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

Issue

City of Sacramento
North Natomas Drainage Community Facilities District No. 97-01
Special Tax Refunding Bonds, Series 2015

Par

$ 24,325,000

Issued

June 2, 2015

CUSIP Numbers

786071JU5
786071JV3
786071JW1
786071JX9
786071JY7
786071JZ4
786071KA7
786071KB5
786071KC3
786071KD1
786071KE9
786071KF6
786071KG4
786071KH2

Content of Annual Report.

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

(a) The Issuer’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) Financial and Operating Data. To the extent not included in the Issuer’s audited financial statements, the Annual Report must contain or incorporate by reference the following information:

1) The balances as of the close of the prior fiscal year in each of the following funds established under the Indenture:

A. the Bond Redemption Fund (with a statement of the debt service requirement to be discharged by the fund before the receipt of expected additional Special Tax Revenue); and
Redemption Fund: $1,954,541.19

Held at the City: $1,928,674.50
Held at the Trustee: $25,866.69
Total: $1,954,541.19

September 1, 2017 Debt Service: $1,527,012.50

B. the Bond Reserve Fund.

Reserve Fund: $2,258,871.02

2) The assessed valuation of the Taxable Parcels, which may be in a form similar to Table 2 in the Official Statement.

Assessed Value Fiscal Year 2017-18: $6,262,435,138.00

3) Any changes to the Rate and Method of Apportionment that are approved or submitted to the qualified electors for approval before the filing of the Annual Report.

Not applicable in the current year.

4) A table setting forth the annual Special Tax delinquency rate as of June 30 for each fiscal year on which a delinquency exists, listing for each fiscal year the total Special Tax levy, the amount delinquent, and the percent delinquent. The table may be in a form similar to Table 7 in the Official Statement.

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>Amount Levied</th>
<th>Parcels Levied</th>
<th>Parcels Delinquent</th>
<th>Amount Delinquent</th>
<th>Percent Delinquent</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016-17</td>
<td>$2,229,828.66</td>
<td>18,853</td>
<td>141</td>
<td>$8,927.51</td>
<td>0.40%</td>
</tr>
</tbody>
</table>

5) The status of any foreclosure actions the Issuer is prosecuting with respect to the delinquent Special Taxes.

No parcels were removed from the tax roll in FY2017.

6) A Statement of any discontinuance of the County’s Teeter Plan with respect to any Taxable Parcel.

Not applicable in the current year.

Additional Information.

Federal Emergency Management Agency

On June 16, 2015, the Federal Emergency Management Agency issued new Flood Insurance Rate Maps (FIRMs) for the Natomas Basin. The new FIRMs changed the basin’s flood-zone designation from AE to A99 because the 50% criterion for completion of the levee work and federal authorization had been
achieved. The practical result of the change was to lift the de facto building moratorium that the basin had been under since December 8, 2008.

In collaboration with the Sacramento Area Flood Control Agency and the California Department of Water Resources, the U.S. Army Corps of Engineers has been working on completing the remaining levee work in Natomas. Construction is anticipated to start in March 2018 on multiple reaches of the levees, and many other reaches are currently being designed. The goal is to have the levee work completed before 2025, thereby providing 200-year level of flood protection in Natomas.

Although the City intends to update the development status in North Natomas as milestones occur, the City does not guarantee that it will do so or that the information provided through the web-page link below is the most current available:

