City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2012/13

Issue
City of Sacramento
North Natomas Drainage Community Facilities District No. 97-01
Special Tax Revenue Bonds, Series 2005

Par
$35,460,000

Issued
June 8, 2005

CUSIP Number
786071HJ2
786071HK9
786071HL7
786071HM5
786071HN3
786071HP8
786071HQ6
786071HR4
786071HS2
786071HT0
786071HU7
786071HV5
786071HW3
786071HX1

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 will be uploaded as a separate document; it is projected that the CAFR will be presented to the City Council in early February. At that time, the CAFR will also be available on the city’s website at:
http://www.cityofsacramento.org/finance/accounting/reporting.cfm

Unaudited financials were previously uploaded as a separate document in EMMA.

(b-1) The principal amount of Bonds Outstanding as of December 31 immediately before the Annual Report Date.

Principal Amount Outstanding (as of December 31, 2013) $28,860,000.00

See Exhibit A - CFD 97-01, Series 2005 - Debt Service Schedule for details.
(b-2) The balance in the Reserve Fund and a statement of the Reserve Requirement as of the December 31 immediately before the Annual Report Date.

Reserve Fund (as of December 31, 2013)

- Cost Basis $2,504,396.15
- Market Value $2,496,115.15

Reserve Requirement (as of December 31, 2013) $2,443,150.00

(b-3) The balance, if any, in the Acquisition and Construction fund as of the December 31 immediately before the Annual Report Date, and a statement that such amount is sufficient to complete the acquisition and construction of the improvements to be financed with the Bonds in the District or if not, an identification of the source of funding to complete the improvements.

Acquisition/Construction Fund (as of December 31, 2013) $505,559.40

(b-4) The number of parcels delinquent in the payment of the Special Tax, the total dollar amount of delinquencies in the District, and the status of any foreclosure on delinquent parcels, all as of the December 31 immediately before the Annual Report Date.

Number of Parcels Delinquent (for Fiscal Year 2012/13, as of December 31, 2013) 87

Amount Delinquent (for Fiscal Year 2012/13, as of December 31, 2013) $18,824.26

Foreclosure Status of Delinquent Parcels Note

The figure above includes 11 parcels that were stripped from the tax roll, and are facing foreclosure actions per the bond covenants. The delinquent amounts for those parcels are $11,086.76, not including interest and penalties.

Source: NBS Local Government Solutions

On November 19, 2013, a settlement was reached with new property owners to finalize the payment of delinquent special taxes related to 6 of the 11 parcels mentioned above. All delinquent special taxes from tax year 2007/08 through 2012/13 on the six parcels were satisfied.

(b-5) A summary of the results of any foreclosure sales as of the December 31 next preceding the Annual report date.

There has been no foreclosure sales related to delinquent special taxes in the District as of December 31, 2013.

(b-6) The amount of the Special Tax collections for the prior Fiscal Year.

Special Tax levy (for Fiscal Year 2012/13) $2,428,021.14

Special Tax collection (for Fiscal Year 2012/13) $2,402,202.36
An update for the most recently completed Bond Year of the information contained in Table 1 in the Official Statement, entitled “Authorized Special Tax Levy and Estimated Revenue Requirements,” but excluding the calculation of debt service coverage.

For the Bond Year ending September 01, 2013

<table>
<thead>
<tr>
<th>Special Tax Developed Parcels</th>
<th>Special Tax Undeveloped Parcels</th>
<th>Total Special Tax</th>
<th>Bond Debt Service</th>
</tr>
</thead>
<tbody>
<tr>
<td>$ 2,428,021.14</td>
<td>$ 0.00</td>
<td>$ 2,428,021.14</td>
<td>$ 2,376,795.00</td>
</tr>
</tbody>
</table>

*Source: NBS Local Government Solutions*

**Bond Call Note**

An optional redemption was made on September 01, 2013, in the amount of $1,050,000, plus an additional $10,500 premium, for a total debt service payment of $2,678,897.50 on that date, and a total debt service amount of $3,437,295.00 for the bond year ending on that date.

**Additional Information.**

**Federal Emergency Management Agency**

Effective December 2008, the City ceased issuing any building permits for new construction within the larger Natomas Basin Area until the levees protecting the Natomas Basin Area are certified by the Federal Emergency Management Agency (FEMA) as providing 100-year flood protection and the area is re-mapped by FEMA. Until that occurs, no further development will take place in the Natomas Basin Area. In recent years, the Sacramento Area Flood Control Agency, in collaboration with the U.S. Corp of Engineers has worked on the Natomas Levee Improvement Program. Below is the updated status of the City’s efforts with FEMA to re-zone the flood basin map and resume new construction in the Natomas area.

- In May 2013, the U.S. Senate passed the Water Resources Reform and Development Act of 2013 (WRRDA);
- In October 2013, the U.S. House of Representatives passed the WRRDA;
- In November 2013, a Senate-House conference committee was formed to reconcile the two versions of water resources legislation, a process that is still ongoing;
- Once the WRRDA passes the conference committee, it will go to the floor of both houses for a vote, then onto the President for signature; and
- Once the WRRDA get ratified, the City will be able to make its final request to FEMA for an A99 zone in Natomas (a preliminary request was made to FEMA for A99 about a year ago).

When development in the North Natomas area resumes again, information on large scale projects can be found using the link below.
CDIAC Annual Filing

See Exhibit B - CFD 97-01, Series 2005 - FY13 Annual CDIAC Mello-Roos Filing.

