City of Sacramento
City Council

915 I Street, Sacramento, CA, 95814
www.CityofSacramento.org

Meeting Date: **1/29/2013** **Report Type:** Staff/Discussion

Title: Fiscal Year FY2011/12 Comprehensive Annual Financial Report (CAFR)

Report ID: 2013-00050

Location: Citywide

Recommendation: Pass a Resolution accepting the FY2011/12 Comprehensive Annual Financial Report

Contact: Dennis Kauffman, Accounting Manager, (916) 808-5843, Department of Finance

Presenter: Dennis Kauffman, Accounting Manager, (916) 808-5843, Department of Finance

Department: Finance
Division: Accounting Division
Dept ID: 06001311

Attachments:

1-Description/Analysis

2-Resolution

3-Exhibit A - Comprehensive Annual Financial Report

City Attorney Review

Approved as to Form
Grace Arupo
1/23/2013 8:04:19 AM

Approvals/Acknowledgements

Department Director or Designee: Leyne Milstein 1/22/2013 11:30:29 a.m.

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Description/Analysis

Issue: The City's Fiscal Year (FY) 2011/12 Comprehensive Annual Financial Report (CAFR) has been prepared to present the City's financial condition and the results of its activities for the fiscal year that ended June 30, 2012. An independent public accounting firm has audited the CAFR financial statements, as required by the City Charter.

Overview of Report

- The City has prepared the CAFR to present financial information in a standard format prescribed by the Government Finance Officers Association.
- The CAFR is organized into the following sections:
  - An **Introductory Section** with a transmittal letter summarizing economic conditions, budget initiatives, and other information.
  - A **Financial Section** which begins with Management's Discussion and Analysis (MD&A), a narrative overview, analysis of the financial statements, and comments on the City's financial outlook. The basic financial statements follow the MD&A and report the financial position and the results of the operations of the City as a whole and the financial performance of the City's major funds. Footnotes to the financial statements are included to provide additional information. Finally, combining fund financial statements are presented to provide additional financial details of the City's activities.
  - A **Statistical Section** with selected financial, demographic, and operating trend information.
- The FY2011/12 CAFR includes a new private-purpose trust fund to account for the assets and liabilities of the redevelopment successor agency.

General Fund FY2011/12 Financial Results

- **Revenue**
  Total General Fund revenue was consistent with the FY2011/12 budget plan. Major tax revenue was $0.3 million higher than the budget projections. Although property taxes ended the year lower than projected by $3.1 million, sales tax, utility user tax, and other taxes offset the reduction in property taxes. Sales tax and utility user tax ended higher than projected by $1.4 million and $0.4 million, respectively. Other taxes, including the real property transfer tax and in lieu taxes, ended higher than projected by $1.6 million.

  Department operating revenue and other citywide revenue were lower than budget projections by $1.7 million and $1.3 million, respectively, while revenue from the escheat of unclaimed property brought in unbudgeted revenue of nearly $1.5 million.

- **Expenditures**
  Although three departments ended the fiscal year with negative budgetary results, all General Fund departments ended FY2011/12 within their budgeted appropriations.

Most departments with revenue shortfalls reduced expenditures to net positive budgetary results. Additional department specific detail is included under Operating Department Results below.

- **Net Results**
  The following schedule summarizes the FY2011/12 budgetary results ($ in thousands):

  Budget to actual results:

Major tax revenue	$ 324
Department operations	3,136
Escheat revenue	1,483
Other Non-Department Results	4,411*
Total	$ 9,354

*Other Non-Department results are primarily resources identified to address projected operating department shortfalls.

- **Operating Department Results**
  Most General Fund departments achieved positive budget results during FY2011/12 due to holding positions vacant and other spending controls. The information below provides additional detail on department results that varied significantly from budget expectations:

  Finance – Positive results reflect a combination of labor savings from vacant positions and service and supply savings.

  Fire – Positive results reflect the $1 million increase to revenue and expenditure budgets at midyear to address unfunded overtime expenditures and labor savings from vacant positions.

  Police – Positive results are primarily due to significantly greater than expected employee vacancies in the last half of the fiscal year.

  Transportation – Revenue collections for on-street parking operations were $1.7 million short of the anticipated revenue budget, the result of reduced citation volume as well as increased compliance.

  Economic Development – Revenue results were $0.8 million short of the revenue budget due to the State's dissolution of the City's redevelopment agency. The department held positions vacant and controlled discretionary spending to achieve positive expenditure results, effectively absorbing more than half of the revenue shortfall.

The following table summarizes the General Fund department FY2011/12 budgetary results:

Department Budgetary Results
(In thousands):

Mayor/City Council Operations	(3)
City Manager	141
City Attorney	382
City Clerk	51
City Treasurer	78
Finance	818
Information Technology	136
Human Resources	86
Police	2,202
Fire	579
General Services	86
Utilities	65
Transportation	(1,456)
Convention, Culture & Leisure	8
Economic Development	(479)
Parks and Recreation	349
Community Development	93
Total	**$ 3,136**

Policy Considerations: This report is required by the City Charter, federal and state grant requirements, and bond covenants, and is consistent with the City's fiscal transparency and accountability principles.

Economic Impacts: *The indicated economic impacts are estimates calculated using a calculation tool developed by the Center for Strategic Economic Research (CSER). CSER utilized the IMPLAN input-output model (2009 coefficients) to quantify the economic impacts of a hypothetical $1 million of spending in various construction categories within the City of Sacramento in an average one-year period. Actual impacts could differ significantly from the estimates and neither the City of Sacramento nor CSER shall be held responsible for consequences resulting from such differences.*

Environmental Considerations: Not applicable.

California Environmental Quality Act (CEQA): This recommendation does not constitute a "project" and is therefore exempt from the California Environmental Quality Act according to CEQA guidelines Section 15061 (b)(1) and 15378(b)(3).

Sustainability: Not applicable.

Commission/Committee Action: None.

Rationale for Recommendation: It is in the best interest of the City to accept the FY2011/12 CAFR for the following reasons:

- The annual audit is required by the City Charter, federal and state grant requirements, and bond covenants.
- The public accounting firm of Macias Gini & O'Connell, LLP, has audited the City's FY2011/12 financial statements and has rendered its unqualified opinion that the financial statements are fairly presented in accordance with generally accepted accounting principles.

Financial Considerations: The General Fund's budgetary results for the fiscal year ended June 30, 2012, will provide $9.4 million in resources to address the City's budget priorities. Recommendations for the use of these resources are outlined in the FY2012/13 Midyear Report.

Emerging Small Business Development (ESBD): No goods or services are being purchased under this report.

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RESOLUTION NO.

Adopted by the Sacramento City Council

FISCAL YEAR 2011/12 COMPREHENSIVE ANNUAL FINANCIAL REPORT

BACKGROUND

A. The City's Fiscal Year (FY) 2011/12 Comprehensive Annual Financial Report (CAFR) was prepared to present the City's financial condition and the results of its activities for the fiscal year ended June 30, 2012. The CAFR financial statements were audited, as required by the City Charter, by an independent public accounting firm.

B. The public accounting firm of Macias Gini & O'Connell, LLP, audited the City's FY 2011/12 financial statements and rendered its unqualified opinion that the financial statements are fairly presented in accordance with generally accepted accounting principles.

C. The General Fund's budgetary results for the fiscal year ended June 30, 2012, provided $9.4 million in resources to address the City's budget priorities outlined in the FY2012/13 Midyear Report.

BASED ON THE FACTS SET FORTH IN THE BACKGROUND, THE CITY COUNCIL RESOLVES AS FOLLOWS:

Section 1. The City Council accepts the FY2011/12 Comprehensive Annual Financial Report, attached hereto as Exhibit A.

Section 2. Exhibit A is part of this resolution.

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Exhibit A Comprehensive Annual Financial Report

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Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

CITY OF SACRAMENTO, CALIFORNIA

City of Sacramento

California

Comprehensive Annual Financial Report

Fiscal Year Ended June 30, 2012

Prepared by the Department of Finance,
Accounting Division

Leyne Milstein, Director of Finance
Dennis Kauffman, Accounting Manager

CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2012

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CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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CITY OF SACRAMENTO, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

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Introductory Section

OFFICE OF THE
CITY MANAGER

CITY OF SACRAMENTO
CALIFORNIA

CITY HALL
915 I STREET, 5TH FLOOR
SACRAMENTO, CA
95814-2604

PH 916-808-5704
FAX 916-808-7618

December 28, 2012

Honorable Mayor, Members of the City Council
and Citizens of the City of Sacramento:

We are pleased to transmit the Comprehensive Annual Financial Report (CAFR) of the City of Sacramento (City) for the fiscal year ended June 30, 2012. Article IX of the City Charter, as well as federal and state law, requires that the City issue an annual report on its financial position and activity, and that the report be audited by an independent firm of certified public accountants. Macias Gini & O'Connell, LLP, a statewide certified public accounting firm, performed the audit for the fiscal year ended June 30, 2012. Their unqualified ("clean") opinion has been included as the first component of the financial section of the CAFR.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that has been established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE CITY

The City of Sacramento, capital of the State of California, was established in 1849. The sixth largest city in California based on population, Sacramento also serves as the seat of Sacramento County government. The State of California Department of Finance estimates the population on January 1, 2012 at 470,956 for the City and 1,435,153 for the County of Sacramento. Encompassing 99 square miles, Sacramento is located in the northern section of California's Central Valley at the confluence of the Sacramento and American rivers.

Sacramento is a charter city operating under a Council-Manager form of government. The City provides a full range of municipal services including police, fire, emergency medical response, water, wastewater, storm drainage, solid waste, construction and maintenance of streets and parks, community development, recreational and cultural activities, economic development, and administrative services.

Reporting Entity

This CAFR presents the financial status of the City and its four component units:

Sacramento City Financing Authority (SCFA)
Sacramento City Employees' Retirement System (SCERS)
Successor Agency to the Redevelopment Agency of the City of Sacramento
Sacramento Regional Arts Facilities Financing Authority (SRAFFA)

Component units are separate legal entities included in this report due to significant operational or financial relationships with the City.

The SCFA is reported on a blended basis as part of the primary government because its board is composed of all of the City Council members. The SCFA is an entity created to issue debt to finance City projects.

SCERS, a single employer pension plan for certain City employees and retirees, is reported as a fiduciary-type component unit. The SCERS pension plan was closed to new enrollment of employees in 1978.

The Successor Agency to the Redevelopment Agency of the City of Sacramento, created to serve as a custodian for the assets and to wind down the affairs of the former Redevelopment Agency of the City of Sacramento, is reported as a fiduciary-type component unit.

Discretely presented component units are legally separate and do not function as an integral part of the primary government. SRAFFA is reported in a separate column in the government-wide financial statements to differentiate its financial position and operational results from those of the City. SRAFFA was created for the purpose of financing the expansion of the H Street Theater complex.

Budget Information

The City Charter requires that the City Manager submit a proposed budget to the City Council at least 60 days prior to the start of each fiscal year. Once approved by City Council, the annual budget serves as the foundation for the City's financial planning, control and reporting. Budgetary control is maintained at the department level by fund. Budgetary control for multi-year projects is maintained at the individual project level by fund. Additional budgetary information can be found in Note 1 to the financial statements and at the City of Sacramento's website.

LOCAL ECONOMY

The regional economy and employment base continues in a long-term transition to expand beyond state government to health care and other private industries. The Sacramento region continues its work to diversify the economic base and is home to high-tech manufacturers, software development companies, biotechnology and medical research laboratories, food processors, and medical equipment manufacturers. The region is also a transportation hub served by air cargo airports, an international airport, a deep water shipping port, two major interstate freeways, freight and passenger rail lines, and an extensive regional commuter bus and light-rail system. These key industries interface with Sacramento's service, hospitality, and government employers.

Like most cities in the country, Sacramento is struggling to emerge from the severe national recession. As of June 2012, unemployment for the Sacramento metropolitan area and Sacramento County was 10.8% and 11.0%, respectively. According to the latest University of California, Los Angeles Economic Forecast, a modest recovery is expected in 2013. The unemployment rate is projected to decrease to 10.3% in 2013. Although job losses will continue to occur in some industries, it is anticipated that many industries in the state will register gains. Though the housing market is projected to remain sluggish, 2012 appears to have been an adjustment year as the economy recovers with the rate of foreclosures slowing and home sales prices rising. However, the relatively high level of unemployment combined with the associated reductions in property and sales revenue, have placed financial constraints that will continue to challenge the City over the coming years.

BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANNING

Despite significant progress in realigning its revenues and expenditures, the City's financial position is not secure and more difficult decisions will need to be made. In light of these continuing fiscal constraints, the voters in the City passed a six-year ½ cent sales tax to provide resources to protect and restore vital City programs and services. However, given the temporary nature of these resources, we must consider new ways of delivering programs and services and continue efforts to identify and implement operational efficiencies. Our management team continues to look for ways to build a stronger, more sustainable fiscal framework and to provide the leadership and discipline needed to ensure that we are implementing long-term solutions to address the City's financial challenges.

RELEVANT FINANCIAL POLICIES

The City used a substantial portion of its General Fund Economic Uncertainty Reserve (EUR) during the recession to provide the time necessary to implement long-term reduction strategies, and to mitigate even greater reductions in services. As directed by the City Council in the FY2011/12 budget hearing process, the City's goal for the General Fund EUR is 10% of annual General Fund revenues. The FY2012/13 adopted budget maintains the reserve at its current level of approximately 5.5% of annual General Fund budgeted revenues . Resources to fund this reserve will be identified on an ongoing basis and can include positive year-end results or other one-time resources. The EUR is reported in the CAFR as committed fund balance in the General Fund.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its CAFR for the fiscal year ended June 30, 2011. This marks the 23rd consecutive year the City has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

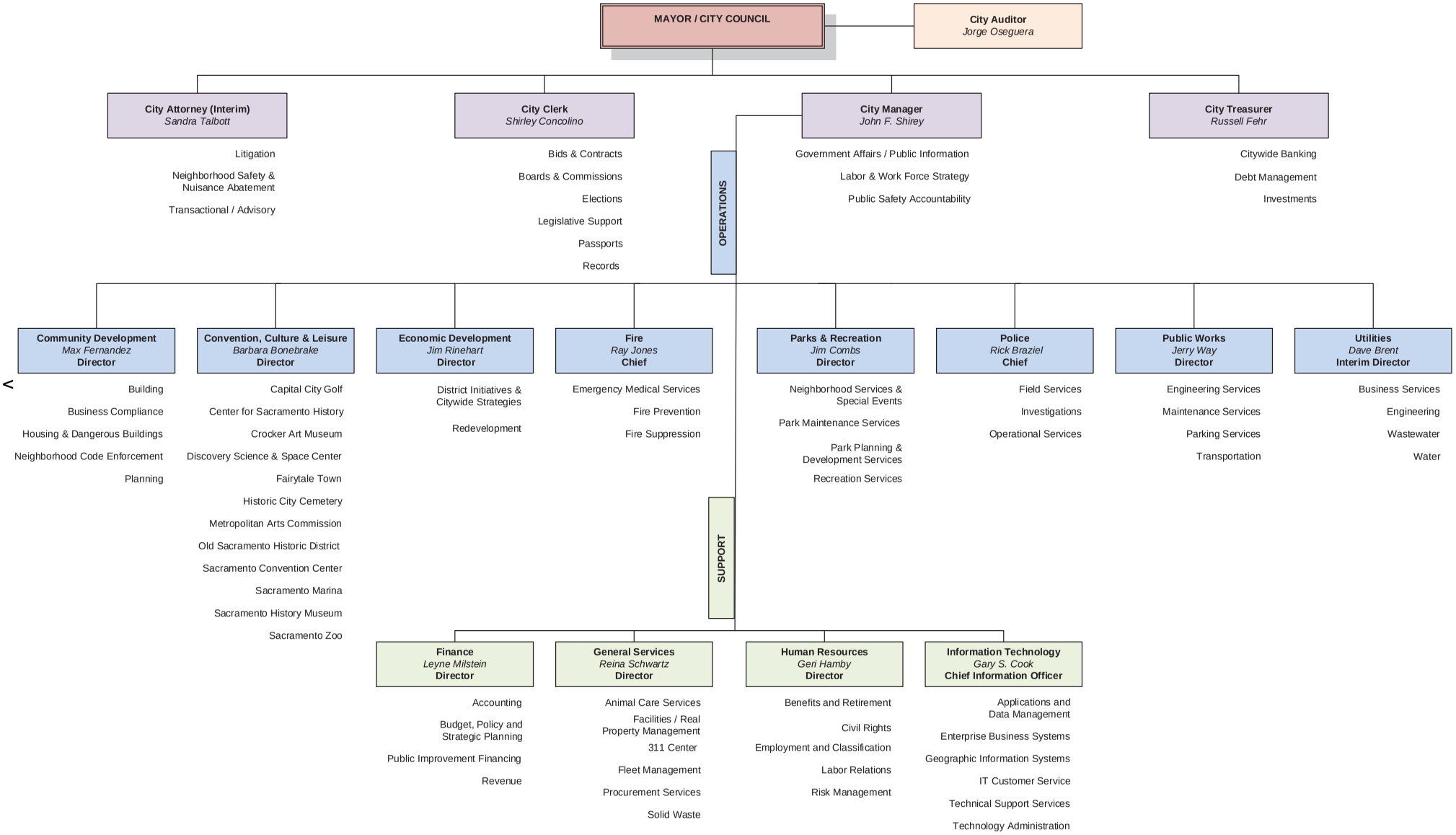
In order to receive this award, the City published an easily readable and efficiently organized CAFR. The report satisfied accounting principles generally accepted in the United States of America and applicable legal requirements. We believe this CAFR also meets the requirements of the program and we will be submitting it to the GFOA to determine its eligibility for the certificate.

The Department of Finance, in particular the Accounting Division, takes great pride in the preparation of the CAFR. The professionalism, commitment and effort of each employee of the Accounting Division have made this report possible. We also want to thank the other employees of the Department of Finance as well as those in other City departments who contributed to the preparation of this report. Finally, we thank the Mayor and City Council for their continuing interest and support in planning and conducting the City's financial operations in a responsible manner, consistent with the City's mission to protect, preserve and enhance the quality of life for present and future generations.

Respectfully submitted,

John F. Shirey	Leyne Milstein	Dennis W. Kauffman, Jr.
City Manager	Director of Finance	Accounting Manager

City of Sacramento
Organization Chart
As of June 30, 2012



City of Sacramento
Directory of City Officials
June 30, 2012

Kevin Johnson
Mayor

Angelique Ashby
Vice Mayor, District 1

Sandy Sheedy
Councilmember, District 2

Steve Cohn
Councilmember, District 3

Robert King Fong
Councilmember, District 4

Jay Schenirer
Councilmember, District 5

Kevin McCarty
Councilmember, District 6

Darrell Fong
Councilmember, District 7

Bonnie J. Pannell
Councilmember, District 8

John F. Shirey
City Manager

Sandra Talbott
Interim City Attorney

Shirley Concolino
City Clerk

Russell Fehr
City Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Sacramento California

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

President

Executive Director

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Financial Section

MGO Certified Public Accountants.

Sacramento
3000 S Street, Suite 300
Sacramento, CA 95816
916.928.4600

Walnut Creek

Oakland

LA/Century City

Newport Beach

San Diego

Seattle

To the Honorable Mayor and
Members of the City Council
Sacramento, California

INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Sacramento, California (the City), as of and for the fiscal year ended June 30, 2012, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of June 30, 2012, and the respective changes in financial position and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 28, 2012, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules of funding progress for the pension plan and other post employment benefits plan as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Sacramento, California's financial statements as a whole. The introductory section, combining and individual nonmajor fund financial statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole. The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Macias Gini & O'Connell LLP

Sacramento, California
December 28, 2012

This section of the City's Comprehensive Annual Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2012. City management recommends this information be read in conjunction with the transmittal letter located in the introductory section, and with the City's financial statements which follow this discussion.

FINANCIAL HIGHLIGHTS

- The City began construction on the Track Relocation project at the Downtown Sacramento Railyards in the spring of 2011. The track project is Phase 1 of the larger Intermodal Transportation Facilities project that will create a regional multimodal transportation hub. The Track Relocation project will straighten freight and passenger rail tracks and provide new passenger platforms at the existing Depot building. The project is expected to be completed in December 2012. Total project costs upon completion are estimated at $80 million and are funded from a variety of federal, state and local transportation and other funding sources. The construction of 5th and 6th Streets and Railyards Boulevard is expected to begin in early 2013, with completion expected in spring of 2014. Phase 2 of the Intermodal project is being designed and will provide rehabilitation of the historic Depot. The $30 million construction project, for which the City has been awarded a $15 million federal grant, is scheduled to begin in September 2013.

- The City's General Fund reported revenue in excess of expenditures and net transfers of $8.1 million in fiscal year 2012, primarily attributable to budgetary expenditure savings resulting from vacant positions and department spending controls on services and supplies. Total General Fund fund balance increased for the first time since fiscal year 2005.

- The City's total government-wide net position, excluding the discretely presented component unit, increased $33.1 million in 2012, an increase of 1.3% from 2011. The net position of governmental activities increased $15.7 million, or 0.9%, and the net position of business-type activities increased $17.4 million, or 2.1%.

OVERVIEW OF THE FINANCIAL STATEMENTS

The City's Comprehensive Annual Financial Report consists of four main components: (1) management's discussion and analysis, (2) the basic financial statements, (3) required supplementary information, and (4) combining fund financial statements. The basic financial statements include two kinds of statements that present different views of the City, the government-wide and the fund financial statements.

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.

- The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The basic financial statements also include notes that provide additional information essential to understanding the data contained in the government-wide and fund financial statements. The statements and notes are followed by the Schedules of Funding Progress for the City's pension and other post employment benefit plans, which are required supplementary information. In addition to these required elements, we have included combining statements and schedules that provide details about the City's other governmental funds, other enterprise funds, internal service funds, investment trust funds, and agency funds, each of which is presented in a column in the basic financial statements.

Government-wide Financial Statements

The government-wide statements report information about the City as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the City's assets and liabilities, as well as any deferred outflows or inflows. The statement of activities includes all current year revenues and expenses regardless of when cash is received or paid. These government-wide statements report the City's net position and how the City's net position has changed during the fiscal year. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial health of the City is improving or deteriorating.

The government-wide financial statements of the City are divided as follows:

- *Governmental activities* - Most of the City's basic services are included here, such as police, fire, transportation, community development, parks and recreation, and general government. Taxes and state and federal grants finance most of these activities.

- *Business-type activities* - Certain services provided by the City are funded by customer fees. Among these are the City's utility services, convention center, and off-street parking facilities.

- *Component unit* - The City includes the Sacramento Regional Arts Facilities Financing Authority in its basic financial statements because, although legally separate, the City is financially accountable for it.

Fund Financial Statements

A fund is a group of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Fund financial statements provide more detailed information about the City's largest funds, not the City as a whole.

The City has three types of fund financial statements:

- *Governmental funds* - Governmental funds statements tell how general government services such as police, fire and transportation were financed in the short-term as well as what remains for future spending. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the

remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental funds statements.

- *Proprietary funds* - Services for which customer fees are intended to finance the costs of operations are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide short-term and long-term financial information about the activities the City operates like businesses, such as utility services.