www.cityofsacramento.org/Community-Development/Resources/Natomas-Basin

**Voluntary Disclosures:**

**Debt Service Schedule**
See Exhibit A – North Natomas CFD 97-01, Series 2015 Debt Service Schedule

**CDIAC Annual Filing**
See Exhibit B – CFD 97-01, Series 2015 - FY17 Annual CDIAC Mello-Roos Filing

**Overlapping Debt Burden**
See Exhibit C - North Natomas CFD 97-01 Overlapping Debt*

*as prepared by California Municipal Statistics, Inc. as of February 14, 2018

The City’s annual filing with CDIAC for this issue is also available online at: www.cityofsacramento.org/CityTreasurer/DebtManagement/ContinuingDisclosure
<table>
<thead>
<tr>
<th>DATE</th>
<th>RATE</th>
<th>PRINCIPAL</th>
<th>INTEREST</th>
<th>TOTAL DEBT SERVICE</th>
<th>DEBT SERVICE DEBT SERVICE</th>
<th>FISCAL YEAR DEBT SERVICE</th>
<th>PRINCIPAL REMAINING</th>
<th>INTEREST REMAINING</th>
</tr>
</thead>
<tbody>
<tr>
<td>01-Mar-16</td>
<td>2.000%</td>
<td>680,000</td>
<td>553,812.50</td>
<td>2,133,812.50</td>
<td>24,325,000.00</td>
<td>11,974,912.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-Sep-16</td>
<td>2.000%</td>
<td>980,000</td>
<td>537,212.50</td>
<td>2,152,212.50</td>
<td>23,645,000.00</td>
<td>10,874,087.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-Mar-17</td>
<td>2.500%</td>
<td>1,015,000</td>
<td>537,212.50</td>
<td>2,089,425.00</td>
<td>22,665,000.00</td>
<td>9,789,862.50</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-Sep-17</td>
<td>4.000%</td>
<td>1,055,000</td>
<td>524,525.00</td>
<td>2,104,050.00</td>
<td>21,650,000.00</td>
<td>8,728,125.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-Mar-18</td>
<td>4.000%</td>
<td>1,115,000</td>
<td>503,425.00</td>
<td>2,082,950.00</td>
<td>20,595,000.00</td>
<td>7,700,175.00</td>
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<tr>
<td>01-Sep-18</td>
<td>4.000%</td>
<td>1,175,000</td>
<td>481,125.00</td>
<td>2,121,875.00</td>
<td>19,480,000.00</td>
<td>6,715,625.00</td>
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<tr>
<td>01-Mar-19</td>
<td>4.000%</td>
<td>1,235,000</td>
<td>457,625.00</td>
<td>2,150,250.00</td>
<td>18,305,000.00</td>
<td>5,776,875.00</td>
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<tr>
<td>01-Sep-19</td>
<td>4.000%</td>
<td>1,315,000</td>
<td>426,750.00</td>
<td>2,168,500.00</td>
<td>17,070,000.00</td>
<td>4,465,750.00</td>
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<tr>
<td>01-Mar-20</td>
<td>4.000%</td>
<td>1,395,000</td>
<td>393,875.00</td>
<td>2,137,250.00</td>
<td>15,755,000.00</td>
<td>3,319,000.00</td>
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<tr>
<td>01-Sep-20</td>
<td>4.000%</td>
<td>1,480,000</td>
<td>359,000.00</td>
<td>2,119,375.00</td>
<td>14,360,000.00</td>
<td>2,169,000.00</td>
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<tr>
<td>01-Mar-21</td>
<td>4.000%</td>
<td>1,480,000</td>
<td>322,000.00</td>
<td>2,114,000.00</td>
<td>12,960,000.00</td>
<td>1,169,000.00</td>
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<tr>
<td>01-Sep-21</td>
<td>4.000%</td>
<td>1,570,000</td>
<td>282,750.00</td>
<td>2,111,750.00</td>
<td>11,510,000.00</td>
<td>930,000.00</td>
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<tr>
<td>01-Mar-22</td>
<td>5.000%</td>
<td>1,650,000</td>
<td>241,500.00</td>
<td>2,122,500.00</td>
<td>10,060,000.00</td>
<td>700,000.00</td>
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<td></td>
</tr>
<tr>
<td>01-Sep-22</td>
<td>5.000%</td>
<td>1,735,000</td>
<td>198,125.00</td>
<td>2,122,500.00</td>
<td>8,610,000.00</td>
<td>500,000.00</td>
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<td></td>
</tr>
<tr>
<td>01-Mar-23</td>
<td>5.000%</td>
<td>1,810,000</td>
<td>152,875.00</td>
<td>2,122,500.00</td>
<td>7,160,000.00</td>
<td>300,000.00</td>
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<td></td>
</tr>
<tr>
<td>01-Sep-23</td>
<td>5.000%</td>
<td>1,885,000</td>
<td>105,750.00</td>
<td>2,122,500.00</td>
<td>5,710,000.00</td>
<td>100,000.00</td>
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<td></td>
</tr>
<tr>
<td>01-Mar-24</td>
<td>5.000%</td>
<td>1,960,000</td>
<td>57,875.00</td>
<td>2,122,500.00</td>
<td>4,260,000.00</td>
<td>50,000.00</td>
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<tr>
<td>01-Sep-24</td>
<td>5.000%</td>
<td>2,040,000</td>
<td>105,750.00</td>
<td>2,122,500.00</td>
<td>2,810,000.00</td>
<td>30,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-Mar-25</td>
<td>5.000%</td>
<td>2,125,000</td>
<td>57,875.00</td>
<td>2,122,500.00</td>
<td>1,360,000.00</td>
<td>10,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-Sep-25</td>
<td>5.000%</td>
<td>2,210,000</td>
<td>105,750.00</td>
<td>2,122,500.00</td>
<td>810,000.00</td>
<td>50,000.00</td>
<td></td>
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</tr>
<tr>
<td>01-Mar-26</td>
<td>5.000%</td>
<td>2,295,000</td>
<td>57,875.00</td>
<td>2,122,500.00</td>
<td>360,000.00</td>
<td>10,000.00</td>
<td></td>
<td></td>
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<tr>
<td>01-Sep-26</td>
<td>5.000%</td>
<td>2,380,000</td>
<td>105,750.00</td>
<td>2,122,500.00</td>
<td>180,000.00</td>
<td>50,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-Mar-27</td>
<td>5.000%</td>
<td>2,465,000</td>
<td>57,875.00</td>
<td>2,122,500.00</td>
<td>90,000.00</td>
<td>10,000.00</td>
<td></td>
<td></td>
</tr>
<tr>
<td>01-Sep-27</td>
<td>5.000%</td>
<td>2,550,000</td>
<td>105,750.00</td>
<td>2,122,500.00</td>
<td>0.00</td>
<td>0.00</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

