule 17	298	-	(146)	152	151
JP Morgan Capital Lease Refinance	1,673	-	(551)	1,122	558
Parking Equipment - Schedule 19	-	3,999	(387)	3,612	782
Parking Equipment - Schedule 20	-	2,700	-	2,700	521
Subtotal, capital lease obligations	4,075	6,699	(2,119)	8,655	3,081
Less deferred amounts:					
For issuance discounts	(305)	-	60	(245)	(59)
For issuance premiums	47,194	8,288	(6,626)	48,856	2,756
Subtotal, deferred amounts	46,889	8,288	(6,566)	48,611	2,697
Subtotal, debt, business type activities	553,788	82,642	(108,035)	528,395	29,121
Other Long-term Liabilities:					
Compensated absences	6,720	7,717	(7,096)	7,341	459
OPEB liability	26,882	6,339	(2,522)	30,699	-
Net Pension liability	89,769	15,330	(7,634)	97,465	-
Accrued claims and judgements	636	-	(132)	504	504
Water fee credits	1,702	-	(726)	976	-
Liability for landfill closure	1,177	-	-	1,177	85
Subtotal, other long-term liabilities	126,886	29,386	(18,110)	138,162	1,048
Total business-type activities	\$ 680,674	\$ 112,028	\$ (126,145)	\$ 666,557	\$ 30,169

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Activity (Continued)

COMPONENT UNIT:	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Certificates of Participation SRAFFA *					
2002 Series COPS	\$ 12,470	\$ -	\$ (12,470)	\$ -	\$ -
Less deferred amounts:					
For issuance discounts	(89)	-	89	-	-
Total component unit	<u>12,381</u>	<u>-</u>	<u>(12,381)</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ 2,001,959</u>	<u>\$ 732,142</u>	<u>\$ (452,584)</u>	<u>\$ 2,281,517</u>	<u>\$ 76,557</u>

* SRAFFA was dissolved during FY16 and is no longer presented as a discretely presented component unit of the City.

The following is a list of long-term debt issues outstanding at June 30, 2016, including the amount of original debt issuance, a description of the debt issue, and disclosure of pledged revenue.

Revenue and Other Bonds

Issued Amount

- \$130,425 1993 Refunded Revenue Bonds, Series A
Authorized and issued September 1993, due in annual installments of \$2,186 to \$8,875 through November 2020, bearing interest rates of 4.5% to 5.13%, for the purpose of refunding the 1986 Public Facilities Certificates of Participation and a portion of the 1991 Marks-Roos Revenue Bonds.
- \$95,480 1993 Refunded Revenue Bonds, Series B
Authorized and issued September 1993, due in annual installments of \$1,634 to \$6,070 through November 2020, bearing interest rates of 4.5% to 5.13%, for the purpose of refunding the 1989 Public Facilities Certificates of Participation.
- \$73,725 1997 Lease Revenue Bonds
Authorized and issued July 1997, due in annual installments of \$1,060 to \$2,665 through July 2017, at which time there will be a mandatory remarketing. The bonds were issued to finance the acquisition and lease back of a sports and entertainment arena. The bonds were issued as variable rate bonds for which a ten-year interest rate hedge was purchased to mitigate risk of interest rate fluctuations to a fixed rate of 5.607%. The debt service on the bonds is paid from lease revenue from the arena owner. The City pledged future lease revenues to repay the bonds. The bonds are payable solely from lease revenue through July 2027. Total remaining principal and interest of \$79,145 will be paid using 100% of future lease revenue. Current year principal and interest paid was \$5,768 and lease revenue was \$5,768.
- \$2,910 1999 Community Facilities District No. 2 Revenue Bonds, Series A
Authorized and issued January 1999, due in annual installments of \$35 to \$255 through September 2023, bearing interest rates of 4.8% to 6.25%, for the purpose of financing capital improvements of the North Natomas CFD of benefit to City property.
- \$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

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue and Other Bonds (Continued)

Issued Amount

- \$2,430 2006 Capital Improvement Revenue Bonds, Series D (Tax Exempt)
Authorized and issued December 12, 2006, due in annual installments of \$475 to \$685 through December 1, 2016, bearing an interest rate of 5.16%. Net proceeds of \$2,400 were utilized for the purpose of financing the acquisition and improvements of the 300 Richards Boulevard land and building in 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 \$378,425 as of June 30, 2016. Current year principal and interest paid was \$14,017 and Water Fund system revenue was \$98,388.
- \$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 \$52,797 as of June 30, 2016. Current year principal and interest paid was \$1,955 and Wastewater Fund system revenue was \$30,501.
- \$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 established 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.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue and Other Bonds (Continued)

Issued Amount

- \$272,870 2015 Lease Revenue Bonds – Golden 1 Center
The bonds were originally issued on August 13, 2015, in the aggregate principal amount \$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, 2016, \$27,125 principal amount of the bonds were cancelled. The bonds are due in annual installments of \$7,229 to \$18,379 through fiscal year 2050, bearing interest of 2.5% to 5.6%. The debt service on the bonds is payable solely from the lease revenues pledged under the indenture.
- \$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.

Notes Payable

- \$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, 2016, the DB&W and the City have not executed a formal agreement to restructure this loan.

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Notes Payable (Continued)

Issued Amount

- \$1,380 1997 State Department of Boating and Waterways Note Payable
Authorized January 1997, issued May 1999, due in annual installments of \$89 to \$98 through 2018, for the purpose of financing a visitor dock at Old Sacramento.
- \$2,619 State Water Resources Control Board Note Payable
Authorized July 1998, issued September 1998, due in annual installments of \$166 through March 2018, bearing an interest rate of 2.6% for the purpose of financing the City's reservoir rehabilitation project. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through March 2018. Total principal and interest remaining to be paid on the note is \$331. Current year principal and interest paid was \$166 and wastewater and storm drain fee revenue was \$67,539.
- \$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 \$11,835. Current year principal and interest paid was \$2,367 and wastewater and storm drain fee revenue was \$67,539.
- \$5,177 State Water Resources Control Board Note Payable
Authorized March 2001, issued July 2001, due in annual installments of \$342 through September 2019, bearing an interest rate of 2.6%, for the purpose of financing the construction of underground storage and pumping facilities. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through September 2019. Total principal and interest remaining to be paid on the note is \$1,368. Current year principal and interest paid was \$342 and wastewater and storm drain fee revenue was \$67,539.
- \$2,603 State Water Resources Control Board Note Payable
Authorized June 2001, issued beginning May 2002, due in annual installments of \$149 through May 2021, bearing an interest rate of 2.6%, for the purpose of financing the replacement of sewer lines. In fiscal year 2003 there was an additional draw of \$250. 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 \$825. Current year principal and interest paid was \$165 and wastewater and storm drain fee revenue was \$67,539.
- \$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 \$1,986. Current year principal and interest paid was \$397 and wastewater and storm drain fee revenue was \$67,539.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Notes Payable (Continued)

Issued Amount

- \$10,000 California Department of Public Health
Authorized September 2009 for the installation of approximately 13,000 water meters. The note, with a 2.5% interest rate, will be repaid over 20 years with annual principal and interest payments of approximately \$639. The City pledged future water enterprise fund revenue to repay the note. Water Fund system revenue was \$98,388. The note is payable solely from water enterprise fund revenue through 2033.

- \$2,975 California Infrastructure and Economic Development (I-Bank)
Authorized in December 2007, due in annual principal and interest installments from \$187 to \$196 through August 2032, 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 2032. Total principal and interest remaining to be paid on the note is \$3,495. Current year principal and interest paid was \$163 and storm drainage fee revenue was \$37,038.

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, 2016, 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
2017	\$ 3,007	\$ 3,218	\$ 6,225
2018	2,271	1,970	4,241
2019	1,358	1,399	2,757
2020	722	1,400	2,122
2021	139	983	1,122
2022 - 2026	210	-	210
Total minimum lease payments	7,707	8,970	16,677
Less amounts representing interest	(413)	(316)	(729)
Net present value of minimum lease payments	<u>\$ 7,294</u>	<u>\$ 8,654</u>	<u>\$ 15,948</u>

The following is a schedule of property under capital leases by major classes at June 30, 2016:

	Governmental Activities	Business-Type Activities	Total
Buildings and improvements	\$ 1,523	\$ -	\$ 1,523
Equipment	20,539	16,055	36,594
Less: accumulated depreciation	(8,546)	(9,642)	(18,188)
Total	<u>\$ 13,516</u>	<u>\$ 6,413</u>	<u>\$ 19,929</u>

City of Sacramento

Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Other Long-term Liabilities

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

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.

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

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

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

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

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

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

Net Pension Liability – The net pension liability is \$633,425 and \$97,465 for governmental activities and business-type activities, respectively, at June 30, 2016. Refer to Note 8 for more detailed information.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Future Debt Service Requirements

The following tables disclose the annual debt service requirements for the City’s long-term debt outstanding as of June 30, 2016.

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
2017	\$ 18,610	\$ 31,557	\$ 1,176	\$ 674
2018	21,313	30,652	640	645
2019	21,352	29,668	669	616
2020	21,510	28,635	448	586
2021	22,121	27,631	377	567
2022 - 2026	106,406	122,542	2,168	2,553
2027 - 2031	115,502	92,314	2,710	2,010
2032 - 2036	96,499	64,217	3,388	1,332
2037 - 2041	56,265	44,131	3,082	561
2042 - 2046	62,445	28,940	632	29
2047 - 2051	63,847	9,244	-	-
Subtotals	605,870	509,531	15,290	9,573
Less: Issuance discounts	(8)	-	-	-
Plus: Issuance premiums	21,489	-	-	-
Totals	<u>\$ 627,351</u>	<u>\$ 509,531</u>	<u>\$ 15,290</u>	<u>\$ 9,573</u>

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
2017	\$ 19,755	\$ 21,669	\$ 3,588	\$ 649
2018	20,709	20,694	3,673	564
2019	21,725	19,647	3,595	477
2020	22,830	18,521	3,679	392
2021	23,999	17,331	3,424	305
2022 - 2026	76,419	74,662	3,028	966
2027 - 2031	94,063	53,061	3,447	538
2032 - 2036	70,906	30,907	1,601	139
2037 - 2041	63,985	15,862	302	11
2042 - 2046	30,401	1,539	-	-
2047 - 2051	-	-	-	-
Subtotals	444,792	273,893	26,337	4,041
Less: Issuance discounts	(245)	-	-	-
Plus: Issuance premiums	48,856	-	-	-
Totals	<u>\$ 493,403</u>	<u>\$ 273,893</u>	<u>\$ 26,337</u>	<u>\$ 4,041</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Derivative Instrument - Interest Rate Swap

Objective of the interest rate swap. In July 2007, the Sacramento City Financing Authority (the “Authority”) and Goldman Sachs Capital Markets, L.P. (“GSCM”) entered into an interest-rate swap in connection with the remarketing of the Authority’s 1997 Lease Revenue Bonds (ARCO Arena Acquisition) variable-rate bonds (the “Bonds”). In effect, the swap changed the Bonds variable rate to a synthetic fixed rate of 5.607% through the end of the swap agreement’s term, thereby hedging the Authority’s interest-rate risk and lowering the Authority’s borrowing cost compared to the cost of issuing traditional fixed-rate bonds. As of June 30, 2016, the amount of outstanding Bonds was \$57,315. The interest and principal payments on the Bonds are insured by National Public Finance Guarantee Corporation (“NPFGC”), formerly MBIA Insurance Corporation.

Terms. The Bonds mature on July 15, 2027; are subject to mandatory remarketing on July 19, 2017; and carry an interest rate equal to 3-month London Interbank Offered Rate (“LIBOR”) plus 0.25% (total rate not to exceed 14%), payable quarterly, until July 19, 2017. As noted, the swap was entered at the same time the Bonds were remarketed in July 2007. The swap agreement terminates on July 19, 2017, and has a notional amount as of June 30, 2016, of \$57,315. The notional amount of the swap and the par amount of the Bonds each decline according to the same schedule through 2017. Under the swap, the Authority pays the swap provider a fixed interest payment of 5.607% and receives a variable-interest payment of LIBOR plus 0.25% (total rate not to exceed 14%). The Authority’s payments to the swap provider are also insured by NPFGC.

Fair value. As of June 30, 2016, the swap had a negative value to the Authority of \$3,217, which reflects the decline in interest rates since 2007. (Because the interest rates on the Bonds adjust as LIBOR adjusts, the Bonds do not have a corresponding value increase.) The swap’s fair value was estimated using the cost method, which calculates the future net-settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot-interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap. This swap is categorized as Level 2 based on observable market data derived from LIBOR.

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

The swap agreement requires the swap provider to enter into a collateral agreement if the credit support provider is rated A3 or lower by Moody’s Investor Service or A- or lower by Standard & Poor’s. As of June 30, 2016, the current swap provider, GS Bank, was rated A1 by Moody’s Investors Services and A by Standard & Poor’s; the credit support provider, GS Group, was rated A3 by Moody’s Investors Service and BBB+ by Standard & Poor’s; and GS Bank and the Authority had not entered into a collateral agreement.

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

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

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Derivative Instrument - Interest Rate Swap (Continued)

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

Swap payments and associated debt. Using rates in effect on June 30, 2016, the debt-service requirements of the Bonds and the net swap payments, assuming interest rates remain the same through the July 2017 termination date of the swap and tender date on the Bonds, are as follows:

<u>Fiscal Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Interest Rate Swaps, Net</u>	<u>Total</u>
2017	\$ 2,665	\$ 294	\$ 2,799	\$ 5,758
2018	<u>54,650</u>	<u>73</u>	<u>693</u>	<u>55,416</u>
TOTAL	<u>\$ 57,315</u>	<u>\$ 367</u>	<u>\$ 3,492</u>	<u>\$ 61,174</u>

The interest rates on the Bonds will vary after July 2017, when the swap terminates and the Bonds must be remarketed.

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Department of Treasury at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and determined the liability to be zero at June 30, 2016.

Special Assessment Debt

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are \$141,980 at June 30, 2016. 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 \$217,452 at June 30, 2016. 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
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Defeasance of Debt

In the current year, the City placed the proceeds of new debt in an irrevocable trust account to provide for all remaining debt service payments on the 2006 Series A and C bonds. Accordingly, the trust account assets and liabilities for the defeased bonds are not included in these financial statements. On June 30, 2016, \$87,590 of such bonds outstanding are considered defeased.

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). PERS is an agent multiple-employer public employee defined benefit pension plan. SCERS is a single-employer defined benefit pension plan.

As of June 30, 2016, 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	\$ 233,618	\$ 26,270	\$ 25,435
Safety Plan	416,301	40,959	33,751
SCERS	80,971	12,487	-
Total	<u>\$ 730,890</u>	<u>\$ 79,716</u>	<u>\$ 59,186</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 PERS Executive Office at 400 Q Street, Sacramento, CA 95814. A separate report for the City's plan within PERS 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/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>.

Benefits Provided – CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year to full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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, 2016, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
Hire Date	Prior to January 1, 2013	On or after 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	50-55	52-67
Monthly benefits, as a % of annual salary	1.4% to 2.7%	1.0% to 2.5%
Required employee contribution rates	6.82%	6.75%
Required employer contribution rates	15.67%	15.67%

	Safety	
	Classic	PEPRA
Hire Date	Prior to January 1, 2013	On or after 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%	12%
Required employer contribution rates	34%	34%

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for each Plan:

	Miscellaneous	Safety
Inactive employees or beneficiaries currently receiving benefits	1,930	1,070
Inactive employees entitled to but not yet receiving benefits	4,075	366
Active employees	2,450	1,148
Total	<u>8,455</u>	<u>2,584</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 annual 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, 2016, the contributions for the miscellaneous and safety plans were \$26,156 and \$40,959 respectively.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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, 2015, using an annual actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015. 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, 2014 actuarial valuations were determined using the following actuarial assumptions:

	<u>Miscellaneous</u>	<u>Safety</u>
Valuation Date	June 30, 2014	June 30, 2014
Measurement Date	June 30, 2015	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	7.65%	7.65%
Inflation	2.75%	2.75%
Payroll Growth	3.0%	3.0%
Projected Salary Increase	3.3% - 14.2% ⁽¹⁾	3.3% - 14.2% ⁽¹⁾
Investment Rate of Return	7.65% ⁽²⁾	7.65% ⁽²⁾
Mortality	2014 CalPERS Experience Study	2014 CalPERS Experience Study

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2014 valuation were based on the results of a January 2014 actuarial experience study for the period of 1997 to 2011. Further details of the Experience Study can be found on the CalPERS website at <http://www.calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports.xml>.

Changes of assumptions – GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Discount Rate – The discount rate used to measure the total pension liability was 7.65% for each Plan. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that the City’s contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate. Based on those assumptions, each pension plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CALPERSs staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS (Continued)

Net Pension Liability (Continued)

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.

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

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

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

City of Sacramento
Notes to the Financial Statements
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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, 2016 are as follows:

Miscellaneous Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	<u>\$ 1,013,277</u>	<u>\$ 799,630</u>	<u>\$ 213,647</u>
Changes in the year:			
Service cost	22,342	-	22,342
Interest on the total pension liability	74,835	-	74,835
Changes of assumptions	(20,153)	-	(20,153)
Difference between Expected and Actual Experience	(8,865)	-	(8,865)
Plan to Plan resource movement	-	(3,066)	3,066
Contribution - employer	-	22,827	(22,827)
Contribution - employee	-	11,302	(11,302)
Net investment income	-	18,047	(18,047)
Benefit payments, including refunds of employee contributions	(34,390)	(34,390)	-
Administrative expense	-	(922)	922
Net changes	<u>33,769</u>	<u>13,798</u>	<u>19,971</u>
Balance at June 30, 2016	<u>\$ 1,047,046</u>	<u>\$ 813,428</u>	<u>\$ 233,618</u>

Safety Plan:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	<u>\$ 1,518,033</u>	<u>\$ 1,144,102</u>	<u>\$ 373,931</u>
Changes in the year:			
Service cost	29,653	-	29,653
Interest on the total pension liability	112,331	-	112,331
Changes of assumptions	(28,604)	-	(28,604)
Difference between Expected and Actual Experience	(593)	-	(593)
Plan to Plan resource movement	-	1	(1)
Contribution - employer	-	30,798	(30,798)
Contribution - employee	-	15,565	(15,565)
Net investment income	-	25,341	(25,341)
Benefit payments, including refunds of employee contributions	(70,545)	(70,545)	-
Administrative expense	-	(1,288)	1,288
Net changes	<u>42,242</u>	<u>(128)</u>	<u>42,370</u>
Balance at June 30, 2016	<u>\$ 1,560,275</u>	<u>\$ 1,143,974</u>	<u>\$ 416,301</u>
Totals of both Miscellaneous and Safety Plans	<u>\$ 2,607,321</u>	<u>\$ 1,957,402</u>	<u>\$ 649,919</u>

City of Sacramento
Notes to the Financial Statements

For the Fiscal Year Ended June 30, 2016
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NOTE 8 – PENSION PLANS (Continued)

Net Pension Liability (Continued)

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

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	6.65%	6.65%	6.65%
Net Pension Liability	\$ 389,633	\$ 634,507	\$ 1,024,140
Current Discount Rate	7.65%	7.65%	7.65%
Net Pension Liability	\$ 233,618	\$ 416,301	\$ 649,919
1% Increase	8.65%	8.65%	8.65%
Net Pension Liability	\$ 105,845	\$ 237,476	\$ 343,321

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, 2016 the City recognized pension expense of \$42,457 attributable to the CalPERS plans. At June 30, 2016, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 67,115	\$ -
Changes of assumption	-	36,411
Differences between actual and expected experience	-	6,289
Net differences between projected and actual earnings on plan investments	-	16,372
Proportionate share	114	114
Total	<u>\$ 67,229</u>	<u>\$ 59,186</u>

The amount of \$67,115 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, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized as reductions of pension expense as follows:

Fiscal Year Ended June 30,	
2017	\$ (27,894)
2018	(26,894)
2019	(17,888)
2020	15,257
2021	(1,653)
Total	<u>\$ (59,072)</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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, 2016
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NOTE 8 – PENSION PLANS (Continued)

General Information about the Pension Plan (Continued)

Benefit Factors at sample ages for benefit plans describe 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, 2016 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	976	69	65	1,110
Inactive members entitled to but not yet receiving benefits	10	-	2	12
Active plan members	16	-	-	16
Total plan members	<u>1,002</u>	<u>69</u>	<u>67</u>	<u>1,138</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 2016. Members contribute to this adjustment at a rate of 1% of their normal retirement contributions. The City is required to fund all costs in excess of members' contributions and investment earnings.

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

Contributions – The City Charter grants the authority to establish and amend the contribution requirements of the City and active employees to the SCERS Board. The Board establishes rates based on actuarially determined rate 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, 2016, the average active employee contribution rate was 13.56% of annual pay, and the City's average contribution rate was 2.8% of annual payroll. For the fiscal year ended June 30, 2016, the contributions for the SCERS plan were \$8,645.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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, 2016 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, 2016 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	3.0%	
Salary increase	3.0%	CPI Plus 0.5% merit, average
Investment rate of return	6.5%	percent, net of pension plan investment including inflation

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

The actuarial assumption used in the June 30, 2016 valuation were based on the results from the CalPERS 1997-2011 Experience Study, project with fully generational Scale AA.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Fixed Income	40%	1.55%
Large Cap Growth	35%	5.35%
Equity Income	15%	5.35%
International	10%	5.35%
Total	100%	

An expected inflation of 3% 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, 2016
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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, 2016 is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at June 30, 2015	<u>\$ 376,478</u>	<u>\$ 301,263</u>	<u>\$ 75,215</u>
Changes in the year:			
Service Cost	103	-	103
Interest	23,416	-	23,416
Differences between expected and actual experience	(1,173)		(1,173)
Contribution - employer	-	8,645	(8,645)
Contribution - employee	-	146	(146)
Net investment income	-	7,799	(7,799)
Benefit payments, including refunds of employee contributions	(32,683)	(32,683)	-
Net changes	<u>(10,337)</u>	<u>(16,093)</u>	<u>5,756</u>
Balance at June 30, 2016	<u><u>\$ 366,141</u></u>	<u><u>\$ 285,170</u></u>	<u><u>\$ 80,971</u></u>

Change of assumptions and changes in experience affecting the measurement of the Total Pension Liability since the prior measurement date – The mortality rate tables were updated from the CalPERS 1997 - 2011 Experience Study, projected with fully generational Scale AA. In addition, monthly benefits for approximately 300 retirees were updated to reflect a recalculation for those who retired or turned age 62 after January 1, 2005.

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

	1% decrease (5.5%)	Current Discount Rate (6.5%)	1% increase (7.5%)
SCERS net pension liability	\$ 114,431	\$ 80,971	\$ 52,297

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

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 8 – PENSION PLANS (Continued)

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

For the year ended June 30, 2016, the City recognized pension expense of \$6,822 attributable to the SCERS plans. At June 30, 2016, the City reported deferred outflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources
Net differences between projected and actual earnings on plan investments	<u>\$ 12,487</u>

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

Fiscal Year Ended June 30,	
2017	\$ 3,428
2018	3,428
2019	3,428
2020	<u>2,203</u>
Total	<u>\$ 12,487</u>

Defined Contribution Plan

The City also provides defined contribution retirement benefits through City’s 401(a) Money Purchase Plan (the 401(a)). The 401(a) is administered by the International City Management Association Retirement Corporation. 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, 2016, employees contributed \$3,451 and the City contributed \$2,829 to the 401(a).

NOTE 9 – POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS

Plan Description

The City provides contributions for post-employment medical, dental and vision benefits to employees who retire directly from the City and their dependents through a single-employer defined benefit OPEB plan (the plan). The post-retirement health care and dental care employer contributions range from \$0 and \$761.63 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 service and be 55 or 50 years of age for miscellaneous and safety employees, respectively. Participants with a minimum of twenty years of service are eligible for 100% of the maximum benefit. Participants with more than fifteen years but less than twenty years of service are eligible for 75% of the maximum benefit. Participants with more than ten years but less than fifteen years of service are eligible for 50% of the maximum benefit. The post-employment health, dental and vision care contributions are defined by labor agreements and resolutions approved by the City Council. The City does not issue a separate stand-alone financial report for its OPEB plan.

Funding Policy

The City is currently funding the OPEB plan on a pay-as-you-go basis. However, the City Council has authorized the City Manager to establish an OPEB trust fund with CalPERS. As of June 30, 2016, the City had deposited \$14,000 to the trust fund from the General Fund, Enterprise Funds, and Internal Service Funds. Additional deposit may be made in the future.

City of Sacramento
Notes to the Financial Statements
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NOTE 9 – POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS (Continued)

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The current ARC rate is 16.9% of annual covered payroll. The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and the changes in the City's net OPEB obligation.

Annual required contribution (ARC)	\$ 46,480
Interest on beginning OPEB liability	8,144
Adjustment to the ARC	<u>(11,486)</u>
Annual OPEB cost	43,138
Contributions made	(12,363)
Trust prefunding	<u>(9,037)</u>
Increase in net OPEB obligation	21,738
Net OPEB obligation - Beginning of year	180,984
Net OPEB obligation - End of year	<u>\$ 202,722</u>
Covered payroll (active plan members)	<u>\$ 270,677</u>
UAAL as a percentage of covered payroll	132.0%

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

<u>Fiscal year ended</u>	<u>Annual OPEB Cost</u>	<u>Contribution</u>	<u>Percentage of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2014	\$ 39,930	\$ 17,473	43%	\$ 154,197
6/30/2015	41,311	14,524	35	180,984
6/30/2016	43,138	21,400	50	202,722

Funding Status and Progress

As of June 30, 2015, the most recent actuarial valuation date of the plan was 1.5% funded. The actuarial accrued liability was \$362,824 and the actuarial value of assets was \$5,461 resulting in an unfunded actuarial accrued liability (UAAL) of \$357,363. The annual covered payroll was \$270,677 and the ratio of the unfunded actuarial accrued liability to the annual covered payroll was 132.0%. The Schedule of Funding Progress is presented as RSI following the notes to the financial statements.

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

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
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NOTE 9 – POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS (Continued)

Actuarial Methods and Assumptions

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

In the June 30, 2015, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions utilized a 3% inflation rate, a 4.5% discount rate and a medical trend rate of 7.7% for fiscal year 2016, reduced by decrements of 0.5% each year to an ultimate rate of 5%. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2015 was 18 years.

NOTE 10 – FUND EQUITY

At June 30, 2016, the government-wide statement of net position reported restricted net position of \$148,132 in governmental activities. Of this amount, \$23,376 is restricted for enabling legislation.

The Capital Grants Fund, a capital project fund, had a deficit fund balance of \$5,256 as of June 30, 2016. 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 \$2,799 as of June 30, 2016. Both the Golf and Marina programs within this fund had deficit fund balances of \$5,659 and \$1,234, 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 \$2,494 as of June 30, 2016. It is anticipated that this deficit will be funded by future operating subsidies.