- *Fiduciary funds* - Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or agent for the benefit of others, to whom the resources belong. For example, the City is the trustee, or *fiduciary*, for a closed pension plan. It is also responsible for other assets, reported in an investment trust fund, which because of trust agreements, can be used only for the trust beneficiaries. As of February 1, 2012, the City elected to serve as the successor agency for its former redevelopment agency which was dissolved by state law. The successor agency activity is accounted for in a private purpose trust fund.

  The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the City's government-wide financial statements because the City cannot use these resources to finance its operations.

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

This section provides analysis of the government-wide financial statements including long-term and short-term information about the City's overall financial condition. The following tables address the financial results of the City as a whole.

City of Sacramento
Summary of Net Position
As of June 30, 2012 and 2011
(in millions)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percent
	2012	2011	2012	2011	2012	2011	Change
Current and other assets	$ 596	$ 607	$ 263	$ 240	$ 859	$ 847	1.4%
Capital assets	1,847	1,813	1,023	1,032	2,870	2,845	0.9%
Total assets	2,443	2,420	1,286	1,272	3,729	3,692	1.0%
Deferred outflow of resources	13	11	0	0	13	11	18.2%
Long-term liabilities	703	696	392	398	1,095	1,094	0.1%
Other liabilities	61	58	31	29	92	87	5.7%
Total Liabilities	764	754	423	427	1,187	1,181	0.5%
Net position							
Net investment in capital assets	1,501	1,451	706	701	2,207	2,152	2.6%
Restricted	199	210	34	30	233	240	-2.9%
Unrestricted	(8)	16	123	114	115	130	-11.5%
Total net position	$ 1,692	$ 1,677	$ 863	$ 845	$ 2,555	$ 2,522	1.3%

Analysis of net position

Total net position of the primary government increased 1.3% this year, up $33 million from 2011. Total assets increased $37 million, up 1%, and total liabilities increased $6 million, up 0.5%, from the prior year. The following analysis of governmental and business-type activities provides more detailed information for these changes.

Governmental activities:

Current and other assets declined $11 million due to utilization of development impact fees and capital improvement bond proceeds.

Deferred outflows of resources (and the corresponding liability) increased by $2 million due to a reduction in the fair value of the City's hedging derivative instrument. See Note 7 for more information about the City's hedging derivative instrument.

Long-term liabilities increased by $7 million due to increases in the City's Other Post-Employment Benefits (OPEB), claims and judgments, and compensated absence liabilities, which were partially offset by the retirement of $22 million in existing capital-related debt. More detailed information

about the City's long-term liabilities is located in the Debt Administration section of this MD&A and in Note 7 of the financial statements.

Other liabilities increased by $3 million due to higher accounts payable balances in the City's capital grant funds related to the track relocation project.

Net investments in capital assets increased $50 million because current year additions, combined with retirement of capital-related debt, exceeded depreciation expense.

Restricted net position represents amounts that must be used in accordance with external restrictions, and decreased $11 million from the prior year primarily due to utilization of development impact fees and capital improvement bond proceeds.

Unrestricted net position decreased by $24 million during the year due to increases in the City's OPEB, claims and judgments, and compensated absence liabilities. The City no longer has adequate unrestricted resources to fund all of its long-term liabilities.

Business-type activities:

Current and other assets of business-type activities increased $23 million due to an increase in restricted and unrestricted cash and investments for business-type activities.

Capital assets decreased $9 million due to current year depreciation of $38 million offset by capital asset additions and transfers of $29 million. More detailed capital asset information is located in the Capital Asset section of this MD&A and in Note 4 of the financial statements.

Long-term liabilities decreased $6 million mostly due to the retirement of $25 million of existing debt, offset by $19 million in debt additions. More detailed information about long-term liabilities can be found in the Debt Administration section of this MD&A and in Note 7 of the financial statements.

Net investments in capital assets increased $5 million mostly due to the retirement of capital-related debt, partially offset by depreciation expense.

Restricted net position, representing amounts that must be used in accordance with external restrictions, increased $4 million primarily due to development impact fee revenue collected for infrastructure improvements.

Unrestricted net position increased by $9 million during the year primarily because user fees in the Solid Waste Fund are set to address increasing operating costs and right-sizing the fund's financial position.

City of Sacramento
Changes in Net Position
For the Fiscal Years Ended June 30, 2012 and 2011
(in thousands)

	Governmental Activities		Business-type Activities		Total Primary Government		Total Percent
	2012	2011	2012	2011	2012	2011	Change
Revenues							
Program revenues:							
Charges for services	$ 120,062	$ 121,145	$ 232,803	$ 229,954	$ 352,865	$ 351,099	0.5%
Operating grants & contributions	54,287	51,289	3,744	2,358	58,031	53,647	8.2%
Capital grants & contributions	112,247	69,234	5,289	10,417	117,536	79,651	47.6%
General revenues:							
Property taxes	114,874	118,801	-	-	114,874	118,801	-3.3%
Utility users tax	58,787	58,907	-	-	58,787	58,907	-0.2%
Other taxes	17,403	18,327	15,781	15,403	33,184	33,730	-1.6%
Unrestricted:							
Sales taxes shared state revenue	50,683	47,680	-	-	50,683	47,680	6.3%
State of California in-lieu sales tax	14,081	14,548	-	-	14,081	14,548	-3.2%
Investment earnings	10,953	8,870	2,957	3,449	13,910	12,319	12.9%
Miscellaneous	11,005	12,464	-	-	11,005	12,464	-11.7%
Gain on disposition of capital assets	-	2,336	7	-	7	2,336	-99.7%
Total revenues	564,382	523,601	260,581	261,581	824,963	785,182	5.1%
Expenses							
General Government	40,846	42,238	-	-	40,846	42,238	-3.3%
Police	153,392	159,908	-	-	153,392	159,908	-4.1%
Fire	116,418	111,174	-	-	116,418	111,174	4.7%
General Services	26,148	25,679	-	-	26,148	25,679	1.8%
Transportation	98,384	97,350	-	-	98,384	97,350	1.1%
Economic Development	9,704	10,467	-	-	9,704	10,467	-7.3%
Convention, Culture & Leisure	19,857	21,348	-	-	19,857	21,348	-7.0%
Parks & Recreation	45,448	56,162	-	-	45,448	56,162	-19.1%
Community development	24,286	25,821	-	-	24,286	25,821	-5.9%
Library	13,301	14,635	-	-	13,301	14,635	-9.1%
Interest on long-term debt	23,583	24,903	-	-	23,583	24,903	-5.3%
Water	-	-	67,335	63,073	67,335	63,073	6.8%
Wastewater	-	-	20,491	18,990	20,491	18,990	7.9%
Storm Drainage	-	-	37,692	37,815	37,692	37,815	-0.3%
Solid Waste	-	-	53,205	48,203	53,205	48,203	10.4%
Community Center	-	-	18,125	18,530	18,125	18,530	-2.2%
Parking	-	-	15,732	15,786	15,732	15,786	-0.3%
Child Development	-	-	5,885	6,274	5,885	6,274	-6.2%
Marina	-	-	2,008	2,662	2,008	2,662	-24.6%
Total expenses	571,367	589,685	220,473	211,333	791,840	801,018	-1.1%
Excess before transfers & contributions	(6,985)	(66,084)	40,108	50,248	33,123	(15,836)	-309.2%
Contributions to permanent funds	1	4	-	-	1	4	0.0%
Transfers	22,722	28,229	(22,722)	(28,229)	-	-	-
Change in net position	15,738	(37,851)	17,386	22,019	33,124	(15,832)	-309.2%
Net position, beginning of year	1,677,049	1,714,900	845,145	823,126	2,522,194	2,538,026	-0.6%
Net position, end of year	$ 1,692,787	$ 1,677,049	$ 862,531	$ 845,145	$ 2,555,318	$ 2,522,194	1.3%

Note: Certain amounts in fiscal year 2011 have been reclassified to reflect fiscal year 2012 governmental functions.

Analysis of the changes in net position:

Total government-wide revenues of the primary government increased $40 million, a 5% increase from the prior year, and total expenses decreased $9 million, a 1% decrease. These fluctuations are discussed in more detail below.

Governmental activities:

Total revenues for governmental activities increased $41 million from the prior year, an 8% increase. Total expenses decreased $18 million, a 3% decrease, and net transfers to governmental activities decreased $6 million. Net transfers were lower than 2011 because of a one-time transfer from the Parking Fund to the General Fund in 2011 from proceeds of the sale of the Sheraton garage. The following provides more specific information for governmental activities.

Revenue

Capital grants and contributions revenue increased $43 million due to increases in grant revenue for Transportation of $45 million, largely related to the Track Relocation project. Additional capital grants and contribution increases of $4 million for Police and $4 million for Community Development were offset by reductions in Convention, Culture, and Leisure of $5 million, Parks and Recreation of $4 million, and Library of $1 million.

Property tax revenue is down $4 million compared to 2011 due to declining assessed property values resulting from the depressed Sacramento area housing market. Sales tax revenue is up $3 million due to a slowly improving economy in the Sacramento area.

Expenses

Three governmental functions, Fire, Transportation, and General Services, experienced a combined $6.7 million increase in expenses in 2012. Although General Fund expenditures for these departments fluctuated slightly, these departments experienced overall increases due to OPEB and depreciation expense.

The other governmental functions experienced a combined $25 million reduction in expenses, in 2012, due to continued budgetary reductions. Parks and Recreation and Police were down $11 million and $6 million, respectively, compared to 2011.

Business-type activities:

Total revenues for business-type activities decreased $1 million from the prior year, a 0.4% decrease. Total expenses increased $9 million, a 4% increase, and net transfers out decreased $5 million. The following provides more specific information for business-type activities.

Revenue

Charges for services increased $2.8 million, or 1.2%, with $1.1 million attributable to Solid Waste and $0.7 million to the Community Center.

Operating grants and contributions revenue increased $1.3 million mostly due operating grant and other reimbursements in the Water Fund.

Capital grants and contribution revenue declined by $5.1 million mostly due to a $4.4 million decline in the Water Fund, most of which is due to the completion of the ARRA-funded water meter installation projects.

Expenses

Water expenses increased $4 million due to increased spending in the water meter replacement program and higher depreciation expense.

Wastewater expenses increased $1.5 million mostly due to two claim settlements, higher employee service expenses related to vacant positions filled during 2012, and higher depreciation expense.

Solid waste expenses increased $5 million due to contributions to the Fleet Fund for purchases of new vehicles, partially offset by decreases in repair and maintenance costs.

The other enterprise funds experienced a combined decrease of $1.5 million due to budgetary cost saving efforts in the Marina and 4th R Child Development funds.

FINANCIAL ANALYSIS OF THE FUND STATEMENTS

The City uses fund accounting to assure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of City government, reporting City's operations in more detail than the government-wide statements.

Governmental Funds:

The City's governmental funds provide information on near-term inflows, outflows and balances of spendable resources. Total fund balance for governmental funds declined by $22 million. For the fiscal year ended June 30, 2012, as compared with the fiscal year ended June 30, 2011, total revenues for governmental funds increased by $32 million, or 6.3%, total expenditures for governmental funds declined by $9 million, or 1.4%, and net other financing sources decreased by $12 million. Reasons for these changes are discussed in more detail below.

General Fund

Total General Fund revenues declined a net $3.9 million in the current year mostly due to declining intergovernmental revenue ($3.5 million) charges for services ($2.3 million),

contributions and donations ($2.5 million) combined with an increase in taxes ($2.0 million) and miscellaneous revenue ($1 million). Intergovernmental revenue was down $3.5 million attributable to reduced motor vehicle in-lieu tax. Charges for services were down $2.3 million mainly due to reduced code enforcement fees. Contributions and donation revenue decreased due to the closure of the Railyards escrow in 2011.

Total General Fund expenditures declined by $19 million this year primarily due to reductions in employee services costs as positions were eliminated or held vacant. Expenditure decreases occurred in Police ($8.4 million), Parks and recreation ($2.5 million), Economic development ($1.0 million), General services ($0.7 million), and Convention, Culture and Leisure ($0.7 million). Capital outlay decreased by $4 million due to the completion of the Pocket Library, Sutter's Landing Park Phase II, and the Greyhound relocation.

General Fund transfers in were lower than 2011 by $3 million, because a $6.0 million transfer from the Parking fund that occurred in 2011 was a one-time event, and other transfers in for program support and debt service were approximately $3 million higher than 2011. Transfers out of the General Fund increased by $1.1 million due to increases in transfers to debt service funds.

General Fund Budgetary Highlights - The City Council revised the City budget throughout the fiscal year with midyear revenue and appropriation adjustments, changes made to appropriations for the use of committed fund balance, and other revenue adjustments and appropriations approved after the original budget was adopted.

After taking into account these adjustments, actual expenditures were $35 million lower than final budget amounts. Capital outlay expenditures were less than budgeted amounts by $19 million because of the multi-year nature of most capital projects. Unspent multi-year project budgets, as well as other unspent Council-approved program budgets, are carried over to the subsequent fiscal year. All General Fund departments reported favorable operating expenditure budget variances as a result of holding positions vacant and other discretionary spending constraints.

General Fund revenues were $3.8 million lower than final budgeted amounts. Property tax, business operations tax and charges for services revenue came in under budget by $2.6 million, $0.6 million and $3 million respectively. Unfavorable tax revenue results were partially offset by revenue from escheating unclaimed property ($1.6 million).

Capital Grant Fund

Capital Grant revenue increased $29 million and expenditures increase $39 million in fiscal year 2012 primarily related to the Track Relocation project.

1997 Lease Revenue Bond Fund

The lease receivable, and associated revenue, from the Sacramento Kings ownership group, for debt service decreased in accordance with the bond payments schedule.

Other Governmental Funds

Total other governmental funds revenue increased $7 million, with $5 million of that increase attributable to the transportation and special districts special revenue funds and a $2 million increase in other capital projects funds as pay-as-you-go funding was brought in from a special district agency fund to finance infrastructure improvements.

Total other governmental funds expenditures decreased $29 million, most of which is due to a decrease in expenditures of bond proceeds as the bond-funded projects move closer to completion.

Enterprise Funds:

The City's enterprise funds provide the same type of information as the government-wide financial statements but in greater detail. Total operating revenues increased $3 million, or 1.3%, and operating expenses increased $10.2 million, a 5.3% increase. Net non-operating revenues increased $3.8 million, capital contributions declined $4.6 million, and transfers out decreased $3.7 million for the fiscal year ended June 30, 2012. Reasons for these changes are discussed in more detail below.

Water Fund

Water Fund operating revenue was relatively flat compared to prior year because there were no rate increases. Operating expenses increased $4.0 million in the current year due to increased spending in the water meter replacement program and higher depreciation expense.

Wastewater Fund

The Wastewater Fund operating revenue was relatively flat compared to prior year because there were no rate increases. Operating expenses increased $1.5 million mostly due to two claim settlements, higher employee service expenses related to vacant positions filled during 2012, and higher depreciation expense.

Storm Drainage Fund

The Storm Drainage Fund operating revenue and expenses were relatively flat compared to prior year because there were no rate increases.

Solid Waste Fund

Solid Waste Fund operating revenue was relatively flat compared to prior year because there were no rate increases in fiscal year 2012. Total operating expenses increased $5.0 million as a result of contributions to the Fleet Fund for purchases of new vehicles, partially offset by decreases in repair and maintenance costs.

Community Center Fund

Operating revenue increased $0.7 million in the current year mostly because of an increase in Community Center events, and total operating expenses are flat. Transient occupancy revenue increased $0.4 million due to a continuing upward trend in Sacramento area hotel room occupancy and room rates.

Other Enterprise Funds

There were no significant changes in operating revenues or expenses for the City's other enterprise funds. There was however a $4.2 million decrease in transfers out due to the prior year non-recurring Parking Fund transfer of resources related to the sale of a City garage.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2012, the City had invested $2.9 billion in a broad range of capital assets, including police and fire equipment, buildings, parks and park improvements, roads, bridges, and water, sewer and storm drainage transmission and distribution systems. The current year capital asset additions of $158 million were offset by current year depreciation expense of $132 million and retirements of $1 million for a net increase in capital assets of $25 million.

City of Sacramento
Capital Assets
As of June 30, 2012 and 2011
(net of depreciation, in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Capital assets not being depreciated						
Land and improvements	$ 187	$ 187	$ 54	$ 54	$ 241	$ 241
Easements	1	1	-	-	1	1
Construction in progress	130	113	25	11	155	124
Depreciable capital assets:						
Buildings and improvements	497	499	157	164	654	663
Equipment	33	32	29	30	62	62
Software	2	3	1	1	3	4
Vehicles	51	45	-	-	51	45
Transmission and distribution systems	3	3	757	772	760	775
Road network	690	690	-	-	690	690
Street light network	128	117	-	-	128	117
Park and park improvements	125	123	-	-	125	123
Total	$ 1,847	$ 1,813	$ 1,023	$ 1,032	$ 2,870	$ 2,845

This year's major capital asset additions included:

- The Track Relocation project at the Downtown Sacramento Railyards is phase 1 of the large intermodal transportation facilities project that will create a regional multimodal transportation hub. The total project costs upon completion, including design, are estimated at $80 million. The project contributed $46.3 million to construction in progress in governmental funds.

- Land and infrastructure in the North Natomas area were dedicated to the City by developers at an estimated fair market value of $5.3 million.

- Other capital projects in progress included the Interstate 5/Richards to Railyards Access Improvements Project, FY2011 Federal Overlay Project, Intermodal Depot Retrofit, R Street Improvements 10th-13th Street, and I-5/Consumnes River Boulevard Project. Several projects were completed in the current fiscal year and transferred from construction in progress to the appropriate capital asset categories.

More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

Long-term Debt

The following table summarizes the City's outstanding debt at June 30, 2012 and 2011:

City of Sacramento
Outstanding Debt
As of June 30, 2012 and 2011
(in millions)

	Governmental Activities		Business-Type Activities		Total Primary Government	
	2012	2011	2012	2011	2012	2011
Revenue and other bonds, net	$ 457	$ 477	$ 277	$ 290	$ 734	$ 767
Notes payable	1	1	55	56	56	57
Capital lease obligations	8	10	12	7	20	17
Total outstanding debt	$ 466	$ 488	$ 344	$ 353	$ 810	$ 841

Total City debt outstanding as of June 30, 2012 and 2011 was $810 and $841 million, respectively, a decrease of $31 million (not including $14 million of outstanding long-term debt for the City's discretely presented component unit).

Total outstanding long-term debt for governmental activities decreased $22 million due to the retirement of existing obligations. There were no new long term debt additions during the year for governmental activities.

Total outstanding long-term debt for business-type activities decreased $9 million due to the retirement of $17 million of existing obligations, offset in part by the addition of $8 million in new debt. These new obligations include an increase of $1 million in loans from the State Department of Boating and Waterways for the Marina South Basin Renovation, $6 million in new capital leases for solid waste vehicles and sewer cleaning equipment, and $1 million for water meters and the storm drainage detention basin.

More detailed information about the City's total long-term liabilities is presented in Note 7 to the financial statements.

Credit rating

The following table summarizes the City's bonded debt ratings at June 30, 2012, as determined by Moody's Investors Service, Inc. (Moody's) and Standard & Poor's (S & P):

Insured bond issues:	S & P	Moody's
• 1993 Refunded Lease Revenue Bonds, Series A	A	A1
• 1996 Lighting and Landscaping Bonds	BBB	Baa2
• 1997 Lease Revenue Bonds	BBB	Baa2
• 2003 Capital Improvement Revenue Bonds	A	Aa3
• 2005 Refunding Revenue Bonds	A	A1
• 2006 Capital Improvement Revenue Bonds, Series A and B	A	Aa3
• 2006 Capital Improvement Revenue Bonds, Series C, D and E	A	Aa3
Uninsured bond issues:		
• 1993 Refunded Lease Revenue Bonds, Series B	A	A1
• 2002 Refunding Revenue Bonds	AA-	A1

The City's issuer credit ratings of A+ with a stable outlook from S & P, and Aa2 with a stable outlook from Moody's, remain unchanged from 2011.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Economic Factors

The City continues to face a number of serious challenges in the current fiscal year and in its financial outlook over the next couple of years. According to the latest economic forecasts, California's economy will slowly recover during 2013; however, unemployment is expected to remain above 10% through the end of 2013. Although the housing market remains sluggish as the economy recovers, 2012 appears to have been an adjustment year, one without further decline. The housing crisis and significant downturn of the real estate market and its associated industries continues to severely impact the City's property and sales tax revenues, two of the largest sources of discretionary income. Although these revenues are beginning to stabilize, albeit at reduced levels, prior commitments for labor contracts, increasing retirement contributions associated with prior years market losses, a legal settlement related to utility rates charged to General Fund departments by the City's utility enterprise funds, costs for utilities for the facilities and services provided by the Department of Parks and Recreation can no longer be absorbed, and necessary funding for public safety equipment, have added significant costs to the City's General Fund budget.

Next Year's Budget

The General Fund budget appropriations for fiscal year 2013 are $368 million, an increase of 2% compared to the fiscal year 2012 approved budget. General Fund budgeted revenue in the approved fiscal year 2013 budget is $369 million, $9 million more than the fiscal year 2012 approved budget. In fiscal year 2013, the General Fund gap between projected revenues and expenditures was primarily bridged through successful negotiations with labor groups who will begin to pay the employee share of retirement contributions. Those labor groups included the Sacramento City Exempt Employees Association, Sacramento Firefighters Local 522, and Stationary Engineers Local 39 bargaining units; paying their share helped to restore 143.8 Full-Time Equivalent (FTE) positions.

The three-year water and wastewater rate increases approved on March 27, 2012, provides a solid source for the needed investment in the City's utility infrastructure. The City will use the funding to leverage rehabilitation or upgrades to the Sacramento River and Fairbairn water treatment plants and make progress towards the 100-year replacement schedule for aging sewage pipes.

CONTACTING THE CITY'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the City's finances, and to demonstrate the City's accountability for the money it receives. If you have questions about this report, need additional financial information, or would like to obtain component unit financial statements, contact the City of Sacramento Department of Finance, Accounting Division, 915 I Street, Fourth Floor, Sacramento, CA, 95814, or visit the City's web page at http://www.cityofsacramento.org.

