

City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2011/12

| | | | | | |
|----------------------|---|-----------|-----------|-----------|-----------|
| Issue | Sacramento City Financing Authority 2005 Refunding Revenue Bonds | | | | |
| Par | \$173,925,000 | | | | |
| Issued | July 12, 2005 | | | | |
| CUSIP Numbers | 785849MA5 | 785849MB3 | 785849MC1 | 785849MD9 | 785849ME7 |
| | 785849MF4 | 785849MG2 | 785849MH0 | 785849MJ6 | 785849MK3 |
| | 785849ML1 | 785849MM9 | 785849MN7 | 785849MP2 | |

Content of Annual Report.

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

(a) The City's comprehensive audited financial report for the prior fiscal year.

The City's Comprehensive Annual Financial Report (CAFR) for the prior fiscal year has been uploaded as a separate document. The CAFR is also available on the city's website at:

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

(b) The Annual Budget of the City for the current fiscal year.

The City's Approved Budget for the current fiscal year has been uploaded as a separate document and is also available on-line at: <http://www.cityofsacramento.org/finance/budget/>

(c) An update of the information contained in Tables entitled "STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE," "GROSS ASSESSED VALUES FOR ALL TAXABLE PROPERTY," "CITY OF SACRAMENTO LARGEST LOCAL SECURED TAXPAYERS" and "GENERAL FUND OBLIGATION DEBT SERVICE" in the Official Statement substantially in the form of the table by that name included in Appendix A to the Official Statement, for the most recently completed fiscal year.

See Exhibits A, B, C, D.

Redevelopment Agency of the City of Sacramento: Dissolution and Successor Agency

Please note that as a result of legislation in the State of California (namely Assembly Bills 1X 26, 1X 27, and AB 1484), the City of Sacramento (City) has elected to serve as the Successor Agency to the Redevelopment Agency of the City of Sacramento (Successor Agency); and that under AB 1X 26, payment of debt service for bonds of a dissolved redevelopment agency is an "enforceable obligation" of the successor agency for redevelopment functions.

As a consequence of the City serving as the Successor Agency, the date of the end of the fiscal year for the Successor Agency has been modified from December 31 of each year to June 30 of each year. Please see EMMA Submittal ER535608 for full details.

Additionally, amounts formerly identified as Tax Revenues and Housing Tax Revenues are now distributed through a Redevelopment Property Tax Trust Fund (RPTTF) in an amount equal to obligations listed on a Recognized Obligation Payment Schedule (ROPS), as approved by the Department of Finance (DOF) for every six-month period.