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

NOTE 11 – INTERFUND TRANSACTIONS

Interfund Transfers

Interfund transfers report the nonreciprocal contribution of resources from one fund to another. The following is a summary of transfers for the fiscal year ended June 30, 2016:

	<u>Description</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Net Transfers</u>
Governmental activities:				
General Fund	Debt service	\$ 2,065	\$ (22,186)	\$ (20,121)
General Fund	In-lieu tax transfers	28,069	-	28,069
General Fund	Program support	4,122	(2,846)	1,276
Capital Grants Fund	Program support	-	(34)	(34)
1997 Lease Revenue Bond Fund	Program support	-	(2,190)	(2,190)
2015 Golden 1 Center Lease Revenue Bond Fund	Debt service	223,130	-	223,130
Other Governmental Funds	Debt service	40,584	(235,810)	(195,226)
Other Governmental Funds	Program support	8,840	(7,292)	1,548
Internal Service Funds	Debt service	321	(24)	297
Internal Service Funds	Program support	-	(325)	(325)
Adjustment for transfer of capital assets between governmental activities and business-type activities	Transfer of capital assets	-	(21,651)	(21,651)
Total governmental activities		<u>307,131</u>	<u>(292,358)</u>	<u>14,773</u>
Business-type activities:				
Water Fund	Debt service	-	(18)	(18)
Water Fund	In-lieu tax transfers	-	(10,540)	(10,540)
Water Fund	Program support	184	(642)	(458)
Wastewater Fund	Debt service	-	(24)	(24)
Wastewater Fund	In-lieu tax transfers	-	(3,334)	(3,334)
Wastewater Fund	Program support	8	-	8
Storm Drainage Fund	Debt service	-	(38)	(38)
Storm Drainage Fund	In-lieu tax transfers	-	(4,044)	(4,044)
Storm Drainage Fund	Program support	32	-	32
Solid Waste Fund	Debt service	-	(56)	(56)
Solid Waste Fund	In-lieu tax transfers	-	(6,504)	(6,504)
Solid Waste Fund	Program support	134	-	134
Community Center Fund	Debt service	-	(2,000)	(2,000)
Community Center Fund	In-lieu tax transfers	-	(1,735)	(1,735)
Community Center Fund	Program support	2	(36)	(34)
Other Enterprise Funds	Debt service	-	(5,944)	(5,944)
Other Enterprise Funds	In-lieu tax transfers	-	(1,912)	(1,912)
Other Enterprise Funds	Program support	43	-	43
Adjustment for transfer of capital assets between governmental activities and business-type activities	Transfer of capital assets	21,651	-	21,651
Total business-type activities		<u>22,054</u>	<u>(36,827)</u>	<u>(14,773)</u>
Total government-wide statements		<u>\$ 329,185</u>	<u>\$ (329,185)</u>	<u>\$ -</u>

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 11 – INTERFUND TRANSACTIONS (Continued)

Interfund Balances

Interfund balances report lending transactions between funds. The following is a summary of interfund balances as of June 30, 2016:

	<u>Receivables</u>	<u>Payables</u>	<u>Interfund Balances</u>
Capital Grants Fund	\$ -	\$ (2,976)	\$ (2,976)
Other Governmental Funds	-	(7,040)	(7,040)
Internal Service Funds	<u>16,064</u>	<u>-</u>	<u>16,064</u>
Total governmental activities	<u>16,064</u>	<u>(10,016)</u>	<u>6,048</u>
Community Center Fund	<u>-</u>	<u>(6,048)</u>	<u>(6,048)</u>
Total business-type activities	<u>-</u>	<u>(6,048)</u>	<u>(6,048)</u>
Total	<u>\$ 16,064</u>	<u>\$ (16,064)</u>	<u>\$ -</u>

\$16,064 was loaned by the City's internal service funds to cover short-term operating deficits (approximately \$2,976) and to assist in development of community resources (approximately \$13,088). Included in the \$13,088 of interfund loans is \$12,838 that is not expected to be repaid within one year.

\$2,976 was borrowed by the Capital Grants Fund for short-term loans.

\$7,040 was borrowed by the Golf Fund for development of community resources.

\$6,048 was borrowed by the Community Center Fund for development of community resources.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 12 – RISK MANAGEMENT

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

The Risk Management Internal Service Fund self-insures the first \$2,000 of each workers’ compensation claim. Excess worker’s compensation insurance is purchased through the California State Association of Counties’ Excess Insurance Authority and it provides statutory coverage over the City’s \$2,000 self-insured retention. The fund self-insures the first \$2,000 of general and auto liability claims plus claim costs that exceed commercial insurance coverage. Commercial insurance for general and automobile liability claims provides \$30,000 in coverage, with a \$1,000 loss corridor deductible, for claims over the City’s self-insured retention.

Liabilities are estimated based on recommendations from an independent actuarial evaluation. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other social and economic factors. Estimated liability is then discounted by the City’s expected rate of return and anticipated timing of cash outlays to determine the present value of the liability. For the fiscal year ended June 30, 2016, 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, 2016, the Risk Management Internal Service Fund had a net position of \$27,102.

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

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

	<u>2016</u>	<u>2015</u>
Accrued claims and judgements, July 1	\$ 70,693	\$ 63,107
Incurred claims and adjustment expenses	17,560	19,196
Claim payments	<u>(16,314)</u>	<u>(11,610)</u>
Accrued claims and judgements, June 30	<u>\$ 71,939</u>	<u>\$ 70,693</u>

City of Sacramento
Notes to the Financial Statements
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NOTE 13 – COMMITMENTS AND CONTINGENCIES

Commitment of Enterprise Fund Revenues

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

Construction and Other Commitments

The City has commitments of \$74,528 for contracts awarded but not completed as of June 30, 2016. The following table shows the distribution of those commitments among major and non-major funds.

Governmental Activities:		Business-type Activities:	
General Fund	\$ 6,981	Water Fund	\$ 17,783
Measure U	2,546	Wastewater Fund	3,858
Capital Grants Fund	8,303	Storm Drainage Fund	3,573
Other governmental funds	19,445	Solid Waste Fund	2,428
Internal service funds	4,281	Community Center Fund	548
	<u> </u>	Other enterprise funds	<u>4,782</u>
Total governmental activities	<u> \$ 41,556</u>	Total business-type activities	<u> \$ 32,972</u>

The major contracts outstanding are \$7,662 for design and construction of the intermodal transportation facility, \$6,199 for the residential water meter retrofit program, \$5,288 for water treatment plant upgrades and replacements, \$4,665 for upgrades to the parking revenue control system, \$1,400 for public art at the Golden 1 Center, \$1,367 for road and interchange improvements on Consumnes Boulevard, \$1,366 for the renovation of parking facility elevators, \$1,353 to reconnect the riverfront with downtown, \$1,284 for a South Natomas water meter retrofit project, and \$1,168 to add bike lanes and other enhancements to Freeport Blvd.

Contingent Liabilities

The City participates in a number of federal, state and local grant programs, the principal of which is the Federal Highway Planning and Construction program. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for earlier years and the year ended June 30, 2016 have not been completed in all cases; accordingly, final determination of the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City believes any such claims would be immaterial to the City's financial position at June 30, 2016. Receipt of these grant revenues is not assured in the future.

Litigation

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

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 13 – COMMITMENTS AND CONTINGENCIES (Continued)

Post Closure Care Cost

The City has several landfill sites which have stopped accepting waste, have been covered, and are closed. State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at these sites after closure. A recent engineering report estimated that \$1,177 is required for future postclosure monitoring costs as of June 30, 2016. The estimate is based on current cost and may change due to inflation or deflation, technology, or applicable laws and regulations. The City received approval from state regulators to fund the postclosure costs, along with cost increases due to inflation, with user charges for solid waste disposal.

Pollution Remediation Obligations

A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The City is responsible for pollution remediation activities at several sites that have soil contaminated with petroleum, hydrocarbons, and/or metals. Regulatory agencies providing oversight of the City's pollution remediation obligations and activities include the State of California Regional Water Quality Control Board, the State of California Department of Toxic Substance Control, the Sacramento County Department of Environmental Management and the State of California Department of Public Health. The estimated obligation was \$619 at June 30, 2015 and \$1,664 at June 30, 2016. Pollution remediation outlays totaled approximately \$73 for the fiscal year ended June 30, 2016. Pollution remediation obligations are measured based on outlays expected to be incurred to settle all estimable remediation efforts. Pollution remediation obligations are measured at the current value of reasonable and supportable assumptions about future events that may affect the eventual settlement of the obligations. Pollution remediation obligations are measured using the expected cash flow technique, which measures the obligation as the sum of probability-weighted amounts in a range of possible cash flows. Estimates are based on all currently available information, as well as the facts and circumstances of each situation, but may change due to price changes, changes in laws or regulations, changes in remediation technologies, or as additional information become available. Estimated recoveries from other parties that are included in the calculation of the City's pollution remediation obligations total \$70.

NOTE 14 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS

JOINT VENTURES

Sacramento Housing and Redevelopment Agency

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

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

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

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

Sacramento Public Library Authority

The City is a participant with the County of Sacramento and the cities of Citrus Heights, Elk Grove, Galt, Isleton and Rancho Cordova in the Sacramento Public Library Authority (Library), a joint powers agency created to provide library services to the residents of the participating municipalities. The Library is governed by a board made up of five County appointees and various numbers of appointees from each city, depending upon population. As of June 30, 2016, 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, 2016, were \$7,598. In addition, the City paid cost reimbursements and program support of \$7 to the library during the same period. The City also contributed the use of its library facilities to the Library. In order to provide funding for additional services and hours in City libraries, the City also levies and passes through to the Library a parcel tax which totaled \$7,135 for the fiscal year ended June 30, 2016. 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 \$3,439 of support to SRFECC during the fiscal year ended June 30, 2016. 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, 2016, the City provided \$451 of annual support to the NCRPSTA. Rent payments during the fiscal year ended June 30, 2016 were \$12. 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, 2016, the City provided general support of \$238, paid \$159 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.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

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

JOINTLY GOVERNED ORGANIZATIONS WITH RELATED PARTY TRANSACTIONS

The City participates in several jointly governed organizations for which it appoints a minority of board members. The City may also provide minor financial support or have other financial transactions with these organizations, but it does not have a financial interest in or responsibility to the organizations. The following organizations had financial transactions with the City during the fiscal year ended June 30, 2016:

The City provided \$96 in annual support and \$49 in project/program expenses to the Regional Water Authority.

The City provided \$82 in annual support to the Sacramento Area Council of Governments.

The City provided \$121 in annual support to the Sacramento Groundwater Authority.

The City received \$200 of administration fees from the Sacramento Area Flood Control Agency (SAFCA) for collecting and transmitting permitting fees. The City paid SAFCA \$250 in cost-sharing for the Florin Creek Multi-Use Basin project.

The City received \$234 in Workforce Investment Act grants from the Sacramento Employment and Training Agency.

NOTE 15 – SUCCESSOR AGENCY TRUST FUND

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

On January 31, 2012, the City of Sacramento (City) elected to serve as the successor agency to the Redevelopment Agency of the City of Sacramento (Agency) for the Agency’s non-housing assets and liabilities pursuant to the provisions of AB 1x26 (Chapter 5, Statutes of 2011). Also on January 1, 2012, the City Council elected not to serve as the successor agency for the former redevelopment agency’s housing assets and functions, but instead designated the City’s Housing Authority to serve as the successor housing agency.

Prior to February 1, 2012, California Redevelopment Law provided tax increment financing as a source of revenue to redevelopment agencies to fund redevelopment activities. Once a redevelopment area was adopted, the former Agency could only receive tax increment to the extent that it could show on an annual basis that it has incurred indebtedness that must be repaid with tax increment. Due to the nature of redevelopment financing, the former Agency liabilities exceeded its assets. Therefore, the Agency historically carried a deficit, which was expected to be reduced as future tax increment revenues were received and used to repay its outstanding long-term debt. This deficit was transferred to the successor agency on February 1, 2012. At June 30, 2016, the successor agency had a deficit of \$231,746 which will be eliminated with future property tax revenue distributions from the Redevelopment Property Tax Trust Fund administered by the County Auditor-Controller.

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

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)

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

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

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

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

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

Capital Assets

The following is a summary of changes in capital assets:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Capital assets not being depreciated/amortized				
Land	\$ 26,141	\$ 1,041 ⁽¹⁾	\$ (4,120) ⁽²⁾	\$ 23,062
Depreciable/amortizable capital assets				
Buildings and improvements	6,558	-	-	6,558
Less accumulated depreciation/amortization for:				
Buildings and improvements	(1,432)	(164)	-	(1,596)
Depreciable/amortizable capital assets, net	5,126	(164)	-	4,962
Total activities capital assets, net	<u>\$ 31,267</u>	<u>\$ 877</u>	<u>\$ (4,120)</u>	<u>\$ 28,024</u>

(1) Parcels transferred from SHRA and parcels listed on the RASA Long-Range Property Management Plan not recorded in the General Ledger, were added.

(2) RASA properties in North Sacramento are sold and remaining governmental use properties were transferred to the City.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(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, 2016:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue Bonds:					
2015 Tax Allocation Refunding Bonds TE, Series A	\$ -	\$ 68,486	\$ (423)	\$ 68,063 ⁽²⁾	\$ 7,485
2015 Tax Allocation Refunding Bonds TX, Series B	-	41,838	12	41,850 ⁽²⁾	2,441
Subtotal, revenue bonds	-	110,324	(411)	109,913	9,926
Notes Payable:					
1993 Merged Downtown TABS	31,633	1,781 ⁽¹⁾	(11,709)	21,705	11,395
1999 Oak Park Refunding	1,675	-	(1,675)	-	-
2002 Merged Downtown TABS	5,435	-	(5,435)	-	-
2002 Stockton Blvd Master Lease	270	-	(270)	-	-
2003 Alkali Flat TE TABS, Series C	4,000	-	(4,000)	-	-
2003 Del Paso TE TABS, Series A	8,231	280 ⁽¹⁾	(3,561)	4,950 ⁽²⁾	-
2003 North Sacramento TE TABS, Series C	4,365	-	(4,365)	-	-
2005 Del Paso Master Lease	975	-	(975)	-	-
2005 Del Paso Refunding	3,980	-	(3,980)	-	-
2005 Merged Downtown Master Lease Refunding	6,790	-	(6,790)	-	-
2005 Merged Downtown TE, Series A	126,937	6,348 ⁽¹⁾	(14,001)	119,284 ⁽²⁾	-
2005 Merged Downtown TX, Series B	31,405	-	(31,405)	-	-
2005 North Sacramento Master Lease Refund	3,850	-	(3,850)	-	-
2005 Oak Park Master Lease Refunding	945	-	(945)	-	-
2005 Oak Park TE, Series A	9,982	166 ⁽¹⁾	(6,993)	3,155 ⁽²⁾	-
2005 Oak Park TX, Series B	5,385	-	(5,385)	-	-
2005 Richards Master Lease Refunding	4,430	-	(4,430)	-	-
2006 65th Street TE Master Lease, Series A	1,495	-	(1,495)	-	-
2006 65th Street TX Master Lease, Series B	3,660	-	(85)	3,575	90
2006 Del Paso TE, Series A	5,080	-	(5,080)	-	-
2006 Del Paso TX, Series B	2,050	-	(2,050)	-	-
2006 North Sacramento TE Master Lease, Series A	455	-	(455)	-	-
2006 North Sacramento TX Master Lease, Series B	4,275	-	(100)	4,175	105
2006 Oak Park Refunding TE, Series A	6,495	-	(6,495)	-	-
2006 Stockton Blvd Master Lease	1,990	-	-	1,990	-
2008 BOA Public Capital Corporation	2,356	-	(131)	2,225	137
2009 Army Depot TE Swap	6,240	-	(6,240)	-	-
2009 Army Depot TX Swap	2,947	-	(70)	2,877	72
2009 River District TX Swap	2,758	-	(65)	2,693	68
2009-10 SERAF Borrowing	2,398	-	(2,398)	-	-
Boating and Waterways Loan	369	-	(86)	283	90
City of Sacramento CIEDB - Utilities/Detention Basin	1,263	-	(38)	1,225	39
Franklin Blvd Redevelopment Area	54	-	(54)	-	-
Globe Mills	4,047	-	(236)	3,811	251
North Sacramento CIEDB Loan	3,392	-	(118)	3,274	122
Railyards Parking Loan	306	-	(306)	-	-
Stockton Blvd CIEDB Loan	2,836	-	(100)	2,736	103
Subtotal, notes payable	304,754	8,575	(135,371)	177,958	12,472
Total, long-term debt	\$ 304,754	\$ 118,899	\$ (135,782)	\$ 287,871	\$ 22,398

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

(2) 2015 Refunded and Refunding debts.

City of Sacramento
Notes to the Financial Statements
For the Fiscal Year Ended June 30, 2016
(dollar amounts expressed in thousands)

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)

Future Debt Service Requirements

The following tables disclose the annual debt service requirements outstanding as of June 30, 2016:

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2017	\$ 9,926	\$ 3,575	\$ 12,472	\$ 1,431
2018	10,700	3,359	12,528	1,378
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 - 2026	12,585	6,612	95,435	4,940
2027 - 2031	7,735	4,281	90,017	2,959
2032 - 2036	12,885	1,510	40,638	1,234
2037 - 2041	509	10	1,217	37
Subtotal	104,050	26,775	266,204	15,762
Less: Unaccreted interest	-	-	(88,246)	-
Less: Issuance discounts	(65)	-	-	-
Plus: Issuance premiums	5,928	-	-	-
Total	\$ 109,913	\$ 26,775	\$ 177,958	\$ 15,762

Extraordinary Item

The extraordinary item of \$2,929 recognized in the fiduciary fund statements represents the net loss on dispositions and transfers of capital assets. Seventeen parcels were approved by the Department of Finance for transfer to the City for government purposes with a book value of \$2,983. The sale of four parcels of land generated losses totaling \$417 and five parcels were returned to RASA from SHRA with a book value of \$471. The dissolution of all redevelopment agencies in the State of California was a state-wide event that was both unusual in nature and infrequent in occurrence.

NOTE 16 – SPECIAL ITEM

In January 2016, the Sacramento City Financing Authority, a blended component unit of the City utilized bond proceeds totaling \$8,830 for the purpose to refund the total outstanding debt for the Sacramento Regional Arts Financing Authority (SRAFFA). The result of this transaction recognized a special item expenditure in a debt service fund and the dissolution of the SRAFFA previously reported as a discretely presented component unit of the City.

NOTE 17 – 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 \$5,849 in the government-wide statement of net position as of June 30, 2016.

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Required Supplementary Information

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

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

Notes to the Required Supplementary Information

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

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

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

	Fiscal Year	
	2015	2016
Actuarially determined contributions	\$ 22,827	\$ 26,156
Contributions in relation to the actuarially determined contribution	22,827	26,156
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll **	\$ 156,032	\$ 157,449
Contributions as a percentage of covered payroll	14.63%	16.61%

Notes to the Required Supplementary Information

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal cost method
Amortization method	Level percentage of payroll
Average Remaining Period	23 Years as of the valuation date
Asset valuation method	15 year smoothed market
Inflation	2.75%
Salary Increase	3.30% to 14.20% depending on Age, Service, and type of employment
Investment Rate of Return	7.65% (net of administrative expenses)
Retirement age	50 - 67 years
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation

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

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

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

	Fiscal Year	
	2015	2016
Total pension liability		
Service cost	\$ 29,539	\$ 29,653
Interest on the Total Pension Liability	107,189	112,331
Changes in assumptions	-	(28,604)
Difference between Expected and Actual Experience	-	(593)
Benefit payments, including refunds of employee contributions	(66,215)	(70,545)
Net change in total pension liability	70,513	42,242
Total pension liability -- beginning	1,447,520	1,518,033
Total pension liability -- ending (a)	\$ 1,518,033	\$ 1,560,275
Plan fiduciary net position		
Contributions - employer	\$ 27,935	\$ 30,798
Contributions - employee	16,094	15,565
Net investment income	171,795	25,341
Benefit payments, including refunds of employee contributions	(66,215)	(70,545)
Plan to Plan Resource Movement	-	1
Administrative Expense	-	(1,288)
Net change in fiduciary net position	149,609	(128)
Plan fiduciary net position -- beginning	994,493	1,144,102
Plan fiduciary net position -- ending (b)	\$ 1,144,102	\$ 1,143,974
Net pension liability -- ending (a) - (b)	\$ 373,931	\$ 416,301
Plan fiduciary net position as a percentage of the total pension liability	75.37%	73.32%
Covered payroll **	\$ 107,176	\$ 112,067
Net pension liability as a percentage of covered payroll	348.89%	371.48%
Measurement date	June 30, 2014	June 30, 2015

Notes to the Required Supplementary Information

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

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

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

	Fiscal Year	
	2015	2016
Actuarially determined contributions	\$ 30,798	\$ 40,959
Contributions in relation to the actuarially determined contribution	30,798	40,959
Contribution deficiency (excess)	\$ -	\$ -
Covered payroll **	\$ 107,176	\$ 112,067
Contributions as a percentage of covered payroll	28.74%	36.55%

Notes to the Required Supplementary Information

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

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll
Remaining amortization period	27 years as of the valuation date
Asset valuation method	15-year smoothed market
Inflation	2.75%
Salary Increase	3.30% to 14.20% depending on Age, Service, and type of employment
Investment Rate of Return	7.65%, (net of administrative expenses)
Retirement age	50 - 57 years
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation

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

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

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

	Fiscal Year	
	2015	2016
Total pension liability		
Service cost	\$ 131	\$ 103
Interest	23,134	23,416
Differences between expected and actual experience	(8,783)	(1,173)
Changes of assumptions	23,117	-
Benefit payments, including refunds of member contributions	(33,791)	(32,683)
Net change in total pension liability	3,808	(10,337)
Total pension liability -- beginning	372,670	376,478
Total pension liability -- ending (a)	<u>\$ 376,478</u>	<u>\$ 366,141</u>
Plan fiduciary net position		
Contributions -- employer	\$ 9,183	\$ 8,645
Contributions -- member	82	146
Net investment income	13,375	7,799
Benefits payments, including refunds of member contributions	(33,791)	(32,683)
Net change in fiduciary net position	(11,151)	(16,093)
Plan fiduciary net position -- beginning	312,414	301,263
Plan fiduciary net position -- ending (b)	<u>\$ 301,263</u>	<u>\$ 285,170</u>
Net pension liability -- ending (a) - (b)	<u>\$ 75,215</u>	<u>\$ 80,971</u>
Plan fiduciary net position as a percentage of the total pension liability	80.02%	77.89%
Covered payroll **	\$ 1,180	\$ 1,020
Net pension liability as a percentage of covered payroll	6374.15%	7938.33%
Measurement Date	June 30, 2015	June 30, 2016

Notes to the Required Supplementary Information

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

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

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

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

Notes to the Required Supplementary Information

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

Methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry age normal
Amortization method	Level dollar payments over 14 years, open period
Asset valuation method	3 year smoothed market value
Inflation	3%
Salary increases	3% CPI plus 0.5% merit
Investment rate of return	6.50%
Retirement age	Deferred vested members covered under Section 399 are assumed to retire at age 62; those covered under 175 are assumed to retire at age 65
Mortality	CalPERS 1997-2011 Mortality Tables with Scale MP-2014

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

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

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

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

Notes to the Required Supplementary Information

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

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OTHER GOVERNMENTAL FUNDS

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

OTHER SPECIAL REVENUE FUNDS are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter or ordinance to finance specific governmental functions. The individual funds are listed in the other special revenue funds section of the 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, 2016
(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	\$ 100,071	\$ 10,712	\$ 97,938	\$ 5,386	\$ 214,107
Cash and investments held by fiscal agent	5	609	-	-	614
Receivables, net:					
Taxes	2,939	-	-	-	2,939
Accounts	3,491	-	496	-	3,987
Loans	2,487	282	-	-	2,769
Intergovernmental	3,620	14,176	7,124	-	24,920
Interest	4	58	78	11	151
Restricted assets:					
Cash and investments held by City	89	-	19,287	-	19,376
Cash and investments held by fiscal agent	732	51,276	-	-	52,008
Total assets	<u>\$ 113,438</u>	<u>\$ 77,113</u>	<u>\$ 124,923</u>	<u>\$ 5,397</u>	<u>\$ 320,871</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 6,042	\$ -	\$ 3,140	\$ -	\$ 9,182
Accrued payroll	147	-	-	-	147
Accrued claims and judgements	97	-	-	-	97
Matured notes and interest payable	1,985	-	-	-	1,985
Deposits	1,199	406	-	-	1,605
Unearned revenue	61	-	644	-	705
Advances from other funds	7,040	-	-	-	7,040
Total liabilities	<u>16,571</u>	<u>406</u>	<u>3,784</u>	<u>-</u>	<u>20,761</u>
Deferred inflows of resources:					
Unavailable revenue	1,979	14,234	2,508	-	18,721
Total deferred inflows of resources	<u>1,979</u>	<u>14,234</u>	<u>2,508</u>	<u>-</u>	<u>18,721</u>
Fund balances:					
Nonspendable:					
Noncurrent assets	-	283	-	-	283
Permanent fund principal	-	-	-	878	878
Restricted:					
Capital projects	14,774	-	120,347	-	135,121
Debt service	821	49,756	-	-	50,577
Public works programs	14,522	-	-	-	14,522
Economic development programs	16,887	-	-	-	16,887
Other programs	22,657	-	617	4,519	27,793
Committed:					
Capital projects	1,174	-	-	-	1,174
Debt service	-	9,847	-	-	9,847
Economic development programs	21,360	-	-	-	21,360
Other programs	11,335	-	-	-	11,335
Assigned:					
Debt service	-	2,547	-	-	2,547
Unrealized investment gains	-	40	-	-	40
Unassigned	(8,642)	-	(2,333)	-	(10,975)
Total fund balances	<u>94,888</u>	<u>62,473</u>	<u>118,631</u>	<u>5,397</u>	<u>281,389</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 113,438</u>	<u>\$ 77,113</u>	<u>\$ 124,923</u>	<u>\$ 5,397</u>	<u>\$ 320,871</u>

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

For the Fiscal Year Ended June 30, 2016
(in thousands)

	Other Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:					
Taxes	\$ 14,295	\$ -	\$ 2,415	\$ -	\$ 16,710
Intergovernmental	15,561	25,072	30,508	-	71,141
Charges for services	15,751	-	382	-	16,133
Fines, forfeits and penalties	610	-	-	-	610
Interest, rents, and concessions	3,520	2,955	1,132	462	8,069
Community service fees	2,927	-	13,533	-	16,460
Assessment levies	40,738	-	2,565	-	43,303
Contributions and donations	1,870	3,005	17,425	-	22,300
Miscellaneous	-	-	2,516	-	2,516
Total revenues	95,272	31,032	70,476	462	197,242
Expenditures:					
Current:					
General government	2,739	-	1,873	164	4,776
Police	6,255	-	-	-	6,255
Fire	1,750	-	-	-	1,750
Public works	22,220	-	8,657	-	30,877
Convention and cultural services	7,090	-	-	11	7,101
Economic development	7,697	-	-	-	7,697
Parks and recreation	14,484	-	161	-	14,645
Community development	7,327	-	699	-	8,026
Library	7,135	-	-	-	7,135
Utilities	308	-	-	-	308
Capital outlay	10,797	-	41,208	-	52,005
Debt service:					
Principal	2,245	5,048	3,678	-	10,971
Interest and fiscal charges	1,180	19,824	341	-	21,345
Bond issuance costs	2	5,481	-	-	5,483
Payment to refunded bond escrow agent	-	38,052	-	-	38,052
Total expenditures	91,229	68,405	56,617	175	216,426
Excess (deficiency) of revenues over (under) expenditures	4,043	(37,373)	13,859	287	(19,184)
Other financing sources (uses):					
Transfers in	6,054	40,583	2,787	-	49,424
Transfers out	(4,792)	(233,513)	(4,797)	-	(243,102)
Issuance of long-term debt	585	395,800	5,558	-	401,943
Premium on long term debt	64	13,908	-	-	13,972
Payment to refunded bond escrow agent	(747)	(133,184)	-	-	(133,931)
Total other financing sources (uses)	1,164	83,594	3,548	-	88,306
Special item	-	(8,830)	-	-	(8,830)
Net change in fund balances	5,207	37,391	17,407	287	60,292
Fund balances, beginning of year	89,681	25,082	101,224	5,110	221,097
Fund balances, end of year	<u>\$ 94,888</u>	<u>\$ 62,473</u>	<u>\$ 118,631</u>	<u>\$ 5,397</u>	<u>\$ 281,389</u>

OTHER SPECIAL REVENUE FUNDS

Other Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter or ordinance to finance specific government functions. The following other special revenue funds have been classified as nonmajor funds:

THE TRANSPORTATION AND DEVELOPMENT FUND is used to account for the receipts of taxes and fees which are used to maintain and repair streets, bridges and bikeways as well as for traffic safety and community development activities.