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Government-wide Financial Statements

City of Sacramento

Statement of Net Position

June 30, 2012
(in thousands)

	Primary Government			Sacramento Regional Arts Facilities Financing Authority
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	$ 308,146	$ 142,101	$ 450,247	$ -
Securities lending assets	1,043	748	1,791	-
Receivables, net	242,914	74,856	317,770	12,814
Internal balances	6,797	(6,797)	-	-
Inventories	-	4,478	4,478	-
Prepaid items	52	15	67	-
Restricted cash and investments	33,124	43,540	76,664	1,094
Deferred charges	4,091	3,419	7,510	498
Land and other capital assets not being depreciated	317,973	79,050	397,023	-
Other capital assets, net of depreciation	1,529,214	944,247	2,473,461	-
Total assets	2,443,354	1,285,657	3,729,011	14,406
DEFERRED OUTFLOWS OF RESOURCES				
Accumulated decrease in fair value of hedging derivative instrument	13,653	-	13,653	-
LIABILITIES				
Securities lending obligations	3,295	1,555	4,850	-
Payables	55,058	22,356	77,414	162
Unearned revenue	3,228	6,893	10,121	-
Long-term liabilities:				
Due within one year	41,964	22,444	64,408	405
Due in more than one year	660,675	369,878	1,030,553	13,236
Total liabilities	764,220	423,126	1,187,346	13,803
NET POSITION				
Net investment in capital assets	1,500,603	705,527	2,206,130	-
Restricted for:				
Capital projects	149,830	33,209	183,039	-
Debt service	1,101	-	1,101	603
Transportation programs	18,103	-	18,103	-
Other programs	23,274	530	23,804	-
Trust and endowments:				
Expendable	6,870	-	6,870	-
Nonexpendable	878	-	878	-
Unrestricted	(7,872)	123,265	115,393	-
Total net position	$ 1,692,787	$ 862,531	$ 2,555,318	$ 603

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Statement of Activities

For the Fiscal Year Ended June 30, 2012
(in thousands)

Functions/Programs	Operating Expenses	Indirect Expenses Allocation	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue
Primary government:						
Governmental activities:						
General government	$ 48,788	$ (7,942)	$ 5,608	$ 2,255	$ -	$ (32,983)
Police	153,392	-	9,714	13,056	4,025	(126,597)
Fire	116,418	-	21,643	3,289	-	(91,486)
General services	28,199	(2,051)	10,965	1,940	-	(13,243)
Transportation	98,384	-	28,309	18,838	100,522	49,285
Economic development	9,704	-	8,800	310	-	(594)
Convention, culture and leisure	19,857	-	7,985	587	968	(10,317)
Parks and recreation	45,448	-	11,579	9,188	1,104	(23,577)
Community development	24,286	-	15,459	96	5,628	(3,103)
Library	13,301	-	-	4,728	-	(8,573)
Interest on long-term debt	23,583	-	-	-	-	(23,583)
Total governmental activities	581,360	(9,993)	120,062	54,287	112,247	(284,771)
Business-type activities:						
Water	64,315	3,020	79,809	1,034	4,012	17,520
Wastewater	19,548	943	21,513	-	445	1,467
Storm drainage	35,618	2,074	34,545	685	832	(1,630)
Solid waste	50,872	2,333	64,055	785	-	11,635
Community center	17,245	880	7,521	-	-	(10,604)
Child development	5,885	-	5,232	678	-	25
Marina	1,900	108	1,359	-	-	(649)
Parking	15,097	635	18,769	562	-	3,599
Total business-type activities	210,480	9,993	232,803	3,744	5,289	21,363
Total primary government	$ 791,840	$ -	$ 352,865	$ 58,031	$ 117,536	$ (263,408)
Component unit:						
Sacramento Regional Arts Facilities Financing Authority	$ 683	$ -	$ -	$ -	$ -	$ (683)

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Statement of Activities

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Sacramento Regional Arts Facilities Financing Authority
Change in net position:				
Net (expense) revenue	$ (284,771)	$ 21,363	$ (263,408)	$ (683)
General revenues:				
Taxes:				
Property taxes	114,874	-	114,874	-
Utility user taxes	58,787	-	58,787	-
Other taxes	17,403	15,781	33,184	-
Unrestricted sales taxes shared state revenue	50,683	-	50,683	-
Unrestricted in lieu sales tax	14,081	-	14,081	-
Unrestricted investment earnings	10,953	2,957	13,910	654
Unrestricted miscellaneous	11,005	-	11,005	-
Contributions to permanent funds	1	-	1	-
Gain on disposition of capital assets	-	7	7	-
Transfers	22,722	(22,722)	-	-
Total general revenues and transfers	300,509	(3,977)	296,532	654
Change in net position	15,738	17,386	33,124	(29)
Net position, beginning of year	1,677,049	845,145	2,522,194	632
Net position, end of year	$ 1,692,787	$ 862,531	$ 2,555,318	$ 603

The notes to the financial statements are an integral part of this statement.

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Fund Financial Statements

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City of Sacramento
Governmental Funds
Balance Sheet
June 30, 2012
(in thousands)

	General Fund	Capital Grants Fund	1997 Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
ASSETS					
Cash and investments held by City	$ 56,340	$ -	$ 2,171	$ 192,547	$ 251,058
Cash and investments held by fiscal agent	-	-	44	939	983
Securities lending assets	263	-	-	596	859
Receivables, net:					
Taxes	20,283	-	-	-	20,283
Accounts	8,972	280	-	4,625	13,877
Loans	137	-	65,780	17,920	83,837
Intergovernmental	-	55,383	-	65,538	120,921
Interest	324	-	740	980	2,044
Investments sold	585	-	-	624	1,209
Prepaid items	23	-	-	29	52
Restricted assets:					
Cash and investments held by City	-	28	-	13,962	13,990
Cash and investments held by fiscal agent	-	-	-	19,134	19,134
Total assets	$ 86,927	$ 55,691	$ 68,735	$ 316,894	$ 528,247

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Governmental Funds
Balance Sheet
June 30, 2012
(in thousands)

	General Fund	Capital Grants Fund	1997 Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
LIABILITIES AND FUND BALANCES					
Liabilities:					
Securities lending obligations	$ 770	$ -	$ -	$ 2,238	$ 3,008
Accounts payable	8,707	13,497	-	8,416	30,620
Accrued payroll	12,898	-	-	114	13,012
Accrued claims and judgments	-	-	-	1,601	1,601
Due to other funds	-	38,447	-	4,912	43,359
Matured bonds and interest payable	-	-	-	3,323	3,323
Deposits	53	-	-	1,542	1,595
Deferred revenue	3,431	30,811	66,520	79,285	180,047
Advances from other funds	-	-	-	7,419	7,419
Total liabilities	25,859	82,755	66,520	108,850	283,984
Fund balances:					
Nonspendable:					
Prepaid items	23	-	-	29	52
Noncurrent assets	71	-	-	605	676
Permanent fund principal	-	-	-	878	878
Restricted:					
Capital projects	-	2,639	-	147,836	150,475
Debt service	-	-	-	18,230	18,230
Other programs	64	-	2,215	47,811	50,090
Committed:					
Economic uncertainty	20,263	-	-	-	20,263
Capital projects	21,542	-	-	469	22,011
Debt service	-	-	-	2,278	2,278
Other programs	9,349	-	-	2,096	11,445
Assigned:					
Debt service	-	-	-	2,068	2,068
Unrealized investment gains	402	-	-	42	444
Next year's budget	9,354	-	-	-	9,354
Other programs	-	-	-	4,093	4,093
Unassigned	-	(29,703)	-	(18,391)	(48,094)
Total fund balances (deficit)	61,068	(27,064)	2,215	208,044	244,263
Total liabilities and fund balances	$ 86,927	$ 55,691	$ 68,735	$ 316,894	$ 528,247

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Governmental Funds

Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2012
(in thousands)

Fund balances - total governmental funds		$ 244,263
Amounts reported for governmental activities in the statement of net position are different because:		
Deferred revenue and other resources not available to liquidate liabilities of the current period are not recognized in the funds.		177,346
Deferred charges represent costs associated with the issuance of long-term debt which are deferred and amortized over the period which the debt is outstanding. The costs are reported as expenditures of the current period in the governmental funds.		4,063
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Governmental capital assets	2,949,948	
Less: accumulated depreciation	(1,156,761)	
		1,793,187
Certain current liabilities are not due and payable in the current period and therefore are not reported in the funds. Those liabilities consist of the following:		
Interest payable		(2,426)
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.		
Accrued compensated absences	(31,263)	
Accrued claims and judgements	(1,181)	
Financing plan fee credits	(41,365)	
Pollution remediation obligations	(680)	
Revenue and other bonds payable, net	(450,695)	
Capital lease obligations payable	(8,245)	
Notes payable	(605)	
OPEB liability	(87,195)	
		(621,229)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		97,583
Net position of governmental activities		$ 1,692,787

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Governmental Funds

Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2012

(in thousands)

	General Fund	Capital Grants Fund	1997 Lease Revenue Bond Fund	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	$ 256,143	$ -	$ -	$ 421	$ 256,564
Intergovernmental	12,021	68,839	-	74,077	154,937
Charges for services	50,073	-	-	12,687	62,760
Fines, forfeits and penalties	11,020	-	-	871	11,891
Interest, rents, and concessions	1,702	72	3,738	9,982	15,494
Community service fees	-	-	-	3,058	3,058
Assessment levies	20	-	-	35,274	35,294
Contributions and donations	188	-	1,619	4,363	6,170
Miscellaneous	2,090	-	-	-	2,090
Total revenues	333,257	68,911	5,357	140,733	548,258
Expenditures:					
Current:					
General government	21,250	-	-	3,360	24,610
Police	114,472	-	-	27,732	142,204
Fire	95,652	-	-	3,097	98,749
General services	9,859	-	-	9,529	19,388
Transportation	6,126	-	-	27,057	33,183
Convention, culture and leisure	4,676	-	-	5,994	10,670
Economic development	2,818	-	-	6,578	9,396
Parks and recreation	12,263	-	-	18,130	30,393
Community development	19,447	-	-	2,372	21,819
Library	7,130	-	-	4,609	11,739
Utilities	97	-	-	-	97
Nondepartmental	31,957	-	-	312	32,269
Capital outlay	2,151	81,207	-	34,901	118,259
Debt service:					
Principal	1,378	-	1,575	18,642	21,595
Interest and fiscal charges	461	-	3,693	19,874	24,028
Total expenditures	329,737	81,207	5,268	182,187	598,399
Excess (deficiency) of revenues over (under) expenditures	3,520	(12,296)	89	(41,454)	(50,141)
Other financing sources (uses):					
Transfers in	28,679	-	-	26,756	55,435
Transfers out	(24,055)	(72)	-	(3,463)	(27,590)
Issuance of long-term debt	-	-	-	73	73
Total other financing sources (uses)	4,624	(72)	-	23,366	27,918
Net change in fund balances	8,144	(12,368)	89	(18,088)	(22,223)
Fund balances (deficit), beginning of year	52,924	(14,696)	2,126	226,132	266,486
Fund balances (deficit), end of year	$ 61,068	$ (27,064)	$ 2,215	$ 208,044	$ 244,263

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2012

(in thousands)

Net change in fund balances - total governmental funds		$ (22,223)
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation expense.		
Capital outlay	113,716	
Depreciation expense	(84,945)	
		28,771
Losses on retirement of capital assets in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.		(62)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds - infrastructure dedications.		5,320
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Costs associated with the issuance of long-term debt are reported as expenditures in the governmental funds, but deferred and amortized throughout the period during which the related debt is outstanding. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Issuance of long-term debt	(73)	
Principal repayments on long-term debt	21,595	
		21,522
Earned deferred revenue and other resources not available to liquidate liabilities of the current period are not recognized in governmental funds. Revenue in the statement of activities is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues - unavailable revenues at the end of the year were more than beginning unavailable revenues by this amount.		9,348

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Governmental Funds

Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities

For the Fiscal Year Ended June 30, 2012

(in thousands)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Compensated absences	(2,106)	
Accrued claims and judgements	(685)	
Other post-employment benefits	(20,947)	
Pollution remediation	220	
Termination payments	75	
Accrued interest	68	
Amortization of issuance costs	(271)	
Amortization of bond discount	(8)	
Amortization of bond premium	1,044	
Amortization of gain/loss on refunding	(545)	
		(23,155)
Capital assets transferred from governmental activities to business-type activities are reported as transfers in the statement of activities. The transfers are not reported in the governmental funds as the amount did not involve the transfer of financial resources.		(4,748)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The net revenue of the internal service funds is reported with the governmental activities.		965
Change in net position of governmental activities		$ 15,738

The notes to the financial statements are an integral part of this statement.

City of Sacramento

General Fund

Statement of Revenues and Expenditures - Budget and Actual (Non-GAAP Budgetary Basis) with Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2012

(in thousands)

	Budgeted Amounts		Actual Amounts - Budgetary Basis	Variance with Final Budget - Positive (Negative)	Budget to GAAP Reconciliation	Actual Amounts - GAAP Basis
	Original	Final				
Revenues:						
Taxes	$ 257,471	$ 256,881	$ 256,143	$ (738)	$ -	$ 256,143
Intergovernmental	13,067	11,951	12,021	70	-	12,021
Charges for services	51,121	53,048	50,073	(2,975)	-	50,073
Fines, forfeits and penalties	12,395	12,397	11,020	(1,377)	-	11,020
Interest, rents, and concessions	1,567	2,424	1,702	(722)	-	1,702
Assessment levies	53	53	20	(33)	-	20
Contributions and donations	-	151	188	37	-	188
Miscellaneous	124	124	2,090	1,966	-	2,090
Total revenues	335,798	337,029	333,257	(3,772)	-	333,257
Expenditures:						
Current:						
Mayor/Council	3,079	4,010	3,472	538	(2)	3,470
City Manager	2,534	2,973	2,319	654	(33)	2,286
City Attorney	3,312	3,337	2,625	712	-	2,625
City Clerk	1,102	1,177	1,129	48	-	1,129
City Treasurer	1,882	1,882	1,820	62	(95)	1,725
Finance	4,223	4,102	3,362	740	(163)	3,199
Information technology	4,851	4,856	4,424	432	(46)	4,378
Human resources	2,512	2,627	2,421	206	17	2,438
Subtotal - General government	23,495	24,964	21,572	3,392	(322)	21,250
Police	116,329	117,815	114,559	3,256	(87)	114,472
Fire	95,034	96,396	95,671	725	(19)	95,652
General services	9,638	10,152	9,817	335	42	9,859
Transportation	6,634	6,173	6,130	43	(4)	6,126
Convention, culture and leisure	4,783	4,742	4,694	48	(18)	4,676
Economic development	3,155	3,208	2,792	416	26	2,818
Parks and recreation	10,547	12,404	12,263	141	-	12,263
Community development	19,888	20,540	19,507	1,033	(60)	19,447
Library	7,130	7,130	7,130	-	-	7,130
Utilities	162	162	97	65	-	97
Nondepartmental	36,919	39,223	31,992	7,231	(35)	31,957
Capital outlay	22,318	22,521	3,714	18,807	(1,563)	2,151
Debt service:						
Principal	1,378	1,378	1,378	-	-	1,378
Interest and fiscal charges	380	380	461	(81)	-	461
Total expenditures	357,790	367,188	331,777	35,411	(2,040)	329,737
Excess (deficiency) of revenues over (under) expenditures	(21,992)	(30,159)	1,480	31,639	2,040	3,520
Other financing sources (uses):						
Transfers in	25,608	26,429	28,679	2,250	-	28,679
Transfers out	(24,968)	(23,958)	(24,055)	(97)	-	(24,055)
Total other financing sources (uses)	640	2,471	4,624	2,153	-	4,624
Net change in fund balance	$ (21,352)	$ (27,688)	$ 6,104	$ 33,792	$ 2,040	$ 8,144

The notes to the financial statements are an integral part of this statement.

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City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
ASSETS				
Current assets:				
Cash and investments held by City	$ 42,591	$ 16,764	$ 23,741	$ 16,084
Cash and investments held by fiscal agent	-	-	50	-
Securities lending assets	290	94	129	93
Receivables, net:				
Taxes	-	-	-	-
Accounts	19,671	10,228	6,339	12,847
Loans	2,056	237	710	4
Intergovernmental	1,191	-	1,776	825
Interest	688	157	284	114
Investments sold	645	210	288	206
Due from other funds	-	-	-	-
Inventories	3,900	97	481	-
Prepaid items	-	-	-	-
Total current assets	71,032	27,787	33,798	30,173
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	18,435	3,361	3,540	4,315
Cash and investments held by fiscal agent	-	-	751	-
Advances to other funds	-	-	-	-
Loans receivable	7,075	1,056	3,168	-
Intergovernmental receivables	-	-	201	-
Deferred charges	1,739	-	35	251
Capital assets:				
Land	967	1,138	18,724	1,133
Buildings and improvements	37,468	14,906	8,223	31,191
Machinery and equipment	15,512	4,831	15,970	11,417
Vehicles	-	-	-	-
Transmission and distribution system	570,839	145,405	371,142	-
Construction in progress	18,187	1,970	2,929	-
Software	201	296	584	-
Easements	-	-	157	-
Less: accumulated depreciation/amortization	(186,017)	(58,547)	(128,013)	(20,720)
Total noncurrent assets	484,406	114,416	297,411	27,587
Total assets	555,438	142,203	331,209	57,760

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
ASSETS				
Current assets:				
Cash and investments held by City	$ 10,311	$ 31,408	$ 140,899	$ 55,895
Cash and investments held by fiscal agent	1,034	118	1,202	210
Securities lending assets	-	142	748	184
Receivables, net:				
Taxes	2,227	-	2,227	-
Accounts	253	906	50,244	106
Loans	21	60	3,088	-
Intergovernmental	-	26	3,818	-
Interest	22	180	1,445	226
Investments sold	-	317	1,666	410
Due from other funds	-	-	-	43,609
Inventories	-	-	4,478	-
Prepaid items	-	15	15	-
Total current assets	13,868	33,172	209,830	100,640
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	1,324	395	31,370	-
Cash and investments held by fiscal agent	9,660	1,759	12,170	-
Advances to other funds	-	-	-	13,966
Loans receivable	156	712	12,167	1
Intergovernmental receivables	-	-	201	-
Deferred charges	871	523	3,419	28
Capital assets:				
Land	21,740	10,616	54,318	-
Buildings and improvements	111,201	79,437	282,426	7,402
Machinery and equipment	3,900	7,110	58,740	457
Vehicles	-	-	-	118,751
Transmission and distribution system	-	-	1,087,386	-
Construction in progress	1,489	-	24,575	-
Software	-	-	1,081	177
Easements	-	-	157	-
Less: accumulated depreciation/amortization	(53,160)	(38,929)	(485,386)	(72,787)
Total noncurrent assets	97,181	61,623	1,082,624	67,995
Total assets	111,049	94,795	1,292,454	168,635

The notes to the financial statements are an integral part of this statement.

(continued)

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
LIABILITIES				
Current liabilities:				
Securities lending obligations	599	193	240	93
Accounts payable	4,302	7,350	1,371	1,903
Accrued payroll	829	241	785	454
Accrued compensated absences	120	23	60	79
Due to other funds	-	-	-	-
Interest payable	766	74	317	214
Liability for landfill closure	-	-	-	895
Deposits	26	-	-	10
Unearned revenue	2,978	-	460	-
Accrued claims and judgements	90	57	48	71
Capital leases payable	-	133	-	2,006
Revenue and other bonds payable, net	4,916	-	513	794
Notes payable	-	703	2,179	-
Total current liabilities	14,626	8,774	5,973	6,519
Noncurrent liabilities:				
Accrued compensated absences	1,932	571	2,296	1,192
Advances from other funds	-	-	-	-
Water fee credits	1,702	-	-	-
OPEB liability	4,534	1,805	2,189	5,831
Accrued claims and judgments	-	-	-	-
Liability for landfill closure	-	-	-	21,909
Capital leases payable	-	575	-	7,816
Revenue and other bonds payable, net	152,660	-	5,215	21,807
Notes payable	10,000	6,034	20,774	-
Total noncurrent liabilities	170,828	8,985	30,474	58,555
Total liabilities	185,454	17,759	36,447	65,074
NET POSITION (DEFICIT)				
Net investment in capital assets	289,581	102,554	265,326	818
Restricted for:				
Capital projects	29,333	2,564	-	-
Other programs	-	-	-	530
Unrestricted	51,070	19,326	29,436	(8,662)
Total net position (deficit)	$ 369,984	$ 124,444	$ 294,762	$ (7,314)

(continued)

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Proprietary Funds
Statement of Net Position
June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
LIABILITIES				
Current liabilities:				
Securities lending obligations	79	351	1,555	287
Accounts payable	942	754	16,622	6,951
Accrued payroll	198	337	2,844	360
Accrued compensated absences	25	27	334	75
Due to other funds	250	-	250	-
Interest payable	565	833	2,769	10
Liability for landfill closure	-	-	895	-
Deposits	-	85	121	4
Unearned revenue	2,868	587	6,893	527
Accrued claims and judgements	26	12	304	13,823
Capital leases payable	-	90	2,229	22
Revenue and other bonds payable, net	7,293	1,868	15,384	322
Notes payable	-	416	3,298	-
Total current liabilities	12,246	5,360	53,498	22,381
Noncurrent liabilities:				
Accrued compensated absences	589	633	7,213	1,166
Advances from other funds	6,547	-	6,547	-
Water fee credits	-	-	1,702	-
OPEB liability	530	1,011	15,900	2,108
Accrued claims and judgments	-	-	-	42,161
Liability for landfill closure	-	-	21,909	-
Capital leases payable	-	1,073	9,464	172
Revenue and other bonds payable, net	51,383	30,792	261,857	3,064
Notes payable	-	15,025	51,833	-
Total noncurrent liabilities	59,049	48,534	376,425	48,671
Total liabilities	71,295	53,894	429,923	71,052
NET POSITION (DEFICIT)				
Net investment in capital assets	36,154	11,094	705,527	50,420
Restricted for:				
Capital projects	1,312	-	33,209	-
Other programs	-	-	530	-
Unrestricted	2,288	29,807	123,265	47,163
Total net position (deficit)	$ 39,754	$ 40,901	$ 862,531	$ 97,583

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Operating revenues:				
Charges for services:				
User fees and charges	$ 79,758	$ 20,484	$ 34,359	$ 64,095
Rents and concessions	-	-	-	(43)
Charge to Regional Sanitation District for operating and maintaining treatment plant	-	913	-	-
Miscellaneous	99	99	186	3
Total operating revenues	79,857	21,496	34,545	64,055
Operating expenses:				
Employee services	23,409	7,034	20,611	16,285
Services and supplies	19,774	8,869	4,878	33,455
Depreciation/amortization	16,456	4,084	11,156	1,838
Insurance premiums	-	-	-	-
Claims and judgments	163	371	149	123
Total operating expenses	59,802	20,358	36,794	51,701
Operating income (loss)	20,055	1,138	(2,249)	12,354
Nonoperating revenues (expenses):				
Interest and investment revenue	1,072	235	393	517
Transient occupancy taxes	-	-	-	-
Revenue from other agencies	980	17	685	785
Insurance and other claim recoveries	-	-	-	-
Interest expense	(7,421)	(133)	(894)	(1,489)
Amortization of deferred charges	(119)	-	(4)	(15)
Loan forgiveness	-	-	-	-
Gain or (loss) on disposition of capital assets	-	-	4	3
Loss on liquidation of inventory	-	-	-	-
Total nonoperating revenues (expenses)	(5,488)	119	184	(199)
Income (loss) before contributions and transfers	14,567	1,257	(2,065)	12,155
Capital contributions	4,590	1,637	3,810	-
Transfers in	54	19	45	115
Transfers out	(8,980)	(2,269)	(3,891)	(6,821)
Changes in net position	10,231	644	(2,101)	5,449
Total net position (deficit), beginning of year	359,753	123,800	296,863	(12,763)
Total net position (deficit), end of year	$ 369,984	$ 124,444	$ 294,762	$ (7,314)

