

City of Sacramento
Annual Continuing Disclosure Report
Fiscal Year 2016/17

Issue	Sacramento City Financing Authority 2006 Taxable Capital Improvement Revenue Bonds, Series B (Community Reinvestment Capital Improvement Program)
Par	\$55,235,000
Issued	June 15, 2006
CUSIP Numbers	785849TL4 785849TM2

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 was uploaded as a separate document to EMMA. The CAFR is also available on the city's website at:

www.cityofsacramento.org/Finance/Accounting/Reporting

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

The City's Approved Budget for the current fiscal year was uploaded as a separate document to EMMA and is also available on-line at: 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 Exhibit A – Statement of General Fund Revenues, Expenditures and Changes in Fund Balance

See Exhibit B – Gross Assessed Values for all Taxable Property

See Exhibit C – Largest Local Secured Taxpayers

See Exhibit D – General Fund Obligation Debt Service as of June 30, 2017

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 (AB) X1 26, X1 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) beginning on January 31, 2012; and that under AB X1 26, payment of debt service for bonds of a dissolved redevelopment agency is an “enforceable obligation” of the successor agency for redevelopment functions.

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. Beginning with the 2016/17 ROPS cycle, RASA will be seeking approval for a twelve-month period.

On October 14, 2015 the Successor Agency refunded a portion of the redevelopment debt associated with the Series A Bonds.

Exhibit A

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

	Actual 2012-13	Actual 2013-14	Actual 2014-15	Actual 2015-16	Actual 2016-17
Revenues:					
Property Taxes	\$ 129,370	\$ 138,224	\$ 145,285	\$ 150,424	\$ 143,656
Sales and Use Taxes	52,301	56,575	58,876	67,983	80,395
Utilities Use Tax	59,066	59,613	59,948	61,404	62,997
Other Taxes	17,633	20,319	22,677	26,732	29,961
Licenses and Permits	12,688	12,996	14,322	15,866	18,048
Fines, Forfeitures and Penalties	9,165	10,567	10,782	12,110	10,906
Interest, Rents and Concessions	1,788	2,206	1,707	3,002	2,679
Intergovernmental Revenues	11,108	9,300	13,363	16,253	14,009
Charges, Fees and Services	47,392	51,422	57,261	57,951	68,012
Other Revenues	3,440	281	426	245	259
Total Revenues	343,951	361,503	384,647	411,970	430,922
Expenditures:					
General Government	19,073	22,623	24,842	28,909	36,584
Public Safety	216,760	218,911	226,802	235,290	244,976
Public Works	16,353	15,301	16,169	11,701	14,438
Neighborhood Services	48,350	48,447	52,071	54,985	62,972
Citywide and Community Support	32,945	36,965	37,216	47,961	48,435
Capital Improvements	5,755	9,672	8,901	12,577	19,276
Debt Service	2,187	3,140	3,219	3,219	2,837
Total Expenditures	341,423	355,059	369,220	394,642	429,518
Excess of Revenues over Expenditures	2,528	6,444	15,427	17,328	1,404
Other Financing Sources (Uses):					
Transfers from Other Funds	28,541	29,924	31,275	34,256	33,113
Transfers to Other Funds	(23,530)	(23,418)	(25,265)	(25,032)	(28,959)
Proceeds from Long-Term Debt	2,818	5,998	-	-	-
Special Items	8,534	-	-	-	-
Proceeds from Sale of Capital Assets	-	-	3,100	-	-
Total Other Financing Sources (Uses)	16,363	12,504	9,110	9,224	4,154
Net Change In Fund Balance	18,891	18,948	24,537	26,552	5,558
Fund Balance, beginning of year	61,068	79,959	98,907	123,444	149,996
Fund Balance, end of year	79,959	98,907	123,444	149,996	155,554
Less Reserves and Commitments:					
Reserved / Nonspendable	72	66	11	2	3,812
Restricted	40	3,422	3,654	2,962	17
Designated / Committed:					
Economic Uncertainty	27,765	33,714	38,967	46,950	49,644
Capital Projects	21,789	21,728	32,987	37,526	49,265
Fire Programs	-	-	-	5,720	1,386
Community Center Theater renovation	8,500	8,500	8,500	8,500	-
Homeless programs	-	1,000	750	250	-
OPEB trust fund	2,000	-	-	6,752	5,324
Other Programs	9,347	12,909	22,497	13,953	21,367
Assigned:					
Next Year's Budget	10,446	-	-	-	-
Unrealized Investment Gains	-	173	50	732	-
Fund Balance Available for Appropriation	\$ -	\$ 17,395	\$ 16,028	\$ 26,649	\$ 24,739

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

Exhibit B

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			
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
2017	42,300,010	1,623,203	9,193	43,932,406	446,683	43,485,723	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.