THE CULTURE AND LEISURE FUND is used to account for a variety of cultural arts and leisure activities. Programs in the Culture and Leisure Fund include the Sacramento Zoo, Fairytale Town, Art in Public Places, Old Sacramento Market, H Street Theatre, Golf, Marina, the Crocker Master Trust, the Winchester G. and Mary Alice Felt Endowment, Marcy Friedman Art in Public Places, and Arts and Culture.

THE PARKS AND RECREATION FUND is used to account for a variety of parks programs and recreation activities. Programs in the Parks and Recreation Fund include START, Quimby, Special Recreation, Land Park, Sutter Park Sites, Special Program Donations and the Ethel MacLeod Hart Trust.

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

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

THE CCOMWP FUND is used to account for the revenue and expenditures associated with the City/County Office of Metropolitan Water Planning. The CCOMWP was formed to develop the Water Forum Agreement with objectives to provide a reliable water supply for planned development to the year 2030, and to preserve the region's Lower American River.

OTHER SPECIAL REVENUE FUNDS (continued)

THE SPECIAL DISTRICTS SPECIAL REVENUE FUND is used to account for a variety of programs that provide infrastructure maintenance and other services for specific areas of the City where special assessments or special taxes are levied. The Special Districts Special Revenue Fund includes the Business Improvement Districts Program, the Landscaping and Lighting Districts Program, the Maintenance Benefit Area Program and the Assessment District Maintenance Program.

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

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City of Sacramento
Other Special Revenue Funds
Combining Balance Sheet

June 30, 2016

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
ASSETS				
Cash and investments held by City	\$ 28,141	\$ 5,518	\$ 8,762	\$ 32,865
Cash and investments held by fiscal agent	-	5	-	-
Receivables, net:				
Taxes	-	-	-	2,939
Accounts	1,721	324	6	11
Loans	-	27	-	2,460
Intergovernmental	-	-	712	-
Interest	-	-	3	1
Restricted assets:				
Cash and investments held by City	-	89	-	-
Cash and investments held by fiscal agent	-	732	-	-
Total assets	\$ 29,862	\$ 6,695	\$ 9,483	\$ 38,276
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 507	\$ 185	\$ 51	\$ 28
Accrued payroll	-	15	119	-
Accrued claims and judgements	66	-	31	-
Matured notes and interest payable	-	1,985	-	-
Deposits	883	150	-	-
Unearned revenue	-	34	-	-
Advances from other funds	-	7,040	-	-
Total liabilities	1,456	9,409	201	28
Deferred Inflows of resources:				
Unavailable revenue	88	85	123	1
Total deferred inflows of resources	88	85	123	1
Fund balances:				
Restricted:				
Capital projects	5,224	517	6,245	-
Debt service	-	821	-	-
Public works programs	14,522	-	-	-
Economic development programs	-	-	-	16,887
Other programs	-	1,553	2,343	-
Committed:				
Capital projects	226	409	-	-
Economic development programs	-	-	-	21,360
Other programs	8,346	1,275	393	-
Unassigned	-	(7,374)	178	-
Total fund balances (deficit)	28,318	(2,799)	9,159	38,247
Total liabilities, deferred inflows of resources and fund balances	\$ 29,862	\$ 6,695	\$ 9,483	\$ 38,276

City of Sacramento
Other Special Revenue Funds
Combining Balance Sheet

June 30, 2016

(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Other Special Revenue Funds
ASSETS					
Cash and investments held by City	\$ 4,760	\$ 1,521	\$ 16,682	\$ 1,822	\$ 100,071
Cash and investments held by fiscal agent	-	-	-	-	5
Receivables, net:					
Taxes	-	-	-	-	2,939
Accounts	89	-	1,340	-	3,491
Loans	-	-	-	-	2,487
Intergovernmental	2,623	247	-	38	3,620
Interest	-	-	-	-	4
Restricted assets:					
Cash and investments held by City	-	-	-	-	89
Cash and investments held by fiscal agent	-	-	-	-	732
Total assets	\$ 7,472	\$ 1,768	\$ 18,022	\$ 1,860	\$ 113,438
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 646	\$ 151	\$ 4,474	\$ -	\$ 6,042
Accrued payroll	-	13	-	-	147
Accrued claims and judgements	-	-	-	-	97
Matured notes and interest payable	-	-	-	-	1,985
Deposits	166	-	-	-	1,199
Unearned revenue	27	-	-	-	61
Advances from other funds	-	-	-	-	7,040
Total liabilities	839	164	4,474	-	16,571
Deferred Inflows of resources:					
Unavailable revenue	1,446	236	-	-	1,979
Total deferred inflows of resources	1,446	236	-	-	1,979
Fund balances:					
Restricted:					
Capital projects	-	-	2,788	-	14,774
Debt service	-	-	-	-	821
Public works programs	-	-	-	-	14,522
Economic development programs	-	-	-	-	16,887
Other programs	6,633	1,368	10,760	-	22,657
Committed:					
Capital projects	-	-	-	539	1,174
Economic development programs	-	-	-	-	21,360
Other programs	-	-	-	1,321	11,335
Unassigned	(1,446)	-	-	-	(8,642)
Total fund balances (deficit)	5,187	1,368	13,548	1,860	94,888
Total liabilities, deferred inflows of resources and fund balances	\$ 7,472	\$ 1,768	\$ 18,022	\$ 1,860	\$ 113,438

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

For the Fiscal Year Ended June 30, 2016

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
Revenues:				
Taxes	\$ 10,149	\$ -	\$ -	\$ 4,146
Intergovernmental	-	-	4,674	-
Charges for services	12,470	2,002	103	-
Fines, forfeits and penalties	610	-	-	-
Interest, rents, and concessions	216	1,592	1,136	329
Community service fees	41	-	2,886	-
Assessment levies	73	-	-	-
Contributions and donations	-	1,051	271	-
Total revenues	23,559	4,645	9,070	4,475
Expenditures:				
Current:				
General government	-	-	-	-
Police	-	-	-	-
Fire	-	-	-	-
Public works	9,732	-	-	-
Convention and cultural services	-	1,395	-	-
Economic development	-	-	-	4
Parks and recreation	-	-	8,084	-
Community development	7,112	-	-	-
Library	-	-	-	-
Utilities	-	-	-	-
Capital outlay	2,096	583	839	2,523
Debt service:				
Principal	-	1,145	-	-
Interest and fiscal charges	-	1,148	-	-
Bond issuance costs	-	2	-	-
Total expenditures	18,940	4,273	8,923	2,527
Excess (deficiency) of revenues over (under) expenditures	4,619	372	147	1,948
Other financing sources (uses):				
Transfers in	946	-	1,860	2,777
Transfers out	(167)	-	(1,526)	(1,929)
Payment to refunded bond escrow agent	-	(747)	-	-
Issuance of long term debt	-	585	-	-
Premium on long term debt	-	64	-	-
Total other financing sources (uses)	779	(98)	334	848
Net change in fund balances	5,398	274	481	2,796
Fund balances (deficit), beginning of year	22,920	(3,073)	8,678	35,451
Fund balances (deficit), end of year	\$ 28,318	\$ (2,799)	\$ 9,159	\$ 38,247

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

For the Fiscal Year Ended June 30, 2016
(in thousands)

	Operating Grants Fund	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Other Special Revenue Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 14,295
Intergovernmental	9,259	1,430	-	198	15,561
Charges for services	1,176	-	-	-	15,751
Fines, forfeits and penalties	-	-	-	-	610
Interest, rents, and concessions	35	14	170	28	3,520
Community service fees	-	-	-	-	2,927
Assessment levies	-	-	40,665	-	40,738
Contributions and donations	548	-	-	-	1,870
Total revenues	11,018	1,444	40,835	226	95,272
Expenditures:					
Current:					
General government	-	1,991	748	-	2,739
Police	6,255	-	-	-	6,255
Fire	1,750	-	-	-	1,750
Public works	-	-	12,481	7	22,220
Convention and cultural services	41	-	5,654	-	7,090
Economic development	610	-	7,083	-	7,697
Parks and recreation	595	-	5,805	-	14,484
Community development	88	-	127	-	7,327
Library	-	-	7,135	-	7,135
Utilities	-	-	308	-	308
Capital outlay	386	-	2,186	2,184	10,797
Debt service:					
Principal	-	-	1,100	-	2,245
Interest and fiscal charges	-	-	32	-	1,180
Bond issuance costs	-	-	-	-	2
Total expenditures	9,725	1,991	42,659	2,191	91,229
Excess (deficiency) of revenues over (under) expenditures	1,293	(547)	(1,824)	(1,965)	4,043
Other financing sources (uses):					
Transfers in	-	471	-	-	6,054
Transfers out	(1,170)	-	-	-	(4,792)
Payment to refunded bond escrow agent	-	-	-	-	(747)
Issuance of long term debt	-	-	-	-	585
Premium on long term debt	-	-	-	-	64
Total other financing sources (uses)	(1,170)	471	-	-	1,164
Net change in fund balances	123	(76)	(1,824)	(1,965)	5,207
Fund balances (deficit), beginning of year	5,064	1,444	15,372	3,825	89,681
Fund balances (deficit), end of year	\$ 5,187	\$ 1,368	\$ 13,548	\$ 1,860	\$ 94,888

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, 2016
(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	\$ 10,202	\$ 9,366	\$ 10,149	\$ 783
Fines, forfeits and penalties	600	600	594	(6)
Interest, rents, and concessions	48	35	40	5
Total revenues	<u>10,850</u>	<u>10,001</u>	<u>10,783</u>	<u>782</u>
Expenditures:				
Current:				
Public works	9,343	11,258	9,345	1,913
Capital outlay	<u>3,696</u>	<u>3,401</u>	<u>1,697</u>	<u>1,704</u>
Total expenditures	<u>13,039</u>	<u>14,659</u>	<u>11,042</u>	<u>3,617</u>
Net change in fund balance for budgeted activities	<u>\$ (2,189)</u>	<u>\$ (4,658)</u>	(259)	<u>\$ 4,399</u>
Net change in fund balance for Transportation and Development Special Revenue Fund activities for which annual budgets are not adopted			<u>5,657</u>	
Net change in fund balance			<u>\$ 5,398</u>	

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, 2016
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Charges for services	\$ 1,684	\$ 1,764	\$ 2,002	\$ 238
Interest, rents and concessions	1,503	1,503	1,592	89
Contributions and donations	45	545	1,051	506
Total revenues	<u>3,232</u>	<u>3,812</u>	<u>4,645</u>	<u>833</u>
Expenditures:				
Current:				
Convention and cultural services	1,384	2,064	1,395	669
Capital outlay	905	1,405	583	822
Debt service:				
Principal	1,338	1,093	1,145	(52)
Interest and fiscal charges	1,166	831	1,148	(317)
Bond issuance costs	-	-	2	(2)
Total expenditures	<u>4,793</u>	<u>5,393</u>	<u>4,273</u>	<u>1,120</u>
Net change in fund balance for budgeted activities	<u>(1,561)</u>	<u>(1,581)</u>	<u>372</u>	<u>1,953</u>
Other financing sources (uses):				
Refunded escrow deposits	-	-	(747)	(747)
Issuance of long term debt	-	-	585	585
Premium on long term debt	-	-	64	64
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(98)</u>	<u>(98)</u>
Net change in fund balance	<u>\$ (1,561)</u>	<u>\$ (1,581)</u>	<u>\$ 274</u>	<u>\$ 1,855</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, 2016
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 4,018	\$ 4,663	\$ 4,674	\$ 11
Charges for services	223	223	103	(120)
Interest, rents and concessions	731	731	983	252
Community service fees	2,377	2,377	2,154	(223)
Contributions and donations	12	12	4	(8)
Total revenues	7,361	8,006	7,918	(88)
Expenditures:				
Current:				
Parks and recreation	4,953	9,290	7,671	1,619
Capital outlay	208	208	233	(25)
Total expenditures	5,161	9,498	7,904	1,594
Excess (deficiency) of revenues over (under) expenditures	2,200	(1,492)	14	1,506
Other financing sources (uses):				
Transfers in	553	1,860	1,860	-
Transfers out	(3,051)	(1,525)	(1,526)	(1)
Total other financing sources (uses)	(2,498)	335	334	(1)
Net change in fund balance for budgeted activities	\$ (298)	\$ (1,157)	348	\$ 1,505
Net change in fund balance for Parks and Recreation Special Revenue Fund activities for which annual budgets are not adopted.			133	
Net change in fund balance			\$ 481	

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, 2016
(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	\$ 1,074	\$ 2,125	\$ 1,430	\$ (695)
Interest, rents and concessions	-	-	14	14
Total revenues	<u>1,074</u>	<u>2,125</u>	<u>1,444</u>	<u>(681)</u>
Expenditures:				
Current:				
General government	<u>2,730</u>	<u>3,781</u>	<u>1,991</u>	<u>1,790</u>
Excess (deficiency) of revenues over (under) expenditures	(1,656)	(1,656)	(547)	1,109
Other financing sources				
Operating transfers in	<u>471</u>	<u>471</u>	<u>471</u>	<u>-</u>
Net change in fund balance	<u>\$ (1,185)</u>	<u>\$ (1,185)</u>	<u>\$ (76)</u>	<u>\$ 1,109</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, 2016
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest, rents, and concessions	\$ -	\$ -	\$ 170	\$ 170
Assessment levies	39,646	40,229	40,665	436
Total revenues	39,646	40,229	40,835	606
Expenditures:				
Current:				
General government	730	722	748	(26)
Public works	13,514	12,170	12,481	(311)
Convention and cultural services	5,144	5,144	5,654	(510)
Economic development	6,582	8,375	7,083	1,292
Parks and recreation	6,398	6,398	5,805	593
Community development	150	150	127	23
Library	7,224	7,224	7,135	89
Utilities	432	432	308	124
Capital outlay	1,813	1,813	2,186	(373)
Debt service:				
Principal	535	535	1,100	(565)
Interest and fiscal charges	46	46	32	14
Total expenditures	42,568	43,009	42,659	350
Net change in fund balance	\$ (2,922)	\$ (2,780)	\$ (1,824)	\$ 956

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, 2016
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget-Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	\$ 173	\$ 173	\$ 198	\$ 25
Interest, rents, and concessions	-	-	28	28
Total revenues	173	173	226	53
Expenditures:				
Current:				
Public Works	-	8	7	1
Capital outlay	2,500	2,722	2,184	538
Total Expenditures	2,500	2,730	2,191	539
Net change in fund balance	\$ (2,327)	\$ (2,557)	\$ (1,965)	\$ 592

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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 2002 CAPITAL IMPROVEMENT REVENUE BOND FUND is used to account for debt service activities related to financing various capital improvements and redevelopment projects including the new Civic Center, I-5 Arena Interchange and certain fire trucks and fire stations. These bonds were partially refunded with the 2005 Refunding Revenue Bonds, and with the 2006 Series E Refunding Revenue Bonds.

THE 2005 REFUNDING REVENUE BOND FUND is used to account for refunded debt service related to refinancing all of the 2000 Capital Improvement Revenue Bonds and a portion of the 1999, 2001 and 2002 Capital Improvement Revenue Bonds.

THE 2006 SERIES A REVENUE BOND FUND is used to account for debt service activities related to financing the expansion of the Crocker Art Museum and other public capital improvements and redevelopment projects.

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.

OTHER DEBT SERVICE FUNDS (continued)

THE 2015 GOLDEN 1 CENTER LEASE REVENUE BOND FUND is used to account 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 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 financing equipment for street lighting and other programs of the City.

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2016

(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	\$ 25	\$ 30	\$ 3,358
Cash and investments held by fiscal agent	8	23	55
Receivables, net:			
Loans	-	-	-
Intergovernmental	-	-	12,186
Interest	1	2	-
Restricted assets:			
Cash and investments held by fiscal agent	1,212	3,314	3,958
Total assets	<u>\$ 1,246</u>	<u>\$ 3,369</u>	<u>\$ 19,557</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Deferred Inflows of resources:			
Unavailable revenue	1	2	12,186
Total deferred inflows of resources	1	2	12,186
Fund balances:			
Nonspendable:			
Noncurrent assets	-	-	-
Restricted:			
Debt service	1,212	3,314	3,958
Committed:			
Debt service	-	-	3,398
Assigned:			
Debt service	28	40	-
Unrealized investment gains	5	13	15
Total fund balances	1,245	3,367	7,371
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,246</u>	<u>\$ 3,369</u>	<u>\$ 19,557</u>

(continued)

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2016

(in thousands)

	2006 Series D Revenue Bond Fund	2006 Series E Revenue Bond Fund	2015 Golden 1 Center Lease Revenue Bond Fund
<u>ASSETS</u>			
Assets:			
Cash and investments held by City	\$ 3	\$ 46	\$ 5,432
Cash and investments held by fiscal agent	-	-	496
Receivables, net:			
Loans	-	-	-
Intergovernmental	-	1,990	-
Interest	-	-	55
Restricted assets:			
Cash and investments held by fiscal agent	-	-	41,001
Total assets	<u>\$ 3</u>	<u>\$ 2,036</u>	<u>\$ 46,984</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Deferred Inflows of resources:			
Unavailable revenue	-	1,990	55
Total deferred inflows of resources	-	1,990	55
Fund balances:			
Nonspendable:			
Noncurrent assets	-	-	-
Restricted:			
Debt service	-	-	41,001
Committed:			
Debt service	-	-	5,335
Assigned:			
Debt service	3	46	593
Unrealized investment gains	-	-	-
Total fund balances	<u>3</u>	<u>46</u>	<u>46,929</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3</u>	<u>\$ 2,036</u>	<u>\$ 46,984</u>

(continued)

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2016

(in thousands)

	2015 Refunding Revenue Bond Fund	2016 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
<u>ASSETS</u>				
Assets:				
Cash and investments held by City	\$ 1,798	\$ -	\$ 20	\$ 10,712
Cash and investments held by fiscal agent	17	-	10	609
Receivables, net:				
Loans	-	-	282	282
Intergovernmental	-	-	-	14,176
Interest	-	-	-	58
Restricted assets:				
Cash and investments held by fiscal agent	-	1,520	271	51,276
Total assets	<u>\$ 1,815</u>	<u>\$ 1,520</u>	<u>\$ 583</u>	<u>\$ 77,113</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Deposits	\$ -	\$ 406	\$ -	\$ 406
Deferred Inflows of resources:				
Unavailable revenue	-	-	-	14,234
Total deferred inflows of resources	-	-	-	14,234
Fund balances:				
Nonspendable:				
Noncurrent assets	-	-	283	283
Restricted:				
Debt service	-	1,114	271	50,870
Committed:				
Debt service	-	-	-	8,733
Assigned:				
Debt service	1,815	-	22	2,547
Unrealized investment gains	-	-	7	40
Total fund balances	<u>1,815</u>	<u>1,114</u>	<u>583</u>	<u>62,473</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,815</u>	<u>\$ 1,520</u>	<u>\$ 583</u>	<u>\$ 77,113</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, 2016

(in thousands)

	1993 Series A Revenue Bond Fund	1993 Series B Revenue Bond Fund	2002 Capital Improvement Revenue Bond Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 270
Interest, rents, and concessions	17	46	-
Contributions and donations	-	-	-
Total revenues	<u>17</u>	<u>46</u>	<u>270</u>
Expenditures:			
Debt service:			
Principal	787	2,230	-
Interest and fiscal charges	271	767	-
Bond issuance cost	-	-	-
Payment to refunded bond escrow agent	-	-	270
Total expenditures	<u>1,058</u>	<u>2,997</u>	<u>270</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,041)</u>	<u>(2,951)</u>	<u>-</u>
Other financing sources:			
Transfers in	1,042	2,797	-
Transfers out	-	-	(139)
Issuance of long term debt	-	-	-
Premium on long term debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>1,042</u>	<u>2,797</u>	<u>(139)</u>
Special items	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	1	(154)	(139)
Fund balances, beginning of year	<u>1,244</u>	<u>3,521</u>	<u>139</u>
Fund balances, end of year	<u>\$ 1,245</u>	<u>\$ 3,367</u>	<u>\$ -</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, 2016

(in thousands)

	2005	2006	2006
	Refunding	Series A	Series B
	Revenue	Revenue	Revenue
	Bond Fund	Bond Fund	Bond Fund
Revenues:			
Intergovernmental	\$ 16,990	\$ 7,492	\$ 320
Interest, rents, and concessions	-	138	957
Contributions and donations	-	3,005	-
	<u>16,990</u>	<u>10,635</u>	<u>1,277</u>
Total revenues	<u>16,990</u>	<u>10,635</u>	<u>1,277</u>
Expenditures:			
Debt service:			
Principal	-	-	1,120
Interest and fiscal charges	-	-	2,837
Bond issuance cost	-	-	-
Payment to refunded bond escrow agent	16,990	7,492	-
	<u>16,990</u>	<u>7,492</u>	<u>3,957</u>
Total expenditures	<u>16,990</u>	<u>7,492</u>	<u>3,957</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>3,143</u>	<u>(2,680)</u>
Other financing sources:			
Transfers in	-	-	2,432
Transfers out	-	(10,206)	(2,741)
Issuance of long term debt	-	-	-
Premium on long term debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
	<u>-</u>	<u>(10,206)</u>	<u>(309)</u>
Total other financing sources (uses)	<u>-</u>	<u>(10,206)</u>	<u>(309)</u>
Special item	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>-</u>	<u>(7,063)</u>	<u>(2,989)</u>
Fund balances, beginning of year	<u>-</u>	<u>7,063</u>	<u>10,360</u>
Fund balances, end of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 7,371</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, 2016

(in thousands)

	2006 Series D Revenue Bond Fund	2006 Series E Revenue Bond Fund	2015 Golden 1 Center Lease Revenue Bond Fund
Revenues:			
Intergovernmental	\$ -	\$ -	\$ -
Interest, rents, and concessions	-	105	545
Contributions and donations	-	-	-
Total revenues	<u>-</u>	<u>105</u>	<u>545</u>
Expenditures:			
Debt service:			
Principal	685	-	-
Interest and fiscal charges	42	4,131	8,328
Bond issuance cost	-	-	3,114
Payment to refunded bond escrow agent	-	-	-
Total expenditures	<u>727</u>	<u>4,131</u>	<u>11,442</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(727)</u>	<u>(4,026)</u>	<u>(10,897)</u>
Other financing sources:			
Transfers in	727	4,027	3,335
Transfers out	-	-	(220,427)
Issuance of long term debt	-	-	272,870
Premium on long term debt	-	-	-
Payment to refunded bond escrow agent	-	-	-
Total other financing sources (uses)	<u>727</u>	<u>4,027</u>	<u>55,778</u>
Special item	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	-	1	44,881
Fund balances, beginning of year	<u>3</u>	<u>45</u>	<u>2,048</u>
Fund balances, end of year	<u>\$ 3</u>	<u>\$ 46</u>	<u>\$ 46,929</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, 2016

(in thousands)

	2015 Refunding Revenue Bond Fund	2016 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
Revenues:				
Intergovernmental	\$ -	\$ -	\$ -	\$ 25,072
Interest, rents, and concessions	6	1,114	27	2,955
Contributions and donations	-	-	-	3,005
Total revenues	6	1,114	27	31,032
Expenditures:				
Debt service:				
Principal	-	-	226	5,048
Interest and fiscal charges	3,326	-	122	19,824
Bond issuance cost	2,082	285	-	5,481
Payment to refunded bond escrow agent	13,300	-	-	38,052
Total expenditures	18,708	285	348	68,405
Excess (deficiency) of revenues over (under) expenditures	(18,702)	829	(321)	(37,373)
Other financing sources:				
Transfers in	25,978	-	245	40,583
Transfers out	-	-	-	(233,513)
Issuance of long term debt	113,815	9,115	-	395,800
Premium on long term debt	13,908	-	-	13,908
Payment to refunded bond escrow agent	(133,184)	-	-	(133,184)
Total other financing sources (uses)	20,517	9,115	245	83,594
Special item	-	(8,830)	-	(8,830)
Net change in fund balances	1,815	1,114	(76)	37,391
Fund balances, beginning of year	-	-	659	25,082
Fund balances, end of year	\$ 1,815	\$ 1,114	\$ 583	\$ 62,473

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OTHER CAPITAL PROJECTS FUNDS

Other capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for governmental capital assets. The following capital projects funds have been classified as nonmajor funds:

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

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

THE CROCKER ART MUSEUM EXPANSION FUND is used to account for contributions from the Crocker Art Museum Association (CAMA) and related expenditures for the museum expansion project.

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

THE SPECIAL DISTRICTS CAPITAL PROJECTS FUND is used to account for the proceeds of special assessment bond issues which are used in the construction of street lighting, curbs, gutters, sidewalks and drainage infrastructure.