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Proprietary Funds
Statement of Revenues, Expenses and Changes in Fund Net Position
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
Operating revenues:				
Charges for services:				
User fees and charges	$ 3,098	$ 24,639	$ 226,433	$ 69,156
Rents and concessions	4,385	705	5,047	-
Charge to Regional Sanitation District for operating and maintaining treatment plant	-	-	913	-
Miscellaneous	38	16	441	-
Total operating revenues	7,521	25,360	232,834	69,156
Operating expenses:				
Employee services	5,830	9,232	82,401	11,255
Services and supplies	5,580	9,372	81,928	28,916
Depreciation/amortization	2,419	2,484	38,437	8,636
Insurance premiums	-	-	-	2,274
Claims and judgments	14	20	840	17,303
Total operating expenses	13,843	21,108	203,606	68,384
Operating income (loss)	(6,322)	4,252	29,228	772
Nonoperating revenues (expenses):				
Interest and investment revenue	375	378	2,970	1,187
Transient occupancy taxes	15,781	-	15,781	-
Revenue from other agencies	-	1,240	3,707	-
Insurance and other claim recoveries	-	-	-	270
Interest expense	(4,147)	(2,492)	(16,576)	(119)
Amortization of deferred charges	(132)	(25)	(295)	(3)
Loan forgiveness	(3)	-	(3)	-
Gain or (loss) on disposition of capital assets	-	-	7	(237)
Loss on liquidation of inventory	-	-	-	(530)
Total nonoperating revenues (expenses)	11,874	(899)	5,591	568
Income (loss) before contributions and transfers	5,552	3,353	34,819	1,340
Capital contributions	-	-	10,037	-
Transfers in	-	3	236	430
Transfers out	(1,678)	(4,067)	(27,706)	(805)
Changes in net position	3,874	(711)	17,386	965
Total net position (deficit), beginning of year	35,880	41,612	845,145	96,618
Total net position (deficit), end of year	$ 39,754	$ 40,901	$ 862,531	$ 97,583

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Proprietary Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Cash flows from operating activities:				
Receipts from customers and users	$ 77,459	$ 21,141	$ 35,139	$ 64,350
Receipts from interfund services provided	-	-	-	-
Payments to suppliers	(17,028)	(7,843)	(4,456)	(33,383)
Payments to employees	(22,374)	(6,562)	(19,958)	(14,924)
Claims and judgments paid	(114)	(339)	(122)	(83)
Net cash provided by (used for) operating activities	37,943	6,397	10,603	15,960
Cash flows from noncapital financing activities:				
Transient occupancy taxes	-	-	-	-
Transfers in from other funds	54	19	45	115
Transfers out to other funds	(8,941)	(2,218)	(3,808)	(6,700)
Proceeds from sale of inventory	-	-	-	-
Collections on interfund loans	-	-	-	-
Loans made to other funds	-	-	-	-
Interfund loan repayments	-	-	-	-
Loan payments	(76)	-	-	-
Intergovernmental revenue received	425	-	3,327	785
Payments for flood control agency	-	-	(1,624)	-
Claim and judgment recoveries	-	-	-	-
Net cash provided by (used for) noncapital financing activities	(8,538)	(2,199)	(2,060)	(5,800)
Cash flows from capital and related financing activities:				
Interfund loan repayments	(329)	(108)	(221)	(246)
Interest payment on interfund loan repayments	(7)	(2)	(5)	(5)
Acquisition and construction of capital assets	(18,386)	(1,787)	(2,047)	-
Proceeds from sale of capital assets	-	-	4	3
Proceeds from issuance of debt	4,987	-	377	5,028
Principal payments on capital debt	(3,330)	(687)	(2,640)	(1,838)
Interest payments on capital debt	(7,978)	(172)	(944)	(1,376)
Intergovernmental revenue received	-	17	-	-
Transfers in from other funds	-	-	-	-
Transfers out to other funds	-	(51)	(83)	(121)
Capital contributions received	5,836	325	106	-
Loan repayments received	225	2	-	-
Net cash provided by (used for) capital and related financing activities	(18,982)	(2,463)	(5,453)	1,445
Cash flows from investing activities:				
Collection of interest and investment revenue	649	170	261	403
Investments received with settlement after year end	(645)	(210)	(288)	(206)
Payments for investment purchased in prior year	-	-	(240)	-
Investment sold with settlement after year end	-	-	-	-
Loans made	(512)	(181)	-	-
Loan repayments received	-	-	3	-
Net cash provided by (used for) investing activities	(508)	(221)	(264)	197
Net increase (decrease) in cash and cash equivalents	9,915	1,514	2,826	11,802
Cash and cash equivalents, beginning of year	51,111	18,611	25,256	8,597
Cash and cash equivalents, end of year	$ 61,026	$ 20,125	$ 28,082	$ 20,399

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Proprietary Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
Cash flows from operating activities:				
Receipts from customers and users	$ 8,341	$ 25,134	$ 231,564	$ -
Receipts from interfund services provided	-	-	-	126,809
Payments to suppliers	(6,101)	(9,865)	(78,676)	(91,151)
Payments to employees	(5,668)	(8,990)	(78,476)	(10,718)
Claims and judgments paid	-	(13)	(671)	(15,280)
Net cash provided by (used for) operating activities	(3,428)	6,266	73,741	9,660
Cash flows from noncapital financing activities:				
Transient occupancy taxes	15,339	-	15,339	-
Transfers in from other funds	-	3	236	7
Transfers out to other funds	(1,678)	(2,998)	(26,343)	(754)
Proceeds from sale of inventory	-	-	-	482
Collections on interfund loans	-	-	-	13,704
Loans made to other funds	-	-	-	(43,359)
Interfund loan repayments	(250)	-	(250)	-
Loan payments	-	-	(76)	-
Intergovernmental revenue received	-	1,054	5,591	-
Payments for flood control agency	-	-	(1,624)	-
Claim and judgment recoveries	-	-	-	239
Net cash provided by (used for) noncapital financing activities	13,411	(1,941)	(7,127)	(29,681)
Cash flows from capital and related financing activities:				
Interfund loan repayments	-	(89)	(993)	-
Interest payment on interfund loan repayments	-	(2)	(21)	-
Acquisition and construction of capital assets	(61)	(466)	(22,747)	(10,944)
Proceeds from sale of capital assets	-	-	7	751
Proceeds from issuance of debt	-	900	11,292	-
Principal payments on capital debt	(6,957)	(2,199)	(17,651)	(323)
Interest payments on capital debt	(3,345)	(2,019)	(15,834)	(131)
Intergovernmental revenue received	-	-	17	-
Transfers in from other funds	-	-	-	372
Transfers out to other funds	-	(1,069)	(1,324)	-
Capital contributions received	-	-	6,267	-
Loan repayments received	-	-	227	-
Net cash provided by (used for) capital and related financing activities	(10,363)	(4,944)	(40,760)	(10,275)
Cash flows from investing activities:				
Collection of interest and investment revenue	389	305	2,177	1,261
Investments received with settlement after year end	-	-	(1,349)	-
Payments for investment purchased in prior year	-	(311)	(551)	(712)
Investment sold with settlement after year end	-	(317)	(317)	(410)
Loans made	-	-	(693)	-
Loan repayments received	25	-	28	-
Net cash provided by (used for) investing activities	414	(323)	(705)	139
Net increase (decrease) in cash and cash equivalents	34	(942)	25,149	(30,157)
Cash and cash equivalents, beginning of year	22,295	34,622	160,492	86,262
Cash and cash equivalents, end of year	$ 22,329	$ 33,680	$ 185,641	$ 56,105

The notes to the financial statements are an integral part of this statement.

(continued)

City of Sacramento
Proprietary Funds
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	$ 42,591	$ 16,764	$ 23,741	$ 16,084
Cash and investments held by fiscal agent	-	-	50	-
Restricted cash and investments held by City	18,435	3,361	3,540	4,315
Restricted cash and investments held by fiscal agent	-	-	751	-
Total cash and cash equivalents, end of year	$ 61,026	$ 20,125	$ 28,082	$ 20,399
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 20,055	$ 1,138	$ (2,249)	$ 12,354
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	16,456	4,084	11,156	1,838
Changes in assets and liabilities:				
Accounts receivable, net	(2,186)	(342)	596	335
Intergovernmental receivables	675	-	-	(15)
Inventories	564	(16)	14	-
Deferred charges	-	-	-	-
Accounts payable	2,128	334	508	724
Accrued payroll	81	40	49	31
Accrued compensated absences	(71)	45	69	56
OPEB liabilities	1,025	387	534	1,274
Accrued claims	49	32	27	40
Liability for landfill closure	-	-	-	(655)
Deposits	-	-	(100)	-
Unearned revenue	(833)	(13)	(1)	(22)
Capital leases payable	-	708	-	-
Non-cash contribution from Wastewater Fund	-	-	-	-
Net cash provided by (used for) operating activities	$ 37,943	$ 6,397	$ 10,603	$ 15,960
Noncash investing, capital and financing activities:				
Contributions of capital assets	$ 486	$ 119	$ 726	$ 3
Transfer of capital assets from governmental funds, net of depreciation	578	1,192	2,978	-
Capital assets purchased on capital lease	-	-	-	-
Capital lease obligation for purchase of Fleet Fund vehicles	-	(708)	-	-
Capitalized interest	472	33	36	-
Amortization of bond premium, discount, and loss on refunding	217	-	(10)	(64)
Amortization of deferred charges	(119)	-	(4)	(15)
Accrual of interest on interfund advance	-	-	-	-
Change in securities lending assets	166	50	71	93
Change in securities lending obligations	(116)	(33)	52	(93)
Write down of obsolete inventory	-	-	-	-
Loan forgiveness	-	-	-	-
Change in Intergovernmental receivable due for compensated absence liability	-	-	10	-
Change in accounts receivable related to claim and judgment recoveries	-	-	-	-
Purchase of capital assets on accounts payable	38	-	-	-
Interest accrual on loans receivable	-	-	-	-
Accrued interest added to Marina Phase V loan	-	-	-	-
Change in intergovernmental receivable for capital contributions	1,159	-	-	-

(continued)

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Proprietary Funds

Statement of Cash Flows

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	$ 10,311	$ 31,408	$ 140,899	$ 55,895
Cash and investments held by fiscal agent	1,034	118	1,202	210
Restricted cash and investments held by City	1,324	395	31,370	-
Restricted cash and investments held by fiscal agent	9,660	1,759	12,170	-
Total cash and cash equivalents, end of year	$ 22,329	$ 33,680	$ 185,641	$ 56,105
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ (6,322)	$ 4,252	$ 29,228	$ 772
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	2,419	2,484	38,437	8,636
Changes in assets and liabilities:				
Accounts receivable, net	(109)	(30)	(1,736)	31
Intergovernmental receivables	-	-	660	-
Inventories	-	-	562	201
Deferred charges	-	8	8	-
Accounts payable	(521)	(501)	2,672	(1,838)
Accrued payroll	21	4	226	6
Accrued compensated absences	8	16	123	53
OPEB liabilities	133	222	3,575	478
Accrued claims	14	7	169	2,023
Liability for landfill closure	-	-	(655)	-
Deposits	-	(2)	(102)	2
Unearned revenue	929	(194)	(134)	4
Capital leases payable	-	-	708	-
Non-cash contribution from Wastewater Fund	-	-	-	(708)
Net cash provided by (used for) operating activities	$ (3,428)	$ 6,266	$ 73,741	$ 9,660
Noncash investing, capital and financing activities:				
Contributions of capital assets	$ -	$ -	$ 1,334	$ -
Transfer of capital assets from governmental funds, net of depreciation	-	-	4,748	-
Capital assets purchased on capital lease	-	-	-	708
Capital lease obligation for purchase of Fleet Fund vehicles	-	-	(708)	-
Capitalized interest	64	30	635	-
Amortization of bond premium, discount, and loss on refunding	(813)	(68)	(738)	(10)
Amortization of deferred charges	(132)	(25)	(295)	3
Accrual of interest on interfund advance	(150)	-	(150)	-
Change in securities lending assets	-	67	447	11
Change in securities lending obligations	14	32	(144)	(6)
Write down of obsolete inventory	-	-	-	(530)
Loan forgiveness	(3)	-	(3)	-
Change in Intergovernmental receivable due for compensated absence liability	-	-	10	-
Change in accounts receivable related to claim and judgment recoveries	-	-	-	31
Purchase of capital assets on accounts payable	-	-	38	3,569
Interest accrual on loans receivable	-	(29)	(29)	-
Accrued interest added to Marina Phase V loan	-	34	34	-
Change in intergovernmental receivable for capital contributions	-	-	1,159	-

The notes to the financial statements are an integral part of this statement.

City of Sacramento
Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2012
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund	Agency Funds
ASSETS				
Cash and cash equivalents held by City	$ 21,051	$ 145,032	$ 102,947	$ 28,747
Cash and investments held by fiscal agent	-	-	3,184	17,913
Securities lending assets	29,364	539	484	-
Receivables, net:				
Taxes	-	-	-	379
Accounts	-	-	-	26
Interest	2,026	739	613	43
Intergovernmental	-	-	3,789	-
Investments sold	220	416	-	-
Investments, at fair value:				
U.S. government obligations	4,309	-	-	-
Corporate bonds	62,694	-	-	-
Equity securities	109,132	-	-	-
Exchange traded funds	46,019	-	-	-
Municipal bonds	44,253	-	-	-
Mortgage loans	7,457	-	-	-
Loans receivable	-	-	45,504	-
Capital assets:				
Land	-	-	46,948	-
Buildings and improvements	-	-	17,519	-
Less: accumulated depreciation/amortization	-	-	(2,166)	-
Total assets	326,525	146,726	218,822	$ 47,108
LIABILITIES				
Securities lending obligations	30,024	935	1,196	$ -
Accounts payable	31	830	28,976	-
Benefits payable	361	-	-	-
Due to bondholders	-	-	-	47,108
Interest payable	-	-	1,274	-
OPEB liability	-	-	2,351	-
Pollution remediation obligations	-	-	1,069	-
Bonds payable	-	-	18,070	-
Notes payable	-	-	279,680	-
Total liabilities	30,416	1,765	332,616	$ 47,108
NET POSITION (DEFICIT)				
Held in trust for pension benefits and other purposes	$ 296,109	$ 144,961	$ (113,794)	

The notes to the financial statements are an integral part of this statement.

City of Sacramento

Fiduciary Funds

Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Pension Trust Fund	Investment Trust Funds	Private Purpose Trust Fund
Additions:			
Property taxes	$ -	$ -	$ 15,494
Contributions:			
Employer	10,361	-	-
Employees	332	-	-
Total contributions	10,693	-	-
Investment income:			
From investment activities:			
Net appreciation in fair value of investments	3,277	(3,165)	-
Interest	7,985	7,530	2,512
Dividends	4,302	-	-
Other income	-	-	453
Total investment income	15,564	4,365	2,965
Investment expenses:			
Banking, interest, and fiscal agent expenses	63	142	-
Professional services	1,178	-	-
Total investment expenses	1,241	142	-
Net income from investment activities	14,323	4,223	2,965
From securities lending activities:			
Interest	-	4	-
Securities lending income	199	-	-
Total securities lending income	199	4	-
Securities lending expenses:			
Management fees	50	1	-
Total securities lending expenses	50	1	-
Net income from securities lending activities	149	3	-
Total net investment income	14,472	4,226	2,965
Deposits	-	142,462	-
Gain on disposition of capital assets	-	-	441
Total additions	25,165	146,688	18,900
Deductions:			
Benefits	32,769	-	-
Withdrawals	288	280,037	-
Project obligation payments	-	-	2,058
Interest expense	-	-	6,280
Depreciation expense	-	-	186
Total deductions	33,057	280,037	8,524
Extraordinary item from redevelopment agency dissolution	-	-	(124,170)
Change in net position	(7,892)	(133,349)	(113,794)
Net position, beginning of year	304,001	278,310	-
Net position (deficit), end of year	$ 296,109	$ 144,961	$ (113,794)

The notes to the financial statements are an integral part of this statement.

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Notes to the Financial Statements

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

DEFINITION OF REPORTING ENTITY

The City of Sacramento (City) was incorporated in 1849 under the laws of the State of California. Sacramento is a charter city and operates under a City Council – City Manager form of government. The City provides a full range of municipal services including police, fire, water, wastewater, storm drainage, solid waste, construction and maintenance of streets, planning and zoning, code enforcement, parks, recreation programs, and cultural activities.

These basic financial statements present the financial status of the City and its component units, which are included in the City's reporting entity because of the significance of their operational or financial relationships with the City. Component unit financial statements may be obtained from the City's Department of Finance.

Blended Component Unit

The Sacramento City Financing Authority (SCFA) is a joint exercise of powers entity created by the City and the former Redevelopment Agency of the City of Sacramento for the purpose of acting as a nominal lessor for City financing. The SCFA is administered by a governing board consisting of the members of the City Council.

Fiduciary-type Component Units

Sacramento City Employees' Retirement System (SCERS) is a single employer pension plan sponsored and administered by the City for City employees, except public safety employees, hired before January 29, 1977 and public safety employees who retired with SCERS benefits before December 30, 1989. Under provisions of the City Charter, SCERS is managed by the Administration, Investment and Fiscal Management Board (the Board), consisting of the City Manager, City Director of Finance, City Treasurer and two residents of the City appointed by the City Council. Duties of the Board include the adoption of investment standards for SCERS, the establishment of contribution rates, the administration and investment of funds, the selection of investment advisors, the crediting of interest and any action relating to the fiscal management of SCERS.

The Successor Agency to the Redevelopment Agency of the City of Sacramento (Successor Agency) was created to serve as a custodian for the assets and to wind down the affairs of the former Redevelopment Agency of the City of Sacramento. The Successor Agency is a separate public entity from the City, subject to the direction of an Oversight Board. The Oversight Board is comprised of seven member representatives from local government bodies: two appointed by the Mayor; two County of Sacramento (County) representatives; the County Superintendent of Education; the Chancellor of California Community Colleges; and the largest special district taxing entity. Based upon the nature of the Successor Agency's custodial role, it is reported in a fiduciary fund (private-purpose trust fund).

Discretely Presented Component Unit

The Sacramento Regional Arts Facilities Financing Authority (SRAFFA) is reported in a separate column in the government-wide financial statements to emphasize its legal separation from the City. The SRAFFA is a joint powers agency between the City and County of Sacramento (County) created for the purpose of financing the expansion of the theater complex located on H Street. The authority is governed by a board of five directors whose members are three designees of the City Council and two designees of the County Board of Supervisors. The members of the board serve at the pleasure of their respective legislative bodies and may be removed at will. Upon future dissolution, any remaining assets revert to the City and County of Sacramento in such manner as determined by the board. The SRAFFA is presented as a business-type activity in the component units column of the government-wide statements.

ACCOUNTING POLICIES

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the City are described below.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

New Pronouncements

Effective July 1, 2011, the City implemented GASB Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions – an amendment of GASB Statement No. 53.* GASB Statement No. 53 clarifies whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This Statement sets forth criteria that establish when the effective hedging relationship continues and hedge accounting should continue to be applied.

The City is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

In November 2010, the GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements.* The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2013.

In November 2010, the GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus—an amendment of GASB Statements No. 14 and No. 34.* The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2013.

In December 2010, the GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncement.* The City has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this Statement are effective for the City's fiscal year ending June 30, 2013.

In March 2012, the GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities.* The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2014.

In March 2012, the GASB issued Statement No. 66, *Technical Corrections – 2012 – an amendment of GASB Statements No. 10 and No. 62.* The objective of this Statement is to resolve conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, and No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements. The City has not determined what impact, if any, this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2014.

In June 2012, the GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions – an amendment of GASB Statement No. 27.* The objective of this Statement is to improve accounting and financial reporting by state and local government for pensions. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. The City will be required to recognize a liability equal to the net pension liability in its financial statements prepared using the economic resources measurement focus and accrual basis of accounting. The City has not determined what impact this pronouncement will have on the financial statements. The provisions of this Statement are effective for the City's fiscal year ended June 30, 2015.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Government-wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are allocated to expenses and capital assets of governmental and business-type activities. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

As a general rule the effect of interfund activity has been removed from the government-wide financial statements. Internal service fund activity has been eliminated from the statement of activities. The effect of interfund services provided and used between functions, such as the sale of water from the Water Fund to the General Fund, has not been eliminated in the statement of activities. The City's payments in lieu of taxes from its enterprise funds to the General Fund are reported as interfund transfers.

The accounts of the City are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary trust fund financial statements. Agency funds, included in the fiduciary fund financial statements, are also reported using the accrual basis of accounting, however they are not reported using a measurement focus because only assets and liabilities are presented. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, utility users taxes, intergovernmental revenue, special assessments, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

The City reports the following major governmental funds:

The General Fund is the City's primary operating fund and accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The Capital Grants Fund is used to account for capital improvement program projects that are funded by parties outside of the City including the State and Federal governments.

The 1997 Lease Revenue Bond Fund accounts for the loan receivable, debt service activities and related transactions concerning the acquisition and lease back of a sports and entertainment arena.

The City reports the following major enterprise funds:

The Water Fund accounts for the operation and maintenance of the City's water treatment and water transmission and distribution systems.

The Wastewater Fund (formerly the Sewer Fund) accounts for the operation and maintenance of the City's sewer system.

The Storm Drainage Fund accounts for the operation and maintenance of the City's surface drainage system.

The Solid Waste Fund accounts for the collection and disposal of refuse throughout the City and for landfill closure.

The Community Center Fund accounts for the operation and maintenance of the City's Community Center, including the theater and exhibit halls.

Additionally, the City reports the following fund types:

Internal service funds account for the financing of fleet and risk management services to other departments on a cost reimbursement basis.

The Pension Trust Fund accounts for the assets held on behalf of the Sacramento City Employees' Retirement System (SCERS) for pension benefit payments to qualified employees.

Investment trust funds account for the net assets held on behalf of investors, in the City's investment pool and individual accounts, who are not part of the City's financial reporting entity.

The Private Purpose Trust Fund accounts for the assets received form the City's former redevelopment agency in order to liquidate its enforceable obligations, pursuant to Assembly Bill X1 26 which dissolved redevelopment agencies in California.

Agency funds account for assets held by the City as an agent for bonded assessment and community facilities districts.

Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the business-type activities and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, including fees, fines and forfeitures, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Program revenues also include earnings on investments that are legally restricted for a specific program. Internally dedicated resources are reported as general revenues rather than as program revenue. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City's enterprise funds and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed. When expenditures are incurred with unrestricted resources, the City's policy is to first use committed fund balance, then assigned fund balance, and lastly unassigned fund balance amounts.

Budgetary Data

The City Manager submits a proposed budget to the City Council no later than 60 days prior to the commencement of the fiscal year. The City Council holds public hearings, modifies the City Manager's recommendations, and adopts a final budget in June. The budget adoption resolution specifies that budgets will be controlled at the department level (e.g., police, fire, transportation, etc.) by fund.