24,325,000 12,802,554.51 37,127,554.51 37,127,554.51 37,127,554.51
I. GENERAL INFORMATION
   A. Issuer: Sacramento North Natomas CFD No 97-01
   B. Project Name: North Natomas Drainage
   C. Name/ Title/ Series of Bond Issue: 2015 Special Tax Ref Bonds
   D. Date of Bond Issue: 5/7/2015
   E. Original Principal Amount of Bonds: $24,325,000.00
   F. Reserve Fund Minimum Balance Required: Yes [X] Amount $2,218,000.00 No [ ]

II. FUND BALANCE FISCAL STATUS
Balances Reported as of: 6/30/2017
   A. Principal Amount of Bonds Outstanding: $23,645,000.00
   B. Bond Reserve Fund: $2,258,871.02
   C. Capitalized Interest Fund: $0.00
   D. Construction Fund(s): $852,294.87

III. ASSESSED VALUE OF ALL PARCELS IN CFD SUBJECT TO SPECIAL TAX
A. Assessed or Appraised Value Reported as of: 7/1/2017
   [X] From Equalized Tax Roll
   [ ] From Appraisal of Property
   (Use only in first year or before annual tax roll billing commences)
   B. Total Assessed Value of All Parcels: $6,262,435,138.00

IV. TAX COLLECTION INFORMATION
A. Total Amount of Special Taxes Due Annually: $2,229,828.66
B. Total Amount of Unpaid Special Taxes Annually: $8,927.51
C. Does this agency participate in the County's Teeter Plan? Y

V. DELINQUENT REPORTING INFORMATION
Delinquent Parcel Information Reported as of Equalized Tax Roll of: 6/30/2017
A. Total Number of Delinquent Parcels: 141
B. Total Amount of Taxes Due on Delinquent Parcels: $8,927.51
(Do not include penalties, penalty interest, etc.)

VI. FORECLOSURE INFORMATION FOR FISCAL YEAR
(Aggregate totals, if foreclosure commenced on same date)
(Attach additional sheets if necessary.)