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

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City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2016
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Capital Projects Fund	Crocker Art Museum Expansion Fund
<u>ASSETS</u>			
Cash and investments held by City	\$ -	\$ 38,939	\$ -
Receivables, net:			
Accounts	-	247	-
Interest	-	-	-
Intergovernmental	-	7,124	-
Restricted assets:			
Cash and investments held by City	4,564	-	123
Total assets	<u>\$ 4,564</u>	<u>\$ 46,310</u>	<u>\$ 123</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 98	\$ 1,940	\$ -
Unearned revenue	-	-	-
Total liabilities	<u>98</u>	<u>1,940</u>	<u>-</u>
Deferred Inflows of resources:			
Unavailable revenue	-	2,333	-
Total deferred inflows of resources	<u>-</u>	<u>2,333</u>	<u>-</u>
Fund balances:			
Restricted:			
Capital projects	4,466	44,370	123
Other programs	-	-	-
Unassigned	-	(2,333)	-
Total fund balances	<u>4,466</u>	<u>42,037</u>	<u>123</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,564</u>	<u>\$ 46,310</u>	<u>\$ 123</u>

City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2016
(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	\$ 50,131	\$ 8,868	\$ -	\$ 97,938
Receivables, net:				
Accounts	220	29	-	496
Interest	78	-	-	78
Intergovernmental	-	-	-	7,124
Restricted assets:				
Cash and investments held by City	-	-	14,600	19,287
Total assets	<u>\$ 50,429</u>	<u>\$ 8,897</u>	<u>\$ 14,600</u>	<u>\$ 124,923</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 978	\$ 124	\$ -	\$ 3,140
Unearned revenue	644	-	-	644
Total liabilities	<u>1,622</u>	<u>124</u>	<u>-</u>	<u>3,784</u>
Deferred Inflows of resources:				
Unavailable revenue	175	-	-	2,508
Total deferred inflows of resources	<u>175</u>	<u>-</u>	<u>-</u>	<u>2,508</u>
Fund balances:				
Restricted:				
Capital projects	48,015	8,773	14,600	120,347
Other programs	617	-	-	617
Unassigned	-	-	-	(2,333)
Total fund balances	<u>48,632</u>	<u>8,773</u>	<u>14,600</u>	<u>118,631</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 50,429</u>	<u>\$ 8,897</u>	<u>\$ 14,600</u>	<u>\$ 124,923</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, 2016
(in thousands)

	General Fund Capital Projects Fund	Transportation and Development Capital Projects Fund	Crocker Art Museum Expansion Fund
Revenues:			
Interest, rents, and concessions	\$ 45	\$ 432	\$ 1
Community service fees	-	-	-
Assessment levies	-	-	-
Contributions and donations	-	-	-
Taxes	-	2,415	-
Intergovernmental	-	30,508	-
Charges for services	-	382	-
Miscellaneous	-	-	2,500
Total revenues	45	33,737	2,501
Expenditures:			
Current:			
General government	-	-	-
Public works	-	8,657	-
Parks and recreation	-	-	-
Community development	-	-	-
Capital outlay	1,504	22,534	-
Debt service:			
Principal	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	1,504	31,191	-
(Deficiency) excess of revenues (under) over expenditures	(1,459)	2,546	2,501
Other financing sources (uses):			
Transfers in	-	-	-
Transfers out	(1)	-	(2,500)
Issuance of long-term debt	-	-	-
Total other financing sources (uses)	(1)	-	(2,500)
Net change in fund balances	(1,460)	2,546	1
Fund balances, beginning of year	5,926	39,491	122
Fund balances, end of year	<u>\$ 4,466</u>	<u>\$ 42,037</u>	<u>\$ 123</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, 2016
(in thousands)

	Financing Plans Fund	Special Districts Capital Projects Fund	Economic Development Fund	Total Other Capital Projects Funds
Revenues:				
Interest, rents, and concessions	\$ 549	\$ 69	\$ 36	\$ 1,132
Community service fees	13,533	-	-	13,533
Assessment levies	-	2,565	-	2,565
Contributions and donations	-	5,551	11,874	17,425
Taxes	-	-	-	2,415
Intergovernmental	-	-	-	30,508
Charges for services	-	-	-	382
Miscellaneous	16	-	-	2,516
Total revenues	14,098	8,185	11,910	70,476
Expenditures:				
Current:				
General government	945	928	-	1,873
Public works	-	-	-	8,657
Parks and recreation	161	-	-	161
Community development	699	-	-	699
Capital outlay	9,974	7,099	97	41,208
Debt service:				
Principal	3,678	-	-	3,678
Interest and fiscal charges	341	-	-	341
Total expenditures	15,798	8,027	97	56,617
(Deficiency) excess of revenues (under) over expenditures	(1,700)	158	11,813	13,859
Other financing sources (uses):				
Transfers in	-	-	2,787	2,787
Transfers out	(2,296)	-	-	(4,797)
Issuance of long-term debt	5,558	-	-	5,558
Total other financing sources (uses)	3,262	-	2,787	3,548
Net change in fund balances	1,562	158	14,600	17,407
Fund balances, beginning of year	47,070	8,615	-	101,224
Fund balances, end of year	\$ 48,632	\$ 8,773	\$ 14,600	\$ 118,631

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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, 2016
(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	\$ 999	\$ 2,997	\$ 1,033
Receivables, net:			
Interest	<u>2</u>	<u>7</u>	<u>2</u>
Total assets	<u>\$ 1,001</u>	<u>\$ 3,004</u>	<u>\$ 1,035</u>
<u>FUND BALANCES</u>			
Fund balances:			
Nonspendable:			
Permanent fund principal	\$ 272	\$ 278	\$ 25
Restricted:			
Other programs	<u>729</u>	<u>2,726</u>	<u>1,010</u>
Total fund balances	<u>\$ 1,001</u>	<u>\$ 3,004</u>	<u>\$ 1,035</u>

City of Sacramento
Permanent Funds
Combining Balance Sheet

June 30, 2016
(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	\$ 51	\$ 306	\$ 5,386
Receivables, net:			
Interest	-	-	11
Total assets	<u>\$ 51</u>	<u>\$ 306</u>	<u>\$ 5,397</u>
 <u>FUND BALANCES</u>			
Fund balances:			
Nonspendable:			
Permanent fund principal	\$ 3	\$ 300	\$ 878
Restricted:			
Other programs	48	6	4,519
Total fund balances	<u>\$ 51</u>	<u>\$ 306</u>	<u>\$ 5,397</u>

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

For the Fiscal Year Ended June 30, 2016
(in thousands)

	<u>Ann Land Fund</u>	<u>Bertha Henschel Fund</u>	<u>George Clark Scholarship Fund</u>
Revenues:			
Interest, rents, and concessions	\$ 103	\$ 310	\$ 45
Total revenues	<u>103</u>	<u>310</u>	<u>45</u>
Expenditures:			
Current:			
General government	35	106	23
Convention and cultural services	-	-	-
Total expenditures	<u>35</u>	<u>106</u>	<u>23</u>
Net change in fund balances	68	204	22
Fund balances, beginning of year	<u>933</u>	<u>2,800</u>	<u>1,013</u>
Fund balances, end of year	<u>\$ 1,001</u>	<u>\$ 3,004</u>	<u>\$ 1,035</u>

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

For the Fiscal Year Ended June 30, 2016
(in thousands)

	<u>Alice Miller Fund</u>	<u>Sacramento History Museum Fund</u>	<u>Total Permanent Funds</u>
Revenues:			
Interest, rents, and concessions	\$ 1	\$ 3	\$ 462
Total revenues	<u>1</u>	<u>3</u>	<u>462</u>
Expenditures:			
Current:			
General government	-	-	164
Convention and cultural services	-	11	11
	<u>-</u>	<u>11</u>	<u>175</u>
Net change in fund balances	1	(8)	287
Fund balances, beginning of year	<u>50</u>	<u>314</u>	<u>5,110</u>
Fund balances, end of year	<u>\$ 51</u>	<u>\$ 306</u>	<u>\$ 5,397</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, 2016
(in thousands)

	<u>Parking Fund</u>	<u>4th R Child Development Fund</u>	<u>Total Other Enterprise Funds</u>
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ 25,265	\$ 1,204	\$ 26,469
Cash and investments held by fiscal agent	12	-	12
Receivables, net:			
Accounts	654	250	904
Loans	85	-	85
Interest	114	-	114
Prepaid items	37	-	37
Intangible asset, current portion	-	8	8
	<u>26,167</u>	<u>1,462</u>	<u>27,629</u>
Total current assets			
Noncurrent assets:			
Restricted assets:			
Cash and investments held by City	4,764	38	4,802
Cash and investments held by fiscal agent	1,790	-	1,790
Loans receivable	1	-	1
Intangible assets	-	151	151
Capital assets:			
Land	5,825	-	5,825
Buildings and improvements	60,384	1,546	61,930
Machinery and equipment	7,699	-	7,699
Construction in progress	3,187	-	3,187
Software	4	-	4
Less: accumulated depreciation/amortization	(38,874)	(948)	(39,822)
	<u>44,780</u>	<u>787</u>	<u>45,567</u>
Total noncurrent assets			
Total assets	<u>70,947</u>	<u>2,249</u>	<u>73,196</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	<u>455</u>	<u>405</u>	<u>860</u>
Total deferred outflows of resources	<u>455</u>	<u>405</u>	<u>860</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position

June 30, 2016
(in thousands)

	<u>Parking Fund</u>	<u>4th R Child Development Fund</u>	<u>Total Other Enterprise Funds</u>
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,136	66	2,202
Accrued payroll	143	214	357
Accrued compensated absences	30	11	41
Interest payable	150	-	150
Unearned revenue	526	172	698
Accrued claims and judgements	4	41	45
Capital leases payable	1,303	-	1,303
Revenue and other bonds payable, net	2,405	-	2,405
Total current liabilities	<u>6,697</u>	<u>504</u>	<u>7,201</u>
Noncurrent liabilities:			
Accrued compensated absences	214	249	463
OPEB liability	1,538	275	1,813
Capital leases payable	5,009	-	5,009
Net pension liability	3,936	3,614	7,550
Revenue and other bonds payable, net	23,011	-	23,011
Total noncurrent liabilities	<u>33,708</u>	<u>4,138</u>	<u>37,846</u>
Total liabilities	<u>40,405</u>	<u>4,642</u>	<u>45,047</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Gain on debt refunding	316	-	316
Deferred inflows related to pensions	325	506	831
Total deferred inflows of resources	<u>641</u>	<u>506</u>	<u>1,147</u>
<u>NET POSITION</u>			
Net investment in capital assets	19,854	598	20,452
Unrestricted	10,502	(3,092)	7,410
Total net position (deficit)	<u>\$ 30,356</u>	<u>\$ (2,494)</u>	<u>\$ 27,862</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, 2016
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Operating revenues:			
Charges for services:			
User fees and charges	\$ 16,988	\$ 6,069	\$ 23,057
Rents and concessions	658	-	658
Miscellaneous	20	4	24
Total operating revenues	<u>17,666</u>	<u>6,073</u>	<u>23,739</u>
Operating expenses:			
Employee services	3,622	5,049	8,671
Services and supplies	6,705	383	7,088
Depreciation/amortization	1,807	85	1,892
Claims and judgements	1	2	3
Total operating expenses	<u>12,135</u>	<u>5,519</u>	<u>17,654</u>
Operating income (loss)	<u>5,531</u>	<u>554</u>	<u>6,085</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	433	6	439
Revenue from other agencies	1	564	565
Interest expense	(2,223)	-	(2,223)
Amortization of bond prepaid insurance	(93)	-	(93)
Total nonoperating revenues (expenses)	<u>(1,882)</u>	<u>570</u>	<u>(1,312)</u>
Income (loss) before transfers	3,649	1,124	4,773
Transfers in	3	40	43
Transfers out	(7,856)	-	(7,856)
Change in net position	(4,204)	1,164	(3,040)
Total net position (deficit), beginning of year	<u>34,560</u>	<u>(3,658)</u>	<u>30,902</u>
Total net position (deficit), end of year	<u>\$ 30,356</u>	<u>\$ (2,494)</u>	<u>\$ 27,862</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2016
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Cash flows from operating activities:			
Receipts from customers and users	\$ 17,666	\$ 6,019	\$ 23,685
Payments to suppliers	(6,349)	(364)	(6,713)
Payments to employees	(3,627)	(5,269)	(8,896)
Claims and judgements paid	(1)	(188)	(189)
Net cash provided by (used for) operating activities	<u>7,689</u>	<u>198</u>	<u>7,887</u>
Cash flows from noncapital financing activities:			
Transfers in from other funds	3	-	3
Transfers out to other funds	(1,912)	-	(1,912)
Intergovernmental revenue received	1	645	646
Net cash provided by (used for) noncapital financing activities	<u>(1,908)</u>	<u>645</u>	<u>(1,263)</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(2,331)	-	(2,331)
Proceeds from issuance of debt	24,083	-	24,083
Principal payments on capital debt	(20,076)	-	(20,076)
Interest payments on capital debt	(959)	-	(959)
Transfers in from other funds	-	40	40
Transfers out to other funds	(5,944)	-	(5,944)
Net cash provided by (used for) capital and related financing activities	<u>(5,227)</u>	<u>40</u>	<u>(5,187)</u>
Cash flows from investing activities:			
Collection of interest and investment revenue	745	6	751
Loan repayments received	85	-	85
Net cash provided by (used for) investing activities	<u>830</u>	<u>6</u>	<u>836</u>
Net increase (decrease) in cash and cash equivalents	1,384	889	2,273
Cash and cash equivalents, beginning of year	30,447	353	30,800
Cash and cash equivalents, end of year	<u>\$ 31,831</u>	<u>\$ 1,242</u>	<u>\$ 33,073</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ 25,265	\$ 1,204	\$ 26,469
Cash and investments held by fiscal agent	12	-	12
Restricted cash and investments held by City	4,764	38	4,802
Restricted cash and investments held by fiscal agent	1,790	-	1,790
Total cash and cash equivalents, end of year	<u>\$ 31,831</u>	<u>\$ 1,242</u>	<u>\$ 33,073</u>

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2016
(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)	\$ 5,531	\$ 554	\$ 6,085
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:			
Depreciation/amortization expense	1,807	77	1,884
Amortization of intangible assets	-	8	8
Pension expense	(171)	(247)	(418)
Changes in assets and liabilities:			
Accounts receivable, net	(51)	(54)	(105)
Prepaid items	4	-	4
Accounts payable	352	19	371
Accrued payroll	14	12	26
Accrued compensated absences	25	(26)	(1)
Deposits	(10)	-	(10)
Accrued claims and judgements	-	(186)	(186)
OPEB liabilities	127	41	168
Unearned revenue	61	-	61
Net cash provided by (used for) operating activities	<u>\$ 7,689</u>	<u>\$ 198</u>	<u>\$ 7,887</u>
Noncash investing, capital and financing activities:			
Amortization of bond premium and discount	\$ 894	\$ -	\$ 894
Amortization of bond loss on refunding	(1,427)	-	(1,427)
Amortization of bond prepaid insurance	(7)	-	(7)

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WATER FUND

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City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	Eliminations	Total Water Fund
ASSETS						
Current assets:						
Cash and investments held by City	\$ -	\$ 101,832	\$ -	\$ -	\$ -	\$ 101,832
Cash and investments held by fiscal agent	-	1	-	-	-	1
Receivables, net:						
Accounts	2,145	17,200	-	-	-	19,345
Loans	2,473	-	-	-	-	2,473
Intergovernmental	-	-	1,522	-	-	1,522
Interest	155	566	-	-	-	721
Due from other funds	-	1,189	-	-	(1,189)	-
Inventories	-	1,937	-	-	-	1,937
Prepaid items	-	392	-	-	-	392
Total current assets	<u>4,773</u>	<u>123,117</u>	<u>1,522</u>	<u>-</u>	<u>(1,189)</u>	<u>128,223</u>
Noncurrent assets:						
Restricted assets:						
Cash and investments held by City	27,865	-	-	18,250	-	46,115
Cash and investments held by fiscal agent	-	223	-	7,094	-	7,317
Loans receivable	2,097	-	-	-	-	2,097
Capital assets:						
Land	584	1,170	-	-	-	1,754
Buildings and improvements	-	39,123	37	1,205	-	40,365
Machinery and equipment	-	16,143	582	-	-	16,725
Transmission and distribution systems	1,282	593,370	1,695	38,921	-	635,268
Construction in progress	2,992	21,404	1,206	215,757	-	241,359
Software	-	516	-	-	-	516
Easement	-	134	-	-	-	134
Less: accumulated depreciation/amortization	(75)	(232,557)	(389)	(1,113)	-	(234,134)
Total noncurrent assets	<u>34,745</u>	<u>439,526</u>	<u>3,131</u>	<u>280,114</u>	<u>-</u>	<u>757,516</u>
Total assets	<u>39,518</u>	<u>562,643</u>	<u>4,653</u>	<u>280,114</u>	<u>(1,189)</u>	<u>885,739</u>
DEFERRED OUTFLOWS OF RESOURCES						
Loss on refunding of debt	-	5,571	-	-	-	5,571
Deferred outflows related to pensions	-	3,420	-	-	-	3,420
Total deferred outflows of resources	<u>-</u>	<u>8,991</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,991</u>

City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	Eliminations	Total Water Fund
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	35	4,789	323	5,489	-	10,636
Due to other funds	-	-	1,189	-	(1,189)	-
Accrued payroll	-	1,060	-	-	-	1,060
Accrued compensated absences	-	177	-	-	-	177
Interest payable	-	612	-	3,440	-	4,052
Deposits	-	9	-	-	-	9
Unearned revenue	-	1,770	10	-	-	1,780
Accrued claims and judgements	-	138	-	-	-	138
Revenue and other bonds payable, net	-	6,672	-	4,890	-	11,562
Notes payable	-	426	-	-	-	426
Total current liabilities	35	15,653	1,522	13,819	(1,189)	29,840
Noncurrent liabilities:						
Accrued compensated absences	-	2,228	-	-	-	2,228
Water fee credits	-	976	-	-	-	976
OPEB liability	-	9,231	-	-	-	9,231
Revenue and other bonds payable, net	-	135,678	-	232,550	-	368,228
Notes payable	-	8,162	-	-	-	8,162
Net pension liability	-	28,038	-	-	-	28,038
Total noncurrent liabilities	-	184,313	-	232,550	-	416,863
Total liabilities	35	199,966	1,522	246,369	(1,189)	446,703
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Gain on debt refunding	-	953	-	-	-	953
Deferred inflows related to pensions	-	2,486	-	-	-	2,486
Total deferred inflows of resources	-	3,439	-	-	-	3,439
<u>NET POSITION</u>						
Net investment in capital assets	4,783	295,294	3,131	39,173	-	342,381
Restricted for:						
Capital projects	34,700	-	-	-	-	34,700
Unrestricted	-	72,935	-	(5,428)	-	67,507
Total net position	\$ 39,483	\$ 368,229	\$ 3,131	\$ 33,745	\$ -	\$ 444,588

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

For the Fiscal Year Ended June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Funds	Eliminations	Total Water Fund
Operating revenues:						
Charges for services:						
User fees and charges	\$ -	\$ 98,388	\$ -	\$ -	\$ -	\$ 98,388
Miscellaneous	-	145	-	-	-	145
Total operating revenues	-	98,533	-	-	-	98,533
Operating expenses:						
Employee services	-	26,468	40	-	-	26,508
Services and supplies	7	19,956	761	388	-	21,112
Depreciation/amortization	19	17,294	128	782	-	18,223
Claims and judgements	-	108	-	-	-	108
Total operating expenses	26	63,826	929	1,170	-	65,951
Operating income (loss)	(26)	34,707	(929)	(1,170)	-	32,582
Nonoperating revenues (expenses):						
Interest and investment revenue	370	1,534	-	16	-	1,920
Revenue from other agencies	-	185	2,081	-	-	2,266
Interest expense	-	(7,009)	-	-	-	(7,009)
Amortization of bond prepaid insurance	-	(190)	-	-	-	(190)
Total nonoperating revenues (expenses)	370	(5,480)	2,081	16	-	(3,013)
Income (loss) before contributions and transfers	344	29,227	1,152	(1,154)	-	29,569
Capital contributions	3,965	15,158	-	-	-	19,123
Transfers in	-	21	163	14,038	(14,038)	184
Transfers out	-	(25,230)	(7)	(1)	14,038	(11,200)
Change in net position	4,309	19,176	1,308	12,883	-	37,676
Total net position (deficit), beginning of year	35,174	349,053	1,823	20,862	-	406,912
Total net position (deficit), end of year	\$ 39,483	\$ 368,229	\$ 3,131	\$ 33,745	\$ -	\$ 444,588

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	Eliminations	Total Water Fund
Cash flows from operating activities:						
Receipts from customers and users	\$ -	\$ 99,080	\$ -	\$ -	\$ -	\$ 99,080
Payments to suppliers	(7)	(18,399)	(767)	(388)	-	(19,561)
Payments to employees	-	(25,604)	(40)	-	-	(25,644)
Claims and judgements paid	-	(96)	-	-	-	(96)
Net cash provided by (used for) operating activities	(7)	54,981	(807)	(388)	-	53,779
Cash flows from noncapital financing activities:						
Interfund cashflow loans	-	(697)	697	-	-	-
Transfers in from other funds	-	21	-	-	-	21
Transfers out to other funds	-	(10,541)	-	-	-	(10,541)
Intergovernmental revenue received	-	185	1,114	-	-	1,299
Net cash provided by (used for) noncapital financing activities	-	(11,032)	1,811	-	-	(9,221)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	(60)	(5,361)	(1,014)	(90,705)	-	(97,140)
Proceeds from sale of capital assets	-	284	10	-	-	294
Proceeds from issuance of debt	-	40,127	-	-	-	40,127
Principal payments on capital debt	-	(46,371)	-	(3,645)	-	(50,016)
Interest payments on capital debt	-	(6,086)	-	(10,372)	-	(16,458)
Transfers in from other funds	-	-	-	14,038	(14,038)	-
Transfers out to other funds	-	(14,689)	-	(1)	14,038	(652)
Capital contributions received	1,820	-	-	-	-	1,820
Loan repayments received	99	-	-	-	-	99
Net cash provided by (used for) capital and related financing activities	1,859	(32,096)	(1,004)	(90,685)	-	(121,926)
Cash flows from investing activities:						
Collection of interest and investment revenue	258	1,840	-	437	-	2,535
Net cash provided by (used for) investing activities	258	1,840	-	437	-	2,535
Net increase (decrease) in cash and cash equivalents	2,110	13,693	-	(90,636)	-	(74,833)
Cash and cash equivalents, beginning of year	25,755	88,363	-	115,980	-	230,098
Cash and cash equivalents, end of year	\$ 27,865	\$ 102,056	\$ -	\$ 25,344	\$ -	\$ 155,265
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Cash and investments held by City	\$ -	\$ 101,832	\$ -	\$ -	\$ -	\$ 101,832
Cash and investments held by fiscal agent	-	1	-	-	-	1
Restricted cash and investments held by City	27,865	-	-	18,250	-	46,115
Restricted cash and investments held by fiscal agent	-	223	-	7,094	-	7,317
Total cash and cash equivalents, end of year	\$ 27,865	\$ 102,056	\$ -	\$ 25,344	\$ -	\$ 155,265

City of Sacramento
Water Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	Eliminations	Total Water Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (26)	\$ 34,707	\$ (929)	\$ (1,170)	\$ -	\$ 32,582
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	19	17,294	128	782	-	18,223
Pension expense	-	(1,290)	-	-	-	(1,290)
Changes in assets and liabilities:						
Accounts receivable, net	-	440	-	-	-	440
Inventories	-	1,536	-	-	-	1,536
Accounts payable	-	21	(6)	-	-	15
Accrued payroll	-	187	-	-	-	187
Accrued compensated absences	-	617	-	-	-	617
OPEB liabilities	-	1,350	-	-	-	1,350
Accrued claims and judgements	-	12	-	-	-	12
Deposits	-	1	-	-	-	1
Unearned revenue	-	106	-	-	-	106
Net cash provided by (used for) operating activities	<u>\$ (7)</u>	<u>\$ 54,981</u>	<u>\$ (807)</u>	<u>\$ (388)</u>	<u>\$ -</u>	<u>\$ 53,779</u>
Noncash investing, capital and financing activities:						
Contributions of capital assets	\$ -	\$ 221	\$ -	\$ -	\$ -	\$ 221
Transfer of capital assets from governmental funds, net of depreciation	-	14,221	-	-	-	14,221
Capitalized interest	-	670	-	8,824	-	9,494
Amortization of bond premium and discount	-	3,510	-	1,111	-	4,621
Amortization of bond loss on refunding	-	(725)	-	-	-	(725)
Amortization of bond gain on refunding	-	190	-	-	-	190
Amortization of bond prepaid insurance	-	(190)	-	-	-	(190)
Capital asset acquisitions on accounts payable	-	2,500	293	5,489	-	8,282
Water fee credits usage	-	726	-	-	-	726
Purchase of capital assets on accounts payable	35	-	-	-	-	35
Intergovernmental receivable for capital contributions	-	-	1,522	-	-	1,522

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WASTEWATER FUND

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City of Sacramento
Wastewater Fund
Combining Schedule of Net Position
 June 30, 2016
 (in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
ASSETS						
Current assets:						
Cash and investments held by City	\$ -	\$ 35,438	\$ 699	\$ -	\$ -	\$ 36,137
Receivables, net:						
Accounts	-	11,050	-	-	-	11,050
Loans	-	131	-	-	-	131
Intergovernmental	-	-	590	-	-	590
Interest	-	173	-	-	-	173
Inventories	-	78	-	-	-	78
Total current assets	-	46,870	1,289	-	-	48,159
Noncurrent assets:						
Restricted assets:						
Cash and investments held by City	3,488	823	-	3,314	-	7,625
Cash and investments held by fiscal agent	-	-	-	994	-	994
Loans receivable	-	551	-	-	-	551
Capital assets:						
Land	-	1,138	-	-	-	1,138
Buildings and improvements	-	15,219	-	11,332	-	26,551
Machinery and equipment	-	4,846	-	301	-	5,147
Transmission and distribution systems	938	153,143	525	9,357	-	163,963
Construction in progress	69	880	3,581	9,093	-	13,623
Software	-	324	-	-	-	324
Less: accumulated depreciation/amortization	(23)	(71,895)	(17)	(406)	-	(72,341)
Total noncurrent assets	4,472	105,029	4,089	33,985	-	147,575
Total assets	4,472	151,899	5,378	33,985	-	195,734
DEFERRED OUTFLOWS OF RESOURCES						
Deferred outflows related to pensions	-	1,136	-	-	-	1,136
Total deferred outflows of resources	-	1,136	-	-	-	1,136

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position
June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
<u>LIABILITIES</u>						
Current liabilities:						
Accounts payable	-	10,920	4	295	-	11,219
Accrued payroll	-	289	-	-	-	289
Accrued compensated absences	-	25	-	-	-	25
Interest payable	-	42	-	462	-	504
Deposits	-	-	1,285	-	-	1,285
Accrued claims and judgements	-	50	-	-	-	50
Capital leases payable	-	151	-	-	-	151
Revenue and other bonds payable, net	-	-	-	637	-	637
Notes payable	-	771	-	-	-	771
Total current liabilities	-	12,248	1,289	1,394	-	14,931
Noncurrent liabilities:						
Accrued compensated absences	-	755	-	-	-	755
OPEB liability	-	3,372	-	-	-	3,372
Capital leases payable	-	-	-	-	-	-
Revenue and other bonds payable, net	-	-	-	31,166	-	31,166
Notes payable	-	3,054	-	-	-	3,054
Net pension liability	-	10,572	-	-	-	10,572
Total noncurrent liabilities	-	17,753	-	31,166	-	48,919
Total liabilities	-	30,001	1,289	32,560	-	63,850
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Deferred inflows related to pensions	-	1,064	-	-	-	1,064
Total deferred inflows of resources	-	1,064	-	-	-	1,064
<u>NET POSITION</u>						
Net investment in capital assets	984	99,829	4,089	2,491	-	107,393
Restricted for:						
Capital projects	3,488	-	-	-	-	3,488
Unrestricted	-	22,141	-	(1,066)	-	21,075
Total net position (deficit)	<u>\$ 4,472</u>	<u>\$ 121,970</u>	<u>\$ 4,089</u>	<u>\$ 1,425</u>	<u>\$ -</u>	<u>\$ 131,956</u>

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

For the Fiscal Year Ended June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Eliminations	Total Wastewater Fund
Operating revenues:						
Charges for services:						
User fees and charges	\$ -	\$ 30,501	\$ -	\$ -	\$ -	\$ 30,501
Charge to other agencies for contract services	-	1,030	-	-	-	1,030
Miscellaneous	-	1	-	-	-	1
Total operating revenues	-	31,532	-	-	-	31,532
Operating expenses:						
Employee services	-	8,164	-	-	-	8,164
Services and supplies	-	12,395	28	556	-	12,979
Depreciation/amortization	9	3,807	7	281	-	4,104
Claims and judgements	-	6	-	-	-	6
Total operating expenses	9	24,372	35	837	-	25,253
Operating income (loss)	(9)	7,160	(35)	(837)	-	6,279
Nonoperating revenues (expenses):						
Interest and investment revenue	26	502	-	1	-	529
Interest expense	-	(95)	-	-	-	(95)
Total nonoperating revenues (expenses)	26	407	-	1	-	434
Income (loss) before contributions and transfers	17	7,567	(35)	(836)	-	6,713
Capital contributions						
Transfers in	521	1,928	568	-	-	3,017
Transfers out	-	8	-	1,948	(1,948)	8
Transfers out	-	(5,306)	-	-	1,948	(3,358)
Change in net position	538	4,197	533	1,112	-	6,380
Total net position (deficit), beginning of year as restated						
	3,934	117,773	3,556	313	-	125,576
Total net position (deficit), end of year	\$ 4,472	\$ 121,970	\$ 4,089	\$ 1,425	\$ -	\$ 131,956