The City’s annual filing with CDIAC for this issue is also available online at:
http://www.cityofsacramento.org/treasurer/public_finance/continuing_disclosure
### EXHIBIT A

#### NORTH NATOMAS DRAINAGE CFD NO. 97-01, SERIES 2005 DEBT SERVICE SCHEDULE

<table>
<thead>
<tr>
<th>DATE</th>
<th>RATE</th>
<th>PRINCIPAL</th>
<th>CALLED</th>
<th>CALL PREMIUM</th>
<th>DEBT SERVICE</th>
<th>BOND YEAR DEBT SERVICE</th>
<th>FISCAL YEAR DEBT SERVICE</th>
<th>PRINCIPAL REMAINING</th>
<th>INTEREST REMAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Mar-06</td>
<td>0.00%</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<td>0.00</td>
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<tr>
<td>01-Sep-06</td>
<td>0.00%</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
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<tr>
<td>01-Oct-06</td>
<td>0.00%</td>
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<td>0.00</td>
<td>0.00</td>
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<tr>
<td>01-Nov-06</td>
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<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
<td>0.00</td>
</tr>
</tbody>
</table>

#### Note
- The rates and principal amounts are fictional and for demonstration purposes. Actual figures would be provided in an official document.
## I. GENERAL INFORMATION

A. Issuer
   City of Sacramento
B. Community Facilities District Number/Name
   North Natomas Drainage CFD 97-01
C. Name/Title/Series of Bond Issue
   Special Tax Bonds, Series 2005
D. Date of Bond Issue
   06/08/2005
E. Original Principal Amount of Bonds
   $35,460,000.00
F. Reserve Fund Minimum Balance Required
   $2,496,700.00

## II. FUND BALANCE FISCAL STATUS

Balances Reported as of: June 30, 2013 (Year)

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>A. Principal Amount of Bonds Outstanding</td>
<td>$30,770,000.00</td>
</tr>
<tr>
<td>B. Bond Reserve Fund</td>
<td>$2,496,700.00</td>
</tr>
<tr>
<td>C. Capitalized Interest Fund</td>
<td>$0.00</td>
</tr>
<tr>
<td>D. Construction Fund(s)</td>
<td>$513,644.00</td>
</tr>
</tbody>
</table>

## III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX

A. Assessed or Appraised Value Reported as of: 07/01/2013 (Date)
   (Use Appraised Value only in first year of CFD or before annual tax roll billing commences)

B. Total Assessed Value of All Parcels: $4,675,037,244.00

## IV. TAX COLLECTION INFORMATION

A. Total Amount of Special Taxes Due Annually: $2,428,021.14
B. Total Amount of Unpaid Special Taxes Annually: $25,818.78
C. Are the Special Taxes are Paid Under the County’s Teeter Plan. □ Yes  □ No

## V. DELINQUENT REPORTING INFORMATION

Delinquent Parcel Information Reported as of Equalized Tax Roll of: 06/30/2013 (Date)

A. Total Number of Delinquent Parcels: 232
B. Total Amount of Special Taxes Due on Delinquent Parcels: $64,792.55
   (Do not include penalties, penalty interest, etc.)

## VI. FORECLOSURE INFORMATION FOR FISCAL YEAR

(Aggregate totals, if foreclosure commenced on same date)

<table>
<thead>
<tr>
<th>Date Foreclosure Commenced</th>
<th>Total Number of Foreclosure Parcels</th>
<th>Total Amount of Tax Due on Foreclosure Parcels</th>
</tr>
</thead>
<tbody>
<tr>
<td>08/29/2013</td>
<td>10</td>
<td>$8,716.38</td>
</tr>
<tr>
<td>08/24/2012</td>
<td>6</td>
<td>$7,670.70</td>
</tr>
<tr>
<td>10/10/2011</td>
<td>10</td>
<td>$8,653.66</td>
</tr>
<tr>
<td>8/4/2010</td>
<td>6</td>
<td>$7,487.62</td>
</tr>
<tr>
<td>8/2009</td>
<td>6</td>
<td>$7,340.84</td>
</tr>
<tr>
<td>8/2008</td>
<td>6</td>
<td>$3,620.75</td>
</tr>
</tbody>
</table>

(Attach additional sheets if necessary.)
VII. RETIRED ISSUES
This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements. (Indicate reason for retirement)

A. Matured  □ Yes  □ No  If yes, indicate final maturity date: ____________________________
B. Refunded Entirely  □ Yes  □ No  If yes, state refunding bond title: ____________________________ and issue date: ____________________________
C. Other: __________________________________________________________________________

VIII. NAME OF PARTY COMPLETING THIS FORM

Name  Colin Bettis
Title  Treasury Analyst
Firm/Agency  City of Sacramento
Address  915 I Street, Historic City Hall, 3rd Floor
City/State/Zip  Sacramento, CA 95814
Phone No.  (916) 808-8292  Date of Report  10/14/2013
Email: cbettis@cityofsacramento.org

IX. ADDITIONAL COMMENTS:
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________
____________________________________________________________________________________

Completion and submittal of this form to the California Debt and Investment Advisory Commission will assure your compliance with California State law. Section 53359.5 of the California Government Code requires that all agencies issuing Mello-Roos Community Facilities bonds after January 1, 1993 to report specific information to the Commission by October 30th of each year.