<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></td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$0.00</td>
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<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$0.00</td>
</tr>
<tr>
<td></td>
<td></td>
<td>$0.00</td>
</tr>
</tbody>
</table>
VII. ISSUE RETIRED
This issue is retired and no longer subject to the Yearly Fiscal Status report filing requirements.
(Indicate reason for retirement)

Matured ☐ Redeemed Entirely ☐ Other ☐

If Matured, indicate final maturity date:

If Redeemed Entirely, state refunding bond title & CDIAC #:

and redemption date:

If Other:

and date:

VIII. NAME OF PARTY COMPLETING THIS FORM

Name: David Schroeder
Title: Senior Consultant
Firm/Agency: NBS
Address: 32605 Temecula Parkway, Suite 100
City/State/Zip: Temecula, CA 92592
Phone Number: (800) 676-7516
E-Mail: dschroeder@nbsgov.com

Date of Report: 10/23/2017

IX. ADDITIONAL COMMENTS:

II.B. Based on market value basis.

I.A. Issuer: City of Sacramento
I.B. Project Name: North Natomas Drainage CFD No. 97-01
I.C. Name/Title/Series of Bond Issue: Special Tax Refunding Bonds, Series 2015
I.D. Date of Bond Issue: June 2, 2015
CITY OF SACRAMENTO – NORTH NATOMAS DRAINAGE COMMUNITY FACILITIES DISTRICT NO. 97-1

2017-18 Assessed Valuation: $6,262,435,138 (Land and Improvements)

DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT:

<table>
<thead>
<tr>
<th>Bond Description</th>
<th>% Applicable</th>
<th>Debt 2/1/18</th>
</tr>
</thead>
<tbody>
<tr>
<td>Los Rios Community College District General Obligation Bonds</td>
<td>3.394%</td>
<td>$10,879,002</td>
</tr>
<tr>
<td>Twin Rivers Unified School District (former Elementary Schools General Obligation Bonds)</td>
<td>11.723</td>
<td>7,715,026</td>
</tr>
<tr>
<td>Natomas Unified School District General Obligation Bonds</td>
<td>53.653</td>
<td>129,896,403</td>
</tr>
<tr>
<td>Sacramento Area Flood Control District Consolidated Capital Assessment District Bonds</td>
<td>12.287</td>
<td>34,182,748</td>
</tr>
<tr>
<td>Sacramento Area Flood Control District Natomas Basin Local Assessment District Bonds</td>
<td>43.921</td>
<td>14,766,092</td>
</tr>
<tr>
<td>City of Sacramento North Natomas Drainage CFD No. 97-1 Mello-Roos Act Bonds</td>
<td>100.</td>
<td>22,665,000</td>
</tr>
<tr>
<td>City of Sacramento North Natomas CFD No. 2 Mello-Roos Act Bonds</td>
<td>100.</td>
<td>2,600,000</td>
</tr>
<tr>
<td>City of Sacramento North Natomas CFD No. 4 Mello-Roos Act Bonds</td>
<td>100.</td>
<td>61,250,000</td>
</tr>
<tr>
<td>City of Sacramento Basin 8C CFD No. 99-04 Mello-Roos Act Bonds</td>
<td>100.</td>
<td>2,605,000</td>
</tr>
<tr>
<td>City of Sacramento North Natomas Westlake CFD No. 2000-01 Mello-Roos Act Bonds</td>
<td>100.</td>
<td>6,000,000</td>
</tr>
<tr>
<td>City of Sacramento North Natomas Regency Park CFD No. 2001-03 Mello-Roos Act Bonds</td>
<td>100.</td>
<td>11,590,000</td>
</tr>
<tr>
<td>City of Sacramento Natomas Central CFD No. 2006-02 Mello-Roos Act Bonds</td>
<td>93.173</td>
<td>17,032,083</td>
</tr>
</tbody>
</table>

TOTAL DIRECT AND OVERLAPPING TAX AND ASSESSMENT DEBT: $341,241,246 (1)

(1) Excludes tax and revenue anticipation notes.

Ratios to 2017-18 Assessed Valuation:

- **Direct Debt ($22,665,000)**: 0.36%
- **Total Direct and Overlapping Tax and Assessment Debt**: 5.45%

KD: ($500)