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Elimination	Total Wastewater Fund
Cash flows from operating activities:						
Receipts from customers and users	\$ -	\$ 31,671	\$ -	\$ -	\$ -	\$ 31,671
Payments to suppliers	-	(11,107)	(73)	(556)	-	(11,736)
Payments to employees	-	(7,983)	-	-	-	(7,983)
Claims and judgements paid	-	(19)	-	-	-	(19)
Net cash provided by (used for) operating activities	-	12,562	(73)	(556)	-	11,933
Cash flows from noncapital financing activities:						
Transfers in from other funds	-	8	-	-	-	8
Transfers out to other funds	-	(3,341)	-	-	-	(3,341)
Interfund loan repayments	-	2,138	(2,138)	-	-	-
Net cash provided by (used for) noncapital financing activities	-	(1,195)	(2,138)	-	-	(3,333)
Cash flows from capital and related financing activities:						
Acquisition and construction of capital assets	-	(46)	(883)	(11,023)	-	(11,952)
Proceeds from sale of capital assets	222	78	-	-	-	300
Principal payments on capital debt	-	(899)	-	(560)	-	(1,459)
Interest payments on capital debt	-	(114)	-	(1,395)	-	(1,509)
Transfers in from other funds	-	-	-	1,948	(1,948)	-
Transfers out to other funds	-	(1,965)	-	-	1,948	(17)
Capital contributions received	521	-	2,508	-	-	3,029
Cash received as a deposit	-	-	1,285	-	-	1,285
Loan repayments received	-	127	-	-	-	127
Net cash provided by (used for) capital and related financing activities	743	(2,819)	2,910	(11,030)	-	(10,196)
Cash flows from investing activities:						
Collection of interest and investment revenue	26	514	-	102	-	642
Net cash provided by (used for) investing activities	26	514	-	102	-	642
Net increase (decrease) in cash and cash equivalents	769	9,062	699	(11,484)	-	(954)
Cash and cash equivalents, beginning of year	2,719	27,199	-	15,792	-	45,710
Cash and cash equivalents, end of year	<u>\$ 3,488</u>	<u>\$ 36,261</u>	<u>\$ 699</u>	<u>\$ 4,308</u>	<u>\$ -</u>	<u>\$ 44,756</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:						
Cash and investments held by City	\$ -	\$ 35,438	\$ 699	\$ -	\$ -	\$ 36,137
Restricted cash and investments held by City	3,488	823	-	3,314	-	7,625
Restricted cash and investments held by fiscal agent	-	-	-	994	-	994
Total cash and cash equivalents, end of year	<u>\$ 3,488</u>	<u>\$ 36,261</u>	<u>\$ 699</u>	<u>\$ 4,308</u>	<u>\$ -</u>	<u>\$ 44,756</u>

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2016
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund	Elimination	Total Wastewater Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:						
Operating income (loss)	\$ (9)	\$ 7,160	\$ (35)	\$ (837)	\$ -	\$ 6,279
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	9	3,807	7	281	-	4,104
Pension expense	-	(404)	-	-	-	(404)
Changes in assets and liabilities:						
Accounts receivable, net	-	139	-	-	-	139
Inventories	-	4	-	-	-	4
Accounts payable	-	1,284	(45)	-	-	1,239
Accrued payroll	-	23	-	-	-	23
Accrued compensated absences	-	156	-	-	-	156
Accrued claims and judgements	-	(13)	-	-	-	(13)
OPEB liabilities	-	406	-	-	-	406
Net cash provided by (used for) operating activities	<u>\$ -</u>	<u>\$ 12,562</u>	<u>\$ (73)</u>	<u>\$ (556)</u>	<u>\$ -</u>	<u>\$ 11,933</u>
Noncash investing, capital and financing activities:						
Contributions of capital assets	\$ -	\$ 220	\$ -	\$ -	\$ -	\$ 220
Transfer of capital assets from governmental funds, net of depreciation	-	1,708	-	-	-	1,708
Capitalized interest	-	10	-	1,235	-	1,245
Amortization of bond premium and discount	-	-	-	57	-	57
Capital asset acquisitions on accounts payable	-	99	-	295	-	394

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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, 2016
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
<u>ASSETS</u>			
Current assets:			
Cash and investments held by City	\$ 9,003	\$ 87,686	\$ 96,689
Cash and investments held by fiscal agent	-	308	308
Receivables, net:			
Accounts	-	53	53
Interest	-	296	296
Due from other funds	-	3,226	3,226
Prepaid items	791	-	791
Total current assets	<u>9,794</u>	<u>91,569</u>	<u>101,363</u>
Noncurrent assets:			
Advances to other funds	-	12,838	12,838
Capital assets:			
Buildings and improvements	7,159	-	7,159
Machinery and equipment	543	-	543
Vehicles	138,086	-	138,086
Software	256	-	256
Construction in progress	58	-	58
Less: accumulated depreciation/amortization	<u>(91,266)</u>	<u>-</u>	<u>(91,266)</u>
Total noncurrent assets	<u>54,836</u>	<u>12,838</u>	<u>67,674</u>
Total assets	<u>64,630</u>	<u>104,407</u>	<u>169,037</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows related to pensions	<u>644</u>	<u>420</u>	<u>1,064</u>
Total deferred outflows of resources	<u>644</u>	<u>420</u>	<u>1,064</u>

City of Sacramento
Internal Service Funds
Combining Statement of Net Position

June 30, 2016
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
<u>LIABILITIES</u>			
Current liabilities:			
Accounts payable	2,898	292	3,190
Accrued payroll	261	186	447
Accrued compensated absences	51	31	82
Interest payable	7	-	7
Unearned revenue	-	366	366
Accrued claims and judgements	36	17,580	17,616
Capital leases payable	27	-	27
Revenue and other bonds payable, net	383	-	383
	<u>3,663</u>	<u>18,455</u>	<u>22,118</u>
Total current liabilities			
Noncurrent liabilities:			
Accrued compensated absences	564	307	871
OPEB liability	3,613	579	4,192
Accrued claims and judgements	-	54,359	54,359
Capital leases payable	72	-	72
Revenue and other bonds payable, net	1,610	-	1,610
Net pension liability	6,140	3,648	9,788
	<u>11,999</u>	<u>58,893</u>	<u>70,892</u>
Total noncurrent liabilities			
Total liabilities	<u>15,662</u>	<u>77,348</u>	<u>93,010</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows related to pensions	734	377	1,111
Total deferred inflows of resources	<u>734</u>	<u>377</u>	<u>1,111</u>
<u>NET POSITION</u>			
Net investment in capital assets	52,744	-	52,744
Unrestricted	(3,866)	27,102	23,236
Total net position	<u>\$ 48,878</u>	<u>\$ 27,102</u>	<u>\$ 75,980</u>

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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, 2016
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services:			
User fees and charges	\$ 35,690	\$ 31,021	\$ 66,711
Miscellaneous	22	-	22
Total operating revenues	<u>35,712</u>	<u>31,021</u>	<u>66,733</u>
Operating expenses:			
Employee services	6,514	3,971	10,485
Services and supplies	19,204	6,488	25,692
Depreciation/amortization	10,031	-	10,031
Insurance premiums	-	3,329	3,329
Claims and judgements	-	17,560	17,560
Total operating expenses	<u>35,749</u>	<u>31,348</u>	<u>67,097</u>
Operating income (loss)	<u>(37)</u>	<u>(327)</u>	<u>(364)</u>
Nonoperating revenues (expenses):			
Interest and investment revenue	49	1,399	1,448
Revenue from other agencies	55	-	55
Insurance and other claim recoveries	-	271	271
Interest expense	(33)	-	(33)
Gain (loss) on disposition of capital assets	83	-	83
Total nonoperating revenues (expenses)	<u>154</u>	<u>1,670</u>	<u>1,824</u>
Income (loss) before contributions and transfers	117	1,343	1,460
Transfers in	321	-	321
Transfers out	(349)	-	(349)
Change in net position	89	1,343	1,432
Total net position, beginning of year	<u>48,789</u>	<u>25,759</u>	<u>74,548</u>
Total net position, end of year	<u>\$ 48,878</u>	<u>\$ 27,102</u>	<u>\$ 75,980</u>

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	\$ 35,732	\$ 92,685	\$ 128,417
Payments to suppliers	(18,690)	(71,667)	(90,357)
Payments to employees	(6,386)	(4,039)	(10,425)
Claims and judgements paid	(8)	(16,314)	(16,322)
Net cash provided by (used for) operating activities	<u>10,648</u>	<u>665</u>	<u>11,313</u>
Cash flows from noncapital financing activities:			
Transfers out to other funds	(325)	-	(325)
Collections on interfund loans	-	12,239	12,239
Loans made to other funds	-	(2,976)	(2,976)
Intergovernmental revenue received	55	-	55
Claim and judgement recoveries	-	284	284
Net cash provided by (used for) noncapital financing activities	<u>(270)</u>	<u>9,547</u>	<u>9,277</u>
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(11,124)	-	(11,124)
Proceeds from sale of capital assets	360	-	360
Proceeds from issuance of debt	1,463	-	1,463
Principal payments on capital debt	(1,732)	-	(1,732)
Interest payments on capital debt	(72)	-	(72)
Transfers in from other funds	298	-	298
Net cash used for capital and related financing activities	<u>(10,807)</u>	<u>-</u>	<u>(10,807)</u>
Cash flows from investing activities:			
Collection of interest and investment revenue	<u>49</u>	<u>1,345</u>	<u>1,394</u>
Net cash provided by investing activities	<u>49</u>	<u>1,345</u>	<u>1,394</u>
Net increase in cash and cash equivalents	(380)	11,557	11,177
Cash and cash equivalents, beginning of year	<u>9,383</u>	<u>76,437</u>	<u>85,820</u>
Cash and cash equivalents, end of year	<u>\$ 9,003</u>	<u>\$ 87,994</u>	<u>\$ 96,997</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	\$ 9,003	\$ 87,686	\$ 96,689
Cash and investments held by fiscal agent	-	308	308
Total cash and cash equivalents, end of year	<u>\$ 9,003</u>	<u>\$ 87,994</u>	<u>\$ 96,997</u>

City of Sacramento
Internal Service Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2016
(in thousands)

	<u>Fleet Management Fund</u>	<u>Risk Management Fund</u>	<u>Total Internal Service Funds</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (37)	\$ (327)	\$ (364)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	10,031	-	10,031
Pension expense	(300)	(195)	(495)
Expense of refunded debt unamortized loss on refunding	72	-	72
Gain on refunded debt	(165)	-	(165)
Changes in assets and liabilities:			
Accounts receivable, net	18	230	248
Prepaid items	77	-	77
Accounts payable	532	(396)	136
Accrued payroll	58	43	101
Accrued compensated absences	(100)	-	(100)
Unearned revenue	-	(20)	(20)
Accrued claims and judgements	(10)	1,246	1,236
OPEB liabilities	472	84	556
Net cash provided by (used for) operating activities	<u>\$ 10,648</u>	<u>\$ 665</u>	<u>\$ 11,313</u>
Noncash investing, capital and financing activities:			
Expense of unamortized loss on refunding	\$ 72	\$ -	\$ 72
Capital asset acquisitions on accounts payable	249	-	249

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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 Fiduciary Net Position

June 30, 2016
(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	\$ 65,314	\$ 83,513	\$ 148,827
Receivables, net:			
Interest	<u>177</u>	<u>273</u>	<u>450</u>
Total assets	<u>65,491</u>	<u>83,786</u>	<u>149,277</u>
<u>NET POSITION</u>			
Held in trust	<u>\$ 65,491</u>	<u>\$ 83,786</u>	<u>\$ 149,277</u>

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

For the Fiscal Year Ended June 30, 2016
(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	\$ 225	\$ 262	\$ 487
Interest	696	938	1,634
Total investment earnings	921	1,200	2,121
Less investment expenses:			
Banking, interest, and fiscal agent expenses	152	-	152
Net income from investing activities	769	1,200	1,969
Net investment income	769	1,200	1,969
Deposits	67,027	13,792	80,819
Total additions	67,796	14,992	82,788
Deductions:			
Withdrawals	64,276	9,017	73,293
Change in net position	3,520	5,975	9,495
Net position, beginning of year	61,971	77,811	139,782
Net position, end of year	<u>\$ 65,491</u>	<u>\$ 83,786</u>	<u>\$ 149,277</u>

AGENCY FUNDS

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

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

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

City of Sacramento
Agency Funds
Combining Statement of Changes in Fiduciary Assets and Liabilities
For the Fiscal Year Ended June 30, 2016
(in thousands)

ASSESSMENT DISTRICTS FUND

	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	\$ 2,227	\$ 1,193	\$ 1,055	\$ 2,365
Cash and investments held by fiscal agent	952	937	952	937
Receivables, net:				
Accounts	5	10	5	10
Total assets	<u>\$ 3,184</u>	<u>\$ 2,140</u>	<u>\$ 2,012</u>	<u>\$ 3,312</u>
LIABILITIES				
Accounts payable	\$ -	\$ 2	\$ -	\$ 2
Due to bondholders	3,184	1,202	1,076	3,310
Total liabilities	<u>\$ 3,184</u>	<u>\$ 1,204</u>	<u>\$ 1,076</u>	<u>\$ 3,312</u>

COMMUNITY FACILITIES DISTRICTS FUND

	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	\$ 9,093	\$ 16,932	\$ 15,864	\$ 10,161
Cash and investments held by fiscal agent	13,353	12,207	11,377	14,183
Receivables, net:				
Taxes	134	217	134	217
Interest	30	15	30	15
Total assets	<u>\$ 22,610</u>	<u>\$ 29,371</u>	<u>\$ 27,405</u>	<u>\$ 24,576</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accounts payable	\$ 14	\$ 61	\$ 14	\$ 61
Due to bondholders	22,596	45,673	43,769	24,500
Total liabilities	<u>22,610</u>	<u>45,734</u>	<u>43,783</u>	<u>24,561</u>
Deferred inflows of resources:				
Unavailable revenue	-	15	-	15
Total deferred inflows of resources	<u>-</u>	<u>15</u>	<u>-</u>	<u>15</u>
Total liabilities and deferred inflows of resources	<u>\$ 22,610</u>	<u>\$ 45,749</u>	<u>\$ 43,783</u>	<u>\$ 24,576</u>

TOTAL - ALL AGENCY FUNDS

	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	\$ 11,320	\$ 18,125	\$ 16,919	\$ 12,526
Cash and investments held by fiscal agent	14,305	13,144	12,329	15,120
Receivables, net:				
Taxes	134	217	134	217
Accounts	5	10	5	10
Interest	30	15	30	15
Total assets	<u>\$ 25,794</u>	<u>\$ 31,511</u>	<u>\$ 29,417</u>	<u>\$ 27,888</u>
LIABILITIES AND DEFERRED INFLOWS OF RESOURCES				
Liabilities:				
Accounts payable	\$ 14	\$ 63	\$ 14	\$ 63
Due to bondholders	25,780	46,875	44,845	27,810
Total liabilities	<u>25,794</u>	<u>46,938</u>	<u>44,859</u>	<u>27,873</u>
Deferred inflows of resources:				
Unavailable revenue	-	15	-	15
Total deferred inflows of resources	<u>-</u>	<u>15</u>	<u>-</u>	<u>15</u>
Total liabilities and deferred inflows of resources	<u>\$ 25,794</u>	<u>\$ 46,953</u>	<u>\$ 44,859</u>	<u>\$ 27,888</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				
	2007	2008	2009	2010	2011
Governmental activities					
Net investment in capital assets	\$ 1,161,730	\$ 1,165,658	\$ 1,249,993	\$ 1,286,576	\$ 1,328,932
Restricted for:					
Capital projects	155,596	239,377	221,594	186,619	156,157
Debt service	509	531	544	494	1,105
Public works programs	-	-	-	-	21,484
Economic development programs	-	-	-	-	-
Ambulance services	-	-	-	-	-
Other programs	31,649	30,996	30,836	32,443	23,544
Trust and endowments:					
Expendable	6,513	6,159	4,442	4,690	5,659
Nonexpendable	1,927	1,934	1,934	1,934	1,934
Unrestricted	145,750	124,408	84,092	76,953	16,107
Total governmental activities net position	\$ 1,503,674	\$ 1,569,063	\$ 1,593,435	\$ 1,589,709	\$ 1,554,922
Business-type activities					
Net investment in capital assets	\$ 634,966	\$ 656,951	\$ 687,417	\$ 691,197	\$ 701,157
Restricted for:					
Capital projects	425	-	16,866	25,781	30,184
Other programs	-	-	-	-	-
Unrestricted	119,050	119,975	92,458	106,148	113,804
Total business-type activities net position	\$ 754,441	\$ 776,926	\$ 796,741	\$ 823,126	\$ 845,145
Primary government					
Net investment in capital assets	\$ 1,796,696	\$ 1,822,609	\$ 1,937,410	\$ 1,977,773	\$ 2,030,089
Restricted for:					
Capital projects	156,021	239,377	238,460	212,400	186,341
Debt service	509	531	544	494	1,105
Public works programs	-	-	-	-	21,484
Economic development programs	-	-	-	-	-
Ambulance services	-	-	-	-	-
Other programs	31,649	30,996	30,836	32,443	23,544
Trust and endowments:					
Expendable	6,513	6,159	4,442	4,690	5,659
Nonexpendable	1,927	1,934	1,934	1,934	1,934
Unrestricted	264,800	244,383	176,550	183,101	129,911
Total primary government net position	\$ 2,258,115	\$ 2,345,989	\$ 2,390,176	\$ 2,412,835	\$ 2,400,067

- Notes: (1) The fiscal year 2008 amounts for governmental activities net assets invested in capital assets, net of related debt, and restricted net assets have been reclassified.
- (2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".
- (3) The fiscal year 2013 net position restricted for economic development includes the remaining Sheraton proceeds restricted by the Master Owner Participation Agreement with Taylor/CIM Redevelopment Company, LLC.
- (4) Net position for governmental activities for all fiscal years prior to 2014 have been restated to remove the Cal EPA building and land.
- (5) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.
- (6) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Net Position by Component ^{(1) (2) (3) (4) (5) (6)}
Last Ten Fiscal Years
(accrual basis accounting, in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Governmental activities					
Net investment in capital assets	\$ 1,367,540	\$ 1,369,377	\$ 1,393,447	\$ 1,445,139	\$ 1,497,796
Restricted for:					
Capital projects	149,904	131,822	116,271	116,910	80,054
Debt service	1,101	641	652	665	1,203
Public works programs	18,103	16,756	16,462	19,027	20,521
Economic development programs	-	23,979	22,493	17,280	16,888
Ambulance services	-	-	-	1,085	1,085
Other programs	23,274	21,087	22,315	26,735	28,381
Trust and endowments					
Expendable	6,870	7,225	7,928	7,789	8,008
Nonexpendable	878	878	878	878	878
Unrestricted	6,128	1,837	30,170	(591,896)	(581,697)
Total governmental activities net position	<u>\$ 1,573,798</u>	<u>\$ 1,573,602</u>	<u>\$ 1,610,616</u>	<u>\$ 1,043,612</u>	<u>\$ 1,073,117</u>
Business-type activities					
Net investment in capital assets	\$ 705,527	\$ 720,039	\$ 733,980	\$ 748,312	\$ 785,353
Restricted for:					
Capital projects	33,209	33,168	33,255	33,914	40,772
Other programs	530	349	1,215	1,730	2,203
Unrestricted	123,265	140,385	177,814	107,305	123,842
Total business-type activities net assets	<u>\$ 862,531</u>	<u>\$ 893,941</u>	<u>\$ 946,264</u>	<u>\$ 891,261</u>	<u>\$ 952,170</u>
Primary government					
Net investment in capital assets	\$ 2,073,067	\$ 2,089,416	\$ 2,127,427	\$ 2,193,451	\$ 2,283,149
Restricted for:					
Capital projects	183,113	164,990	149,526	150,824	120,826
Debt service	1,101	641	652	665	1,203
Public works programs	18,103	16,756	16,462	19,027	20,521
Economic development programs	-	23,979	22,493	17,280	16,888
Ambulance services	-	-	-	1,085	1,085
Other programs	23,804	21,436	23,530	28,465	30,584
Trust and endowments					
Expendable	6,870	7,225	7,928	7,789	8,008
Nonexpendable	878	878	878	878	878
Unrestricted	129,393	142,222	207,984	(484,591)	(457,855)
Total primary government net position	<u>\$ 2,436,329</u>	<u>\$ 2,467,543</u>	<u>\$ 2,556,880</u>	<u>\$ 1,934,873</u>	<u>\$ 2,025,287</u>

- Notes: (1) The fiscal year 2008 amounts for governmental activities net assets invested in capital assets, net of related debt, and restricted net assets have been reclassified.
- (2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".
- (3) The fiscal year 2013 net position restricted for economic development includes the remaining Sheraton proceeds restricted by the Master Owner Participation Agreement with Taylor/CIM Redevelopment Company, LLC.
- (4) Net position for governmental activities for all fiscal years prior to 2014 have been restated to remove the Cal EPA building and land.
- (5) Fiscal year 2013 amounts have been restated for the effects of the prior period adjustments for debt issuance costs and the reclassification of the Marina fund.
- (6) Fiscal year 2015 beginning net position was restated due to the implementation of GASB 68 and GASB 71.

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2007	2008	2009	2010	2011
Expenses ⁽³⁾					
<i>Governmental Activities</i>					
General government	\$ 41,536	\$ 49,841	\$ 45,956	\$ 44,278	\$ 42,238
Police	148,586	159,207	153,874	152,922	159,908
Fire	97,044	104,149	107,119	109,210	111,174
Public works	-	-	-	-	-
General services	14,437	24,462	25,067	26,110	22,614
Transportation	89,063	89,016	95,238	89,358	97,350
Economic development	8,538	10,048	10,055	9,815	10,467
Convention, culture & leisure	19,602	21,518	18,573	18,064	21,348
Parks and recreation	55,661	60,930	54,209	51,984	56,162
Code enforcement	9,946	10,154	10,882	10,984	-
Community development	-	-	-	18,848	25,821
Neighborhood services	2,505	1,667	1,370	1,105	-
Development services	27,851	30,247	24,063	-	-
Planning	8,158	6,830	2,973	-	-
Library	9,433	9,935	13,976	16,827	14,635
Interest on long-term debt	31,067	31,157	29,284	29,658	24,903
Total governmental activities expenses	<u>563,427</u>	<u>609,161</u>	<u>592,639</u>	<u>579,163</u>	<u>586,620</u>
<i>Business type activities</i>					
Water	58,890	63,364	66,757	60,902	63,073
Wastewater	17,171	18,330	20,498	17,389	18,990
Storm drainage	36,473	38,570	38,483	37,040	37,815
Solid waste	45,050	48,735	67,911	47,076	48,203
Community center	19,704	20,507	20,342	19,563	18,530
Child development	5,868	6,604	7,617	6,797	6,274
Marina	1,384	1,257	1,045	1,625	2,662
Parking	16,375	17,154	16,009	16,390	15,786
Total business-type activities	<u>200,915</u>	<u>214,521</u>	<u>238,662</u>	<u>206,782</u>	<u>211,333</u>
Total primary government expenses	<u>\$ 764,342</u>	<u>\$ 823,682</u>	<u>\$ 831,301</u>	<u>\$ 785,945</u>	<u>\$ 797,953</u>

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

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

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Expenses ⁽³⁾					
<i>Governmental Activities</i>					
General government	\$ 40,846	\$ 36,681	\$ 41,190	\$ 52,474	\$ 59,037
Police	153,392	157,432	157,248	166,797	164,750
Fire	116,418	117,451	125,461	127,561	137,859
Public works	-	126,636	103,632	103,088	121,184
General Services ⁽⁴⁾	23,083	15,343	13,807	15,619	-
Transportation	98,384	-	-	-	-
Economic development	9,704	10,468	17,080	11,075	13,049
Convention and cultural services	19,857	19,537	17,916	19,441	24,139
Parks and recreation	45,448	48,457	52,336	56,573	53,911
Code enforcement	-	-	-	-	-
Community development	24,286	29,253	26,484	30,221	36,251
Neighborhood services	-	-	-	-	-
Development services	-	-	-	-	-
Planning	-	-	-	-	-
Library	13,301	13,753	13,720	15,629	16,294
Interest on long-term debt	23,583	22,420	22,178	29,046	30,404
Total governmental activities expenses	<u>568,302</u>	<u>597,431</u>	<u>591,052</u>	<u>627,524</u>	<u>656,878</u>
<i>Business type activities</i>					
Water	67,335	68,643	66,627	69,428	73,150
Wastewater	20,491	22,776	25,673	25,432	25,348
Storm drainage	37,692	36,755	36,664	41,830	40,971
Solid waste	53,205	49,794	49,014	47,149	47,703
Community center	18,125	17,251	17,204	17,690	17,277
Child development	5,885	6,116	6,297	6,151	5,519
Marina	2,008	-	-	-	-
Parking	15,732	15,358	15,238	13,704	14,451
Total business-type activities	<u>220,473</u>	<u>216,693</u>	<u>216,717</u>	<u>221,384</u>	<u>224,419</u>
Total primary government expenses	<u>\$ 788,775</u>	<u>\$ 814,124</u>	<u>\$ 807,769</u>	<u>\$ 848,908</u>	<u>\$ 881,297</u>

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

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

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2007	2008	2009	2010	2011
Program Revenues					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 5,333	\$ 5,233	\$ 5,290	\$ 6,614	\$ 5,827
Police	3,959	4,203	4,819	4,098	10,316
Fire	17,579	17,936	24,448	22,711	21,998
Public works	-	-	-	-	-
General services	10,327	10,471	10,878	9,964	10,442
Transportation	14,261	19,574	26,391	28,857	28,614
Economic development	5,905	8,143	8,345	8,497	9,136
Convention, culture & leisure	9,759	9,425	11,026	9,689	9,364
Parks and recreation	17,142	13,343	10,187	10,122	10,039
Code enforcement	2,417	3,800	7,932	5,627	-
Community development	-	-	-	8,752	15,409
Neighborhood services	1,085	123	195	166	-
Development services	25,261	19,867	16,115	-	-
Planning	4	114	108	-	-
Library	-	-	-	-	-
Total charge for services	113,032	112,232	125,734	115,097	121,145
Operating grants and contributions	52,805	51,845	53,206	59,179	51,289
Capital grants and contributions	189,710	141,919	119,689	90,888	69,234
Total governmental activities program revenues	355,547	305,996	298,629	265,164	241,668
<i>Business - type activities</i>					
Charge for services					
Water	58,363	65,411	62,619	70,463	79,315
Wastewater	18,609	20,704	19,775	20,284	21,360
Storm drainage	31,981	33,289	32,747	34,082	34,160
Solid waste	46,351	52,434	55,949	58,901	62,906
Community center	7,348	7,556	7,651	7,020	6,780
Child development	5,377	5,587	5,640	5,473	5,309
Marina	1,827	1,378	1,748	1,782	1,464
Parking	18,706	19,626	18,661	18,784	18,660
Total charge for services	188,562	205,985	204,790	216,789	229,954
Operating grants and contributions	1,422	1,824	2,343	2,381	2,358
Capital grants and contributions	14,728	11,661	38,094	14,148	10,417
Total business - type activities program revenues	204,712	219,470	245,227	233,318	242,729
Total primary government program revenues	\$ 560,259	\$ 525,466	\$ 543,856	\$ 498,482	\$ 484,397
Net (Expense) Revenue					
Governmental activities	\$ (207,880)	\$ (303,165)	\$ (294,010)	\$ (313,999)	\$ (344,952)
Business - type activities	3,797	4,949	6,565	26,536	31,396
Total primary government net expenses	\$ (204,083)	\$ (298,216)	\$ (287,445)	\$ (287,463)	\$ (313,556)