Annual budgets are adopted for the General Fund, certain activities within the Transportation and Development Fund, the Culture and Leisure Fund, the Parks and Recreation Fund, the Special Districts Fund, the City/County Office of Metropolitan Water Planning (CCOMWP) Fund, and the Cal EPA Fund. Annual budgets are also adopted for the enterprise and internal service funds, although they are not legally required. Multi-year project budgets are adopted for the General Fund, Capital projects funds, and the Operating Grants special revenue fund where appropriations remain authorized for each project until closed, irrespective of fiscal year. Expenditures are appropriated on a modified accrual basis, except that commitments related to purchase orders are treated as expenditures in the year of commitment.

Budgets are modified throughout the year when the tax base changes, fees are modified, new revenue sources are identified, or programs are changed. The City Manager is authorized to administratively amend the budget during the year for transactions up to $100 without City Council approval. All other appropriation adjustments during the year require City Council approval. Significant appropriation adjustments were not required during the year ended June 30, 2012. Unencumbered annual budget appropriations lapse at fiscal year-end. The City honors contracts represented by year-end encumbrances and the appropriations carried over provide authority to complete these transactions in future years. Multi-year project budget appropriations are automatically carried over into the next fiscal year.

Financial Statement Elements

Investments - City investments are recorded at fair value, except real estate mortgages, which are recorded at cost. The estimated fair value of all investments is the quoted market price. Certain bond covenants require that interest earned on assessment district construction proceeds, which are reported in other governmental funds, be credited to reserve accounts, which are reported in Agency funds. Interest earned on all other cash and investments is credited to the fund which holds the investment.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Elements (Continued)

Property Taxes - Article XIII of the California Constitution (Proposition 13) limits ad valorem taxes on real property to one percent of value plus taxes necessary to pay indebtedness approved by voters prior to July 1, 1978. The Article also established the 1975/76 assessed valuation as the base and limits annual increases to the cost of living, not to exceed two percent, for each year thereafter. Property may also be reassessed to full market value after a sale, transfer of ownership, or completion of new construction. The State is prohibited under the Article from imposing new ad valorem, sales, or transactions taxes on real property. Local government may impose special taxes (except on real property) with the approval of two-thirds of the qualified electors.

Property taxes are levied annually by the Sacramento County Assessor on July 1 and become a lien on property on the preceding January 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively.

The City participates in an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan". The State Revenue and Taxation Code allow counties to distribute secured real property, assessment and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any subsequent delinquent payments and related penalties and interest during a fiscal year will revert to Sacramento County. The Teeter Plan payment, which includes 95% of the outstanding accumulated delinquency, is included in property tax revenue. Under the Teeter Plan code, 5% of the delinquency must remain with the County as a reserve for Teeter Plan funding.

Receivables and Payables – Property taxes, sales taxes, and utility user taxes related to the current fiscal year are accrued as revenue and accounts receivable and considered available if received within 60 days of year end.

Federal and State grants are considered receivable and accrued as revenue when all eligibility requirements have been met under the accrual basis of accounting in the government-wide statement of net position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available.

Long-term loans receivable reported in the governmental fund statements are recorded with offsetting deferred revenue or nonspendable fund balance for noncurrent assets because the resources cannot be spent. Long-term loans receivable reported in the proprietary fund statements, as well as long-term loans reported in the government-wide statements, are not offset by deferred revenue. Unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Inventories and Prepaid Items - Inventories in the proprietary funds are stated at the lower of average cost or market and consist of expendable materials and supplies.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Elements (Continued)

Restricted Assets - Certain proceeds of debt issues, as well as certain resources set aside for their repayment, are classified as restricted assets on the statements of net position and balance sheets because their use is limited by applicable bond covenants. Unspent developer impact fee are classified as restricted assets on the statements of net position for the Water and Wastewater enterprise funds.

Capital Assets - Capital assets are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are recorded at the lower of actual historical cost or fair value (as of the date donated for contributed assets) although for certain older assets estimated historical costs are used.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Building and improvements	Primarily 15 to 70 years
Transmission and distribution systems	Primarily 15 to 100 years
Machinery, vehicles and equipment	Primarily 5 to 30 years
Software	Primarily 5 to 20 years
Roadway network	Primarily 20 to 70 years
Street light network	Primarily 40 to 50 years
Parks and park improvements	Primarily 15 to 30 years

It is the policy of the City to capitalize all land, buildings and improvements, equipment, and infrastructure assets, except assets costing less than $20, unless a federal funding source is utilized. The City also capitalizes all intangible capital assets, primarily easements and software, except assets costing less than $100, unless a federal funding source is utilized. All capital assets in excess of $5 financed by a federal funding source are capitalized. Costs of capital assets sold or retired (and related amounts of accumulated depreciation/amortization) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related proprietary fund, governmental activities, and business-type activities. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

Major outlays for capital assets are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. When the asset constructed is financed by a specific bond issue, the interest included is net of interest earned on the invested bond proceeds over the same period.

The Crocker Art Museum's collection of works of art, held in trust by the City, has not been reported in these financial statements. The City has elected not to report the collection because it meets the three criteria for waiving capitalization: the collection is held for reasons other than financial gain; the collection is protected, kept unencumbered, cared for, and preserved; and the collection is subject to an organizational policy requiring that the proceeds from sales of collection items be used to acquire other items for the collection.

Compensated Absences - Benefit qualified employees accrue vacation, sick, and holiday benefits. A full time employee may accumulate up to sixty days of vacation. Sick leave vests and may be accumulated until retirement. An employee with sixty or more days of accumulated sick leave at the end of a calendar year may elect to receive a 25% payment of any unused sick leave earned in the previous calendar year. The amount of sick leave paid is deducted from the employee's total accumulation. Upon retirement, employees with a minimum of 20 years of City service, excluding SCERS employees, have the option of converting their sick leave accumulation into CalPERS service credit hours, or receiving a cash payment of one-third of the accumulated sick leave. Employees who leave the City and are not retiring forfeit any remaining sick leave.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Elements (Continued)

Employees receive 14 holidays per calendar year. Employees accrue all or a portion of these 14 days during the year depending on their job classification. Classifications that accrue all 14 days get paid in cash throughout the year whenever their holiday leave balances exceed the 14 day total. All other employees accrue two days of "floating" holiday time throughout the year in conjunction with their remaining twelve holidays. Employees who accrue "floating" holiday time get paid annually in January for any calendar year-end balance greater than eight hours.

All hourly employees have the option of being compensated for their overtime pay with compensatory time off (CTO). Depending on the employee's CTO plan, the employee may accrue a maximum of 80, 120 or 160 hours of CTO. The employee's applicable labor agreement or the City Council's resolution for unrepresented employees determines the maximum accruable number of CTO hours.

All compensated absences are accrued when earned in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Deferred Revenue / Unearned Revenue - Deferred revenue in governmental funds arise when potential revenue does not meet the "available" criteria for recognition in the current period. Deferred revenue (unearned revenue in accrual based statements) also arises when resources are received by the City before it has a legal claim to them (i.e., when grant monies are received prior to the incurrence of qualifying expenditures).

Long-term Obligations - In the government-wide and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses on debt refunding are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight-line method. Bonds payable are reported net of bond premium or discount and net of gains and losses on debt refunding. Bond issuance costs are reported as deferred charges and amortized over the life of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Fund Balance - In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Nonspendable fund balances include amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. Amounts that are restricted to specific purposes, either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments or b) imposed by law through constitutional provisions or enabling legislation, are classified as restricted fund balances. Amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council through a resolution are classified as committed fund balances. Amounts that are constrained by the City Council's intent to be used for specific purposes through a resolution, but are neither restricted nor committed, are classified as assigned fund balances. Negative fund balance in governmental funds, after determining the fund balance classifications described above, is reported as unassigned fund balance.

NOTE 1 – **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

Financial Statement Elements (Continued)

The City's Economic Uncertainty Reserve (Reserve) is a stabilization arrangement in the General Fund reported as committed fund balance. The City Council reaffirmed its policy goal for the Reserve in its resolution number 2012-362 adopted with the fiscal year 2012/13 annual budget. The adopted Reserve goal is to achieve a reserve equal to 10% of annual General Fund revenue. The City Manager may recommend a release from the Reserve when the gap between projected revenue and expenditures is greater than $1,000 in the proposed budget. Additions and releases from the Reserve must be approved by City Council by resolution.

Statement of Cash Flows - For purposes of the statement of cash flows, cash equivalents are defined as investments with original maturities of 90 days or less, which are readily convertible to known amounts of cash. The City considers all pooled cash and investments (consisting of cash and investments and restricted cash and investments) held by the City as cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. The City also considers all non-pooled cash and investments (consisting of cash with fiscal agent and restricted cash and investments held by fiscal agent) as cash and cash equivalents because investments meet the criteria for cash equivalents defined above.

Use of Estimates - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

NOTE 2 – **CASH AND INVESTMENTS**

The following is a summary of cash and investments at June 30, 2012:

	Government-wide Statement of Net Position			
	Primary Government	Component Units	Fiduciary Funds Statement of Net Position	Total
Cash and investments	$ 450,247	$ -	$ 592,738	$ 1,042,985
Securities lending assets	1,791	-	30,387	32,178
Restricted cash and investments	76,664	1,094	-	77,758
Total	$ 528,702	$ 1,094	$ 623,125	$ 1,152,921

Under the authority of the Sacramento City Charter, the Sacramento City Council, by Resolution 2011-467, has delegated its investment authority to the City Treasurer. The City Treasurer manages the City's investments in accordance with the City's Investment Policy, which was last reaffirmed by the City Council on August 16, 2011. The City's investment policy requires compliance with the California Government Code for investments of public funds. The City's investment policy also provides limits on rate anticipation, arbitrage, and other swap investments.

During the fiscal year the City purchased two bonds which were not in compliance with the City's Investment Policy. The City's Investment Policy incorporates permitted investments set forth in the California Government Code and prohibits investments in U.S. Agency obligations and Medium term notes with maturities longer than five years and thirty days without prior approval of the City Council. Prior approval for the extended terms to maturity was not obtained. These purchases were disclosed to the City Council on July 31, 2012, as part of the Treasurer's Office report on investment transactions. Both bonds were held by the City as of June 30, 2012, as follows: one bond issued by the Federal Home Loan Mortgage Corporation maturing on August 22, 2017, with a fair value at June 30, 2012, of $1,152; and one medium term note issued by General Electric Capital Corporation maturing on December 6, 2017, with a fair value at June 30, 2012, of $1,752.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

SCERS pension trust fund investments are managed pursuant to investment standards adopted by the SCERS Administration, Investment, and Fiscal Management Board. Investment standards adopted by the SCERS Board authorize the City Treasurer to invest in debt securities, equity securities, promissory notes, real estate mortgages or other securities and investments deemed to be prudent by the Board. Other securities and investments cannot exceed 25% of the total assets (cost basis). In addition, promissory notes (cost basis) cannot exceed 25% of the investment portfolio, while real estate mortgages (cost basis) cannot exceed 10% of total assets of SCERS. Investments of other trust funds are managed pursuant to City Council ordinances and authority granted by various boards and commissions.

The table below identifies the investment types that are authorized for public funds of the City by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Local agency bonds	5 years*	None	None	None
U.S. Treasury obligations	5 years*	None	None	None
U.S. agency securities	5 years*	None	None	None
Bankers acceptance	180 days	40%	30%	None
Commerical paper	270 days	25%	10%	A1/P1
Negotiable certificates of deposit	5 years	30%	None	None
Repurchase agreements	1 year	None	None	None
Reverse repurchase and securities lending agreements	92 days	20% of base value	None	None
Medium term notes (bank notes and corporate bonds)	5 years*	30%	None	A
Mutual funds	N/A	20%	10%	None
Money market mutual funds	N/A	20%	10%	None
Collateralized bank deposits	5 years	None	None	None
Mortgage pass-through securities	5 years	20%	None	AA
Time deposits	5 years	None	None	None
Joint Powers Authority pool	N/A	None	None	None
County pooled investment	N/A	None	None	None
Local Agency Investment Fund (LAIF)	N/A	None	None	None

*The City investment policy allows these investments to have maximum maturities of 5 years, plus not more than 30 days. Such approved maturity extensions are authorized by California Government Code section 53601.

The table above does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, or investments held by the SCERS pension trust fund or other trust funds.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The City's investment policy limits interest rate risk by requiring compliance with the California Government Code for investments of public funds, as described in detail above. One of the ways that the City of Sacramento manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly overtime as necessary to provide the cash flow and liquidity needed for operations.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Interest Rate Risk (Continued)

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity. The remaining maturity of the City's investments included in the table below is based on the stated maturity dates of the individual investments. Investments in equities, or in debt securities with remaining maturities longer than five years, are held by the SCERS pension trust fund, pension and other trust funds, or by bond trustees pursuant to debt agreements.

The City's cash and investments by maturities as of June 30, 2012 are as follows:

		Remaining Maturity in Years			
Investment Type	No Maturity	Under 1	1-5	Over 5	Fair Value
Certificates of deposit	$ -	$ 8,750	$ -	$ -	$ 8,750
Commercial paper	-	143,000	-	-	143,000
Corporate bonds	-	28,277	210,688	48,359	287,324
Deposits	3,779	-	-	-	3,779
Equities	113,034	-	-	-	113,034
Exchange traded funds	47,236	-	-	-	47,236
Investment Trust of California (CalTRUST)	-	31,976	67,650	-	99,626
Local Agency Investment Fund (LAIF)	-	50,000	-	-	50,000
Mortgage loans	-	4,877	-	2,580	7,457
Municipal bonds	-	15,045	69,425	43,520	127,990
Mutual funds	-	26,951	-	-	26,951
Repurchase agreements	-	32,178	-	-	32,178
U.S. agencies	-	35,009	133,114	5,418	173,541
U.S. Treasury bills	-	7,000	-	-	7,000
U.S. Treasury bonds	-	-	-	326	326
U.S. Treasury notes	-	23,635	-	-	23,635
	$ 164,049	$ 406,698	$ 480,877	$ 100,203	1,151,827
Component Unit - SRAFFA					
Mutual funds	$ -	$ 85	$ -	$ -	85
U.S. Treasury notes	-	1,009	-	-	1,009
Total component unit	$ -	$ 1,094	$ -	$ -	1,094
Total Cash and Investments					$ 1,152,921

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

Investments in variable rate securities are investments with terms that provide for the adjustment of interest rates on specified dates (such as the last day of a month or calendar quarter) based on predefined mathematical formulas using benchmark indices (such as CPI or LIBOR). The fair value of such investments can reasonably be expected to be affected at each interest rate reset date.

Investments in callable bonds are investments that, although having clearly defined maturities, allow for the issuer to redeem or call such bonds earlier than their respective maturity dates. The investor must then replace the called bonds with investments that may have lower yield than the original bonds. As a result, the fair value of the callable bonds is highly sensitive to changes in interest rates.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations (Continued)

The City's investments, including those held by bond trustees, that are highly sensitive to interest rate fluctuations are as follows:

	Fair Value
Farmer Mac securities that have a maturity of 11/21/2016 and are callable semi-annually from 11/21/2012 to 5/21/2016.	$ 2,710
Federal Farm Credit Bank securities that have a maturity of 5/09/2016 and are callable continuously after 5/09/2012.	8,000
Federal Home Loan Bank securities that have a maturity of 1/23/2017 and are callable quarterly from 7/23/2012 to 10/23/2016.	6,004
Federal Home Loan Mortgage Corporation securities that have a maturity of 8/22/2014 and callable monthly from 8/22/2012 to 7/22/2014.	5,005
Federal Home Loan Mortgage Corporation securities that have a maturity of 8/22/2017 and callable monthly from 8/22/2012 to 7/22/2014.	1,152
Federal National Mortgage Association securities that have a maturity of 9/19/2013 and are callable on 9/19/2012.	5,002
Federal National Mortgage Association securities that have a maturity of 10/17/2014 and are callable quarterly from 7/17/2012 to 7/17/2014.	5,001
Federal National Mortgage Association securities that have a maturity of 10/30/2014 and are callable on 4/30/2013.	3,992
Federal National Mortgage Association securities that have a maturity of 6/26/2015 and are callable quarterly from 12/26/2012 to 3/26/2015.	8,010
Federal National Mortgage Association securities that have a maturity of 10/21/2015 and are callable on 10/21/2013.	1,760
Federal National Mortgage Association securities that have a maturity of 9/26/2016 and are callable on 9/26/2012.	3,008
Federal National Mortgage Association securities that have a maturity of 1/30/2017 and are callable quarterly from 1/30/2013 to 10/30/2016.	5,022

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations (Continued)

	Fair Value
Federal National Mortgage Association securities that have a maturity of 2/28/2017 and are callable on 2/28/2014.	$ 5,000
Harvard President and Fellow securities that have a maturity of 10/01/2037 and are callable continously beginning 4/01/2016.	2,327
Riverside County Redevelopment Agency Tax Allocation securities that have a maturity date of 10/01/2037 and are callable annually from 10/01/2020 to 10/01/2036.	3,274
Sacramento City Financing Authority securities that have a maturity of 12/01/2016 and are callable on 12/01/2015.	734
Sacramento City Financing Authority securities that have a maturity of 12/01/2020 and are callable annually from 12/01/2015 to 12/01/2019.	4,095
Sacramento City Financing Authority securities that have a maturity of 12/01/2025 and are callable annually from 12/01/2015 to 12/01/2024.	1,859

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for investments of public funds, as described in detail above. At June 30, 2012, the City's deposits and investments, and corresponding credit ratings, are as follows:

Investment Type	S & P	Moody's	Fair Value
Certificates of deposit	A	P1	$ 8,000
	not rated	not rated	750
Commercial paper	A	P1	143,000
Corporate bonds	A	A	141,934
	A	Aa	3,108
	A	Baa	40,170
	AA	A	47,728
	AA	Aa	29,050
	AAA	Aaa	2,327
	B	Baa	5,165
	BBB	Baa	7,131
	not rated	A	5,000
	not rated	Aaa	5,142
	not rated	WR	569
Deposits	not rated	not rated	3,779
Equities (exempt from disclosure)	N/A	N/A	113,034
Exchange traded funds (exempt from disclosure)	N/A	N/A	47,236
Investment Trust of California (CalTRUST)	not rated	not rated	99,626
Local Agency Investment Fund (LAIF)	not rated	not rated	50,000
Mortgage loans	not rated	not rated	7,457
Municipal bonds	A	A	72,106
	A	Ba	9,186
	A	Baa	2,593
	A	WR	4,095
	AA	Aa	13,538
	AA	AA	2,879
	AA	Aaa	2,838
	AA	not rated	5,153
	BBB	A	746
	BBB	Baa	1,554
	SP1	not rated	7,427
	not rated	not rated	5,875
Mutual funds	AAA	Aaa	26,697
	not rated	not rated	254
Repurchase agreements	A	A	8,125
	A	Baa	15,639
	AA	Aa	6,951
	BBB	Baa	1,463

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Credit Risk (Continued)

Investment Type	S & P	Moody's	Fair Value
U.S. agencies	AA	Aaa	137,522
	not rated	not rated	31,710
	N/A	N/A	4,309
U.S. Treasury bills (exempt from disclosure)	N/A	N/A	7,000
U.S. Treasury bonds (exempt from disclosure)	N/A	N/A	326
U.S. Treasury notes (exempt from disclosure)	N/A	N/A	23,635
Total primary government			1,151,827
Component Unit - SRAFFA			
Mutual funds	AAA	Aaa	85
U.S. Treasury notes (exempt from disclosure)	N/A	N/A	1,009
			1,094
Total Cash and Investments			$ 1,152,921

Concentration of Credit Risk

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) which represent 5% or more of total investments at June 30, 2012:

U.S. agency securities	$ 93,991
General Electric Corporation	$ 91,778
Toyota Motor Credit Corporation	$ 58,644

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code has provisions for financial institutions that limit custodial credit risk for deposits. Financial institutions are required to secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. The City's financial institutions also have insurance through the Federal Depository Insurance Corporation (FDIC). The City's investment policy has no additional provisions for limiting custodial credit risk for deposits.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Custodial Credit Risk (Continued)

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments; however, it is the practice of the City Treasurer that all investments are insured, registered or held by the Treasurer's custodial agent in the City's name.

As of June 30, 2012, investments were held by the same broker-dealer (counterparty) that was used by the City to purchase the securities:

$32,178	Investments purchased with cash collateral from securities lending transactions

Securities Lending

The City engages in securities lending transactions, whereby the City has authorized its custodial bank to loan its securities to approved counterparties for collateral (cash or securities) with a simultaneous agreement to return the collateral for the same securities in the future. Such loans are short-term and the City retains the right to sell, without penalty, the original securities in which it has invested. The City's arrangement with the bank requires the bank to indemnify the City for failure of any counterparty to return the securities loaned. The City's investment policy permits securities loans up to 20% of the fair value of the City's portfolio.

Cash collateral received as of June 30, 2012, was equal to 100.4% of the market value of the loaned securities. The custodial bank uses the cash collateral to purchase investments. As of June 30, 2012, the weighted average maturity of the securities on loan was 141 days and the weighted average maturity of the investments purchased with cash collateral was 2 days. At year end, the City has no credit risk exposure to borrowers because the amounts the City owes the borrowers exceed the amounts the borrowers owe the City.

The City received cash collateral of $37,005. The City does not have the ability to pledge or sell collateral securities delivered absent a borrower default. The following table provides information concerning the fair value of securities lent and investments purchased with the cash collateral as of June 30, 2012:

Type of Investment Lent		
Equities	$	6,138
Exchange traded funds		24,435
Corporate bonds		3,469
U.S. Treasury bills		2,799
Total securities lent	$	36,841
Type of Investment Purchased with Cash Collateral		
Repurchase agreements	$	32,178

City Sponsored Investment Pool

As part of the City's total cash and investments portfolio, the City Treasurer manages an investment pool, which includes both internal and external investors. The pool is not registered with the Securities and Exchange Commission as an investment company. The City Treasurer is granted authority for managing the pool by City Charter Section 73 and City Council ordinances and resolutions. Monthly, the City Treasurer reports investment activity to the Council for review.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

City Sponsored Investment Pool (Continued)

The fair value of investments is determined monthly. Participants' shares sold and redeemed are determined by the daily cash balance deposited in the pool (the value of its pool shares). The value of the pool shares is based upon amortized cost in day to day operations but is adjusted to the fair value at year-end. The investments are reported at fair value. The value of the shares is supported by the value of the underlying investments. External participants, including various joint powers agencies, comprise 8.36% of pool participation.

The following represents a condensed statement of net position and changes in net position for the City Sponsored Investment Pool as of June 30, 2012:

Statement of Net Position:		
Investments at fair value	$	700,501
Interest receivables		2,760
Receivable from individual investment account		830
Trade settlement receivables		5,000
Securities lending obligations		(6,120)
Net Position	$	702,971
Equity of internal pool participants	$	644,185
Equity of external pool participants		58,786
Total equity	$	702,971
Statement of Changes in Net Position:		
Net position at July 1, 2011	$	609,535
Net change in investments by pool participants		93,436
Net position at June 30, 2012	$	702,971

A summary of the investment classifications as of June 30, 2012 is as follows:

	Fair Value	Adjusted Cost	Interest Rates	Maturity Dates
Certificates of deposit	$ 8,750	$ 8,755	0.85-2.23%	10/12-02/13
Commercial paper	138,000	137,838	0.10-0.72%	07/12-01/13
Corporate bonds	199,437	197,661	0.50-6.50%	10/12-12/17
Deposits	2,956	2,956	N/A	N/A
Investment Trust of California (CalTRUST)	84,495	84,495	0.13-1.01%	N/A
Municipal bonds	62,958	61,625	0.75-5.65%	07/12-04/39*
Mutual funds	209	209	0.01%	N/A
Repurchase agreements	2,245	2,245	0.18-0.25%	07/12
State of California Treasurer's Local Agency Investment Fund	50,000	50,000	N/A	N/A
U.S. government and agency securities	151,451	151,271	0.11-3.37%	08/12-08/17
Total cash and investments in City sponsored investment pool	$ 700,501	$ 697,055		

*The municipal bond with a maturity date of April 1, 2039, has a mandatory put date of April 1, 2013.