Source: County of Sacramento, Office of Auditor/Controller

Exhibit C

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

(in thousands)

Taxpayer	2017			2008		
	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Hines VAF II Sacramento	\$ 318,082	1	0.73%	\$ -	-	-
CIM Sacramento LP	217,479	2	0.50%	-	-	-
Arden Fair Associates	146,061	3	0.34%	126,223	4	0.31%
500 Capitol Mall LLC	133,482	4	0.31%	-	-	0.00%
621 Capitol Mall LLC	129,788	5	0.30%	-	-	-
GPT Propertties Trust	122,616	6	0.28%	-	-	-
300 Capitol Association NF LP	114,000	7	0.26%	89,999	7	0.22%
HP Hood LLC	107,024	8	0.25%	-	-	-
M H VI Projects LLC	96,420	9	0.22%	-	-	-
GSA Sacramento CA LLC	91,372	10	0.21%	-	-	-
Teachers Ins. Annuity	-	-	-	162,180	1	0.40%
400 Capital Mall Venture	-	-	-	149,202	2	0.37%
Downtown Plaza	-	-	-	138,987	3	0.34%
CLPF Promemade LP	-	-	-	108,658	5	0.27%
M H Realty Partners VI LP	-	-	-	104,040	6	0.26%
RT Sacramento Funding Co.	-	-	-	80,937	8	0.20%
Pardee Homes	-	-	-	77,889	9	0.19%
Valley View Investors LLC	-	-	-	77,386	10	0.19%
	<u>1,476,324</u>		<u>3.39%</u>	<u>1,115,501</u>		<u>2.76%</u>
All other taxpayers	<u>42,009,399</u>		<u>96.61%</u>	<u>39,230,104</u>		<u>97.24%</u>
Total	<u>\$ 43,485,723</u>		<u>100.00%</u>	<u>\$ 40,345,605</u>		<u>100.00%</u>

Source: County of Sacramento, Office of Auditor/Controller

Exhibit D

GENERAL FUND OBLIGATION DEBT SERVICE, AS OF JUNE 30, 2017

Fiscal Year	1993 Lease Revenue Bonds, Series A&B ¹	1997 Lease Revenue Bonds (2007 Remarketing) ²	2016 Refunding H Street Complex	2006 Capital Improvement Revenue Bonds, Series B ³	2006 Capital Improvement Revenue Bonds, Series E ⁴	2015 Golden 1 Center Bonds ⁵	2015 Revenue Refunding Bonds ⁶	Total Equipment Leases & Loans Amount ⁷	Total Debt Service Obligations Amount	Percentage of Budgeted Fiscal Year General Fund Revenues ⁸	Total Offset Debt Service Amount	Total General Fund Debt Service Amount	Percentage of Budgeted Fiscal Year General Fund Revenues
FY18	15,408,975	5,953,976	669,939	3,954,413	9,086,700	18,296,842	23,714,463	4,343,016	81,428,324	17.6%	52,665,528	28,762,795	6.2%
FY19	15,391,035	6,086,638	672,443	3,958,138	9,534,625	18,295,874	22,218,713	2,860,865	79,018,330	17.1%	43,799,922	35,218,408	7.6%
FY20	15,369,890	6,209,110	674,592	3,952,298	9,568,900	18,299,225	21,259,138	2,121,686	77,454,838	16.7%	43,589,093	33,865,745	7.3%
FY21	15,348,515	6,400,018	671,315	3,942,040	9,035,250	18,378,689	21,082,763	1,121,975	75,980,565	16.4%	43,250,860	32,729,704	7.1%
FY22	-	6,446,610	672,683	3,941,923	10,749,050	18,378,701	19,645,288	138,659	59,972,913	12.9%	32,367,088	27,605,825	6.0%
FY23	-	6,648,342	673,696	3,940,606	20,588,900	18,289,067	9,928,813	69,330	60,138,753	13.0%	32,273,893	27,864,860	6.0%
FY24	-	6,796,051	669,283	3,937,750	20,121,670	18,289,067	9,922,438	-	59,736,258	12.9%	32,549,324	27,186,934	5.9%
FY25	-	6,956,041	674,515	3,933,765	20,020,670	18,289,286	9,925,688	-	59,799,964	12.9%	32,913,005	26,886,959	5.8%
FY26	-	7,124,005	669,250	3,928,351	20,036,857	18,286,258	9,898,313	-	59,943,034	12.9%	33,309,108	26,633,926	5.7%
FY27	-	7,305,017	673,630	3,926,060	20,030,900	18,289,420	9,904,438	-	60,129,463	13.0%	33,741,924	26,387,539	5.7%
FY28	-	7,461,356	672,442	3,926,294	20,031,226	18,287,643	9,909,388	-	60,288,348	13.0%	34,167,586	26,120,762	5.6%
FY29	-	-	670,899	3,923,604	20,127,976	18,285,364	9,896,838	-	52,904,681	11.4%	26,990,635	25,914,046	5.6%
FY30	-	-	673,859	3,917,692	20,128,788	18,286,739	9,897,256	-	52,904,334	11.4%	27,256,823	25,647,511	5.5%
FY31	-	-	676,251	3,908,259	20,128,795	18,285,638	5,854,175	-	48,853,117	10.5%	24,516,853	24,336,265	5.3%
FY32	-	-	668,146	3,909,556	20,130,500	18,286,217	5,844,050	-	48,838,469	10.5%	24,800,187	24,038,282	5.2%
FY33	-	-	334,686	3,900,987	20,136,150	18,282,349	5,394,175	-	48,048,347	10.4%	24,760,001	23,288,346	5.0%
FY34	-	-	-	3,892,251	3,632,925	18,283,188	5,384,550	-	31,192,914	6.7%	13,359,709	17,833,204	3.8%
FY35	-	-	-	3,892,453	-	18,282,324	5,130,175	-	27,304,951	5.9%	12,165,390	15,139,561	3.3%
FY36	-	-	-	3,880,993	-	18,283,630	5,120,800	-	27,285,423	5.9%	12,493,832	14,791,591	3.2%
FY37	-	-	-	3,872,424	-	18,280,697	5,120,400	-	27,273,521	5.9%	12,833,792	14,439,729	3.1%
FY38	-	-	-	-	-	18,282,397	-	-	18,282,397	3.9%	12,089,056	6,193,341	1.3%
FY39	-	-	-	-	-	18,282,040	-	-	18,282,040	3.9%	12,451,728	5,830,312	1.3%
FY40	-	-	-	-	-	18,278,216	-	-	18,278,216	3.9%	12,825,279	5,452,937	1.2%
FY41	-	-	-	-	-	18,279,516	-	-	18,279,516	3.9%	13,210,038	5,069,478	1.1%
FY42	-	-	-	-	-	18,278,967	-	-	18,278,967	3.9%	13,606,339	4,672,628	1.0%
FY43	-	-	-	-	-	18,279,878	-	-	18,279,878	3.9%	14,014,529	4,265,349	0.9%
FY44	-	-	-	-	-	18,275,276	-	-	18,275,276	3.9%	14,434,965	3,840,311	0.8%
FY45	-	-	-	-	-	18,273,469	-	-	18,273,469	3.9%	14,868,014	3,405,455	0.7%
FY46	-	-	-	-	-	18,277,204	-	-	18,277,204	3.9%	15,314,054	2,963,150	0.6%
FY47	-	-	-	-	-	18,273,943	-	-	18,273,943	3.9%	15,773,476	2,500,467	0.5%
FY48	-	-	-	-	-	18,271,713	-	-	18,271,713	3.9%	16,246,680	2,025,033	0.4%
FY49	-	-	-	-	-	18,272,978	-	-	18,272,978	3.9%	16,734,081	1,538,897	0.3%
FY50	-	-	-	-	-	18,269,919	-	-	18,269,919	3.9%	17,236,103	1,033,816	0.2%
Total	61,518,415	73,387,164	10,417,629	78,439,853	273,089,882	603,531,733	225,051,856	10,655,531	1,336,092,064		782,608,896	553,483,168	
Offset	73.7%	100.0%	100.0%	28.3%	63.3%	62.0%	34.4%	63.1%					