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

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

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Program Revenues					
<i>Governmental activities</i>					
Charge for services					
General government	\$ 5,608	\$ 6,924	\$ 7,270	\$ 6,436	\$ 7,103
Police	9,714	9,693	10,804	11,583	11,022
Fire	21,643	24,288	26,155	32,264	31,204
Public works	-	28,321	30,337	32,840	37,179
General services	10,965	3,175	1,756	1,251	-
Transportation	28,309	-	-	-	-
Economic development	8,800	8,685	8,205	7,659	7,889
Convention and cultural services	7,985	8,817	9,311	9,303	10,085
Parks and recreation	11,579	10,604	13,359	15,004	13,792
Code enforcement	-	-	-	-	-
Community development	15,459	15,423	17,141	25,069	27,025
Neighborhood services	-	-	-	-	-
Development services	-	-	-	-	-
Planning	-	-	-	-	-
Library	-	33	59	29	-
Total charge for services	120,062	115,963	124,397	141,438	145,299
Operating grants and contributions	54,287	81,822	47,430	52,306	35,442
Capital grants and contributions	112,247	69,323	89,539	115,354	122,528
Total governmental activities program revenues	<u>286,596</u>	<u>267,108</u>	<u>261,366</u>	<u>309,098</u>	<u>303,269</u>
<i>Business - type activities</i>					
Charge for services					
Water	79,809	88,754	94,382	100,523	98,533
Wastewater	21,513	25,134	28,493	32,223	31,532
Storm drainage	34,545	35,682	38,049	37,646	40,166
Solid waste	64,055	60,295	58,561	59,095	60,253
Community center	7,521	7,130	7,718	8,748	8,782
Child development	5,232	5,426	5,632	5,553	6,073
Marina	1,359	-	-	-	-
Parking	18,769	18,823	18,643	16,595	17,646
Total charge for services	232,803	241,244	251,478	260,383	262,985
Operating grants and contributions	3,744	1,095	1,963	2,142	3,435
Capital grants and contributions	5,289	7,480	4,403	7,292	7,433
Total business - type activities program revenues	<u>241,836</u>	<u>249,819</u>	<u>257,844</u>	<u>269,817</u>	<u>273,853</u>
Total primary government program revenues	<u>\$ 528,432</u>	<u>\$ 516,927</u>	<u>\$ 519,210</u>	<u>\$ 578,915</u>	<u>\$ 577,122</u>
Net (Expense) Revenue					
Governmental activities	\$ (281,706)	\$ (330,323)	\$ (329,686)	\$ (318,426)	\$ (353,609)
Business - type activities	21,363	33,126	41,127	48,433	49,434
Total primary government net expenses	<u>\$ (260,343)</u>	<u>\$ (297,197)</u>	<u>\$ (288,559)</u>	<u>\$ (269,993)</u>	<u>\$ (304,175)</u>

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

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

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2007	2008	2009	2010	2011
General Revenues and Other					
Changes in Net Position					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 127,454	\$ 137,782	\$ 135,806	\$ 123,681	\$ 118,801
Utility user taxes	55,619	57,561	57,775	58,693	58,907
Other taxes	28,379	23,865	20,358	18,591	18,327
Sales taxes shared state revenue	55,846	54,821	48,905	46,769	47,680
In-lieu sales tax	18,197	16,344	15,745	14,332	14,548
Grants and other intergovernmental revenue not restricted to specific programs	-	-	4,224	4,591	2,610
Investment earnings	39,867	34,343	14,896	11,508	6,260
Miscellaneous	12,544	12,142	10,368	12,743	12,464
Contributions to permanent fund	1	7	-	-	4
Gain (loss) on disposition of capital assets	-	-	2,912	-	2,336
Special items, net	-	18,791	(929)	-	-
Transfers	13,698	12,898	8,348	19,365	28,229
Total Governmental activities	351,605	368,554	318,408	310,273	310,166
<i>Business-type activities</i>					
Taxes:					
Other taxes	17,258	17,538	15,852	14,233	15,403
Investment earnings	8,227	6,898	5,746	4,964	3,449
Miscellaneous	1	353	-	-	-
Gain (loss) on disposition of capital assets	-	5,645	-	17	-
Special items, net	-	-	-	-	-
Transfers	(13,698)	(12,898)	(8,348)	(19,365)	(28,229)
Total business-type activities	11,788	17,536	13,250	(151)	(9,377)
Total primary government	\$ 363,393	\$ 386,090	\$ 331,658	\$ 310,122	\$ 300,789
Change in Net Position					
Governmental activities	\$ 143,725	\$ 65,389	\$ 24,398	\$ (3,726)	\$ (34,786)
Business-type activities	15,585	22,485	19,815	26,385	22,019
Total primary government	\$ 159,310	\$ 87,874	\$ 44,213	\$ 22,659	\$ (12,767)

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

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

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

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

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
General Revenues and Other					
Changes in Net Position					
<i>Governmental activities</i>					
Taxes:					
Property taxes	\$ 114,874	\$ 114,451	\$ 122,477	\$ 129,714	\$ 138,354
Utility user taxes	58,787	59,066	59,613	59,947	61,404
Other taxes	17,403	27,943	61,584	66,205	70,761
Sales taxes shared state revenue	50,683	52,300	56,575	58,476	67,983
In-lieu sales tax	14,081	16,113	16,823	16,632	14,387
Grants and other intergovernmental revenue not restricted to specific programs	-	-	-	-	-
Investment earnings	10,953	10,101	10,136	8,769	11,328
Miscellaneous	11,005	9,749	8,853	11,060	12,954
Contributions to permanent fund	1	1	1	1	-
Gain (loss) on disposition of capital assets	-	-	4,567	5,340	-
Special items, net	-	26,208	(2,500)	-	(8,830)
Transfers	22,722	19,002	28,571	32,148	14,773
Total Governmental activities	300,509	334,934	366,700	388,292	383,114
<i>Business-type activities</i>					
Taxes:					
Other taxes	15,781	16,555	17,943	20,108	21,800
Investment earnings	2,957	1,299	3,294	1,567	4,428
Miscellaneous	-	-	3	5	20
Gain (loss) on disposition of capital assets	7	-	-	-	-
Special items, net	-	-	18,527	4,554	-
Transfers	(22,722)	(19,002)	(28,571)	(32,148)	(14,773)
Total business-type activities	(3,977)	(1,148)	11,196	(5,914)	11,475
Total primary government	\$ 296,532	\$ 333,786	\$ 377,896	\$ 382,378	\$ 394,589
Change in Net Position					
Governmental activities	\$ 18,803	\$ 4,611	\$ 37,014	\$ 69,866	\$ 29,505
Business-type activities	17,386	31,978	52,323	42,519	60,909
Total primary government	\$ 36,189	\$ 36,589	\$ 89,337	\$ 112,385	\$ 90,414

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

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

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Fund Balances, Governmental Funds ^{(1) (2)}

Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2007	2008	2009	2010	2011
General Fund					
Reserved for:					
Noncurrent assets	\$ 987	\$ 1,604	\$ 969	\$ 514	\$ -
Encumbrances	17,070	8,947	5,189	6,301	-
Inventories and prepaids	-	449	316	304	-
Unreserved	113,421	87,962	65,614	47,988	-
Nonspendable:					
Prepaid items	-	-	-	-	63
Noncurrent assets	-	-	-	-	245
Restricted:					
Capital projects	-	-	-	-	-
Ambulance service	-	-	-	-	-
Other programs	-	-	-	-	86
Committed:					
Economic uncertainty	-	-	-	-	14,340
Capital projects	-	-	-	-	19,612
Community center theater renovation	-	-	-	-	-
B Street Theater project	-	-	-	-	-
Fire program	-	-	-	-	-
OPEB trust fund	-	-	-	-	-
Homeless programs	-	-	-	-	-
Other programs	-	-	-	-	12,468
Assigned:					
Unrealized investment gains	-	-	-	-	972
Next year's budget	-	-	-	-	5,138
Unassigned	-	-	-	-	-
Total general fund	\$ 131,478	\$ 98,962	\$ 72,088	\$ 55,107	\$ 52,924
All Other Governmental Funds					
Reserved for:					
Noncurrent assets	\$ 935	\$ 875	\$ 746	\$ 1,149	\$ -
Encumbrances	33,855	113,669	78,390	30,000	-
Debt service	22,568	22,634	20,517	20,269	-
Inventories and prepaids	-	1,344	35	35	-
Trust obligations	1,927	1,934	1,934	1,934	-
Capital projects	-	-	-	2,210	-
Unreserved, reported in:					
Special revenue funds	34,125	79,289	73,626	93,583	-
Capital projects funds	276,582	131,595	104,824	100,308	-
Debt service funds	7,651	9,200	9,868	10,047	-
Permanent funds	3,855	3,700	2,567	2,798	-
Nonspendable:					
Prepaid items	-	-	-	-	30
Noncurrent assets	-	-	-	-	1,577
Permanent fund principal	-	-	-	-	1,934
Restricted:					
Capital projects	-	-	-	-	161,365
Debt service	-	-	-	-	20,870
Public works programs	-	-	-	-	-
Ambulance service	-	-	-	-	-
Economic development programs	-	-	-	-	-
Other programs	-	-	-	-	50,264
Committed:					
Capital projects	-	-	-	-	606
Grant retention	-	-	-	-	-
Debt service	-	-	-	-	2,278
B Street Theater project	-	-	-	-	-
Economic development programs	-	-	-	-	-
Other programs	-	-	-	-	646
Assigned:					
Debt service	-	-	-	-	2,878
Unrealized investment gains	-	-	-	-	120
Other programs	-	-	-	-	2,281
Unassigned	-	-	-	-	(31,287)
Total all other governmental funds	\$ 381,498	\$ 364,240	\$ 292,507	\$ 262,333	\$ 213,562

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Fund Balances, Governmental Funds ^{(1) (2)}

Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
General Fund					
Reserved for:					
Noncurrent assets	\$ -	\$ -	\$ -	\$ -	\$ -
Encumbrances	-	-	-	-	-
Inventories and prepaids	-	-	-	-	-
Unreserved	-	-	-	-	-
Nonspendable:					
Prepaid items	23	24	66	7	2
Noncurrent assets	71	48	-	4	-
Restricted:					
Capital projects	-	-	3,401	2,562	1,860
Ambulance service	-	-	-	1,085	1,085
Other programs	64	40	21	7	17
Committed:					
Economic uncertainty	20,263	27,765	33,714	38,967	46,950
Capital projects	21,542	21,789	21,728	32,987	37,526
Community center theater renovation	-	8,500	8,500	8,500	8,500
B Street Theater project	-	-	-	2,500	-
Fire program	-	-	-	4,420	5,720
OPEB trust fund	-	2,000	-	6,717	6,752
Homeless programs	-	-	1,000	750	250
Other programs	9,349	9,347	12,909	8,860	13,953
Assigned:					
Unrealized investment gains	402	-	173	50	732
Next year's budget	9,354	10,446	-	-	-
Unassigned	-	-	17,395	16,028	26,649
Total general fund	\$ 61,068	\$ 79,959	\$ 98,907	\$ 123,444	\$ 149,996
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	29	44	24	24	-
Noncurrent assets	605	530	451	369	283
Permanent fund principal	878	878	878	878	878
Restricted:					
Capital projects	150,475	135,069	126,262	124,790	138,562
Debt service	18,230	17,472	17,548	20,218	51,691
Public works programs	-	13,781	11,830	-	14,522
Ambulance service	-	-	-	13,842	-
Economic development programs	-	23,970	22,484	17,271	16,887
Other programs	50,026	31,115	29,924	27,029	27,793
Committed:					
Capital projects	469	3,666	4,024	3,355	7,017
Grant retention	-	-	4,049	500	-
Debt service	2,278	2,278	6,583	5,660	8,733
B Street Theater project	-	-	-	16,391	21,360
Economic development programs	-	-	5,125	-	-
Other programs	2,096	6,266	25,486	50,001	51,024
Assigned:					
Debt service	2,068	1,805	973	717	2,547
Unrealized investment gains	42	100	47	15	40
Other programs	4,093	3,758	4,047	2,344	60
Unassigned	(48,094)	(29,711)	(22,121)	(26,554)	(19,657)
Total all other governmental funds	\$ 183,195	\$ 211,021	\$ 237,614	\$ 256,850	\$ 321,740

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2007	2008	2009	2010	2011
Revenues					
Taxes	\$ 287,254	\$ 286,498	\$ 277,370	\$ 260,749	\$ 254,705
Intergovernmental	148,521	137,341	161,418	174,214	125,758
Charges for services	64,902	63,285	70,403	62,962	67,831
Fines, forfeits and penalties	8,285	9,916	12,213	12,118	11,093
Interest, rents, and concessions	34,398	28,430	15,414	10,928	9,627
Community service fees	40,386	16,831	13,297	7,875	3,647
Assessment levies	21,424	25,894	33,204	31,970	33,482
Contributions from property owners	44,099	31,753	8,132	7,972	9,440
Miscellaneous	395	296	212	196	411
Total revenues	649,664	600,244	591,663	568,984	515,994
Expenditures					
General Government	31,172	33,778	31,938	27,471	26,049
Police	149,159	148,392	145,148	147,059	144,081
Fire	91,965	94,284	99,613	102,430	97,573
General Services	14,348	23,198	23,396	21,025	19,353
Transportation	37,598	30,235	32,902	31,023	29,708
Neighborhood Services	1,815	1,547	1,363	1,007	-
Convention and cultural services	15,074	16,080	15,116	13,196	13,291
Economic Development	5,882	8,035	9,472	9,136	9,819
Parks and Recreation	47,884	53,499	45,845	40,312	36,650
Code enforcement	9,713	9,595	10,605	10,279	-
Community Development	-	-	-	15,873	23,307
Library	8,868	9,366	13,406	12,366	12,398
Utilities	109	83	67	67	137
Nondepartmental	18,526	27,373	26,028	26,818	33,407
Citywide and community support	-	-	-	-	-
Public Works	-	-	-	-	-
Development Services	32,600	28,261	21,881	-	-
Planning	8,079	5,626	2,709	-	-
Housing and Redevelopment	-	-	-	-	-
Planning and Building	-	-	-	-	-
Capital Outlay	193,954	153,507	180,125	156,146	91,902
Debt Service					
City					
Principal	17,253	19,529	45,789	18,577	44,189
Interest and fiscal charges	30,216	30,689	30,468	29,697	25,209
Bond issuance costs	1,519	607	-	-	-
Payment to refunded bond escrow	213	-	-	-	-
Subtotal - debt service	49,201	50,825	76,257	48,274	69,398
Total Expenditures	715,947	693,684	735,871	662,482	607,073
Excess (deficiency) of revenues over (under) expenditures	(66,283)	(93,440)	(144,208)	(93,498)	(91,079)
Other Financing Sources (uses)					
Transfers in	56,203	58,989	65,076	53,621	58,006
Transfers out	(37,441)	(39,780)	(33,695)	(30,241)	(27,025)
Issuance of long-term debt	147,281	5,666	10,981	22,963	6,808
Premium on long term debt	14,857	-	-	-	-
Proceeds from sale of property	-	-	2,992	-	2,336
Proceeds of long-term capital-related debt	-	-	-	-	-
Payments to participating governments	-	-	-	-	-
Payments to refunded bond escrow	(92,151)	-	-	-	-
Total other financing sources (uses)	88,749	24,875	45,354	46,343	40,125
Special items, net	-	18,791	(929)	-	-
Net change in fund balances	\$ 22,466	\$ (49,774)	\$ (99,783)	\$ (47,155)	\$ (50,954)
Debt services as a percentage of noncapital expenditures	9.43%	9.41%	13.72%	9.35%	13.06%

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2012	2013	2014	2015	2016
Revenues					
Taxes	\$ 256,564	\$ 265,605	\$ 320,832	\$ 334,649	\$ 365,482
Intergovernmental	154,937	154,556	105,172	111,017	128,190
Charges for services	62,760	66,369	71,889	86,061	89,765
Fines, forfeits and penalties	11,891	9,892	11,221	11,403	12,720
Interest, rents, and concessions	15,494	13,909	14,417	12,681	15,221
Community service fees	3,058	7,136	4,693	7,869	16,460
Assessment levies	35,294	37,621	38,668	41,884	43,475
Contributions from property owners	6,170	14,269	43,018	45,177	35,820
Miscellaneous	2,090	3,441	570	501	2,761
Total revenues	548,258	572,798	610,480	651,242	709,894
Expenditures					
General Government	24,610	22,712	26,170	28,491	34,197
Police	142,204	138,779	138,653	149,448	152,245
Fire	98,749	99,630	107,538	110,585	119,814
General Services	19,388	10,306	9,564	10,058	-
Transportation	33,183	-	-	-	-
Neighborhood Services	-	-	-	-	-
Convention, Culture & Leisure	10,670	9,804	10,481	10,978	11,738
Economic Development	9,396	10,221	12,418	10,797	9,871
Parks and Recreation	30,393	32,257	35,632	38,894	37,801
Code enforcement	-	-	-	-	-
Community Development	21,819	23,568	23,902	26,819	34,110
Library	11,739	12,362	12,482	14,496	14,771
Utilities	97	979	607	522	701
Nondepartmental	32,269	-	-	-	-
Citywide and community support	-	33,105	36,965	37,216	47,961
Public Works	-	34,995	34,706	35,502	42,194
Development Services	-	-	-	-	-
Planning	-	-	-	-	-
Housing and Redevelopment	-	-	-	-	-
Planning and Building	-	-	-	-	-
Capital Outlay	118,259	116,705	106,840	128,805	337,817
Debt Service					
City					
Principal	21,595	19,470	26,218	23,699	16,481
Interest and fiscal charges	24,028	22,949	22,772	33,493	24,822
Bond issuance costs	-	-	-	-	5,483
Payment to refunded bond escrow	-	-	-	-	38,052
Subtotal - debt service	<u>45,623</u>	<u>42,419</u>	<u>48,990</u>	<u>57,192</u>	<u>84,838</u>
Total Expenditures	598,399	587,842	604,948	659,803	928,058
Excess (deficiency) of revenues over (under) expenditures	<u>(50,141)</u>	<u>(15,044)</u>	<u>5,532</u>	<u>(8,561)</u>	<u>(218,164)</u>
Other Financing Sources (uses)					
Transfers in	55,435	55,166	63,584	69,117	306,810
Transfers out	(27,590)	(27,450)	(34,527)	(33,267)	(270,358)
Issuance of long-term debt	73	-	6,050	3,984	401,943
Premium on long term debt	-	-	-	-	13,972
Proceeds from sale of property	-	-	4,902	12,500	-
Proceeds of long-term capital-related debt	-	2,837	-	-	-
Payments to participating governments	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	-	(133,931)
Total other financing sources (uses)	27,918	30,553	40,009	52,334	318,436
Special items, net	-	31,208	-	-	(8,830)
Net change in fund balances	\$ (22,223)	\$ 46,717	\$ 45,541	\$ 43,773	\$ 91,442
Debt services as a percentage of noncapital expenditures	9.41%	8.35%	9.49%	10.46%	13.58%

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

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

Source: City of Sacramento Comprehensive Annual Financial Reports

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

(modified accrual basis of accounting, in thousands)

Fiscal Year	Property	Tax Increment	Sales & Use	Utility Users	Others	Total
2007	\$ 145,376 ⁽¹⁾	-	\$ 56,441	\$ 55,618	\$ 29,819	\$ 287,254
2008	150,901	-	54,821	57,561	23,215	286,498
2009	151,551	-	48,905	57,775	19,139	277,370
2010	140,013	-	45,670	58,700	16,366	260,749
2011	133,099	-	47,680	58,887	15,039	254,705
2012	130,287	-	50,683	58,787	16,807	256,564
2013	130,864 ⁽²⁾	-	57,121 ⁽³⁾	59,066	18,554	265,605
2014	140,690 ⁽²⁾	-	99,615 ⁽³⁾	59,613	20,914	320,832
2015	147,415 ⁽²⁾	-	102,596 ⁽³⁾	59,948	24,690	334,649
2016	164,719 ⁽²⁾	-	110,212 ⁽³⁾	61,404	29,147	365,482

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

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

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

Sources: (A) City of Sacramento Comprehensive Annual Financial Reports
(B) Finance Department, City of Sacramento

City of Sacramento
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(in thousands)

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

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

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

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

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

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

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

Fiscal Year End June 30	Basic County, City, and School Levy ⁽²⁾	County of Sacramento	Schools	Special Districts	Total
2007	1.0000	—	0.0922	—	1.0922
2008	1.0000	—	0.0956	—	1.0956
2009	1.0000	—	0.1012	—	1.1012
2010	1.0000	—	0.1035	—	1.1035
2011	1.0000	—	0.1069	—	1.1069
2012	1.0000	—	0.1174	—	1.1174
2013	1.0000	—	0.1192	—	1.1192
2014	1.0000	—	0.1406	—	1.1406
2015	1.0000	—	0.1325	—	1.1325
2016	1.0000	—	0.1426	—	1.1426

Notes : (1) Data is stated at full value as required under Article XIII-A of the Constitution of the State of California.

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

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

(in thousands)

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

Source: County of Sacramento, Office of Auditor/Controller

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City of Sacramento
Property Tax Levies and Collections ⁽¹⁾
Last Ten Fiscal Years

(in thousands)

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2007	\$ 146,844	\$ 142,771	97.23%	\$ 4,073	\$ 146,844	100.00%
2008	151,667	146,828	96.81%	4,839	151,667	100.00%
2009	151,480	147,780	97.56%	3,700	151,480	100.00%
2010	138,701	136,313	98.28%	2,388	138,701	100.00%
2011	132,440	130,711	98.69%	1,729	132,440	100.00%
2012	129,123	127,914	99.06%	1,209	129,123	100.00%
2013	130,755 ^{(2) (3)}	129,655	99.16%	1,100	130,755	100.00%
2014	140,273 ^{(2) (3)}	139,651	99.56%	622	140,273	100.00%
2015	147,483 ^{(2) (3)}	146,374	99.25%	1,109	147,483	100.00%
2016	155,024 ^{(2) (3)}	153,563	99.06%	1,461	155,024	100.00%

Notes: (1) Property taxes in 2007 and subsequent years include revenue reported in 2006 as in lieu sales tax.
(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.

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

(in thousands, except Population and Per Capita)

Fiscal Year	Governmental Activities				
	Revenue Bonds	Tax Allocation Bonds	Certificates of Participation	Notes Payable	Capital Leases
2007 ⁽¹⁾	\$ 548,175	-	-	\$ 25,935	\$ 8,062
2008	532,354	-	-	25,875	8,806
2009	514,431	-	-	812	7,354
2010	496,641	-	-	746	11,203
2011	477,588	-	-	677	9,910
2012	457,324	-	-	605	8,439
2013 ⁽²⁾	435,962	-	-	530	9,446
2014 ⁽³⁾	419,477	-	-	16,053	13,562
2015	398,544	-	-	15,680	10,456
2016 ⁽⁴⁾	627,351	-	-	15,290	7,294

Notes:

- 1) In 2007, \$31 million of revenue bonds, \$187 million of refunding bonds and a \$25 million note payable were issued.
 - 2) In 2013, \$281 million of revenue bonds and a \$2.8 million capital lease payable were issued.
 - 3) In 2014, Marina fund notes payable and capital leases have been reclassified to governmental activities.
 - 4) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.
- NA) Personal income data was not available.

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

(in thousands, except Population and Per Capita)

Fiscal Year	Business-Type Activities				Total Primary Government	Percentage of Personal Income	Population	Per Capita
	Revenue Bonds	Certificates of Participation	Notes Payable	Capital Leases				
2007 ⁽¹⁾	\$ 331,024	-	\$ 46,540	\$ 1,760	\$ 961,496	NA	467,343	\$ 2,057
2008	322,965	-	49,977	2,710	942,687	NA	475,743	1,982
2009	312,967	-	49,103	6,487	891,154	NA	481,097	1,852
2010	302,064	-	56,307	8,295	875,256	NA	486,189	1,800
2011	289,950	-	56,388	7,066	841,579	NA	469,566	1,792
2012	277,241	-	55,131	11,693	810,433	NA	470,956	1,721
2013 ⁽²⁾	542,347	-	52,536	9,466	1,050,287	NA	473,509	2,218
2014 ⁽³⁾	540,117	-	33,288	6,098	1,028,595	NA	475,122	2,165
2015	519,869	-	29,844	4,075	978,468	NA	480,105	2,038
2016	493,406	-	26,340	8,654	1,178,335	NA	485,683	2,426

Notes:

- 1) In 2007, \$31 million of revenue bonds, \$187 million of refunding bonds and a \$25 million note payable were issued.
 - 2) In 2013, \$281 million of revenue bonds and a \$2.8 million capital lease payable were issued.
 - 3) In 2014, Marina fund notes payable and capital leases have been reclassified to governmental activities.
 - 4) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.
- NA) Personal income data was not available.

Source: City of Sacramento Comprehensive Annual Financial Reports

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
2007	-	-	-	\$ 36,674,108	0.00%	467,343	-
2008	-	-	-	40,345,605	0.00%	475,743	-
2009	-	-	-	41,560,435	0.00%	481,097	-
2010	-	-	-	38,778,007	0.00%	486,189	-
2011	-	-	-	37,647,002	0.00%	469,566	-
2012	-	-	-	36,502,112	0.00%	470,956	-
2013	-	-	-	35,494,811	0.00%	473,509	-
2014	-	-	-	36,924,255	0.00%	475,122	-
2015	-	-	-	39,067,503	0.00%	480,105	-
2016	-	-	-	40,897,784	0.00%	485,683	-

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, 2016

(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	\$ 350,740	25.227 %	\$ 88,481
Natomas Unified School District	227,264	88.095	200,208
Sacramento Unified School District	432,238	84.168	363,806
San Juan Unified School District	374,302	2.943	11,016
Twin Rivers Unified School District	78,244	47.595	37,240
Twin Rivers Unified School District (former Grant Joint Union High School District bonds)	184,736	46.963	86,758
Robla School District	40,821	50.453	20,595
City of Sacramento Community Facilities Districts	136,525	100.000	136,525
Elk Grove Unified School District Community Facilities District No. 1	207,920	10.921	22,707
City of Sacramento 1915 Act Bonds	5,455	100.000	5,455
Sacramento Area Flood Control Agency Consolidated Capital Districts Assessment District	200,045	83.303	166,643
Sacramento Area Flood Control Agency Operation and Maintenance Assessment District	2,910	63.308	1,842
Sacramento Area Flood Control Agency Natomas Local Assessment District	34,785	84.065	29,242
Subtotal - Overlapping Tax and Assessment debt			1,170,519
Direct and Overlapping General Fund Debt:			
Sacramento County General Fund Obligations	253,646	30.720	77,920
Sacramento County Pension Obligations	960,058	30.720	294,930
Sacramento County Board of Education Certificates of Participation	6,480	30.720	1,991
Los Rios Community College District Certificates of Participation	950	25.227	240
Natomas Unified School District Certificates of Participation	8,995	88.095	7,924
Sacramento Unified School District Certificates of Participation	70,185	84.168	59,073
Sacramento Unified School District Pension Obligations	615	84.168	518
San Juan Unified School District Certificates of Participation	498	2.943	15
Twin Rivers Unified School District Certificates of Participation	129,825	46.963	60,970
Sacramento Metropolitan Fire District General Fund Obligations	9,515	0.001	0
Sacramento Metropolitan Fire District General Pension Obligations	55,004	0.010	6
Subtotal - Lease Obligation Debt			503,585
Total Overlapping Debt			1,674,104
City of Sacramento Direct Debt			649,935
Total Direct and Overlapping Debt			\$ 2,324,039

Note: (1) Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the City of Sacramento. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

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

City of Sacramento
Legal Debt Margin
Last Ten Fiscal Years
(in thousands)

Fiscal Year	Debt Limit		Debt Applicable to Limit			Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
	Net Assessed Value	Debt Limit - 15% of Assessed Value	General Obligation Bonds	Amount set aside for repayment of general obligation debt	Total net debt applicable to limit		
2007	\$ 36,674,108	\$ 5,501,116	-	-	-	\$ 5,501,116	0.00%
2008	40,345,605	6,051,841	-	-	-	6,051,841	0.00%
2009	41,560,435	6,234,065	-	-	-	6,234,065	0.00%
2010	38,778,007	5,816,701	-	-	-	5,816,701	0.00%
2011	37,647,002	5,647,050	-	-	-	5,647,050	0.00%
2012	36,502,112	5,475,317	-	-	-	5,475,317	0.00%
2013	35,494,811	5,324,222	-	-	-	5,324,222	0.00%
2014	36,924,255	5,538,638	-	-	-	5,538,638	0.00%
2015	39,067,503	5,860,125	-	-	-	5,860,125	0.00%
2016	40,897,784	6,134,668	-	-	-	6,134,668	0.00%

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)
2007	1,406,804	NA	NA	NA	NA	238,233	5.3 %
2008	1,424,415	NA	NA	NA	NA	238,522	7.0
2009	1,433,187	NA	NA	NA	NA	237,722	11.9
2010	1,445,327	NA	NA	NA	NA	237,916	12.6
2011	1,428,355	NA	NA	NA	NA	237,567	12.7
2012	1,435,153	NA	NA	NA	NA	237,362	11.1
2013	1,445,806	NA	NA	NA	NA	238,290	8.7
2014	1,454,406	NA	NA	NA	NA	240,216	7.1
2015	1,470,912	64,638	43,944	34	NA	241,022	5.8
2016	1,495,297	69,590	46,539	33	NA	242,725	5.8

Sources: (A) <http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php> (Population estimates are as of January 1st each year)
(B) California Department of Education, report on Sacramento County: <http://dq.cde.ca.gov/dataquest/>
(C) California Employment Development Department, Report 400 C - Monthly Labor Force Data for California Counties
<http://www.labormarketinfo.edd.ca.gov/> (as of June each year)

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

Employer (A)	2016			2007		
	Employee (A) ⁽¹⁾	Rank	Percentage of Total Employment (B) ⁽²⁾	Employee (A) ⁽¹⁾	Rank	Percentage of Total Employment (B)
State of California	73,676	1	11.22%	60,045	1	9.10%
Sacramento County	11,950	2	1.82%	14,488	2	2.20%
UC Davis Health System	10,145	3	1.55%	7,901	3	1.20%
U.S. Government	10,007	4	1.52%	-	-	-
Sutter Health	8,905	5	1.36%	7,140	4	1.08%
Kaiser Permanente	8,885	6	1.35%	6,905	6	1.05%
Dignity Health	7,853	7	1.20%	-	-	-
Intel Corporation	6,000	8	0.91%	-	-	-
Elk Grove Unified School District	5,863	9	0.89%	-	-	-
City of Sacramento	4,300	10	0.66%	5,230	8	0.79%
Sacramento City Unified School District	4,213	11	0.64%	7,000	5	1.06%
A T & T California	-	-	-	4,765	9	0.72%
Los Rios Community College	-	-	-	6,000	7	0.91%
Wells Fargo & Co.	-	-	-	2,536	10	0.38%
California State University, Sacramento	-	-	-	2,455	11	0.37%

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 656,400 (per Employment Development Department website) in June 2016.

