



OFFICE OF THE
CITY TREASURER

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TREASURER

**CITY OF SACRAMENTO
CALIFORNIA**

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March 18, 2011

Annual Continuing Disclosure for Fiscal Year 2010:

Sacramento City Financing Authority – 2002 Capital Improvement Revenue Bonds, Series A
(City Hall and Redevelopment)
\$160,475,000

In accordance with the provision of the Continuing Disclosure Certificate executed in connection with the bond issue referenced above, the attached Annual Report for Fiscal Year ending June 30, 2010 is submitted. This information may also be found at the City Treasurer's website at: http://www.cityofsacramento.org/treasurer/continuing_disclosure.html.

CUSIP numbers to which the information relates:

| | | | | | | |
|-----------|-----------|-----------|-----------|-----------|-----------|-----------|
| 785849JD3 | 785849JJ0 | 785849JM3 | 785849NV8 | 785849JT8 | 785849KB5 | 785849JW1 |
| 785849JE1 | 785849JK7 | 785849NU0 | 785849JQ4 | 785849PD6 | 785849KA7 | 785849JX9 |
| 785849JF8 | 785849NT3 | 785849PB0 | 785849JR2 | 785849JT8 | 785849JZ4 | 785849KC3 |
| 785849JG6 | 785849PA2 | 785849JN1 | 785849NW6 | 785849JU5 | 785849JY7 | |
| 785849JH4 | 785849JL5 | 785849JP6 | 785849PC8 | 785849JV3 | 785849JS0 | |

If you have any questions or concerns, please do not hesitate to call our office at (916) 808-5168.

Submitted by,


Janelle Gray
Debt Manager

**City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2009/10**

**Issue: Sacramento City Financing Authority
2002 Capital Improvement Revenue Bonds, Series A
(City Hall and Redevelopment Projects)**

**Par: \$160,475,000
Issued: July 2, 2002**

Content of Annual Report. The City's Annual Report shall contain or incorporate by reference the following:

1. The City's comprehensive audited financial report for the prior fiscal year.

The City's Comprehensive Annual Financial Report (CAFR) for the fiscal year ending June 30, 2010, is now available on the city's website at:

<http://www.cityofsacramento.org/finance/accounting/reporting.cfm>.

2. The Annual Budget of the City for the current fiscal year.

The Annual Budget of the City for the current Fiscal Year (2009/10) is available on-line at:

www.cityofsacramento.org/budget/

3. An update of the information contained in Tables C-1, C-2, C-3 and C-5 in the Official Statement substantially in the form of the table by that name included in Appendix C to the Official Statement, for the most recently completed fiscal year.

See Exhibits A, B, C, D.

TABLE C-1
CITY OF SACRAMENTO
STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE (IN THOUSANDS)