NOTE 2 – **CASH AND INVESTMENTS (Continued)**

Participation in External Investment Pools

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute. The balance available for withdrawal is based on the accounting records maintained by the LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. As of June 30, 2012, the City's investment in LAIF is $50,000. The total amount invested by all public agencies in LAIF at that date is $21,887,750. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2012 had a balance of $60,588,264. Of that amount, 96.53% is invested in non-derivative financial products, and 3.47% is invested in derivative financial products.

The City is also a voluntary participant in the Investment Trust of California (CalTRUST) which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST, and selects and supervises the activities of the Investment Manager and other agents. As of June 30, 2012, the City's investment in CalTRUST is $99,626, of which $31,976 was invested in the Money Market Fund, $27,339 in the Short-term pool and $40,311 in the Medium-term pool. Amounts that may be withdrawn from the Money Market Fund are based upon the fund's assets valued using the amortized cost method. Amounts that may be withdrawn from the Short-term and Medium-term pools are based on the net asset value per share and the number of shares held by participants in each pool.

NOTE 3 – **RECEIVABLES**

Receivables as of June 30, 2012, were as follows:

	Taxes	Accounts	Loans	Inter-govern-mental	Interest	Investments sold	Total
Governmental activities							
General Fund	$ 20,283	$ 8,972	$ 137	$ -	$ 324	$ 585	$ 30,301
Capital Grants Fund	-	280	-	55,383	-	-	55,663
1997 Lease Revenue Bond Fund	-	-	65,780	-	740	-	66,520
Other governmental funds	-	4,625	17,920	65,538	980	624	89,687
Internal service funds	-	106	1	-	226	410	743
	$ 20,283	$ 13,983	$ 83,838	$ 120,921	$ 2,270	$ 1,619	$ 242,914
Amounts not scheduled for collection during the subsequent year	$ -	$ -	$ 78,706	$ 45,658	$ -	$ -	$ 124,364
Business-type activities							
Water Fund	$ -	$ 19,671	$ 9,131	$ 1,191	$ 688	$ 645	$ 31,326
Wastewater Fund	-	10,228	1,293	-	157	210	11,888
Storm Drainage Fund	-	6,339	3,878	1,977	284	288	12,766
Solid Waste Fund	-	12,847	4	825	114	206	13,996
Community Center Fund	2,227	253	177	-	22	-	2,679
Other enterprise funds	-	906	772	26	180	317	2,201
	$ 2,227	$ 50,244	$ 15,255	$ 4,019	$ 1,445	$ 1,666	$ 74,856
Component unit							
Sacramento Regional Arts Facilities Financing Authority	$ -	$ -	$ 12,814	$ -	$ -	$ -	$ 12,814

Included in the Accounts Receivable amounts above are allowances for doubtful accounts of $10,406.

Under the terms of a SRAFFA facility lease agreement, California Music Theater is obligated to make base rental payments in an amount equal to the debt service requirements of the certificates of participation.

NOTE 4 **– CAPITAL ASSETS**

Summary

The following is a summary of capital assets as of June 30, 2012:

	Governmental Activities	Business-Type Activities	Total
Capital assets not being depreciated/amortized			
Land and improvements	$ 187,079	$ 54,318	$ 241,397
Easements	416	157	573
Construction in progress	130,478	24,575	155,053
	317,973	79,050	397,023
Depreciable/amortizable capital assets			
Buildings and improvements	700,488	282,426	982,914
Equipment	72,626	58,740	131,366
Software	2,847	1,081	3,928
Vehicles	118,751	-	118,751
Transmission and distribution system	3,622	1,087,386	1,091,008
Roadway network	1,521,851	-	1,521,851
Streetlight network	188,023	-	188,023
Park improvements	150,554	-	150,554
	2,758,762	1,429,633	4,188,395
Less accumulated depreciation/amortization for:			
Buildings and improvements	(203,965)	(125,225)	(329,190)
Equipment	(39,301)	(30,109)	(69,410)
Software	(459)	(222)	(681)
Vehicles	(68,129)	-	(68,129)
Transmission and distribution system	(574)	(329,830)	(330,404)
Roadway network	(832,114)	-	(832,114)
Street light network	(59,773)	-	(59,773)
Park improvements	(25,233)	-	(25,233)
	(1,229,548)	(485,386)	(1,714,934)
Depreciable/amortizable captial assets,net	1,529,214	944,247	2,473,461
Total capital assets, net	$ 1,847,187	$ 1,023,297	$ 2,870,484

NOTE 4 – **CAPITAL ASSETS (Continued)**

Governmental Activities

Governmental capital asset activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land and improvements	$ 187,003	$ -	$ -	$ 76	$ 187,079
Easements	416	-	-	-	416
Construction in progress	113,254	105,189	-	(87,965)	130,478
	300,673	105,189	-	(87,889)	317,973
Depreciable/amortizable capital assets					
Buildings and improvements	686,205	-	-	14,283	700,488
Equipment	68,624	5,256	(1,452)	198	72,626
Software	2,847	-	-	-	2,847
Vehicles	116,113	15,125	(12,487)	-	118,751
Transmission and distribution system	3,622	-	-	-	3,622
Roadway network	1,485,463	7,389	(17,954)	46,953	1,521,851
Streetlight network	173,021	1,298	-	13,704	188,023
Park improvements	142,551	-	-	8,003	150,554
	2,678,446	29,068	(31,893)	83,141	2,758,762
Less accumulated depreciation/amortization for:					
Buildings and improvements	(187,491)	(16,474)	-	-	(203,965)
Equipment	(36,736)	(3,896)	1,331	-	(39,301)
Software	(269)	(190)	-	-	(459)
Vehicles	(71,187)	(8,388)	11,446	-	(68,129)
Transmission and distribution system	(526)	(48)	-	-	(574)
Roadway network	(794,922)	(55,146)	17,954	-	(832,114)
Streetlight network	(55,777)	(3,996)	-	-	(59,773)
Park improvements	(19,790)	(5,443)	-	-	(25,233)
	(1,166,698)	(93,581)	30,731	-	(1,229,548)
Depreciable/amortizable capital assets, net	1,511,748	(64,513)	(1,162)	83,141	1,529,214
Governmental activities capital assets, net	$ 1,812,421	$ 40,676	$ (1,162)	$ (4,748)	$ 1,847,187

Depreciation/amortization expense was charged to functions as follows:

General government	$ 5,062
Police	2,125
Fire	1,100
General services	3,504
Transportation	58,544
Economic development	104
Convention, culture and leisure	4,536
Parks and recreation	8,553
Community development	162
Library	1,255
Capital assets held by the City's internal service funds are charged to the functions based on their usage of assets	8,636
Total governmental activities depreciation/amortization expense	$ 93,581

NOTE 4 – **CAPITAL ASSETS (Continued)**

Business-type Activities

Business-type capital asset activity for the fiscal year ended June 30, 2012 was as follows:

	Beginning Balance	Increases	Decreases	Transfers In/Out	Ending Balance
Capital assets not being depreciated/amortized					
Land and improvements	$ 53,995	$ -	$ -	$ 323	$ 54,318
Easements	157	-	-	-	157
Construction in progress	11,214	23,422	-	(10,061)	24,575
	65,366	23,422	-	(9,738)	79,050
Depreciable/amortizable capital assets					
Buildings and improvements	282,426	-	-	-	282,426
Equipment	56,688	-	-	2,052	58,740
Software	1,081	-	-	-	1,081
Transmission and distribution system	1,073,622	1,330	-	12,434	1,087,386
	1,413,817	1,330	-	14,486	1,429,633
Less accumulated depreciation/amortization for:					
Buildings and improvements	(118,394)	(6,831)	-	-	(125,225)
Equipment	(26,424)	(3,685)	-	-	(30,109)
Software	(133)	(89)	-	-	(222)
Transmission and distribution system	(301,998)	(27,832)	-	-	(329,830)
	(446,949)	(38,437)	-	-	(485,386)
Depreciable/amortizable capital assets, net	966,868	(37,107)	-	14,486	944,247
Business-type activities capital assets, net	$ 1,032,234	$ (13,685)	$ -	$ 4,748	$ 1,023,297

Depreciation/amortization expense was charged to functions as follows:

Water	$ 16,456
Wastewater	4,084
Storm drainage	11,156
Solid waste	1,838
Community center	2,419
Child development	77
Marina	276
Parking	2,131
Total business-type activities depreciation/amortization expense	$ 38,437

NOTE 5 – **PAYABLES**

Payables as of June 30, 2012, were as follows:

	Vendors	Employees	Interest	Deposits	Total
Governmental activities					
General Fund	$ 8,707	$ 12,898	$ -	$ 53	$ 21,658
Capital Grants Fund	13,497	-	-	-	13,497
Other governmental funds	8,416	114	2,507	1,542	12,579
Internal service funds	6,951	360	10	4	7,325
Total governmental activities	$ 37,571	$ 13,372	$ 2,517	$ 1,599	$ 55,059
Business-type activities					
Water Fund	$ 4,302	$ 829	$ 766	$ 26	$ 5,923
Wastewater Fund	7,350	241	74	-	7,665
Storm Drainage Fund	1,371	785	317	-	2,473
Solid Waste Fund	1,903	454	214	10	2,581
Community Center Fund	942	198	565	-	1,705
Other enterprise funds	754	337	833	85	2,009
Total business-type activities	$ 16,622	$ 2,844	$ 2,769	$ 121	$ 22,356
Component unit					
Sacramento Regional Arts Facilities Financing Authority	$ -	$ -	$ 162	$ -	$ 162

NOTE 6 – **OPERATING LEASES**

City as Lessor

The City leases an office building in downtown Sacramento under a cancellable operating lease agreement. The building's original cost is $153,226. The carrying value and accumulated depreciation for the building at June 30, 2012 is $118,287 and $34,939, respectively.

Under the terms of the lease, base rental payments for the lease have been assigned to the Treasurer of the State of California, as trustee for the bonds which financed the office building. Base rental payments are used to provide funds to service the bonds. Base rental income for the year ended June 30, 2012 was $14,261.

City as Lessee

The City is obligated under various operating leases for the use of land, buildings, office space, and equipment. Lease expenditures, primarily for governmental funds, for the fiscal year ended June 30, 2012, were $981.

Sublease rental income for the fiscal year ended June 30, 2012 was $32. The total amount of minimum rentals to be received in the future under non-cancelable subleases is $964.

Future minimum lease payments required by non-cancellable lease agreements that have initial lease terms in excess of one year are as follows:

Fiscal Year Ending June 30,	Payments
2013	$ 1,223
2014	452
2015	319
2016	313
2017	227
2018-2022	503
2023-2027	239
2028-2032	239
2033-2037	162
2038-2042	124
Total future minimum lease payments	$ 3,801

NOTE 7 – **LONG-TERM LIABILITIES**

Activity

The following is a summary of changes in long-term liabilities. Certain long-term liabilities provide financing to both governmental and business-type activities.

GOVERNMENTAL ACTIVITIES:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue and other bonds:					
1993 Refunded Revenue Bonds, Series A	$ 13,817	$ -	$ (1,079)	$ 12,738	$ 1,137
1993 Refunded Revenue Bonds, Series B	23,234	-	(1,835)	21,399	1,926
1996 Lighting and Landscaping Bonds	2,980	-	(435)	2,545	455
1997 Lease Revenue Bonds	67,355	-	(1,575)	65,780	1,775
1999 CFD No. 2 Revenue Bonds, Series A	2,225	-	(105)	2,120	115
1999 Capital Improvement Revenue Bonds	490	-	(490)	-	-
2002 Capital Improvement Revenue Bonds	17,740	-	(4,910)	12,830	5,110
2002 Refunding Revenue Bonds	6,332	-	(3,089)	3,243	3,243
2003 Capital Improvement Revenue Bonds	25,315	-	(1,225)	24,090	1,270
2005 Refunding Revenue Bonds	60,399	-	(626)	59,773	1,239
2006 Capital Improvement Revenue Bonds, Ser. A	85,475	-	(2,870)	82,605	2,975
2006 Capital Improvement Revenue Bonds, Ser. B	52,090	-	(900)	51,190	960
2006 Capital Improvement Revenue Bonds, Ser. C	26,765	-	(570)	26,195	590
2006 Capital Improvement Revenue Bonds, Ser. D	2,430	-	-	2,430	-
2006 Capital Improvement Revenue Bonds, Ser. E	80,855	-	(52)	80,803	-
Subtotal, revenue and other bonds	467,502	-	(19,761)	447,741	20,795
Notes Payable:					
1997 State Department of Boating & Waterways	677	-	(72)	605	75
Subtotal, notes payable	$ 677	$ -	$ (72)	$ 605	$ 75

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Activity (Continued)

GOVERNMENTAL ACTIVITIES (Continued):	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Capital Lease Obligations:					
Golf equipment- Lease #2	$ 73	$ -	$ (73)	$ -	$ -
Fire trucks and equipment #1	3,833	-	(579)	3,254	602
Fire trucks and equipment #2	337	-	(46)	291	48
Fire trucks and equipment #3	4,180	-	(387)	3,793	405
Liquid nitrate gas (LNG) - refueling trailer	217	-	(21)	196	22
Parking pay and display meters #1	382	-	(123)	259	127
Parking pay and display meters #2	888	-	(242)	646	251
Subtotal, capital lease obligations	9,910	-	(1,471)	8,439	1,455
Plus deferred amounts:					
For issuance discounts	(159)	-	8	(151)	(8)
For issuance premiums	18,289	-	(1,064)	17,225	957
Net loss on refundings	(8,044)	-	553	(7,491)	(383)
Subtotal deferred amounts	10,086	-	(503)	9,583	566
Subtotal, debt governmental activities	488,175	-	(21,807)	466,368	22,891
Other Long-term Liabilities:					
Accrued claims and judgements	56,058	17,962	(15,254)	58,766	16,605
Compensated absences	31,219	30,452	(29,167)	32,504	1,897
OPEB liability	67,878	31,873	(10,448)	89,303	-
Pollution remediation obligations	900	-	(220)	680	225
Derivative instrument - interest rate swap	11,389	2,264	-	13,653	-
Financing plan fee credits:					
North Natomas	36,882	-	(420)	36,462	295
Jacinto Creek	842	37	-	879	-
Park Development	4,085	36	(97)	4,024	51
Subtotal, other long-term liabilities	209,253	82,624	(55,606)	236,271	19,073
Total, governmental activities	$ 697,428	$ 82,624	$ (77,413)	$ 702,639	$ 41,964

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Activity (Continued)

BUSINESS-TYPE ACTIVITIES:	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue and other bonds:					
1993 Refunded Revenue Bonds, Series A	$ 57,050	$ -	$ (4,456)	$ 52,594	$ 4,693
1993 Refunded Revenue Bonds, Series B	25,376	-	(2,005)	23,371	2,104
1999 Capital Improvement Revenue Bonds	695	-	(695)	-	-
2002 Refunding Revenue Bonds	4,418	-	(2,155)	2,263	2,262
2005 Refunding Revenue Bonds	104,735	-	(1,054)	103,681	6,271
2006 Capital Improvement Revenue Bonds, Ser. E	95,360	-	(3,083)	92,277	-
Subtotal, revenue and other bonds	287,634	-	(13,448)	274,186	15,330
Notes Payable:					
1985 Marina Phase I	1,593	-	(36)	1,557	37
1985 Marina Phase II	2,420	-	(48)	2,372	50
1985 Marina Phase III	825	-	(88)	737	92
1985 Marina Phase IV	558	-	(51)	507	54
2008 Sacramento Marina South Basin	9,274	934	-	10,208	163
State Water Resources Control Board	1,047	-	(138)	909	142
State Water Resources Control Board	21,040	-	(1,906)	19,134	1,946
State Water Resources Control Board	2,714	-	(271)	2,443	279
State Water Resources Control Board	3,459	-	(307)	3,152	315
State Water Resources Control Board	1,439	-	(128)	1,311	131
California Department of Education	100	-	(40)	60	20
California Department of Public Health	9,474	526	-	10,000	-
California Infrastructure and Economic Development Bank (I-Bank)	2,445	377	(81)	2,741	69
Subtotal, notes payable	56,388	1,837	(3,094)	55,131	3,298
Capital Lease Obligations:					
Recycle Containers #5	2,204	-	(602)	1,602	623
Refuse Trucks - Schedule 12	3,613	-	(421)	3,192	439
Refuse Trucks - Schedule 16	-	5,028	-	5,028	945
Sewer Cleaning Trucks - Schedule 17	-	708	-	708	133
Bank of America - Marina South Basin	1,249	-	(86)	1,163	90
Subtotal, capital lease obligations	7,066	5,736	(1,109)	11,693	2,230
Less deferred amounts:					
For issuance discounts	(548)	-	63	(485)	(60)
For issuance premiums	19,369	-	(1,125)	18,244	1,051
Net loss on refunding	(16,505)	-	1,801	(14,704)	(939)
Subtotal, deferred amounts	2,316	-	739	3,055	52
Subtotal, debt, business type activities	$ 353,404	$ 7,573	$ (16,912)	$ 344,065	$ 20,910

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Activity (Continued)

BUSINESS-TYPE ACTIVITIES (Continued):	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Other Long-term Liabilities:					
Compensated absences	$ 7,414	$ 6,425	$ (6,292)	$ 7,547	$ 335
OPEB liability	12,325	5,318	(1,743)	15,900	-
Accrued claims and judgments	135	169	-	304	304
Utility district payable	76	-	(76)	-	-
Water fee credits	1,702	-	-	1,702	-
Liability for landfill closure	23,459	-	(655)	22,804	895
Subtotal, other long-term liabilties	45,111	11,912	(8,766)	48,257	1,534
Total business-type activities	398,515	19,485	(25,678)	392,322	22,444
COMPONENT UNIT					
Certificates of Participation					
Sacramento Regional Arts Facilities, 2002 Series COPS	14,140	-	(395)	13,745	410
Less deferred amounts:					
For issuance discounts	(109)	-	5	(104)	(5)
Total component unit	14,031	-	(390)	13,641	405
Total, long-term liabilities	$ 1,109,974	$ 102,109	$ (103,481)	$ 1,108,602	$ 64,813

A component of the June 30, 2011 beginning balances of the governmental compensated absences, representing the first year of workers' compensation salary continuation and totaling $496, was reclassified to accrued claims and judgments for presentation in the City's fiscal year 2012 financial statements. In addition, the June 30, 2011 beginning balances of governmental claims and judgments totaling $1,601 and $23 were reclassified to other long-term liabilities from their presentation as unearned revenue and accounts payable, respectively, in the City's fiscal year 2011 financial statements. The June 30, 2011 beginning balances of business-type claims and judgments, representing the first year of workers' compensation salary continuation and totaling $135, was reclassified to other long-term liabilities from its presentation as accounts payable in the City's fiscal year 2011 financial statements.

The following is a list of long-term debt issues outstanding at June 30, 2012, including the amount of original debt issuance, a description of the debt issue, and disclosure of pledged revenue.

Revenue and Other Bonds

$130,425 1993 Refunded Revenue Bonds, Series A
Authorized and issued September 1993, due in annual installments of $2,186 to $8,875 through November 2020, bearing interest rates of 4.5% to 5.13%, for the purpose of refunding the 1986 Public Facilities Certificates of Participation and a portion of the 1991 Marks-Roos Revenue Bonds.

$95,480 1993 Refunded Revenue Bonds, Series B
Authorized and issued September 1993, due in annual installments of $1,634 to $6,070 through November 2020, bearing interest rates of 4.5% to 5.13%, for the purpose of refunding the 1989 Public Facilities Certificates of Participation.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Revenue and Other Bonds (Continued)

$7,290 1996 Lighting and Landscaping Bonds
Authorized and issued October 1996, due in annual installments of $235 to $565 through fiscal year 2017, bearing interest rates of 4.5% to 5.5%, for the purpose of financing park and lighting maintenance and capital improvements. The debt service on the bonds is payable from special assessments to be levied and collected from property owners. The City pledged future Citywide lighting and landscaping special assessment revenues to repay the bonds. The bonds are payable solely from special assessment revenue through September 2016. Total principal and interest remaining to be paid on the bonds is $2,910. Current year principal and interest paid was $587 and special assessment revenue in the Citywide Lighting and Landscaping District was $14,438.

$73,725 1997 Lease Revenue Bonds
Authorized and issued July 1997, due in annual installments of $1,060 to $2,665 through July 2017, at which time there will be a mandatory remarketing. The bonds were issued to finance the acquisition and lease back of a sports and entertainment arena. The bonds were issued as variable rate bonds for which a ten-year interest rate hedge was purchased to mitigate risk of interest rate fluctuations to a fixed rate of 5.607%. The debt service on the bonds is paid from lease revenue from the arena owner. The City pledged future lease revenues to repay the bonds. The bonds are payable solely from lease revenue through July 2027. Total remaining principal and interest of $101,377 will be paid using 100% of future lease revenue. Current year principal and interest paid was $5,268 and lease revenue was $5,309.

$2,910 1999 Community Facilities District No. 2 Revenue Bonds, Series A
Authorized and issued January 1999, due in annual installments of $35 to $255 through September 2023, bearing interest rates of 4.8% to 6.25%, for the purpose of financing capital improvements of the North Natomas CFD of benefit to City property.

$71,180 1999 Capital Improvement Revenue Bonds
Authorized and issued December 1999, for the purpose of financing the construction of a south area corporation yard and to make a loan to the Redevelopment Agency of Sacramento for certain projects within the Del Paso Heights, Oak Park, North Sacramento, and Richard's Boulevard redevelopment areas. In July 2005, $41,645 of the bonds were defeased through the issuance of the 2005 Refunding Revenue bonds, and the balance is due in annual installments of $155 to $1,185 through December 2011, bearing interest rates of 4.4% to 5.1%.

$160,475 2002 Capital Improvement Revenue Bonds
Authorized and issued July 2, 2002, for the purpose of financing certain capital projects within the City of Sacramento and to make a loan to the Redevelopment Agency of Sacramento for certain redevelopment projects within the City of Sacramento. In July 2005, $32,935 of the bonds were defeased through the issuance of the 2005 Refunding Revenue bonds, and in December 2006, $51,285 of the bonds were defeased through the issuance of the 2006 Series E Refunding Revenue bonds. The balance is due in annual installments of $250 to $5,310 through December 2017, bearing interest rates of 4% to 5.38%.