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				
	2007	2008	2009	2010	2011
Merged Downtown					
Secured	\$ 2,095,806	\$ 2,203,787	\$ 2,549,340	\$ 2,656,453	\$ 2,504,312
Unsecured	141,829	146,071	174,529	172,285	160,110
Utility	5,274	4,107	997	997	997
Total	<u>\$ 2,242,909</u>	<u>\$ 2,353,965</u>	<u>\$ 2,724,866</u>	<u>\$ 2,829,735</u>	<u>\$ 2,665,419</u>
Del Paso Heights					
Secured	\$ 338,413	\$ 393,968	\$ 414,673	\$ 317,546	\$ 305,405
Unsecured	10,930	11,076	14,272	37,627	17,112
Utility	-	-	1	1	1
Total	<u>\$ 349,343</u>	<u>\$ 405,044</u>	<u>\$ 428,946</u>	<u>\$ 355,174</u>	<u>\$ 322,518</u>
Alkali Flat					
Secured	\$ 104,672	\$ 122,660	\$ 126,892	\$ 132,387	\$ 128,304
Unsecured	15,521	4,701	4,273	4,759	3,740
Utility	37	-	-	-	-
Total	<u>\$ 120,230</u>	<u>\$ 127,361</u>	<u>\$ 131,165</u>	<u>\$ 137,146</u>	<u>\$ 132,044</u>
Oak Park					
Secured	\$ 549,470	\$ 618,602	\$ 611,302	\$ 460,439	\$ 438,987
Unsecured	10,970	10,363	11,361	13,418	10,613
Utility	-	-	-	-	-
Total	<u>\$ 560,440</u>	<u>\$ 628,965</u>	<u>\$ 622,663</u>	<u>\$ 473,857</u>	<u>\$ 449,600</u>
River District (formerly Richards Blvd)					
Secured	\$ 396,256	\$ 404,185	\$ 434,882	\$ 454,256	\$ 405,518
Unsecured	31,005	34,967	44,693	45,813	41,732
Utility	2,759	4,120	4,120	4,200	4,200
Total	<u>\$ 430,020</u>	<u>\$ 443,272</u>	<u>\$ 483,695</u>	<u>\$ 504,269</u>	<u>\$ 451,450</u>
North Sacramento					
Secured	\$ 533,114	\$ 581,880	\$ 613,238	\$ 563,978	\$ 555,744
Unsecured	29,494	30,238	37,027	33,239	36,014
Utility	-	-	-	-	-
Total	<u>\$ 562,608</u>	<u>\$ 612,118</u>	<u>\$ 650,265</u>	<u>\$ 597,217</u>	<u>\$ 591,758</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.

Source: County of Sacramento, Office of Auditor/Controller

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

PROJECT AREA	Fiscal Year				
	2012	2013	2014	2015	2016
Merged Downtown					
Secured	\$ 2,427,850	\$ 2,366,130	\$ 2,300,993	\$ 2,344,213	\$ 2,461,341
Unsecured	145,125	137,567	132,581	138,662	124,172
Utility	997	770	770	770	748
Total	<u>\$ 2,573,972</u>	<u>\$ 2,504,467</u>	<u>\$ 2,434,344</u>	<u>\$ 2,483,645</u>	<u>\$ 2,586,261</u>
Del Paso Heights					
Secured	\$ 286,172	\$ 276,998	\$ 289,856	\$ 311,285	\$ 317,886
Unsecured	10,267	9,550	12,659	14,464	13,621
Utility	1	1	1	1	1
Total	<u>\$ 296,440</u>	<u>\$ 286,549</u>	<u>\$ 302,516</u>	<u>\$ 325,750</u>	<u>\$ 331,508</u>
Alkali Flat					
Secured	\$ 121,651	\$ 119,184	\$ 112,883	\$ 120,103	\$ 123,251
Unsecured	2,962	4,982	3,224	3,504	2,963
Utility	-	-	-	-	-
Total	<u>\$ 124,613</u>	<u>\$ 124,166</u>	<u>\$ 116,107</u>	<u>\$ 123,607</u>	<u>\$ 126,214</u>
Oak Park					
Secured	\$ 428,226	\$ 427,642	\$ 466,006	\$ 476,624	\$ 501,132
Unsecured	8,973	9,898	9,763	9,483	24,938
Utility	-	-	-	-	-
Total	<u>\$ 437,199</u>	<u>\$ 437,540</u>	<u>\$ 475,769</u>	<u>\$ 486,107</u>	<u>\$ 526,070</u>
River District (formerly Richards Blvd)					
Secured	\$ 403,771	\$ 396,061	\$ 375,825	\$ 403,452	\$ 393,540
Unsecured	31,661	33,655	29,486	35,352	37,314
Utility	4,264	4,779	4,779	4,779	2,591
Total	<u>\$ 439,696</u>	<u>\$ 434,495</u>	<u>\$ 410,090</u>	<u>\$ 443,583</u>	<u>\$ 433,445</u>
North Sacramento					
Secured	\$ 526,139	\$ 506,029	\$ 498,272	\$ 509,637	\$ 523,526
Unsecured	35,675	39,802	36,413	40,115	36,778
Utility	-	-	-	-	-
Total	<u>\$ 561,814</u>	<u>\$ 545,831</u>	<u>\$ 534,685</u>	<u>\$ 549,752</u>	<u>\$ 560,304</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.

Source: County of Sacramento, Office of Auditor/Controller

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

PROJECT AREA	Fiscal Year				
	2007	2008	2009	2010	2011
Franklin Boulevard					
Secured	\$ 566,043	\$ 595,198	\$ 615,732	\$ 571,385	\$ 571,094
Unsecured	42,667	45,819	47,150	44,573	41,821
Utility	-	-	-	-	-
Total	<u>\$ 608,710</u>	<u>\$ 641,017</u>	<u>\$ 662,882</u>	<u>\$ 615,958</u>	<u>\$ 612,915</u>
Stockton Boulevard					
Secured	\$ 417,045	\$ 463,344	\$ 476,809	\$ 390,475	\$ 372,566
Unsecured	12,071	15,416	16,399	16,598	17,048
Utility	-	-	-	-	-
Total	<u>\$ 429,116</u>	<u>\$ 478,760</u>	<u>\$ 493,208</u>	<u>\$ 407,073</u>	<u>\$ 389,614</u>
Army Depot					
Secured	\$ 896,449	\$ 995,435	\$ 1,011,483	\$ 835,497	\$ 826,480
Unsecured	104,420	145,115	118,889	120,863	119,918
Utility	841	578	578	578	578
Total	<u>\$ 1,001,710</u>	<u>\$ 1,141,128</u>	<u>\$ 1,130,950</u>	<u>\$ 956,938</u>	<u>\$ 946,976</u>
65th Street					
Secured	\$ 224,504	\$ 243,734	\$ 240,544	\$ 224,753	\$ 242,905
Unsecured	26,401	22,673	29,115	25,010	25,040
Utility	611	-	-	-	-
Total	<u>\$ 251,516</u>	<u>\$ 266,407</u>	<u>\$ 269,659</u>	<u>\$ 249,763</u>	<u>\$ 267,945</u>
Railyards					
Secured	\$ -	\$ -	\$ -	\$ 49,467	\$ 71,772
Unsecured	-	-	-	-	251
Utility	-	-	-	641	680
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 50,108</u>	<u>\$ 72,703</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.

Source: County of Sacramento, Office of Auditor/Controller

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

PROJECT AREA	Fiscal Year				
	2012	2013	2014	2015	2016
Franklin Boulevard					
Secured	\$ 554,662	\$ 553,114	\$ 556,190	\$ 482,823	\$ 474,370
Unsecured	38,551	39,862	37,903	32,000	31,565
Utility	-	-	-	-	-
Total	<u>\$ 593,213</u>	<u>\$ 592,976</u>	<u>\$ 594,093</u>	<u>\$ 514,823</u>	<u>\$ 505,935</u>
Stockton Boulevard					
Secured	\$ 355,452	\$ 334,059	\$ 345,330	\$ 364,463	\$ 384,262
Unsecured	17,468	17,101	17,293	17,731	16,742
Utility	-	-	-	-	-
Total	<u>\$ 372,920</u>	<u>\$ 351,160</u>	<u>\$ 362,623</u>	<u>\$ 382,194</u>	<u>\$ 401,004</u>
Army Depot					
Secured	\$ 810,113	\$ 790,956	\$ 826,125	\$ 864,133	\$ 928,249
Unsecured	116,198	116,489	149,382	139,964	110,209
Utility	579	943	943	943	1,072
Total	<u>\$ 926,890</u>	<u>\$ 908,388</u>	<u>\$ 976,450</u>	<u>\$ 1,005,040</u>	<u>\$ 1,039,530</u>
65th Street					
Secured	\$ 230,618	\$ 229,458	\$ 228,785	\$ 231,632	\$ 243,684
Unsecured	25,808	17,346	14,536	17,543	14,033
Utility	-	-	-	-	-
Total	<u>\$ 256,426</u>	<u>\$ 246,804</u>	<u>\$ 243,321</u>	<u>\$ 249,175</u>	<u>\$ 257,717</u>
Railyards					
Secured	\$ 80,928	\$ 84,191	\$ 80,200	\$ 75,245	\$ 68,288
Unsecured	3,521	4,548	4,454	5,973	10,940
Utility	768	771	-	-	-
Total	<u>\$ 85,217</u>	<u>\$ 89,510</u>	<u>\$ 84,654</u>	<u>\$ 81,218</u>	<u>\$ 79,228</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.

Source: County of Sacramento, Office of Auditor/Controller

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
HINES SAC WELLS FARGO LP	\$ 172,000	\$ 160,000	\$ (12,000)	0.46%
CIM GROUP	97,103	91,700	(5,403)	0.21%
KW CAPTOWERS LLC	37,412	20,000	(17,412)	0.67%
HILTON HOTELS	29,059	3,230	(25,830)	1.00%
COMCAST OF SACRAMENTO	20,820	16,647	(4,173)	0.16%
CIM GROUP	17,897	12,000	(5,897)	0.23%
KW CAPTOWERS LLC	16,042	8,000	(8,042)	0.31%
KW CAPTOWERS LLC	12,854	6,000	(6,854)	0.27%
FUND IX-PARLK PLAZA LLC	12,356	10,000	(2,356)	0.09%
1415 MERIDIAN PLAZA LP	6,600	6,000	(600)	0.02%
Sub Total	422,145	333,577	(88,568)	3.42%
All Other Taxpayers	2,164,116	-	-	-
Total	\$ 2,586,261	\$ 333,577	\$ (88,568)	3.42%

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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
UNITED RENTALS	\$ 2,280	\$ 1,000	\$ (1,280)	0.39%
DIRECTV LLC	410	25	(385)	0.12%
DANIEL R LOURIM	385	212	(173)	0.05%
MARY ANN ROBERTS	257	175	(82)	0.02%
DISH NETWORK LLC	227	127	(100)	0.03%
VIJAY KUMAR	165	100	(65)	0.02%
MONA SUE AYERS	120	52	(68)	0.02%
HIGH TRUST #3409	90	28	(62)	0.02%
MARILYNN LITTLEJOHN	29	179	150	-0.05%
PROG LEASING LLC	22	0	(22)	0.01%
Sub Total	3,985	1,897	(2,088)	0.63%
All Other Taxpayers	327,523	-	-	-
Total	<u>\$ 331,508</u>	<u>\$ 1,897</u>	<u>\$ (2,088)</u>	<u>0.63%</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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
HEARST ARGYLE STATIONS, INC	\$ 19,664	\$ 8,960	\$ (1,280)	1.01%
ALDON BOLANOS	375	100	(275)	0.22%
Sub Total	20,039	9,060	(1,555)	1.23%
All Other Taxpayers	106,175	-	-	-
Total	\$ 126,214	\$ 9,060	\$ (1,555)	1.23%

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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
BIMBO BAKERIES USA INC	\$ 16,065	\$ 8,032	\$ (8,032)	1.53%
DB/S LLC	810	527	(284)	0.05%
WALGREEN CO	240	165	(75)	0.01%
33RD TRUST 3441	209	80	(129)	0.02%
SAN CARLOS TRUST 3832	127	110	(17)	0.00%
BROADWAY TRUST 3975	115	65	(50)	0.01%
ACE OF FADES	17	2	(15)	0.00%
Sub Total	17,582	8,981	(8,602)	1.64%
All Other Taxpayers	508,488	-	-	-
Total	<u>\$ 526,070</u>	<u>\$ 8,981</u>	<u>\$ (8,602)</u>	<u>1.64%</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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
JUNO COMM REAL EST	\$ 9,462	\$ 4,731	\$ (4,731)	1.09%
CLEAR CHANNEL OUTDOOR	1,574	800	(774)	0.18%
NAKASH ENTERPRISES LLC	1,294	878	(416)	0.10%
REALTY ADVISORS INC	741	371	(370)	0.09%
Sub Total	13,072	6,780	(6,292)	1.45%
All Other Taxpayers	420,373	-	-	-
Total	<u>\$ 433,445</u>	<u>\$ 6,780</u>	<u>\$ (6,292)</u>	<u>1.45%</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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
SEVEN UP BOTTLING CO OF SF	\$ 32,859	\$ 21,000	\$ (11,859)	2.12%
SEVEN UP BOTTLING CO OF SF	31,737	20,000	(11,737)	2.09%
COSTCO WHOLESALE GROUP	21,729	15,000	(6,729)	1.20%
RECREATIONAL EQUIPMENT INC	7,758	3,418	(4,340)	0.77%
SENT EXPO POINTE LLC & SENT INV	7,485	4,865	(2,620)	0.47%
TCHERKOYAN FAMILY TRUST	5,845	3,507	(2,338)	0.42%
CAL TEX PROPERTIES	1,796	1,077	(719)	0.13%
JB COMPANY MANAGEMENT LP	1,261	1,128	(132)	0.02%
JERRY IVY SEPARATE PROP TRUST	1,183	710	(473)	0.08%
WELLS FARGO BANK	360	180	(180)	0.03%
Sub Total	112,013	70,886	(41,128)	7.34%
All Other Taxpayers	448,291	-	-	-
Total	\$ 560,304	\$ 70,886	\$ (41,128)	7.34%

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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
CHATEAU LANG APARTMENTS LLC	\$ 3,257	\$ 2,856	\$ (401)	0.08%
NAKASH ENTERPRISES	1,048	600	(448)	0.09%
GHODRATOLLAH SOLTANI	918	500	(418)	0.08%
AJAZ ALI	403	250	(153)	0.03%
GHODRATOLLAH SOLTANI	253	100	(153)	0.03%
JOURBEE KHANG	240	225	(15)	0.00%
28TH TRUST 2475	215	165	(51)	0.01%
FERNANDO F GUZMAN	201	125	(76)	0.02%
AJAZ ALI	153	125	(28)	0.01%
AJAZ ALI	120	115	(5)	0.00%
Sub Total	6,808	5,061	(1,747)	0.35%
All Other Taxpayers	499,127	-	-	-
Total	<u>\$ 505,935</u>	<u>\$ 5,061</u>	<u>\$ (1,747)</u>	<u>0.35%</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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
LITTLE SAIGON PLAZA SAC LLC	\$ 7,675	\$ 3,970	\$ (3,705)	0.92%
THINH T DO	2,892	1,878	(1,014)	0.25%
AARONS INC	1,520	0	(1,520)	0.38%
N M S PROPERTIES	1,379	827	(552)	0.14%
MONUMENT PROP - SAC LLC	1,263	650	(613)	0.15%
AMAL B AHRAM	599	350	(249)	0.06%
GARY M. CARMAGNOLA	407	225	(182)	0.05%
GARY M. CARMAGNOLA	403	225	(178)	0.04%
TAM THANH NGUYEN	239	162	(77)	0.02%
BOBBIWOOD TRUST #6237	130	52	(78)	0.02%
Sub Total	16,507	8,339	(8,168)	2.04%
All Other Taxpayers	384,497	-	-	-
Total	<u>\$ 401,004</u>	<u>\$ 8,339</u>	<u>\$ (8,168)</u>	<u>2.04%</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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
SOUTHDOWN CA CEMENT, LLC I \$	5,896	\$ 1,000	\$ (4,896)	0.47%
AFP POWER INN ROAD LLC	3,708	2,000	(1,708)	0.16%
JOHN R NGO	357	350	(7)	0.00%
AHMAD SHAMS	330	250	(81)	0.01%
ELDERGLEN TRUST	199	130	(69)	0.01%
BRADFORD TRUST #5020	153	107	(46)	0.00%
ALIREZA JAY ALAEI	141	100	(41)	0.00%
ALPINE HOLDINGS INC.	87	64	(24)	0.00%
CBIP LLC	66	31	(36)	0.00%
Sub Total	10,938	4,031	(6,907)	0.66%
All Other Taxpayers	1,028,592	-	-	-
Total	<u>\$ 1,039,530</u>	<u>\$ 4,031</u>	<u>\$ (6,907)</u>	<u>0.66%</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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
TARGET CORPORATION	\$ 26,726	\$ 1,380	\$ (25,346)	9.83%
TONY GONZALES	2,495	1,497	(998)	0.39%
LYNARD Z KHAN PROP TRUST	217	100	(117)	0.05%
Sub Total	29,439	2,977	(26,462)	10.27%
All Other Taxpayers	228,278	-	-	-
Total	<u>\$ 257,717</u>	<u>\$ 2,977</u>	<u>\$ (26,462)</u>	<u>10.27%</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 May 1, 2016.

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, 2016
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
PETER C THOMPSON	\$ 12,000	\$ 7,144	\$ (4,856)	6.13%
COMCAST OF SACRAMENTO	2,219	1,259	(960)	1.21%
CHET TEMPLETON	11	1	(10)	0.01%
Sub Total	14,229	8,404	(5,825)	7.35%
All Other Taxpayers	64,999	-	-	-
Total	<u>\$ 79,228</u>	<u>\$ 8,404</u>	<u>\$ (5,825)</u>	<u>7.35%</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 May 1, 2016.

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	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Hines Sacramento Wells Fargo Center	\$ 192,500	1	7.75%	\$ -	-	-
500 Capitol Mall LLC	133,482	2	5.37%	-	-	-
621 Capitol Mall LLC	129,788	3	5.23%	-	-	-
CIM/980 9th St Sacramento LP	119,086	4	4.79%	-	-	-
300 Capitol Associates NF LP	114,000	5	4.59%	-	-	-
CIM/J Street Hotel Sacramento LP	94,519	6	3.81%	-	-	-
GSA Sacramento CA LLC	91,373	7	3.68%	-	-	-
1415 Meridian Plaza Investors LP	83,100	8	3.35%	-	-	-
GPT Props Trust	79,000	9	3.18%	-	-	-
Capitol Regency LLC	75,202	10	3.03%	-	-	-
Teachers Insurance/Annuity Assn of America	-	-	-	159,095	1	7.09%
EOP-400 Capital Mall LLC	-	-	-	146,285	2	6.52%
VV USA City LP	-	-	-	88,256	3	3.93%
RT Sacramento Funding Company Inc.	-	-	-	79,350	4	3.54%
Sacramento Hotel Corporation	-	-	-	73,592	5	3.28%
Rubicon NGP Sacramento CA LLP	-	-	-	67,320	6	3.00%
Teachers Insurance/Annuity Assn of America	-	-	-	40,576	7	1.81%
CA Assn Hosp/Hlth Sym (Tsakopoulos Family)	-	-	-	38,308	8	1.71%
Mart Family LLC/Senator Building LLC/ETA	-	-	-	35,505	9	1.58%
Health Property Associates	-	-	-	35,326	10	1.58%
Sub Total	1,112,050		44.77%	763,613		34.05%
All Other Taxpayers	1,371,595		55.23%	1,479,290		65.95%
Total	<u>\$ 2,483,645</u>		<u>100.00%</u>	<u>\$ 2,242,903</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 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Research Properties	\$ 5,460	1	1.68%	\$ 4,729	1	1.35%
BM Ventures LLC	4,700	2	1.44%	-	-	-
Ramon Canyon Associates LP	2,969	3	0.91%	-	-	-
John A/Leta K Nichols 1994 Rev Trust	2,875	4	0.88%	2,491	4	0.71%
Garin Elisa R/Etal	2,658	5	0.82%	-	-	-
US Rentals Inc	2,564	6	0.79%	2,221	5	0.64%
Proffutt Limited Partnership	2,227	7	0.68%	-	-	-
23002 Moulton Parkway LLC	1,842	8	0.57%	-	-	-
Terkensha/Associates	1,778	9	0.55%	1,440	9	0.41%
Lundbom Sacramento Realty Invs LP	1,562	10	0.48%	-	-	-
Woodhaven Senior Residence	-	-	-	3,990	2	1.14%
Lundblom Family Trust	-	-	-	3,818	3	1.09%
Lenore Wyatt Living Trust	-	-	-	1,965	6	0.56%
Maki Stephen	-	-	-	1,923	7	0.55%
Harry G & Mariann Brix 1993 Family Trust	-	-	-	1,665	8	0.48%
1980 Tyler Family Trust	-	-	-	1,325	10	0.38%
Sub Total	28,635		8.79%	25,567		7.32%
All Other Taxpayers	297,115		91.21%	323,775		92.68%
Total	<u>\$ 325,750</u>		<u>100.00%</u>	<u>\$ 349,342</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 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Hearst-Argyle Stations Inc	\$ 16,212	1	13.12%	\$ 9,242	2	7.69%
City PK LLC	12,359	2	10.00%	-	-	-
Blackpine City Flats LLC	23,473	3	18.99%	-	-	-
Realty Advisors Inc	7,480	4	6.05%	8,911	3	7.41%
1220 E State LLC	2,800	5	2.27%	-	-	-
520 Ninth St	2,244	6	1.82%	1,944	5	1.62%
John Dailey Trust/Charles D Deloney	2,029	7	1.64%	1,757	7	1.46%
GMA Investors LP	1,765	8	1.43%	-	-	-
700 E Street Building Partnership	1,760	9	1.42%	1,785	6	1.48%
1001 G State Rehabilitation LP	1,520	10	1.23%	-	-	-
Crystal Cream/Butter Co.	-	-	-	11,540	1	9.60%
US Housing Partners II LP	-	-	-	3,709	4	3.08%
James Fortino Trust/Court on G Inc.	-	-	-	1,755	8	1.46%
Washington Square III	-	-	-	1,595	9	1.33%
Samuel Tarpin	-	-	-	1,358	10	1.13%
Sub Total	71,642		57.96%	43,596		36.26%
All Other Taxpayers	51,965		42.04%	76,633		63.74%
Total	<u>\$ 123,607</u>		<u>100.00%</u>	<u>\$ 120,229</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 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
University of the Pacific	\$ 14,184	1	2.92%	\$ -	-	-
Rainbow Baking Co of Sac Valley	12,202	2	2.51%	19,059	1	3.40%
Regents University CA	10,936	3	2.25%	9,051	2	1.61%
Broadway/Stockton Food Source Inv LLC	5,340	4	1.10%	-	-	-
CP Howe/Arden LLC/Stockton Blvd Partners LLC	4,647	5	0.96%	-	-	-
Crestwood-Medical Center Hospital	4,492	6	0.92%	3,895	5	0.69%
Security Public Storage-Sacramento	3,907	7	0.80%	3,358	6	0.60%
Edmar Invs LLC	3,310	8	0.68%	2,867	7	0.51%
Broadway Triangle LLC	2,966	9	0.61%	-	-	-
University of the Pacific McGeorge School of Law	2,091	10	0.43%	-	-	-
Shiloh Arms LTD	-	-	-	5,657	3	1.01%
Sotiris/Matina Kolokotronis Family Trust	-	-	-	4,469	4	0.80%
Donald and Virginia Compton Family Trust	-	-	-	2,772	8	0.49%
Quattrin Gary L/E Victor/etal	-	-	-	2,208	9	0.39%
St. Hope Development Company	-	-	-	2,103	10	0.38%
Sub Total	64,074		13.18%	55,439		9.89%
All Other Taxpayers	422,033		86.82%	504,999		90.11%
Total	\$ 486,107		100.00%	\$ 560,438		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
California Almond Growers Exchange	\$ 78,438	1	17.68%	\$ 26,026	2	5.60%
Grove River District LLC	35,393	2	7.98%	-	-	-
Mendell Allan/Etal	9,462	3	2.13%	-	-	-
Capitol Stn 65 LLC	8,557	4	1.93%	8,689	9	1.87%
New Sac Arena Props LLC	7,320	5	1.65%	-	-	-
Dos Rios Venture	6,434	6	1.45%	-	-	-
JMDH Real Estate Sacramento LLC	6,027	7	1.36%	-	-	-
BA Hotel LLC	5,892	8	1.33%	-	-	-
Bre/LQ Props LLC	5,624	9	1.27%	10,122	7	2.18%
Vida N Anello Revocable Living Trust	5,455	10	1.23%	-	-	-
Grove Investment Company	-	-	-	27,939	1	6.01%
Sunstone OP Properties LLC	-	-	-	18,460	3	3.97%
Richard Blvd. Partners	-	-	-	17,628	4	3.79%
CCAA Partners LLC/Bruce W. Bell/et al	-	-	-	13,975	5	3.01%
Ice Bear Inc. (Sequoia Pacific)	-	-	-	10,574	6	2.27%
CTF4-American River LLC	-	-	-	9,404	8	2.02%
HKM	-	-	-	6,593	10	1.42%
Sub Total	168,602		38.01%	149,410		32.14%
All Other Taxpayers	274,981		61.99%	315,399		67.86%
Total	\$ 443,583		100.00%	\$ 464,809		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Westcore West Sac LP	\$ 36,077	1	6.56%	\$ -	-	-
Seven Up Bottling Company of San Francisco	33,618	2	6.12%	19,975	3	3.55%
Price Company	22,234	3	4.04%	17,582	4	3.13%
North Sacramento Land Co	12,687	4	2.31%	9,773	7	1.74%
McCuen Acoma Street Investors	12,284	5	2.23%	10,641	6	1.89%
Meriliz Incorporated	7,959	6	1.45%	14,522	5	2.58%
Columbia Woodlake LLC	7,868	7	1.43%	-	-	-
Sent Expo Pointe LLC	7,800	8	1.42%	-	-	-
Recreational Equipment Inc	7,765	9	1.41%	-	-	-
Sutter Medical Foundation	6,213	10	1.13%	9,773	7	1.74%
PD Hotel Associates LLC	-	-	-	25,530	2	4.54%
JB Management LP	-	-	-	27,170	1	4.83%
SVN Sacramento LLC	-	-	-	9,260	8	1.65%
Radiological Associates	-	-	-	7,127	9	1.27%
Dos Robles Limited Partnership	-	-	-	6,633	10	1.18%
Sub Total	154,505		28.10%	157,986		28.08%
All Other Taxpayers	395,247		71.90%	404,621		71.92%
Total	\$ 549,752		100.00%	\$ 562,607		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
6200 Franklin LLC	\$ 15,404	1	2.99%	\$ -	-	-
United States Cold Storage Calif	10,413	2	2.02%	8,555	2	1.41%
Rosedown Associates LLC	6,199	3	1.20%	6,843	3	1.12%
Western Village LP	4,697	4	0.91%	-	-	-
Extra Space Props Ninety Four Limited Partnership	4,452	5	0.86%	-	-	-
SEI/PSP VI Joint Ventures	4,374	6	0.85%	3,795	5	0.62%
Bowling Green Associates	4,220	7	0.82%	3,655	6	0.60%
Sacto Childrens Home	4,044	8	0.79%	-	-	-
Con-Way Western Express Inc	3,881	9	0.75%	3,432	8	0.56%
47th Street Associates LLC	3,789	10	0.74%	-	-	-
Campbell Soup	-	-	-	129,964	1	21.35%
Patrician Michael W/ Martha R	-	-	-	4,244	4	0.70%
MH Southgate Investors	-	-	-	3,584	7	0.59%
Chateau Lang Apartments LLC	-	-	-	2,864	9	0.47%
CTC Investors LLC	-	-	-	2,652	10	0.44%
Sub Total	61,472		11.94%	169,588		27.86%
All Other Taxpayers	453,351		88.06%	439,121		72.14%
Total	\$ 514,823		100.00%	\$ 608,709		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Stockton Plaza Partners LLC	\$ 14,299	1	3.74%	\$ -	-	-
EKG Investors LLC/Sct Investors LLC/Etal	9,336	2	2.44%	-	-	-
Little Saigon Plaza Sacramento	8,000	3	2.09%	7,293	5	1.70%
John M/Nancy M Kehriotis Living Trust	7,846	4	2.05%	6,797	6	1.58%
NT Stockton Invs LLC	6,950	5	1.82%	-	-	-
ESS Prisa II LLC	5,937	6	1.55%	5,249	9	1.22%
Brittany Arms LLC	5,648	7	-	5,202	10	1.21%
SF Florin LP	4,893	8	1.28%	-	-	-
Ralphs Grocery Co	4,853	9	1.27%	5,617	8	1.31%
Sustained Invs LLC	4,590	10	1.20%	-	-	-
Azure Park Apartments LLC	-	-	-	11,534	1	2.69%
Gonzalez Jaime/Gloria	-	-	-	8,670	2	2.02%
CCI Stockridge SAC LLC	-	-	-	7,907	3	1.84%
Western Investment Real Estate	-	-	-	7,454	4	1.74%
Shiloh Arms LTD	-	-	-	5,657	7	1.32%
Sub Total	72,353		18.93%	71,380		16.63%
All Other Taxpayers	309,841		81.07%	357,736		83.37%
Total	\$ 382,194		100.00%	\$ 429,116		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
RI Florin Perkins LLC	\$ 33,338	1	3.32%	\$ -	-	-
US National Leasing LLC	27,081	2	2.69%	-	-	-
Engineered Polymer Solutions Inc	14,172	3	1.41%	11,889	5	1.19%
Central Valley Industrial Core Holdings	11,407	4	1.13%	-	-	-
Elder Creek Transfer/Recovery Inc	10,366	5	1.03%	10,369	6	1.04%
Air Producsts Manufacturing Corporation	9,720	6	0.97%	-	-	-
A/W Investments LLC	9,170	7	0.91%	-	-	-
AFP Inv Partners LLC	7,926	8	0.79%	-	-	-
C/S Logistics Sacramento/Tracy LLC	7,567	9	0.75%	7,335	7	0.73%
Massie/Co	7,200	10	0.72%	-	-	-
R/G Hayward LLC	-	-	-	15,198	4	1.52%
Proctor/Gamble Manufacturing Co.	-	-	-	70,733	1	7.06%
Crystal Cream/Butter Company	-	-	-	39,138	2	3.91%
Fedex Ground Package Systems Inc.	-	-	-	18,340	3	1.83%
Ballantyne Diana S/Mark C/Jan W L	-	-	-	7,260	8	0.72%
Marvin L. Oates Trust	-	-	-	7,072	9	0.71%
Air Products/Chemicals Inc.	-	-	-	6,699	10	0.67%
Sub Total	137,947		13.73%	194,033		19.37%
All Other Taxpayers	867,093		86.27%	807,673		80.63%
Total	\$ 1,005,040		100.00%	\$ 1,001,706		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - 65th Street
Current Fiscal Year and Nine Years Ago
(in thousands)