EXHIBIT A

| | 2004-05 | 2005-06 | 2006-07 | 2007-08 | 2008-09 | 2009-10 |
|---|----------------|----------------|-----------------|-----------------|-----------------|-----------------|
| Revenues: | | | | | | |
| Property Taxes | 70,405 | 112,234 | 127,454 | 137,782 | 135,806 | 123,681 |
| Sales and Use Taxes | 55,342 | 59,118 | 56,441 | 54,821 | 48,905 | 46,769 |
| Utility Users Tax | 53,893 | 56,243 | 55,618 | 57,561 | 57,775 | 58,693 |
| Other Taxes | 34,094 | 32,002 | 29,819 | 23,865 | 20,358 | 18,591 |
| Fines, Forfeitures and Penalties | 6,288 | 6,672 | 6,938 | 8,597 | 10,999 | 11,131 |
| Interest, Rents and Concessions | 3,867 | 5,724 | 7,870 | 3,173 | 861 | (88) |
| Intergovernmental Revenues | 48,257 | 16,103 | 20,863 | 16,039 | 16,833 | 15,294 |
| Charges, Fees and Services ⁽¹⁾ | 49,071 | 51,435 | 50,644 | 51,626 | 59,416 | 54,446 |
| Other Revenues | 310 | 1,279 | 281 | 831 | 180 | 142 |
| Total Revenues | 321,527 | 340,810 | 355,928 | 354,295 | 351,133 | 328,659 |
| Expenditures: | | | | | | |
| General Government | 25,440 | 29,729 | 30,451 | 32,946 | 29,014 | 24,009 |
| Public Safety (Police and Fire) | 175,926 | 201,193 | 220,224 | 225,263 | 229,653 | 230,225 |
| Public Works | 13,621 | 19,134 | 22,491 | 22,630 | 22,779 | 19,425 |
| Neighborhood Development ⁽²⁾ | 63,794 | 72,417 | 80,844 | 83,676 | 72,183 | 56,493 |
| Non-Departmental | 26,952 | 24,202 | 17,708 | 26,993 | 25,336 | 26,330 |
| Capital Improvements | 11,294 | 8,517 | 30,199 | 16,839 | 9,005 | 4,918 |
| Debt Service ⁽³⁾ | 2,209 | 841 | 721 | 1,736 | 9,746 | 1,189 |
| Total Expenditures | 319,236 | 356,033 | 402,638 | 410,083 | 397,716 | 362,589 |
| Excess (Deficiency) | 12,854 | (6,190) | (34,177) | (45,995) | (33,701) | (21,344) |
| Other Financing Sources (Uses): | | | | | | |
| Transfers from Other Funds | 21,173 | 20,527 | 26,206 | 24,814 | 33,540 | 23,948 |
| Transfers to Other Funds | (20,656) | (19,491) | (26,058) | (32,281) | (28,776) | (24,136) |
| Proceeds from Long-Term Debt | 2,100 | - | 16,771 | 2,155 | - | 4,551 |
| Fin Sources (Uses) over Expenditures | 15,471 | (5,154) | (17,258) | (32,516) | (26,874) | (16,981) |
| Fund Balance Previously Reported | 123,478 | 153,426 | 148,736 | 131,478 | 98,962 | 72,088 |
| Prior Period Adjustment | 14,477 | 464 | - | - | - | - |
| Fund Balance, beginning of year, as restated | 137,955 | 153,890 | 148,736 | 131,478 | 98,962 | 72,088 |
| Ending Fund Balance | 153,426 | 148,736 | 131,478 | 98,962 | 72,088 | 55,107 |
| Less Reserves and Designations: | | | | | | |
| Reserved for Non-Current Assets | 1,305 | 1,074 | 987 | 1,604 | 969 | 514 |
| Reserved for Encumbrances | 10,790 | 14,089 | 17,070 | 8,947 | 5,189 | 6,301 |
| Reserved for Inventories and Pre-paids | - | - | - | 449 | 316 | 304 |
| Designated for Economic Uncertainties – base | 30,000 | 30,000 | 30,000 | 33,100 | 10,540 | 10,540 |
| Designated for Capital Improvement Projects | 20,601 | 36,604 | 29,280 | 28,942 | 25,925 | 24,159 |
| Designated for Future PERS Costs | 7,800 | 7,800 | - | - | - | - |
| Designated for Voluntary Separation Program (VSP) | - | - | - | 3,912 | 785 | - |
| Designated for Upcoming Fiscal Year Balanced Budget | - | - | 29,186 | 492 | 11,339 | 4,800 |
| Designated for High Priority Capital Needs | - | - | 5,432 | - | - | - |
| Designated for Disaster Recovery | 6,000 | 6,000 | - | - | - | - |
| Designated for Future Labor Costs | 12,000 | 9,300 | - | - | - | - |
| Designated for Economic Development | - | 3,000 | - | 6,458 | - | - |
| Designated for Department Priorities | - | 3,000 | - | - | - | - |
| Designated for Growth Initiatives | 7,500 | 7,500 | - | - | - | - |
| Designated for State Impacts | 2,900 | - | - | - | - | - |
| Designated for Subsequent Years Expenditures | 38,897 | 28,263 | 17,523 | 14,058 | 16,150 | 8,489 |
| Fund Balance Available for Appropriation | 13,433 | 2,106 | 2,000 | 1,000 | 875 | - |

⁽¹⁾ Charges/Fees Services category includes revenue derived from the issuance of permits/licenses.