$46,265 2002 Refunding Revenue Bonds
Authorized and issued October 31, 2002, with principal and interest due in annual installments of $5,780 to $5,800 through July 1, 2012, bearing interest at rates of 2.75% to 5%. Net proceeds of $47,988 were utilized for the purpose of establishing an irrevocable escrow to refund $27,950 principal amount of the City's 1991 Refunding Certificates of Participation (1987 Public Facilities Projects) and $20,430 principal amount of the City's 1991 Refunding Certificates of Participation (Light Rail Transit Project).

NOTE 7 **– LONG-TERM LIABILITIES (Continued)**

Revenue and Other Bonds (Continued)

$68,470 2003 Capital Improvement Revenue Bonds
Authorized and issued September 30, 2003, with the net proceeds of $67,841 utilized for financing construction of the 911 Call Center and certain other capital projects within the City of Sacramento. In December 2006, $35,805 of the bonds were defeased through the issuance of the 2006 Series E Refunding Revenue bonds. The balance was due in annual installments of $150 to $3,360 through December 2033, bearing interest rates of 2.25% to 5%.

$167,860 2005 Refunding Revenue Bonds
Authorized and issued July 12, 2005, due in annual installments of $360 to $15,315 through December 1, 2029, bearing interest rates of 4% to 5%. Net proceeds of $187,563 were utilized for the purpose of establishing an irrevocable escrow to refund $173,440 principal amount of the outstanding 2000 Capital Improvement Revenue Bonds and a portion of the outstanding 1999, 2001 and 2002 Capital Improvement Revenue Bonds. As a result, the refunded bonds are considered defeased and the liabilities have been removed from the governmental and business-type activities columns of the statement of net assets.

$95,900 2006 Capital Improvement Revenue Bonds Series A (Tax Exempt)
Authorized and issued June 15, 2006, due in annual installments of $2,060 to $5,070 through December 1, 2036, bearing interest rates of 3.75% to 5%. Net proceeds of $89,808 are being utilized for the purpose of financing certain public capital improvements and redevelopment projects including the expansion of the Crocker Art Museum, the new Valley Hi–North Laguna Library and other capital projects within the City of Sacramento.

$55,235 2006 Capital Improvement Revenue Bonds Series B (Taxable)
Authorized and issued June 15, 2006, due in annual installments of $720 to $3,760 through December 1, 2036, bearing interest rates of 5.4% to 5.8%. Net proceeds of $50,692 are being utilized for the purpose of financing certain public capital improvements and redevelopment projects including an arts rehearsal building, Pocket Area Library and other capital projects within the City of Sacramento.

$28,825 2006 Capital Improvement Revenue Bonds Series C (Tax Exempt)
Authorized and issued December 12, 2006, due in annual installments of $245 to $1,955 through December 1, 2036, bearing interest rates of 4% to 5%. Net proceeds of $30,500 were utilized for the purpose of financing the acquisition and improvements of the 300 Richards Boulevard land and building in the City of Sacramento.

$2,430 2006 Capital Improvement Revenue Bonds Series D (Taxable)
Authorized and issued December 12, 2006, due in annual installments of $475 to $685 through December 1, 2016, bearing an interest rate of 5.16%. Net proceeds of $2,400 were utilized for the purpose of financing the acquisition and improvements of the 300 Richards Boulevard land and building in the City of Sacramento.

$186,950 2006 Capital Improvement Revenue Bonds Series E (Refunding)
Authorized and issued December 12, 2006, due in annual installments of $402 to $8,570 through December 1, 2033, bearing interest rates of 4% to 5.25%. Net proceeds of $216,661 plus cash of $13,441 have been utilized for the purpose of establishing an irrevocable escrow to defease $218,000 principal amount of the outstanding 2001 Capital Improvement Revenue Bonds and a portion of the outstanding 2002 and 2003 Capital Improvement Revenue Bonds, and the associated liabilities have been removed from the governmental and business-type activities columns of the statement of net assets.

NOTE 7 **– LONG-TERM LIABLITIES (Continued)**

Certificates of Participation

$16,580 Sacramento Regional Arts Facilities 2002 Series Certificates of Participation (COPs)
Authorized and issued in August 2002, due in annual principal and interest installments of $754 to $1,063 through September 2032, bearing interest rates of 2% to 5%. Net proceeds of $16,428 were utilized for the purpose of financing and refinancing the acquisition, renovation and construction of the H Street Theatre facilities. The City pledged future lease revenues to repay the COPs. The COPs are payable solely from lease revenue through September 2032. Total remaining principal and interest of $21,939 will be paid using 100% of future lease revenue. Current year principal and interest paid was $1,052 and lease payments received were $1,048.

Notes Payable

$2,220 1985 Sacramento Marina Note Payable, Phase I
Authorized July 1985, issued November 1985, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of $20 to $82 through August 2030, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina.

$3,229 1985 Sacramento Marina Note Payable, Phase II
Authorized July 1985, issued September 1987, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of $27 to $150 through August 2037, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina.

$1,829 1985 Sacramento Marina Note Payable, Phase III
Authorized July 1985, issued March 1988, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of $50 to $120 through August 2018, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina.

$1,117 1985 Sacramento Marina Note Payable, Phase IV
Authorized July 1985, issued February 1989, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of $29 to $73 through August 2019, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina.

$10,208 2008 Sacramento Marina Note Payable, South Basin
Authorized February 2005, the City has made loan draws of $9,000 plus accrued interest of $1,208 through June 30, 2012, from the California Department of Boating and Waterways, for the purpose of constructing the South Basin Improvements at the Sacramento Marina. Repayment of principal and interest will begin on the August 1 immediately following the final draw in thirty annual payments including interest at 4.5%.

$1,380 1997 State Department of Boating and Waterways Note Payable
Authorized January 1997, issued May 1999, due in annual installments of $89 to $98 through 2018, for the purpose of financing a visitor dock at Old Sacramento.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Notes Payable (Continued)

$2,619 State Water Resources Control Board Note Payable
Authorized July 1998, issued September 1998, due in annual installments of $166 through March 2018, bearing an interest rate of 2.6% for the purpose of financing the City's reservoir rehabilitation project. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through March 2018. Total principal and interest remaining to be paid on the note is $994. Current year principal and interest paid was $166 and wastewater and storm drain fee revenue was $54,680.

$37,016 State Water Resources Control Board Note Payable
Authorized March 1999, issued beginning July 1999, due in annual installments of $2,373 through November 2020, bearing an interest rate of 2.2%, for the purpose of financing various wastewater projects. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through November 2020. Total principal and interest remaining to be paid on the note is $21,304. Current year principal and interest paid was $2,367 and wastewater and storm drain fee revenue was $54,860.

$5,177 State Water Resources Control Board Note Payable
Authorized March 2001, issued July 2001, due in annual installments of $342 through September 2019, bearing an interest rate of 2.6%, for the purpose of financing the construction of underground storage and pumping facilities. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through September 2019. Total principal and interest remaining to be paid on the note is $2,736. Current year principal and interest paid was $342 and wastewater and storm drain fee revenue was $54,860.

$2,603 State Water Resources Control Board Note Payable
Authorized June 2001, issued beginning May 2002, due in annual installments of $149 through May 2021, bearing an interest rate of 2.6%, for the purpose of financing the replacement of sewer lines. In fiscal year 2003 there was an additional draw of $250. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through May 2021. Total principal and interest remaining to be paid on the note is $1,485. Current year principal and interest paid was $165 and wastewater and storm drain fee revenue was $54,860.

$5,672 State Water Resources Control Board Note Payable
Authorized February 2002, issued beginning February 2002, due in annual installments of $397 through February 2021, bearing an interest rate of 2.6%, for the purpose of financing the replacement of sewer lines. The City pledged future wastewater and storm drainage fee revenue to repay the note. The note is payable solely from the wastewater and storm drainage fee revenue through February 2021. Total principal and interest remaining to be paid on the note is $3,574. Current year principal and interest paid was $397 and wastewater and storm drain fee revenue was $54,860.

$400 California Department of Education Note Payable
To finance the construction of temporary classrooms at Two Rivers School and Sequoia School with maturities of $40 per year through 2014. The note bears no interest.

NOTE 7 **– LONG-TERM LIABILITIES (Continued)**

Notes Payable (Continued)

$10,000 California Department of Public Health
Authorized September 2009, the City has made loan draws of $10,000 through June 30, 2012, from the California Department of Public Health, for the installation of approximately 13,000 water meters. The note, with a 2.5% interest rate, will be repaid over 20 years with annual principal and interest payments of approximately $639 beginning after project completion. The City pledged future water enterprise fund revenue to repay the note. The note is payable solely from water enterprise fund revenue through 2033.

$2,975 California Infrastructure and Economic Development Bank (I-Bank)
Authorized in December 2007, due in annual principal and interest installments from $187 to $196 through August 2032, bearing an interest rate of 3.17%, for the purpose of financing the purchase and construction of the Basin 31 Detention Basin. The City pledged future storm drainage fee revenue to repay the note. The note is payable solely from the storm drainage fee revenue through August 2032. Total principal and interest remaining to be paid on the note is $4,147. Current year principal and interest paid was $188 and storm drainage fee revenue was $34,359.

Capital Lease Obligations

The City has entered into several long-term leases to finance the acquisition of building improvements and equipment. The leases qualify as capital leases for accounting purposes as defined under the Financial Accounting Standards Board Statement No. 13, *Accounting for Leases*, and have been recorded at the present value of the future minimum lease payments. As of June 30, 2012, future minimum lease payments to be made by the City's General, Solid Waste, Wastewater and Marina Funds are as follows:

Fiscal Year Ending June 30,	Governmental Activities	Business-Type Activities	Total
2013	$ 1,788	$ 2,626	$ 4,414
2014	1,788	2,626	4,414
2015	1,517	2,288	3,805
2016	1,381	1,950	3,331
2017	1,380	1,950	3,330
2018-2022	1,814	1,538	3,352
2023-2027	-	69	69
Total minimum lease payments	9,668	13,047	22,715
Less amounts representing interest	(1,229)	(1,354)	(2,583)
Net present value of minimum lease payments	$ 8,439	$ 11,693	$ 20,132

The following is a schedule of property under capital leases by major classes at June 30, 2012:

	Governmental Activities	Business-Type Activities	Total
Builidings and improvements	$ -	$ 1,523	$ 1,523
Equipment	13,690	13,386	27,076
Less: accumulated depreciation	(3,200)	(3,386)	(6,586)
Total	$ 10,490	$ 11,523	$ 22,013

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Other Long-term Liabilities

Accrued claims and judgments – Estimated liabilities of the City's workers' compensation, auto, and general liability self-insurance programs administered through the Risk Management Internal Service Fund. The first year of salary continuation in the City's workers compensation program is accrued and paid by the City's General Fund, internal service funds and enterprise funds.

Compensated absences – Estimated amounts due to employees for earned, but unused, compensated absence accounts, including leave balances for vacation, sick, holiday and compensated time off. Compensated absences are generally liquidated by the City's General Fund, internal service funds and enterprise funds.

OPEB liability (other post employment benefits) – Actuarially determined obligation for retiree medical benefits. The City established its OPEB liability at zero as of June 30, 2007. This liability reflects five years of contributing less than the annual required contribution. See note 9 for more information.

Pollution remediation obligations – Estimated liabilities to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities.

Derivative instrument - interest rate swap – Amount represents the fair value of the interest rate swap associated with the 1997 Lease Revenue bonds. See additional disclosures regarding interest rate swap below.

Financing plan fee credits – Issued to developers as consideration for infrastructure and other capital improvements constructed on behalf of the City within the scope of the North Natomas, Jacinto Creek and other development impact fee programs. Credits are redeemable from or against future impact fees assessed within the geographic boundaries of the finance plan.

Utility district payable – An amount due to the Sacramento Municipal Utility District for charges due to malfunctioning meters at one of the City's water treatment plants. This liability was liquidated as of June 30, 2012.

Water fee credits – Issued to developers as consideration for infrastructure constructed on behalf of the City. Credits are redeemable from or against future water development impact fees.

Liability for landfill closure – Estimated post-closure maintenance and monitoring costs for the City's 28th Street landfill site.

Future Debt Service Requirements

The following tables disclose the annual debt service requirements for the City and the Sacramento Regional Arts Facilities Financing Authority component unit long-term debt outstanding as of June 30, 2012.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Future Debt Service Requirements (Continued)

Annual debt service requirements of governmental activities to maturity are as follows:

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2013	$ 20,795	$ 22,562	$ 75	$ 27
2014	18,448	21,648	79	24
2015	20,536	20,715	82	20
2016	21,831	19,719	86	17
2017	23,024	18,541	90	13
2018 - 2022	97,725	76,827	193	13
2023 - 2027	95,270	52,552	-	-
2028 - 2032	88,548	27,334	-	-
2033 - 2037	61,564	7,310	-	-
Subtotals	447,741	267,208	605	114
Less: Issuance discounts	(151)	-	-	-
Plus: Issuance premiums	17,225	-	-	-
Less: Net loss on refundings	(7,491)	-	-	-
Totals	$ 457,324	$ 267,208	$ 605	$ 114

Annual debt service requirements of business-type activities to maturity are as follows:

Fiscal Year Ending June 30,	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2013	$ 15,330	$ 13,671	$ 3,298	$ 1,422
2014	13,837	12,924	3,776	1,583
2015	14,549	12,195	3,874	1,485
2016	15,299	11,423	3,955	1,384
2017	16,096	10,606	4,057	1,281
2018 - 2022	82,740	39,816	17,090	4,796
2023 - 2027	49,615	23,834	5,231	3,255
2028 - 2032	56,032	9,856	6,196	2,281
2033 - 2037	10,688	281	4,578	1,226
2038 - 2042	-	-	3,076	405
Subtotals	274,186	134,606	55,131	19,118
Less: Issuance discounts	(485)	-	-	-
Plus: Issuance premiums	18,244	-	-	-
Less: Net loss on refundings	(14,704)	-	-	-
Totals	$ 277,241	$ 134,606	$ 55,131	$ 19,118

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Future Debt Service Requirements (Continued)

Annual debt service requirements of component unit activities to maturity are as follows:

Fiscal Year Ending June 30,	Certificates of Participation	
	Principal	Interest
2013	$ 410	$ 643
2014	425	627
2015	440	610
2016	460	591
2017	480	572
2018 - 2022	2,725	2,518
2023 - 2027	3,430	1,789
2028 - 2032	4,365	819
2033 - 2037	1,010	25
Subtotals	13,745	8,194
Less: Issuance Discounts	(104)	-
Totals	$ 13,641	$ 8,194

Derivative Instrument - Interest Rate Swap

Objective of the interest rate swap. As a means to lower its borrowing costs, when compared against fixed-rate bonds at the time of issuance in July 2007, the Sacramento City Financing Authority (the "Authority") entered into an interest rate swap in connection with its $73,725 1997 Lease Revenue Bonds (Power Balance Pavilion Acquisition) variable interest rate bonds (the "Bonds"). The intention of the swap was to effectively change the Authority's variable interest rate on the bonds to a synthetic fixed rate of 5.607% through the end of the swap agreement's term. As of June 30, 2012 the amount of outstanding Bonds was $65,780. The interest and principal payments on the Bonds are insured by a third party bond insurer.

Terms. The Bonds mature on July 15, 2027 and are subject to remarketing on July 19, 2017. The Bonds carry an interest rate equal to 3-month London Interbank Offered Rate ("LIBOR") plus 0.25% (total rate not to exceed 14%), payable quarterly, until July 19, 2017. The swap agreement terminates on July 19, 2017, and has a notional amount as of June 30, 2012 of $65,780. The notional amount of the swap and the par amount of the Bonds each decline according to the same schedule through 2017. The swap was entered at the same time the Bonds were remarketed (July 2007). Under the swap, the Authority pays the counterparty a fixed payment of 5.607% and receives a variable payment computed as LIBOR plus 0.25% (total rate not to exceed 14%). The Authority's payments to the counterparty under the swap agreement are insured by the third party bond insurer.

Fair value. Because interest rates have declined since the execution of the swap, the swap had a negative fair value of $13,653 as of June 30, 2012, as provided by the swap counterparty. Because the coupons on the Bonds adjust as LIBOR adjusts, the Bonds do not have a corresponding fair value increase. The fair value was estimated using the zero-coupon method. This method calculates the future net settlement payments required by the swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. These payments are then discounted using the spot rates implied by the current yield curve for hypothetical zero-coupon bonds due on the date of each future net settlement on the swap.

The swap meets the requirements of a hedging derivative instrument and as such, hedge accounting is applied. Under hedge accounting, the fair value of the swap is reported in governmental activities on the statement of net position as deferred outflow for interest rate swap, an asset, and a corresponding long term liability. See other long term governmental liabilities in this footnote for changes in the swap liability.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Derivative Instrument - Interest Rate Swap (Continued)

Credit risk. As of June 30, 2012, the Authority was not exposed to credit risk because the swap had a negative fair value. However, should interest rates change and the fair value of the swap become positive, the Authority would be exposed to credit risk in the amount of the derivative's fair value. The swap counterparty was rated "A" by Fitch Ratings, "A3" by Moody's Investors Service, and "A-" by Standard & Poor's as of June 30, 2012.

To mitigate the potential for credit risk, if the counterparty's credit quality falls below "A3" by Moody's Investors Service or "A-" by Standard & Poor's, the swap agreement provides the counterparty, the Authority, the bond insurer for the Bonds, and a third-party collateral agent are to execute a collateral agreement establishing the type of collateral, the amount of collateral, the collateral agent, and the terms of the collateral agreement within 30 days of such a downgrade.

Basis risk. The swap agreement provides that the payment received by the Authority shall be at LIBOR plus 0.25% (total rate not to exceed 14%), the equivalent of the interest rate on the Bonds. This arrangement mitigates the Authority's exposure to basis risk.

Termination risk. The Authority may terminate the swap if the counterparty fails to perform under the terms of the contract. The Authority also may terminate the swap if the counterparty fails to execute a collateral agreement satisfactory to the Authority and the bond insurer within 30 days of the counterparty's ratings falling below "A3" by Moody's Investors Service or "A-" by Standard & Poor's. The counterparty may terminate the swap if the Authority fails to perform under the terms of the contract, and the bond insurer fails to perform under the terms of the contract. The counterparty also may terminate the swap upon the occurrence of the following events: 1) the bond insurer falls below "A3" by Moody's Investors Service or "A-" by Standard & Poor's, and; 2) the Authority falls below "Baa3" by Moody's Investors Service or "BBB-" by Standard & Poor's. If the swap is terminated, the variable rate Bonds would no longer carry a synthetic fixed interest rate. Also, if at the time of termination the swap has a negative fair value, the Authority would be liable to the counterparty for a payment equal to the swap's fair value.

Rollover Risk. The Authority is exposed to rollover risk on the interest rate swap because the maturity date of the derivative instrument is July 2017, and the hedged debt matures in July 2027.

Swap payments and associated debt. Using rates in effect as of June 30, 2012, debt service requirements of the variable rate Bonds and net swap payments, assuming current interest rates remain the same through the July 2017 termination date of the swap and tender date on the Bonds, are as follows:

Fiscal Year Ending June 30	Principal	Interest	Interest Rate Swaps, Net	Total
2013	$ 1,775	$ 467	$ 3,137	$ 5,379
2014	1,990	452	3,043	5,485
2015	2,225	437	2,937	5,599
2016	2,475	427	2,866	5,768
2017	2,665	400	2,693	5,758
2018	54,650	99	667	55,416
TOTAL	$ 65,780	$ 2,282	$ 15,343	$ 83,405

Beyond the termination date of the swap and remarketing date on the bonds in July 2017, the interest rates on the bonds will vary.

NOTE 7 – **LONG-TERM LIABILITIES (Continued)**

Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Department of Treasury at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and determined the liability to be zero at June 30, 2012.

Special Assessment Debt

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are $174,100 at June 30, 2012. The City acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The City is not liable for repayment of the special district bonds, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit and corresponding amounts payable for the districts are reported in the Assessment Districts and Community Facilities Districts Agency Funds.

Conduit Debt

Outstanding obligations related to special facility and redevelopment agency revenue bonds total $309,616 at June 30, 2012. Special facility revenue bonds were issued to provide administrative and service facilities for four non-profit organizations and for offices leased to the State of California Department of General Services (State). The bonds issued are special limited obligations of the City, payable solely from and secured by a pledge of revenue to be received from loan or lease agreements between the City and the non-profit organizations or the State. The redevelopment agency bonds were issued by the Sacramento City Financing Authority to finance redevelopment activities and to refund certain other obligations of the redevelopment agency. The City is not liable for repayment of these bonds, and accordingly, they are not reflected in the accompanying basic financial statements.

Prior year Defeasance of Debt

In prior years, the City defeased certain revenue and other bonds by placing the proceeds of the new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the City's financial statements. On June 30, 2012, $119,475 of such bonds outstanding are considered defeased.

NOTE 8 – **EMPLOYEE RETIREMENT PLANS**

Defined Benefit Plan Descriptions

The City of Sacramento provides defined benefit retirement benefits through the California Public Employees' Retirement System (CalPERS) and the Sacramento City Employees' Retirement System (SCERS). CalPERS is an agent multiple-employer public employee defined benefit pension plan. SCERS is a single-employer defined benefit pension plan.

CalPERS

All full-time and certain part-time City employees hired after January 28, 1977 and City safety employees, regardless of date of hire, are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and their beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and city ordinance. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office at 400 Q Street, Sacramento, CA 95814. A separate report for the City's plan within CalPERS is not available.

NOTE 8 – **EMPLOYEE RETIREMENT PLANS (Continued)**

SCERS

All full-time, non-safety employees hired before January 29, 1977, are eligible to participate in SCERS. SCERS provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries.

The City reports SCERS as a pension trust fund. SCERS issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained by writing the City of Sacramento Department of Finance, 915 I Street, 4th Floor, Sacramento, CA 95814. The following is a summary of significant accounting policies:

Basis of Accounting – SCERS' financial statements are prepared using the accrual basis of accounting. Member contributions are recognized in the period in which the contributions are due. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan.

Method Used to Value Investments – Investments are reported at fair value, except mortgage loans which are recorded at amortized cost. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

Funding Policy

Participants are required to contribute a percentage of their annual covered salary, as follows:

CalPERS	- Miscellaneous	7%
CalPERS	- Safety	9
SCERS	- (varies with entry age)	3 – 10

The City makes the following participant contributions on their behalf and for their account (percent of annual covered payroll):

CalPERS	- Certain miscellaneous employees	3 - 5%
CalPERS	- Safety	9

The City is required to contribute at actuarially determined rates. Rates for the fiscal year ended June 30, 2012 were as follows (percent of annual covered payroll):

CalPERS	- Miscellaneous	12.659%
CalPERS	- Safety	27.530
SCERS		233.000

NOTE 8 – **EMPLOYEE RETIREMENT PLANS (Continued)**

Annual Pension Cost

CalPERS

For the fiscal year ended June 30, 2012, the City's annual CalPERS pension cost of $48,531 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2009, actuarial valuation, using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service ranging from 3.55% to 14.45%. Both (a) and (b) included an inflation component of 3% and an annual production growth of .25%. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a 15 year period. Unfunded actuarial accrued liabilities and excess assets as of June 30, 2009 are being amortized, using the level percentage of payroll method, over a closed period that depends on the plan's date of entry into CalPERS. The remaining amortization period at June 30, 2009 was 29 years for the safety employees' plan and 26 years for the miscellaneous employees' plan. Subsequent plan amendments are amortized as a level percentage of projected payrolls over a closed 20-year period. Annual gains and losses that occur in the operation of the plan are amortized over a rolling period, which results in an amortization of 6% of unamortized gains and losses each year.