Assessee	2016			2007		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Element Sacramento LLC	\$ 59,000	1	23.68%	\$ -	-	-
Target Corporation	27,114	2	10.88%	14,025	3	5.58%
CAV Core Sacramento LLC	13,474	3	5.41%	-	-	-
65th St Village LLC	11,098	4	4.45%	-	-	-
CPCA 7716 Folsom Blvd LLC	7,885	5	3.16%	-	-	-
Dimenstion Properties LLC	6,104	6	2.45%	3,442	10	1.37%
American River Self Storage LP	5,054	7	2.03%	4,266	8	1.70%
STU Health Revocable Trust/Etal	4,791	8	1.92%	-	-	-
2800 PICO Associates LLC	4,395	9	1.76%	3,807	9	1.51%
Jackson IV LLC	4,315	10	1.73%	-	-	-
Atlas Disposal Industries LLC	-	-	-	4,989	5	1.98%
Sacramento Fourth Ave Assoc LLC	-	-	-	52,464	1	20.86%
Home Depot USA Inc.	-	-	-	14,354	2	5.71%
KCMKC Properties, LP/Paul E. Fong/MAE Etal	-	-	-	7,277	4	2.89%
Commercial Net Lease Realty	-	-	-	4,801	6	1.91%
Kenneth/Susan Cathchot Family 2005 Revocable Trust	-	-	-	4,314	7	1.72%
Sub Total	143,231		57.48%	113,739		45.22%
All Other Taxpayers	105,944		42.52%	137,775		54.78%
Total	\$ 249,175		100.00%	\$ 251,514		100.00%

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.
(2) Based on total adjusted 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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

Assessee	2016			2010 ⁽¹⁾		
	Taxable Value ⁽²⁾	Rank	Percentage of Total Taxable Value ⁽³⁾	Taxable Value	Rank	Percentage of Total Taxable Value
Downtown Railyard Venture LLC	\$ 24,203	1	29.80%	\$ -	-	-
906 NEWCO LLC	12,240	2	15.07%	-	-	-
REA Limited Partnership	5,250	3	6.46%	5,378	4	6.91%
Sacramento Co Emp Credit Union	4,437	4	5.46%	4,068	5	5.23%
PDRA/Company LLC	3,848	5	4.74%	3,537	6	4.54%
Sutter HOJ LP	3,676	6	4.53%	-	-	-
PLF Bldg LLC	3,624	7	4.46%	-	-	-
Strumwasser Michael J/Silvia M	3,181	8	3.92%	2,924	7	3.76%
Bowman/Bay Building Joint Venture	2,301	9	2.83%	2,115	8	2.72%
Legacy Ventures LLC	1,354	10	1.67%	1,245	10	1.60%
CCAA Partners LLC/Bruce W. Bell/Etal	-	-	-	14,843	2	19.07%
New Baytree LLC	-	-	-	14,826	3	19.05%
S Thomas Enterprises of Sacramento	-	-	-	17,224	1	22.13%
John Morgan/Nelly B Patino/Eddie Cuevas	-	-	-	1,556	9	2.00%
Sub Total	64,114		78.94%	67,716		87.00%
All Other Taxpayers	17,104		21.06%	10,117		13.00%
Total	\$ 81,218		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 ownership of locally-assessed secured and unsecured real property net of exemptions.
(3) Based on total adjusted 2015-16 Project Area total taxable value.

Source: Sacramento County Assessor

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
2006-07	\$ 40,781	\$ 292	\$ 1,772	\$ 38,716	\$ 21,468	1.80	NA	NA	NA
2007-08	44,436	456	1,851	42,129	22,119	1.90	NA	NA	NA
2008-09	48,016	600	2,295	45,121	21,836	2.07	NA	NA	NA
2009-10	42,876	438	3,050	39,388	21,790	1.81	NA	NA	NA
2010-11	35,280	580	2,684	32,016	21,776	1.47	NA	NA	NA
2011-12	42,334	726	2,911	38,698	22,120	1.75	6,008	28,128	1.38 (1)
2012-13	41,304	745	2,556	38,003	22,087	1.72	6,619	28,706	1.32
2013-14	42,684	687	3,037	38,960	24,896	1.56	5,123	30,019	1.30 (3)
2014-15	43,657	649	3,911	39,097	21,937	1.78	9,158	31,095	1.26
2015-16	49,142	690	5,766	42,686	11,794	3.62	15,610	27,404	1.56 (4)

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
2006-07	\$ 24,217	\$ 167	\$ 496	\$ 23,554	\$ 16,162	1.46	NA	NA	NA
2007-08	26,259	277	502	25,480	16,541	1.54	NA	NA	NA
2008-09	30,213	380	484	29,349	16,090	1.82	NA	NA	NA
2009-10	29,144	282	1,606	27,256	16,072	1.70	NA	NA	NA
2010-11	23,069	387	1,454	21,228	16,051	1.32	NA	NA	NA
2011-12	23,750	406	807	22,537	16,254	1.39	2,608	18,862	1.19 (1)
2012-13	23,260	419	652	22,189	16,298	1.36	2,655	18,953	1.17
2013-14	23,042	372	580	22,090	16,245	1.36	4,188	20,433	1.08 (2)
2014-15	23,121	350	1,071	21,700	16,242	1.34	4,980	21,222	1.02
2015-16	27,081	372	2,415	24,294	11,395	2.13	146	11,541	2.11 (4)

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
2006-07	\$ 3,837	\$ 29	\$ 307	\$ 3,501	\$ 1,290	2.71	NA	NA	NA
2007-08	4,181	27	357	3,796	1,606	2.36	NA	NA	NA
2008-09	4,079	51	169	3,859	1,625	2.37	NA	NA	NA
2009-10	3,222	33	377	2,812	1,627	1.73	NA	NA	NA
2010-11	2,901	45	322	2,534	1,626	1.56	NA	NA	NA
2011-12	2,551	44	199	2,307	1,769	1.30	100	1,869	1.23 (1)
2012-13	2,549	46	194	2,309	1,644	1.40	240	1,884	1.23
2013-14	2,853	44	245	2,564	1,618	1.58	230	1,848	1.39
2014-15	3,149	44	337	2,768	1,618	1.71	231	1,849	1.50
2015-16	3,190	45	384	2,761	-	-	14	14	197.21 (4)

Notes:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Revised to include 2008 B of A Public Capital Corp Debt.

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

(3) Revised to correct total tax increment received.

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

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

Alkali Flat

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2006-07	\$ 1,168	\$ 9	\$ 33	\$ 1,126	\$ 618	1.82	NA	NA	NA
2007-08	1,270	14	34	1,222	619	1.98	NA	NA	NA
2008-09	1,234	17	14	1,203	618	1.95	NA	NA	NA
2009-10	1,253	15	54	1,185	616	1.92	NA	NA	NA
2010-11	1,106	18	68	1,020	619	1.65	NA	NA	NA
2011-12	1,077	18	19	1,039	622	1.67	463	1,085	0.96
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

(1)

(4)

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
2006-07	\$ 5,939	\$ 45	\$ 404	\$ 5,490	\$ 2,846	1.93	NA	NA	NA
2007-08	6,255	69	409	5,777	2,769	2.09	NA	NA	NA
2008-09	5,854	73	381	5,400	2,767	1.95	NA	NA	NA
2009-10	4,213	49	372	3,792	2,757	1.38	NA	NA	NA
2010-11	3,871	60	314	3,498	2,761	1.27	NA	NA	NA
2011-12	3,772	63	150	3,559	2,756	1.29	103	2,859	1.24
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
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

(1)

(2)

(4)

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
2006-07	NA	NA	NA	NA	\$ -	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	1,372	25	246	1,100	-	-	494	494	2.23
2012-13	1,294	26	227	1,041	-	-	654	654	1.59
2013-14	1,025	20	259	746	-	-	646	646	1.15
2014-15	1,542	23	280	1,239	-	-	642	642	1.93
2015-16	1,544	22	288	1,234	-	-	229	229	5.39

(1)

(3)

(4)

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 Oak Park ML Refunding from senior to subordinate debt.

(3) Revised to correct total tax increment received.

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

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

North Sacramento

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2006-07	\$ 3,063	\$ 24	\$ 194	\$ 2,845	\$ 436	6.53	NA	NA	NA
2007-08	3,542	38	198	3,305	468	7.06	NA	NA	NA
2008-09	3,787	46	291	3,450	528	6.53	NA	NA	NA
2009-10	3,087	36	237	2,814	530	5.30	NA	NA	NA
2010-11	2,722	45	209	2,468	528	4.68	NA	NA	NA
2011-12	2,439	44	187	2,208	539	4.10	629	1,168	1.89 (1)
2012-13	2,323	44	165	2,114	537	3.94	779	1,316	1.61
2013-14	2,303	38	247	2,018	524	3.85	778	1,302	1.55 (2)
2014-15	2,689	37	262	2,390	530	4.51	772	1,302	1.84
2015-16	2,819	40	282	2,497	218	11.45	375	593	4.21 (4)

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
2006-07	NA	NA	NA	NA	\$ -	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	2,225	39	184	2,002	-	-	100	100	20.02 (1)
2012-13	2,354	41	195	2,118	-	-	109	109	19.43
2013-14	2,414	38	189	2,187	-	-	99	99	22.09
2014-15	952	24	117	811	-	-	99	99	8.19 (3)
2015-16	1,640	23	116	1,501	-	-	41	41	36.61

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
2006-07	\$ 2,557	\$ 19	\$ 338	\$ 2,200	\$ 115	19.16	NA	NA	NA
2007-08	2,930	31	350	2,548	115	22.20	NA	NA	NA
2008-09	2,849	33	957	1,860	208	8.92	NA	NA	NA
2009-10	1,957	22	405	1,529	187	8.19	NA	NA	NA
2010-11	1,611	26	317	1,268	191	6.63	NA	NA	NA
2011-12	1,496	26	387	1,083	180	6.02	250	430	2.52 (1)
2012-13	1,369	24	329	1,016	191	5.32	261	452	2.25
2013-14	1,420	24	377	1,019	180	5.66	245	425	2.40
2014-15	1,755	24	446	1,285	180	7.14	246	426	3.02
2015-16	1,933	28	526	1,379	180	7.66	149	329	4.19 (4)

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 2006 North Sac TE and TX ML Series A & B from senior to subordinate debts.

(3) Reduction in total tax increment is a result of appeal refunds.

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

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

Army Depot

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2006-07	NA	NA	NA	NA	\$ -	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	2,617	44	523	2,050	-	-	737	737	2.78 (1)
2012-13	2,342	43	452	1,847	-	-	748	748	2.47
2013-14	3,200	50	643	2,507	-	-	735	735	3.41
2014-15	3,556	50	699	2,807	-	-	739	739	3.80
2015-16	3,944	56	847	3,041	-	-	267	267	11.39 (2)

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
2006-07	NA	NA	NA	NA	\$ -	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	1,035	17	207	811	-	-	524	524	1.55 (1)
2012-13	923	16	181	726	-	-	523	523	1.39
2013-14	834	14	185	635	-	-	506	506	1.25
2014-15	1,030	14	197	819	-	-	500	500	1.64
2015-16	1,067	16	228	823	-	-	388	388	2.12 (2)

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) Various senior and subordinate 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,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Citywide and Community Support	-	-	-	-	-	-	23	23	21	5
Code Enforcement	94	92	107	90	-	-	-	-	-	-
Community Development	-	-	-	107	170	166	159	163	166	219 ⁽¹⁾
Convention and Cultural Services	208	213	214	206	196	194	133	138	126	120
Development Services	243	246	222	-	-	-	-	-	-	-
Economic Development	17	24	27	22	18	14	11	11	11	11
Fire	651	651	655	582	611	589	527	642	657	674
General Government	408	419	400	329	319	312	305	320	325	370 ⁽¹⁾
General Services	264	287	307	257	247	225	368	367	372	- ⁽¹⁾
Neighborhood Services	16	15	15	9	-	-	-	-	-	-
Parks and Recreation	930	925	872	680	648	579	553	577	568	599
Planning	38	33	34	-	-	-	-	-	-	-
Police	1,265	1,272	1,271	1,091	1,060	900	847	940	973	1,033
Public Works	-	-	-	-	-	-	395	406	415	732 ⁽¹⁾
Transportation	350	356	437	424	409	409	-	-	-	-
Utilities	732	741	741	752	698	698	505	510	522	538
Total	5,213	5,273	5,300	4,549	4,374	4,083	3,825	4,095	4,157	4,300

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

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

Function/program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Adult arrests	24,703	22,783	21,230	20,555	19,885	17,058	18,650	19,570	18,113	16,778
Citizen initiated calls for service with officer responses	181,793	181,873	173,045	176,157	166,207	154,193	154,233	118,975	141,181	149,275
Fire ⁽¹⁾										
Number of incidents	66,284	70,609	64,525	59,608 ⁽²⁾	71,111	73,343	74,427	75,000	80,596	85,742
Number of structure fires	500	414	401	359 ⁽²⁾	606	652	680	586	784	756
Number of construction inspection/reviews	NA	NA	NA	2,790	NA	1,895	4,568 ⁽¹²⁾	4,761	3,234	4,181
General Services										
Number of animal licenses issued	14,944	18,812	18,732	17,094	17,132	17,318	15,810 ⁽¹³⁾	15,057	8,995	12,016 ⁽²¹⁾
Number of animal outplacements	4,352	4,252	4,025	3,300	2,901	3,750	5,521 ⁽¹⁴⁾	6,167	7,447	8,789
Public Works										
Number of traffic investigations completed	1,123	1,019	1,028	903	712 ⁽⁴⁾	717	821	936	678	896
Number of parking citations issued	194,193	233,901	236,103	240,248	184,215 ⁽⁵⁾	164,492	165,700	171,066	196,586	192,708
Convention and Cultural Services										
Number of Community Convention Center events	664	568	528	453	417	389	378	378	358	408
Community Convention Center event attendance	849,000	863,759	862,000	780,000	873,577	796,000	645,000 ⁽¹⁵⁾	881,253	775,253	744,145
Number of Zoo attendance	529,734	482,072	467,446	481,452	498,518	526,959	508,061	512,758	549,407	533,368
Parks and Recreation										
Number of students enrolled in START	8,845	8,364	8,695	8,563	7,437	5,755 ⁽⁷⁾	5,330	5,603	6,897	4,534 ⁽²²⁾
Number of students enrolled in 4th R ⁽⁸⁾	3,000	3,500	2,675	2,600	2,142	1,899	1,949	1,955	2,007	1,863
Number of lunches served through food programs	160,900	156,916	197,020	120,726 ⁽⁹⁾	133,687	42,848 ⁽⁸⁾	- ⁽¹⁶⁾	-	-	-
Community Development ⁽¹⁸⁾										
Number of building permits issued	16,930	14,349	13,182	11,786	11,474	11,545	12,146	13,950	14,002	17,041
Building permit valuation (in million of dollars)	1,005	862	557	543	387	281	391	362	544	778
Vehicles abated by City	2,572	1,538	898	694	429	254 ⁽¹⁰⁾	282	343	356	772
Notice and orders issued on housing and dangerous buildings	445	378	360	305	250	188 ⁽¹¹⁾	253	154	279	239
Water										
Number of accounts	151,459	135,665	137,029	136,600	136,812	137,148	135,353	135,590	134,971	136,130
Amount distributed/pumped (million of gallons)	49,463	NA	42,726	38,453	37,393	38,692	40,034	34,896	29,557	27,324
Wastewater										
Number of accounts	79,620	76,253	76,802	76,385	76,394	76,477	76,484	76,657	76,471	76,849
Amount distributed/pumped (million of gallons)	19,185	NA	15,889	14,302	NA	10,695	6,805 ⁽¹⁷⁾	10,603	10,605	10,605
Storm Drainage										
Number of accounts	132,376	131,801	132,727	132,556	133,188	133,814	134,651	135,834	136,850	137,754
Amount distributed/pumped (million of gallons)	53,444	NA	27,936	27,288	NA	28,445	17,602	14,585 ⁽¹⁹⁾	24,179	20,225
Solid Waste										
Residential garbage disposed (in Tons)	128,802	128,060	104,542	112,203	110,103	106,085	109,141	109,060	111,140	112,497
Commercial garbage collected (in Tons)	NA	24,804	18,937	17,688	12,918 ⁽⁶⁾	12,251	1,222	- ⁽²⁰⁾	-	-

- Notes: (1) The threshold for investigation of a fire was raised from \$10,000 or \$30,000 in fiscal year 2005.
(2) Due to a system problem in October 2009, only 11 months of data are available.
(3) In FY10, the decrease in number of lunches served through food programs was due to 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 were 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 down turn 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 drain pumped/distributed 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) Implemented web licensing.
(22) Lost Elk Grove School District students in FY16.

Source: Various City of Sacramento Departments

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

Function/program	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Police										
Number of stations ⁽¹⁾	2	4	4	4	4	4	4	4	4	4
Number of patrol units ⁽²⁾	210	210	210	242	242	242	263	243	226	231
Number of aircraft	NA	NA	3	3	3	4	4	4	4	4
Number of watercraft	NA	NA	2	2	2	3	3	3	2 ⁽¹²⁾	2
Fire										
Number of stations	23	23	23	23	23	24	24	24	24	24
Number of fire suppression, support or prevention vehicles	170	151	150	160	160	159	159	159	159	162
Number of watercraft	NA	NA	NA	NA	NA	NA	NA	NA	1 ⁽¹²⁾	1
Public Works										
Miles of streets	3,034	3,045	3,044	3,063	3,108	3,108	3,065	3,077	3,059	3,059
Number of street lights	39,964	40,578	41,131	41,252	41,301	41,679	41,788	42,048	42,225	42,627
Number of City parking spaces ⁽³⁾	8,795	8,798	8,484	8,484	8,484	8,484	8,484	8,484	4,775 ⁽¹³⁾	4,775
Miles of off-street bikeways	67	76	78	78	82	82	83	84	57	57
Parks and recreation										
Number of parks	205	206	208	212	213	213	222	222	222	225
Park acreage ⁽⁴⁾	3,125	3,126	3,167	3,171	3,171	3,150	3,161	3,161	3,161	3,183
Number of community centers ⁽⁵⁾	17	16	13	13	13	13	13	13	13	13
Number of swimming pools (including wading pools)	23	23	26	26	26	26	26	26	26	27
Water										
Miles of water mains and distribution lines ^{(6) (7)}	1,873	1,859	1,720	1,724	1,596	1,599	1,599	1,597	1,727	1,599
Sewers and storm drainage										
Miles of sanitary sewers and storm drainage ⁽⁸⁾	2,024	1,859	1,693	1,950	1,954	1,951	1,951	1,951	1,873	1,869
Off-street parking										
Number of City garages and open parking lots	12	12	10	10	10	10	10	10	7 ⁽¹³⁾	7
Golf										
Number of golf courses	6	6	6	6	6	6	6	6	6	6
Marina										
Number of boat harbor slips	547	475 ⁽⁹⁾	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.

Source: Various City of Sacramento Departments

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	
	2016	2007
Number of budgeted positions	4,300	5,213
Area in square miles	99	99
Altitude in feet	20	20
City of Sacramento facilities and services:		
Police		
Number of stations	4	2
Number of police personnel sworn / civilian (actual)	663/286	799/465
Number of patrol units	231	210
Fire		
Number of stations	24	23
Number of fire personnel sworn / unsworn	620/54	587/64
Number of fire protection, support and prevention vehicles	162	170
Utilities		
Miles of water mains and distribution lines ⁽¹⁾	1,599	1,873
Annual water production in gallons	27 billion	49 billion
Miles of sanitary sewers and storm drainage ⁽²⁾	1,869	2,124
Public Works		
Miles of streets	3,059	3,034
Number of street lights	42,627	39,964
Number of City managed parking lots / spaces	18 / 4,726	12/8,795
Miles of off-street bikeways	57	67
Boat harbor slips ⁽³⁾	475	547
Convention and Cultural Services		
Golf courses	6	6
Zoo animals ⁽⁴⁾	587	547
Fairytale town attendance for year	254,863	231,366
Crocker Art Museum attendance for year	277,178	171,619
Community Convention Center attendance for year	744,145	849,000
Parks and Recreation		
Parks	225	215
Park acreage ⁽⁵⁾	3,183	3,980
Camp Sacramento attendance for year	2,931	2,262
Community centers	13	17
Neighborhood centers	5	N/A
Swimming pools	12	23
Baseball fields ⁽⁶⁾	103	101
Soccer fields	131	93
Ball courts	202	59
Library		
Library branches	12	27 ⁽⁷⁾
Library books and audiovisual recordings in circulation	1,937,053	1,857,549

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

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

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

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

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

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

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

Source: Various City of Sacramento departments and publications

KEVIN JOHNSON

Mayor

ANGELIQUE ASHBY

Councilmember, District 1

ALLEN WARREN

Councilmember, District 2

JEFF HARRIS

Councilmember, District 3

STEVE HANSEN

Councilmember, District 4

JAY SCHENIRER

Councilmember, District 5

ERIC GUERRA

Councilmember, District 6

RICK JENNINGS, II

Vice Mayor, District 7

LARRY CARR

Mayor Pro Tem, District 8

CITY OF SACRAMENTO FACTS

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

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

The City is divided into eight districts.

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

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

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

The City of Sacramento currently encompasses approximately 100 square miles.

The current estimated population is 485,683.



CityofSacramento.org

Cover images from left to right:
1. East Sacramento Neighborhood
2. City Worker in Land Park
3. Farm-to-Fork 2014