⁽²⁾ Includes Utilities, Economic Development, Convention, Culture and Leisure, Parks and Recreation, Planning and Building, Neighborhood Services

Library, Housing and Redevelopment, Code Enforcement

⁽³⁾ Includes Principal, Interest and Fiscal charges, and Advanced refunding escrow.

TABLE C-2
CITY OF SACRAMENTO
GROSS ASSESSED VALUES
FOR ALL TAXABLE PROPERTY
(In Thousands)

EXHIBIT B

| Fiscal Year | Gross Assessed Value ⁽¹⁾ | | | |
|------------------------|-------------------------------------|----------------|-----------------------|------------|
| | Secured Roll | Unsecured Roll | Public Utility | Total |
| 1992-93 | 15,397,363 | 1,188,080 | 55,421 | 16,640,864 |
| 1993-94 | 15,782,353 | 1,157,160 | 60,310 | 16,999,823 |
| 1994-95 | 15,875,732 | 1,190,319 | 63,997 | 17,130,048 |
| 1995-96 | 15,817,743 | 1,167,747 | 56,726 | 17,042,216 |
| 1996-97 | 15,812,272 | 1,193,868 | 50,688 | 17,056,828 |
| 1997-98 | 15,939,774 | 1,227,359 | 53,559 | 17,220,692 |
| 1998-99 | 16,539,861 | 1,247,496 | 57,831 | 17,845,188 |
| 1999-00 | 17,289,515 | 1,246,831 | 58,000 | 18,594,346 |
| 2000-01 | 18,369,903 | 1,231,639 | 54,668 | 19,656,210 |
| 2001-02 | 19,718,191 | 1,171,368 | 57,292 | 20,946,851 |
| 2002-03 | 21,855,519 | 1,157,123 | 66,428 | 23,079,070 |
| 2003-04 | 23,859,374 | 1,168,917 | 60,909 | 25,089,173 |
| 2004-05 ⁽²⁾ | 27,010,976 | 1,343,104 | 57,800 | 28,411,880 |
| 2005-06 | 31,112,448 | 1,374,566 | 56,950 | 32,543,964 |
| 2006-07 | 35,687,712 | 1,441,042 | 54,611 | 37,183,365 |
| 2007-08 | 39,286,839 | 1,548,914 | 15,371 ⁽³⁾ | 40,851,124 |
| 2008-09 | 40,360,550 | 1,691,096 | 11,948 | 42,063,594 |
| 2009-10 | 37,446,222 | 1,819,726 | 11,937 | 39,277,885 |

Source: County of Sacramento, Office of the Auditor/Controller.

- (1) Stated at full value; excludes property subject to redevelopment tax increments.
- (2) The Sacramento Housing and Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.
- (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.

**TABLE C-3
CITY OF SACRAMENTO
LARGEST 2009-10 LOCAL SECURED TAXPAYERS**

EXHIBIT C

| <u>Property Owner</u> | <u>Primary Land Use</u> | <u>2009-10 Assessed Valuation</u> | <u>% of Total⁽¹⁾</u> |
|------------------------------|-------------------------------|---------------------------------------|-------------------------------------|
| 1. Hines VAF II Sacramento | Office, General Multi-Story | \$479,887,616 | 1.23 |
| 2. Teachers Ins. Annuity | Office, General Multi-Story | \$168,732,070 | 0.43 |
| 3. 300 Capitol Assoc NF LP | Office, General Multi-Story | \$135,252,000 | 0.35 |
| 4. Arden Fair Associates | Commercial, Regional Shopping | \$130,092,242 | 0.33 |
| 5. CIM J Street Hotel Sac | Commercial, Regional Shopping | \$129,851,859 | 0.33 |
| 6. Downtown Plaza LLC | Commercial, Store-Office | \$128,746,520 | 0.33 |
| 7. CLPE Promenade LP | Office, General Multi-Story | \$125,264,667 | 0.32 |
| 8. 621 Capitol Mall LLC | Office, General Multi-Story | \$95,387,437 | 0.24 |
| 9. M H Realty Partners VI LP | Office, General Multi-Story | \$91,153,795 | 0.23 |
| 10. Sacramento Equities REIT | Office, General Multi-Story | \$89,250,000 | 0.23 |