The figures above do not reflect the release of respective reserves for final debt service payment if cash reserves are held.

⁽¹⁾ 1993 Lease A: 80.5% Community Center Fund, 11.5% General Fund, and 8.0% Culture and Leisure Fund
 1993 Lease B: 47.8% General Fund, 30.2% Parking Fund, 13.0% Storm Drainage Fund, and 9.0% Community Center Fund

⁽²⁾ 1997 Lease (ARCO Sublease): Assumes the fixed-rate established in the 2007 remarketing is in effect for the remaining term of the bonds. The outstanding bonds were remarketed in July 2017.

⁽³⁾ 2006 Capital Improvement Revenue Bonds Series B: 71.7% General Fund and 28.3% RASA Master Lease (65th Street, Army Depot, North Sacramento, River District)

⁽⁴⁾ 2006 Capital Improvement Revenue Bonds, Series D matured on December 1, 2016. 2006 Capital Improvement Revenue Bonds, Series E: 53.3% Water Fund, 36.7% General Fund, 8.0% North Natomas Fund, 1.1% RASA Master Lease (Stockton Boulevard), and 0.9% Culture and Leisure Fund.

⁽⁵⁾ The debt service for the 2015 Golden 1 Center Lease Revenue Bonds is offset by a Lease Rental Payment from the Sacramento Kings or its affiliates as well as Capitalized interest through October 2017. Other revenue sources may further offset required debt service payments.

⁽⁶⁾ 2015 Refunding Revenue Bonds: 65.6% General Fund, 15.3% Water Fund, 9.0% Solid Waste Fund, 8.5% Parking Fund, 1.3% North Natomas Fund, 0.3% Culture and Leisure Fund.

⁽⁷⁾ Total Leases and Loans: 48.6% Parking Fund, 36.9% General Fund, 7.2% Marina Fund, 5.4% Solid Waste Fund, and 1.9% RASA (Merged Downtown).

⁽⁸⁾ Data based on Fiscal Year 2017-18 General Fund Revenue Forecast of \$463,304,000

Source: City of Sacramento