Exhibit A

**Table C-1
STATEMENT OF GENERAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
(in thousands)**

| | Actual 2007-08 | Actual 2008-09 | Actual 2009-10 | Actual 2010-11 | Actual 2011-12 |
|---|-------------------|-------------------|-------------------|-------------------|-------------------|
| Revenues: | | | | | |
| Property Taxes | \$ 150,901 | \$ 151,551 | \$ 140,013 | \$ 133,099 | \$ 130,287 |
| Sales and Use Taxes | 54,821 | 48,905 | 45,670 | 47,680 | 50,683 |
| Utilities Use Tax | 57,561 | 57,775 | 58,700 | 58,887 | 58,787 |
| Other Taxes | 20,539 | 17,495 | 15,937 | 14,461 | 16,386 |
| Licenses and Permits | 18,785 | 15,263 | 12,709 | 13,582 | 12,124 |
| Fines, Forfeitures and Penalties | 8,597 | 10,999 | 11,131 | 10,134 | 11,020 |
| Interest, Rents and Concessions | 3,173 | 861 | (88) | 1,927 | 1,702 |
| Intergovernmental Revenues | 16,039 | 16,833 | 15,294 | 15,516 | 12,021 |
| Charges, Fees and Services | 32,841 | 44,153 | 41,737 | 41,486 | 38,157 |
| Other Revenues | 831 | 180 | 142 | 411 | 2,090 |
| Total Revenues | 364,088 | 364,015 | 341,245 | 337,183 | 333,257 |
| Expenditures: | | | | | |
| General Government | 32,946 | 29,014 | 24,009 | 22,453 | 21,250 |
| Public Safety | 225,263 | 229,653 | 230,225 | 218,984 | 210,124 |
| Public Works | 22,713 | 22,846 | 19,425 | 15,204 | 16,082 |
| Neighborhood Services | 83,593 | 72,116 | 56,493 | 51,499 | 46,334 |
| Non-Departmental | 26,993 | 25,336 | 26,330 | 32,247 | 31,957 |
| Capital Improvements | 16,839 | 9,005 | 4,918 | 6,068 | 2,151 |
| Debt Service | 1,736 | 9,746 | 1,189 | 1,970 | 1,839 |
| Total Expenditures | 410,083 | 397,716 | 362,589 | 348,425 | 329,737 |
| Excess of Revenues over Expenditures | (45,995) | (33,701) | (21,344) | (11,242) | 3,520 |
| Other Financing Sources (Uses): | | | | | |
| Transfers from Other Funds | 24,814 | 33,540 | 23,948 | 31,937 | 28,679 |
| Transfers to Other Funds | (32,281) | (28,776) | (24,136) | (22,878) | (24,055) |
| Proceeds from Long-Term Debt | 2,155 | - | 4,551 | - | - |
| Proceeds from Sale of Property | - | 2,992 | - | - | - |
| Special Items | 18,791 | (929) | - | - | - |
| Total Other Financing Sources (Uses) | 13,479 | 6,827 | 4,363 | 9,059 | 4,624 |
| Net Change In Fund Balance | (32,516) | (26,874) | (16,981) | (2,183) | 8,144 |
| Fund Balance, beginning of year | 131,478 | 98,962 | 72,088 | 55,107 | 52,924 |
| Fund Balance, end of year | 98,962 | 72,088 | 55,107 | 52,924 | 61,068 |
| Less Reserves and Commitments: | | | | | |
| Reserved / Nonspendable | 11,000 | 6,474 | 7,119 | 308 | 94 |
| Restricted | - | - | - | 86 | 64 |
| Designated / Committed: | | | | | |
| Economic Uncertainty | 33,100 | 10,540 | 10,540 | 14,340 | 20,263 |
| Capital Projects | 28,942 | 25,925 | 24,157 | 19,612 | 21,542 |
| Balanced Budget | 492 | 11,339 | 3,800 | - | - |
| Other Programs | 24,428 | 16,935 | 9,491 | 12,468 | 9,349 |
| Assigned: | | | | | |
| Next Year's Budget | - | - | - | 5,138 | 9,354 |
| Unrealized Investment Gains | - | - | - | 972 | 402 |
| Fund Balance Available for Appropriation | \$ 1,000 | \$ 875 | \$ - | \$ - | \$ - |

Certain amounts in the prior year columns have been reclassified for presentation consistent with GASB Statement No. 54.

Exhibit B

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

| Fiscal Year | Gross Assessed Value ⁽¹⁾ | | | |
|------------------------|-------------------------------------|-------------------|-----------------------|------------|
| | Secured Roll | Unsecured Roll | Public Utility | Total |
| 1992-93 | 15,397,363 | 1,188,080 | 55,421 | 16,696,285 |
| 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 |
| 2010-11 | 36,388,660 | 1,742,824 | 11,977 | 38,143,461 |
| 2011-12 | 35,267,406 | 1,711,462 | 12,132 | 36,991,000 |

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.