Source: County of Sacramento

⁽¹⁾ Fiscal year ended 6/30/10 Total Assessed Valuation of Property Taxpayers: \$38,957,310,357

**GENERAL FUND OBLIGATION DEBT SERVICE
AS OF MARCH 31, 2011**

EXHIBIT D

| Fiscal Year | 1993 ⁽¹⁾ | 1997 ⁽²⁾ | 1999 ⁽³⁾ | 1999 ⁽⁴⁾ | 2002 ⁽⁵⁾ | 2002 ⁽⁶⁾ | 2002 ⁽⁷⁾ | 2003 ⁽⁸⁾ | 2005 ⁽⁹⁾ | 2006 ⁽¹⁰⁾ | 2006 ⁽¹¹⁾ | Capital, Small ⁽¹²⁾ | Total Debt Service Obligations | % of FY 10-11 ⁽¹³⁾ General Fund Revenues \$ 360,224,000 | Total Supported By Other Sources | Adjusted | Adjusted ⁽¹³⁾ |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|--------------------------|-----------------------------|--------------------------------|--------------------------------|---|----------------------------------|---------------------------------|--|
| | Lease Rev. Bonds | Lease Rev. Bonds | CFD 2 Lease | Cap. Impr. Rev. | Cap. Impr. Rev. | COP H St. Theatre | Refunding Rev. Bonds | Cap. Impr. Rev. | Refunding Rev. Bonds | Cap. Impr. Rev. Ser A, B | Cap. Impr. Rev. Ser C, D, E | Equip., Lses, Adv, &Nts | | | | Total Supported By General Fund | Percent of FY11 General Fund Revenue \$ 360,224,000 |
| 2011 | 15,527,202 | 5,034,843 | 237,031 | 2,057,373 | 7,939,245 | 1,048,711 | 5,661,888 | 2,288,900 | 9,982,900 | 10,842,582 | 14,297,988 | 3,294,955 | \$ 78,213,617 | 21.71% | \$ 49,068,317 | 29,145,300 | 8.09% |
| 2012 | 15,509,721 | 5,215,525 | 240,781 | 2,059,303 | 7,926,961 | 1,052,226 | 5,651,375 | 2,287,144 | 9,980,800 | 10,834,456 | 14,292,588 | 3,130,941 | \$ 78,181,822 | 21.70% | \$ 49,068,654 | 29,113,168 | 8.08% |
| 2013 | 15,492,536 | 5,329,189 | 243,906 | 262,338 | 7,937,659 | 1,052,531 | 5,642,625 | 2,285,811 | 16,173,100 | 10,833,778 | 11,091,688 | 3,130,941 | \$ 79,476,103 | 22.06% | \$ 50,473,892 | 29,002,211 | 8.05% |
| 2014 | 15,479,208 | 5,435,933 | 246,406 | 264,499 | 7,922,610 | 1,051,712 | | 2,281,039 | 16,248,725 | 10,816,758 | 11,093,892 | 3,130,941 | \$ 73,971,724 | 20.53% | \$ 47,375,660 | 26,596,063 | 7.38% |
| 2015 | 15,468,171 | 5,549,818 | 243,438 | 261,110 | 3,272,488 | 1,049,678 | | 3,356,096 | 20,526,225 | 10,812,511 | 11,091,126 | 2,384,566 | \$ 74,015,225 | 20.55% | \$ 48,255,933 | 25,759,292 | 7.15% |
| 2016 | 15,437,935 | 5,549,818 | 245,000 | 261,860 | 2,359,531 | 1,051,448 | | 3,510,934 | 21,427,600 | 10,805,696 | 11,091,683 | 2,046,708 | \$ 73,788,212 | 20.48% | \$ 48,911,595 | 24,876,617 | 6.91% |
| 2017 | 15,430,735 | 5,717,668 | 245,938 | 261,710 | 2,346,150 | 1,051,938 | | 3,559,381 | 21,404,850 | 10,799,388 | 11,091,855 | 2,046,708 | \$ 73,956,320 | 20.53% | \$ 49,070,186 | 24,886,135 | 6.91% |
| 2018 | 15,408,975 | 5,708,586 | 251,094 | 260,980 | 2,845,325 | 1,051,108 | | 3,612,686 | 20,886,350 | 9,225,313 | 11,090,825 | 1,265,130 | \$ 71,606,372 | 19.88% | \$ 48,159,191 | 23,447,181 | 6.51% |
| 2019 | 15,391,035 | 5,904,492 | 255,313 | 259,670 | - | 1,048,918 | | 3,762,761 | 17,481,100 | 9,229,575 | 11,540,000 | 598,771 | \$ 65,471,635 | 18.18% | \$ 42,363,483 | 23,108,152 | 6.41% |
| 2020 | 15,369,890 | 6,037,154 | 253,750 | 262,635 | - | 1,050,215 | | 2,591,754 | 17,425,225 | 9,212,048 | 11,573,525 | 583,332 | \$ 64,359,527 | 17.87% | \$ 41,989,099 | 22,370,428 | 6.21% |
| 2021 | 15,348,515 | 6,159,763 | 256,406 | 259,931 | - | 1,044,958 | | 2,168,896 | 16,470,100 | 9,210,746 | 11,042,000 | - | \$ 61,961,316 | 17.20% | \$ 40,869,617 | 21,091,699 | 5.86% |
| 2022 | | 6,349,569 | 262,969 | 261,563 | - | 1,047,831 | | 279,601 | 16,337,475 | 9,198,629 | 12,755,675 | - | \$ 46,493,312 | 12.91% | \$ 29,757,627 | 16,735,685 | 4.65% |
| 2023 | | 6,397,126 | 263,438 | 262,331 | | 1,043,975 | | 277,395 | 5,685,600 | 9,191,481 | 22,593,150 | | \$ 45,714,496 | 12.69% | \$ 26,849,465 | 18,865,031 | 5.24% |
| 2024 | | 6,598,858 | 262,969 | | | 1,043,000 | | 279,754 | 5,537,225 | 9,182,750 | 22,126,169 | | \$ 45,030,724 | 12.50% | \$ 26,409,800 | 18,620,924 | 5.17% |
| 2025 | | 6,746,704 | | | | 1,044,625 | | 271,772 | 5,538,688 | 9,181,265 | 22,027,794 | | \$ 44,810,847 | 12.44% | \$ 26,505,527 | 18,305,320 | 5.08% |
| 2026 | | 6,906,557 | | | | 1,044,500 | | 273,375 | 5,527,644 | 9,171,351 | 22,043,856 | | \$ 44,967,282 | 12.48% | \$ 26,663,149 | 18,304,133 | 5.08% |
| 2027 | | 7,254,568 | | | | 1,042,625 | | 274,375 | 5,533,631 | 9,162,435 | 22,035,025 | | \$ 45,302,658 | 12.58% | \$ 27,007,047 | 18,295,611 | 5.08% |
| 2028 | | 7,728,334 | | | | 1,039,000 | | 274,875 | 5,537,250 | 9,163,419 | 22,039,475 | | \$ 45,782,352 | 12.71% | \$ 27,482,740 | 18,299,612 | 5.08% |
| 2029 | | | | | | 1,038,500 | | 284,625 | 5,517,000 | 9,158,354 | 22,132,225 | | \$ 38,130,704 | 10.59% | \$ 19,788,187 | 18,342,517 | 5.09% |
| 2030 | | | | | | 1,036,000 | | 288,500 | 5,514,500 | 9,146,692 | 22,135,788 | | \$ 38,121,480 | 10.58% | \$ 19,782,988 | 18,338,492 | 5.09% |
| 2031 | | | | | | 1,036,375 | | 291,625 | | 9,132,759 | 22,135,044 | | \$ 32,595,803 | 9.05% | \$ 15,427,678 | 17,168,124 | 4.77% |
| 2032 | | | | | | 1,034,500 | | 289,125 | | 9,130,306 | 22,137,375 | | \$ 32,591,306 | 9.05% | \$ 15,426,528 | 17,164,778 | 4.77% |
| 2033 | | | | | | 1,035,250 | | 291,000 | | 9,113,362 | 22,144,775 | | \$ 32,584,387 | 9.05% | \$ 15,427,455 | 17,156,931 | 4.76% |
| 2034 | | | | | | | | 292,125 | | 9,106,001 | 5,639,300 | | \$ 15,037,426 | 4.17% | \$ 5,237,199 | 9,800,227 | 2.72% |
| 2035 | | | | | | | | | | 9,096,828 | 2,005,000 | | \$ 11,101,828 | 3.08% | \$ 3,219,631 | 7,882,197 | 2.19% |
| 2036 | | | | | | | | | | 9,074,993 | 2,004,250 | | \$ 11,079,243 | 3.08% | \$ 3,214,156 | 7,865,087 | 2.18% |
| 2037 | | | | | | | | | | 9,069,174 | | | \$ 9,069,174 | 2.52% | \$ 2,101,328 | 6,967,846 | 1.93% |
| Offsetting Sources => | 74% | 100.0% | 0.0% | 100.0% | 69.4% | 100.0% | 57.6% | 35.6% | 78.9% | 23.2% | 55.5% | 39.5% | | | | | |