Exhibit C

TABLE C-3
CITY OF SACRAMENTO
LARGEST 2011-12 LOCAL SECURED TAXPAYERS

| | Property Owner | Primary Land Use | 2011-12 Assessed Valuation | % of Total ⁽¹⁾ |
|----|---|--|----------------------------------|------------------------------|
| 1 | Hines Sacramento Wells Fargo | Office, General Multi-Story | \$391,849,000 | 1.06% |
| 2 | CIM & 980 9 th St Sacramento | Office, General Multi-Story | \$227,866,000 | 0.62 |
| 3 | Verizon | Office, General Single-Story / Industrial, Light Storage | \$160,723,000 | 0.44 |
| 4 | Arden Fair Associates | Commercial, Regional Shopping | \$131,865,000 | 0.36 |
| 5 | Comcast Cable | Office, General Single-Story | \$127,309,000 | 0.34 |
| 6 | 621 Capitol Mall LLC | Office, General Multi-Story | \$115,137,000 | 0.31 |
| 7 | 300 Capitol Association NF LP | Office, General Multi-Story | \$114,727,000 | 0.31 |
| 8 | Downtown Plaza LLC | Commercial, Regional Shopping | \$97,565,000 | 0.26 |
| 9 | 1415 Meridian Plaza LLC | Office, General Multi-Story | \$81,818,000 | 0.22 |
| 10 | Sacramento Equities REIT | Office, General Multi-Story | \$81,806,000 | 0.22 |

Source: County of Sacramento

1) Fiscal year ended 6/30/12 Total Assessed Valuation of Property Taxpayers: \$36,991,000,000

Exhibit D

GENERAL FUND OBLIGATION DEBT SERVICE

As of June 30,2012

| 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 Equip., Lses, Adv, &Nts ⁽¹²⁾ | Total Debt Service Obligations | % of FY 12-13 ⁽¹³⁾ General Fund Revenues \$ 369,260,000 | Total Supported By Other Sources | Adjusted Total Supported By General Fund | Adjusted ⁽¹³⁾ % of FY 12-13 General Fund Revenue \$369,260,000 |
|-----------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|----------------------|---------------------|----------------------|-------------------------|----------------------------|--|--------------------------------|---|----------------------------------|--|--|
| | 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 | | | | | | |
| 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 | 4,517,258 | \$80,862,420 | 21.90% | \$ 51,693,955 | 29,168,465 | 7.90% |
| 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 | 4,517,255 | \$75,358,037 | 20.41% | \$ 48,586,792 | 26,771,245 | 7.25% |
| 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 | 3,907,321 | \$75,537,980 | 20.46% | \$ 48,838,114 | 26,699,866 | 7.23% |
| 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 | 3,433,017 | \$75,174,522 | 20.36% | \$ 48,670,345 | 26,504,176 | 7.18% |
| 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 | 3,433,017 | \$75,342,630 | 20.40% | \$ 48,821,790 | 26,520,839 | 7.18% |
| 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 | 1,433,580 | \$71,774,822 | 19.44% | \$ 47,230,096 | 24,544,726 | 6.65% |
| 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 | 1,019,306 | \$65,892,170 | 17.84% | \$ 42,794,447 | 23,097,723 | 6.26% |
| 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 | 721,991 | \$64,498,186 | 17.47% | \$ 42,297,077 | 22,201,110 | 6.01% |
| 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 | 138,659 | \$62,099,975 | 16.82% | \$ 40,860,184 | 21,239,791 | 5.75% |
| 2022 | | 6,349,569 | 262,969 | 261,563 | - | 1,047,831 | | 279,601 | 16,337,475 | 9,198,629 | 12,755,675 | 138,659 | \$46,631,971 | 12.63% | \$ 29,899,875 | 16,732,096 | 4.53% |
| 2023 | | 6,397,126 | 263,438 | 262,331 | | 1,043,975 | | 277,395 | 5,685,600 | 9,191,481 | 22,593,150 | 69,330 | \$45,783,825 | 12.40% | \$ 26,921,755 | 18,862,070 | 5.11% |
| 2024 | | 6,598,858 | 262,969 | | | 1,043,000 | | 279,754 | 5,537,225 | 9,182,750 | 22,126,169 | - | \$45,030,724 | 12.19% | \$ 26,444,135 | 18,586,589 | 5.03% |
| 2025 | | 6,746,704 | | | | 1,044,625 | | 271,772 | 5,538,688 | 9,181,265 | 22,027,794 | | \$44,810,847 | 12.14% | \$ 26,537,311 | 18,273,536 | 4.95% |
| 2026 | | 6,906,557 | | | | 1,044,500 | | 273,375 | 5,527,644 | 9,171,351 | 22,043,856 | | \$44,967,282 | 12.18% | \$ 26,695,457 | 18,271,826 | 4.95% |
| 2027 | | 7,254,568 | | | | 1,042,625 | | 274,375 | 5,533,631 | 9,162,435 | 22,035,025 | | \$45,302,658 | 12.27% | \$ 27,039,737 | 18,262,922 | 4.95% |
| 2028 | | 7,728,334 | | | | 1,039,000 | | 274,875 | 5,537,250 | 9,163,419 | 22,039,475 | | \$45,782,352 | 12.40% | \$ 27,515,594 | 18,266,758 | 4.95% |
| 2029 | | | | | | 1,038,500 | | 284,625 | 5,517,000 | 9,158,354 | 22,132,225 | | \$38,130,704 | 10.33% | \$ 19,824,238 | 18,306,466 | 4.96% |
| 2030 | | | | | | 1,036,000 | | 288,500 | 5,514,500 | 9,146,692 | 22,135,788 | | \$38,121,480 | 10.32% | \$ 19,820,407 | 18,301,073 | 4.96% |
| 2031 | | | | | | 1,036,375 | | 291,625 | | 9,132,759 | 22,135,044 | | \$32,595,803 | 8.83% | \$ 15,466,212 | 17,129,590 | 4.64% |
| 2032 | | | | | | 1,034,500 | | 289,125 | | 9,130,306 | 22,137,375 | | \$32,591,306 | 8.83% | \$ 15,464,165 | 17,127,141 | 4.64% |
| 2033 | | | | | | 1,035,250 | | 291,000 | | 9,113,362 | 22,144,775 | | \$32,584,387 | 8.82% | \$ 15,465,738 | 17,118,648 | 4.64% |
| 2034 | | | | | | | | 292,125 | | 9,106,001 | 5,639,300 | | \$15,037,426 | 4.07% | \$ 5,324,541 | 9,712,885 | 2.63% |
| 2035 | | | | | | | | | | 9,096,828 | 2,005,000 | | \$11,101,828 | 3.01% | \$ 3,213,720 | 7,888,108 | 2.14% |
| 2036 | | | | | | | | | | 9,074,993 | 2,004,250 | | \$11,079,243 | 3.00% | \$ 3,208,247 | 7,870,996 | 2.13% |
| 2037 | | | | | | | | | | 9,069,174 | 2,003,875 | | \$11,073,049 | 3.00% | \$ 3,206,692 | 7,866,357 | 2.13% |
| Offsetting Sources => | 74% | 100.0% | 0.0% | 100.0% | 69.9% | 100.0% | 57.6% | 35.6% | 78.9% | 23.2% | 55.2% | 57.9% | | | | | |

- (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: 100% Oak Park Loan (TAB)
- (5) 2002 Capital Improv Rev. Bonds support: 30.6% General Fund, 61.35% SHRA (45% ML Mrgd Dntwn, 2% ML Stcktn, 53% TAB Mrgd Dntwn), 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) 2005 Refunding support: 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 (ML N.Sac, Army Depot, 65th 7 Richards Blvd [River]), 5.18% Haggin Oaks Bridge Loan
- (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 Mrgd Dntwn, ML Stcktn Blvd, 2002 TAB Mrgd Dntwn), .79% Golf Fund
- (12) Capital, Small Leases, Advances and Notes support: 37.38% Solid Waste, 1.23% Marina
- (13) Data based on FY 13 General Fund Revenue Forecast