(1) 1993A Lease Revenue Bonds support: 80.5% Community Center Fund, 8.0% Golf Fund and 1993B Lease Revenue Bonds support: 30.2% Parking Fund, 13.0% Storm Drainage Fund, 9.0% Community Center Fund.

(2) 1997 Lease Revenue Bonds support: ARCO Arena Sublease. Assumes the fixed rate established pursuant to the Swap Agreement for the 1997 Bonds is in effect for the remaining term of the bonds.

(3) 1999 CFD2 Lease

(4) 1999 Capital Improv Rev. Bonds support: 17.27% Solid Waste, 82.73% SHRA (54.5% Loan and 12.17% Master Lease)

(5) 2002 Capital Improv Rev. Bonds support: 30.6% General Fund, 61.35% SHRA, 8.06% North Natomas Fund

(6) Obligation is payable from H Street Theatre Revenues.

(7) Refunded the 1991 COP(Public Facilities) and 1991 COP (Light Rail): 42.4% General Fund, 57.6% Community Center Fund

(8) 2003 Capital Improv Rev. Bonds support: 65.41% - General Fund, 35.59% - North Natomas Fund

(9) Refunded the 1999 CIRB (24.02%), 2000 CIRB (21.81%), 2001 CIRB (35.19%), 2002 CIRB (18.98%); Supported by SHRA 15.67%, Solid Waste 13.85%, Parking 12.40%, Water 34.92%, North Natomas Fund 1.5%, and Golf 0.58%

(10) 2006 Capital Improv. Rev. Bonds, Ser A & B support: 78.83% General Fund, 17.99% SHRA, 5.18% Haggin Oaks

(11) 2006 Capital Improv. Rev. Bonds, Ser C, D & E support: 44.54% General Fund, 46.77% Water fund, 6.73% North Natomas Fund, 1.15% SHRA (2002 ML Merged Downtown, ML Stockton Blvd, 2002, & Tax Allocation Merged Downtown), .79% Golf Fund

(12) Capital, Small Leases, Advances and Notes support: 37.38% Solid Waste, 1.23% Marina

(13) Data based on FY 11 General Fund Revenue Forecast