SCERS

For the fiscal year ended June 30, 2012, the City's annual SCERS pension cost of $10,361 was equal to the City's required and actual contributions. The required contribution was determined as part of the June 30, 2010 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 6.50% investment rate of return (net of administrative expenses), (b) 3% projected annual salary increases, (c) an inflation component of 3%, and (d) 3.25% per year social security wage base adjustments. The actuarial value of the assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. Unfunded liabilities are being amortized over an open 15 year period, as a level dollar amount of projected payrolls.

Three-Year Trend Information

CalPERS – Miscellaneous

Fiscal Year	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	$20.6	100%	$ -
June 30, 2011	18.7	100	-
June 30, 2012	18.8	100	-

CalPERS – Safety

Fiscal Year	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	$24.0	100%	$ -
June 30, 2011	25.6	100	-
June 30, 2012	29.7	100	-

NOTE 8 – **EMPLOYEE RETIREMENT PLANS (Continued)**

Three-Year Trend Information (Continued)

SCERS

Fiscal Year	Annual Pension Cost (APC) (in millions)	Percentage of APC Contributed	Net Pension Obligation
June 30, 2010	$ 3.4	100%	$ -
June 30, 2011	10.5	100	-
June 30, 2012	10.4	100	-

Funded Status

The funded status of the plans as of the most recent actuarial valuation dates is as follows (dollars in millions):

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) - Entry Age (b)	(Overfunded) Unfunded AAL (b) - (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	(Overfunded) Unfunded AAL as a % of Covered Payroll {(b) - (a)}/(c)
CalPERS - Miscellaneous						
6/30/10	$ 660	$ 819	$ 159	81%	$ 165	96%
CalPERS - Safety						
6/30/11	1,035	1,249	214	83%	109	196%
SCERS						
6/30/12	294	389	95	76%	3	3,211%

The actuarial assumptions used by CalPERS to determine the annual required contributions for the fiscal year ended June 30, 2012 changed from the prior year. The investment rate and the price inflation rate decreased by .25%. The assumptions for the SCERS plan are the same as those used to determine the annual required contributions for the fiscal year ended June 30, 2012.

The schedules of funding progress, presented as required supplementary information (RSI) following the notes to the financial statements, present multiyear trend information about whether the actuarial values of the assets are increasing or decreasing over time relative to AALs for benefits.

Defined Contribution Plan

The City also provides defined contribution retirement benefits through the City of Sacramento 401(a) Money Purchase Plan (the Plan). The Plan is administered by the International City Management Association Retirement Corporation. Plan provisions and contribution requirements are established and may be amended by City Council. Unrepresented exempt and certain represented employees may elect to participate. Participating employees of the aforementioned groups are required to contribute 5% and 2%, and the City contributes 4% and 2%, respectively, of covered salary. For the year ended June 30, 2012, employees contributed $2,304 and the City contributed $1,865 to the Plan.

NOTE 9 – **POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS**

Plan Description

The City provides contributions for post-employment medical, dental and vision benefits to employees who retire directly from the City and their dependents through a single-employer defined benefit OPEB plan (the plan). Participants have the choice of enrolling in one of several health plans, one of two dental plans and one vision plan. To be eligible for the City paid benefits, the employee must retire with a minimum of ten full years of active service and be 55 or 50 years of age for miscellaneous and safety employees, respectively. Participants with a minimum of twenty years of service are eligible for 100% of the maximum benefit. Participants with more than fifteen years but less than twenty years of service are eligible for 75% of the maximum benefit. Participants with more than ten years but less than fifteen years of service are eligible for 50% of the maximum benefit. The post-retirement health care and dental care employer contributions range from $300 and $694 per month per participant, which covers between 16% and 100% of the benefit cost, depending on the choice of plan and number of dependents. The post employment health, dental and vision care contributions are defined by labor agreements and resolutions approved by the City Council. The City does not issue a separate stand-alone financial report for its OPEB plan.

Funding Policy

The City is currently funding the OPEB plan on a pay-as-you-go basis. These financial statements assume that pay-as-you-go funding will continue.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost is calculated based on the annual required contribution (ARC) of the City, an amount that is actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover the normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) of the plan over a period not to exceed thirty years. The current ARC rate is 15.7 percent of annual covered payroll. The following table shows the components of the City's annual OPEB cost for the year, the amount contributed to the plan, and the changes in the City's net OPEB obligation.

Annual required contribution (ARC)	$ 39,740
Interest on beginning OPEB liability	3,409
Adjustment to the ARC	(5,958)
Annual OPEB cost	37,191
Contributions made	(12,191)
Increase in net OPEB obligation	25,000
Net OPEB obligation - Beginning of year	80,203
Net OPEB obligation - End of year	$ 105,203
Covered payroll (active plan members)	$ 253,528
UAAL as a percentage of covered payroll	173.4%

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the current fiscal year and the two preceding years were as follows:

Fiscal year ended	Annual OPEB Cost	Contribution	Percentage of OPEB Cost Contributed	Net OPEB Obligation
6/30/2010	$ 29,508	$ 11,064	38%	$ 60,700
6/30/2011	31,394	11,891	38	80,203
6/30/2012	37,191	12,191	33	105,203

NOTE 9 – **POST-EMPLOYMENT HEALTH AND DENTAL CARE BENEFITS (Continued)**

Funding Status and Progress

As of June 30, 2011, the most recent actuarial valuation date of the plan was 0% funded. The actuarial accrued liability was $439,592 and the actuarial value of assets was $0 resulting in an unfunded actuarial accrued liability (UAAL) of $439,592. The annual covered payroll was $253,528 and the ratio of the unfunded actuarial accrued liability to the annual covered payroll was 173.4%. The Schedule of Funding Progress is presented as RSI following the notes to the financial statements.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into future. Examples of these estimates and assumptions include future employment trends, mortality and the health care cost trend. Amounts are determined regarding the funded status of the plan, and the annual required contribution of the employer are subject to the continual revision as actual results are compared with past expectations and new estimates are made about the future.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing benefits costs between the employer and the plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of calculations.

In the June 30, 2011, actuarial valuation, the entry age normal actuarial cost method was used. The actuarial assumptions utilized a 3% inflation rate, a 4.25% discount rate and a medical trend rate of 9.2% for fiscal year 2013, reduced by decrements of 0.5% each year to an ultimate rate of 5%. The UAAL is being amortized as a level percentage of projected payrolls on an open basis. The remaining amortization period at June 30, 2011 was 26 years.

NOTE 10 **– FUND EQUITY AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The beginning fund balance of the Winchester G. and Mary Alice Felt Fund, previously reported as a permanent fund, has been reclassified into the Culture and Leisure Fund because the restriction on spending the trust corpus has expired.

At June 30, 2012, the government-wide statement of net position reported restricted net position of $200,056 in governmental activities. Of this amount, $16,547 is restricted by enabling legislation.

The Culture and Leisure Fund, a special revenue fund, had a deficit fund balance of $3,856 as of June 30, 2012. The Golf program within this fund has a deficit balance of $6,237. It is anticipated that this deficit will be funded by future operating surpluses and subsidies.

The Operating Grants Fund, a special revenue fund, had a deficit fund balance of $5,154 as of June 30, 2012. The deficit represents grant expenditures unreimbursed by granting agencies within the 60 day period of availability for which corresponding revenues have not been recorded. The deficit will be recovered upon receipt of grantor reimbursements.

The Marina Fund, an enterprise fund, had a deficit net position of $1,724 as of June 30, 2012. The deficit is the result of declining revenues due to the economic conditions. It is anticipated that this deficit will be funded by future operating surpluses.

For the fiscal year ended June 30, 2012, expenditures exceeded appropriations in the Parks and Recreation and Cal EPA special revenue funds by $198 and $245 respectively. This overspending was funded by revenue collected in excess of budgeted amounts.

NOTE 11 – **INTERFUND TRANSACTIONS**

Interfund Transfers

Interfund transfers report the nonreciprocal contribution of resources from one fund to another. The following is a summary of transfers for the fiscal year ended June 30, 2012:

	Description	Transfers In	Transfers Out	Net Transfers
Governmental Activities:				
General Fund	Debt service	$ 2,007	$ (23,038)	$ (21,031)
General Fund	In-lieu tax transfers	25,002	-	25,002
General Fund	Program support	1,670	(1,017)	653
Capital Grants Fund	Program support	-	(72)	(72)
Other Governmental Funds	Debt service	25,183	(3,161)	22,022
Other Governmental Funds	Program support	1,573	(302)	1,271
Internal Service Funds	Debt service	423	(51)	372
Internal Service Funds	Program support	7	(754)	(747)
Adjustment for transfer of capital assets from governmental funds to enterprise funds	Transfer of capital assets	-	(4,748)	(4,748)
Total governmental activities		55,865	(33,143)	22,722
Business-type Activities:				
Water Fund	Debt service	-	(38)	(38)
Water Fund	In-lieu tax transfers	-	(8,493)	(8,493)
Water Fund	Program support	54	(449)	(395)
Wastewater Fund	Debt service	-	(51)	(51)
Wastewater Fund	In-lieu tax transfers	-	(2,218)	(2,218)
Wastewater Fund	Program support	19	-	19
Storm Drainage Fund	Debt service	-	(83)	(83)
Storm Drainage Fund	In-lieu tax transfers	-	(3,808)	(3,808)
Storm Drainage Fund	Program support	45	-	45
Solid Waste Fund	Debt service	-	(121)	(121)
Solid Waste Fund	In-lieu tax transfers	-	(6,700)	(6,700)
Solid Waste Fund	Program support	115	-	115
Community Center Fund	In-lieu tax transfers	-	(1,578)	(1,578)
Community Center Fund	Program support	-	(100)	(100)
Other Enterprise Funds	Debt service	-	(1,069)	(1,069)
Other Enterprise Funds	In-lieu tax transfers	-	(2,205)	(2,205)
Other Enterprise Funds	Program support	3	(793)	(790)
Adjustment for transfer of capital assets from governmental funds to enterprise funds	Transfer of capital assets	4,748	-	4,748
Total business-type activities		4,984	(27,706)	(22,722)
Total government-wide statements		$ 60,849	$ (60,849)	$ -

NOTE 11 – **INTERFUND TRANSACTIONS (Continued)**

Interfund Balances

Interfund balances report lending transactions between funds. The following is a summary of interfund balances as of June 30, 2012:

	Receivables	Payables	Interfund Balances
Capital Grants Fund	$ -	$ (38,447)	$ (38,447)
Other Governmental Funds	-	(12,331)	(12,331)
Internal Service Funds	57,575	-	57,575
Total governmental activities	57,575	(50,778)	6,797
Community Center Fund	-	(6,797)	(6,797)
Total business-type activities	-	(6,797)	(6,797)
Total	$ 57,575	$ (57,575)	$ -

$57,575 was loaned by the City's internal service funds to cover short-term operating deficits (approximately $43,359) and to assist in development of community resources (approximately $14,216).

$38,447 was borrowed by the Capital Grants Fund for short term loans.

$12,331 was borrowed by various other governmental funds for short term loans (approximately $4,912), and development of community resources (approximately $7,419).

$6,797 was borrowed by the Community Center Fund for development of community resources.

NOTE 12 **– RISK MANAGEMENT**

The City is exposed to various risks of loss related to following: worker's compensation; torts including errors and omissions; employment practices; theft of, damage to and destruction of assets; and natural disasters for which the City self-insures and/or carries commercial insurance. Earthquake damage is not included in the property insurance coverage carried by the City.

The Risk Management Internal Service Fund self-insures the first $2,000 of each workers' compensation and general and auto liability claim plus claim costs that exceed commercial insurance coverage. Commercial insurance for general and automobile liability claims provides $30,000 in coverage for claims over the City's $2,000 self-insured retention. Excess worker's compensation insurance is purchased through the California State Association of Counties' Excess Insurance Authority and it provides statutory coverage over the City's $2,000 self-insured retention to the program members. Liabilities are estimated based on recommendations from an independent actuarial evaluation. Liabilities are based on estimated ultimate cost of settling claims, including effects of inflation and other social and economic factors. Estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine the present value of the liability. For the fiscal year ended June 30, 2012, the expected rate of return was 3 percent. Settled claims have not exceeded insurance coverage for each of the past three fiscal years. There were no changes in insurance coverage during the fiscal year ended June 30, 2012.

All funds of the City participate in the program and make payments to the Risk Management Internal Service Fund based on estimates of the amounts needed to pay operating costs, insurance premiums, and prior and current year claims. At June 30, 2012, the Risk Management Internal Service Fund had a net position of $45,143.

Liabilities are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, economic and social factors, and trends in damage awards. Accordingly, claims are reevaluated periodically to consider the effects of these factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from salvage or subrogation, are another component of the claims liability estimate.

Changes in the Risk Management Internal Service Fund's claims liability for the past two fiscal years are summarized as follows:

	2012	2011
Accrued claims and judgements, July 1	$ 53,938	$ 47,062
Incurred claims and adjustment expenses	17,249	19,142
Claim payments	(15,254)	(12,266)
Accrued claims and judgements, June 30	$ 55,933	$ 53,938

NOTE 13 – **COMMITMENTS AND CONTINGENCIES**

Commitment of Enterprise Fund Revenues

Revenues of the Wastewater and Storm Drainage Enterprise Funds are pledged to the payment of principal and interest on the State Water Resources Control Board Notes Payable. Revenue of the Water Enterprise Fund is pledged to the payment of principal and interest on the California Department of Public Health Notes Payable. See note 7 for more information.

Construction and Other Commitments

The City has commitments of $63,363 for contracts awarded but not completed as of June 30, 2012. The following table shows the distribution of those commitments among major and nonmajor funds.

Governmental Activities:		**Business-type Activities:**	
General Fund	$ 3,954	Water Fund	$ 12,355
Capital Grants Fund	22,622	Wastewater Fund	2,488
Other governmental funds	13,376	Storm Drainage Fund	2,510
Internal service funds	2,877	Solid Waste Fund	741
		Community Center Fund	1,502
		Other enterprise funds	938
Total governmental activities	$ 42,829	Total business-type activities	$ 20,534

The major contracts outstanding are $16,335 to relocate train tracks and retrofit the intermodal depot in the Railyards development, $8,177 for various Water Fund projects, including planning and design of upgrades to the City's water treatment plants; $8,000 for large road and bridge projects, and $3,755 for development of the Natomas Regional Park.

Contingent Liabilities

The City participates in a number of federal, state and local grant programs, the principal of which is the Highway Planning and Construction program. These programs are subject to financial and compliance audits by the grantors or their representatives. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the City does not expect such amounts, if any, to materially affect the financial statements of the City. Receipt of these grant revenues is not assured in the future.

Litigation

Various claims and lawsuits are pending against the City. Although the outcome of these claims and lawsuits is not presently determinable, management, after consultation with legal counsel, is of the opinion that these matters will not have a material adverse effect on the financial condition of the City.

Closure and Postclosure Care Cost

The City has several landfill sites which have stopped accepting waste, have been covered, and are closed. State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at these sites after closure. $22,804 has been reported as the City's estimate of postclosure costs at June 30, 2012. The estimate is based on current cost and may change due to inflation or deflation, technology, or applicable laws and regulations. The City received approval from state regulators to fund the postclosure costs, along with cost increases due to inflation, with user charges for solid waste disposal.

NOTE 13 – **COMMITMENTS AND CONTINGENCIES (Continued)**

Pollution Remediation Obligations

A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The City is responsible for pollution remediation activities at several sites that have soil contaminated with petroleum, hydrocarbons, and/or metals. Regulatory agencies providing oversight of the City's pollution remediation obligations and activities include the State of California Regional Water Quality Control Board, the State of California Department of Toxic Substance Control, and the Sacramento County Department of Environmental Management. The estimated obligation was $900 at June 30, 2011 and $680 at June 30, 2012. Pollution remediation outlays totaled approximately $215 for the fiscal year ended June 30, 2012. Pollution remediation obligations are measured based on outlays expected to be incurred to settle all estimable remediation efforts. Pollution remediation obligations are measured at the current value of reasonable and supportable assumptions about future events that may affect the eventual settlement of the obligations. Pollution remediation obligations are measured using the expected cash flow technique, which measures the obligation as the sum of probability-weighted amounts in a range of possible cash flows. Estimates are based on all currently available information, as well as the facts and circumstances of each situation, but may change due to price changes, changes in laws or regulations, changes in remediation technologies, or as additional information become available. Estimated recoveries from other parties that are included in the calculation of the City's pollution remediation obligations total $105.

NOTE 14 – **JOINTLY GOVERNED AND RELATED ORGANIZATIONS**

Sacramento Housing and Redevelopment Agency

The City is a participant with the County of Sacramento in the Sacramento Housing and Redevelopment Agency (SHRA). From July 1, 2011 to January 31, 2012, SHRA consisted of the housing authorities of the City and County and the redevelopment agencies of the City and County. Effective February 1, 2012, all redevelopment agencies in California were officially dissolved by an act of the Legislature. Starting February 1, 2012, SHRA consisted of only the housing authorities of the City and County.

SHRA is a stand-alone agency, governed by the County Board of Supervisors over County housing and, through January 31, 2012, redevelopment activities, and the City Council over City housing and, through January 31, 2012, redevelopment activities. Although the City does not have an equity interest in SHRA, it does have an ongoing financial interest. Based upon the approval process for Sacramento Housing Authority and, through January 31, 2012, Sacramento Redevelopment Agency activities, the City has the ability to directly influence SHRA to undertake projects for the citizenry of the City. Because the City's primary government does not have an equity interest in SHRA, SHRA's financial information is not included in these financial statements. Separately issued financial statement may be obtained from the Sacramento Housing and Redevelopment Agency, 801 12th Street, Sacramento, California, 95814.

Upon the dissolution of redevelopment agencies in California, the City elected to become the successor agency for the Sacramento Redevelopment Agency activities. More information about the Successor Agency Trust Fund in the City's financial statements can be found in Note 15 – Successor Agency Trust Fund.

NOTE 14 – **JOINTLY GOVERNED AND RELATED ORGANIZATIONS (Continued)**

Sacramento Public Library Authority

The City is a participant with the County of Sacramento and the cities of Citrus Heights, Elk Grove, Galt, Isleton and Rancho Cordova in the Sacramento Public Library Authority (Library), a joint powers agency created to provide library services to the residents of the participating municipalities. The Library is governed by a board made up of five County appointees and various numbers of appointees from each city, depending upon population. As of June 30, 2012, five of fifteen members of the Library board were appointed by the City. The current joint powers agreement was effective beginning July 1, 2007. After June 30, 2010, any party may withdraw from the Authority upon no less than one year's written notice. Upon withdrawal a party shall retain ownership of those capital facilities to which it holds title. The City is committed to fund annual contributions to operate library branches in the City. The City's General Fund contributions for the fiscal year ended June 30, 2012, were $7,106. The City also contributed the use of its library facilities to the Library. In order to provide funding for additional services and hours in City libraries, the City also levies and passes through to the Library a parcel tax which totaled $4,609 for the fiscal year ended June 30, 2012. Financial statements may be obtained from the Sacramento Public Library Authority, 828 I Street, Sacramento, California, 95814.

Related Organizations

The City's officials are responsible for appointing members to the boards of other organizations, but the City's accountability for these organizations do not extend beyond making the appointments. The City Council confirms board appointments made by the Mayor to: the Local Agency Formation Commission, Regional Transit, the Sacramento Area Council of Governments, the Sacramento Area Commerce & Trade Organization, the Sacramento Area Flood Control Agency, the Sacramento Employment and Training Agency, the Sacramento Metropolitan Air Quality Management District, the Sacramento Metropolitan Cable Television Commission, the Sacramento Regional County Sanitation District, the Sacramento Regional County Solid Waste Authority, the Sacramento Transportation Authority and the Water Advisory Commission. The City is also a participant in the Sacramento Regional Fire/EMS Communication Center and the Regional Fire and Rescue Training Authority. Board members for those organizations are appointed by the Fire Chief and Police Chief, respectively.

The City's financial support to these organizations during the year ended June 30, 2012, included $2,626 for operations and facility support to the Sacramento Regional Fire/EMS Communication Center.

The City also received financial support from these related organizations during the year ended June 30, 2012, including $17,403 in the Transportation and Development Fund from the Sacramento Transportation Authority, $3,585 of cable television revenues in the General Fund from the Sacramento Metropolitan Cable Television Commission, and $1,321 of revenue in the General Fund from the Sacramento Regional County Solid Waste Authority. In addition, the City received $1,624 from SAFCA to reimburse for the SAFCA's payroll which is processed by the City.

The City administers customer billing and collections on behalf of the Sacramento Regional County Sanitation District. As of June 30, 2012 the City had a liability due to Sacramento Regional County Sanitation District of $6,978 for customer accounts recorded in the Wastewater Fund. During the year ended June 30, 2012, the Wastewater Fund received financial support of $582 from the Sacramento Regional County Sanitation District to pay for operating and maintaining the treatment plant and $830 for the replacement of a sump pump.

NOTE 15 – **SUCCESSOR AGENCY TRUST FUND**

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill"), enacted on June 28, 2011, that provides for the dissolution for all redevelopment agencies in the State of California. The effective date of the dissolution was reset by the Court to February 1, 2012. The Bill provides that upon dissolution of a redevelopment agency, either the city or another unit of local government may elect to serve as the "successor agency" to hold the assets of the agency until they are distributed to pay obligations or remitted to the county tax assessors.

On January 31, 2012, the City Council elected to become the successor agency for the former Redevelopment Agency of the City of Sacramento (Agency) for the Agency's non-housing assets and functions in accordance with the Bill as part of the City resolution number 2012-018. Also on January 31, 2012, under the same resolution, the City Council designated the Housing Authority of the City of Sacramento (Authority) to retain the Agency's housing assets and functions. On the same date, the City Council serving as the governing board of the Authority adopted resolution number 2012-001 electing to serve as the housing successor agency.

After enactment of the Bill, redevelopment agencies in the State of California were prevented from entering into new projects, obligation or commitments until they were dissolved. Successor agencies were also so restricted; however, they were also charged with the authority to implement Agency agreements and maintain assets subject to the control of a newly established oversight board. The remaining Agency encumbered funds can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments).

In future fiscal years, successor agencies will only be allocated property tax increment revenue from the county tax assessor in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full.

The Bill, along with AB 1484 enacted on June 27, 2012, directs the State Controller of the State of California to review the propriety of any transfers of assets between redevelopment agencies and other public bodies that occurred after January 1, 2011. If the public body that received such transfers is not contractually committed to a third party for the expenditures or encumbrances of those assets as of June 28, 2011, the State Controller is required to order the available assets to be transferred from the public body to the successor agency, and such assets would then be subject to distribution as set forth in the Bill and in AB 1484.

Management believes, in consultation with legal counsel, that the asset transfers and the obligations of the former redevelopment agency due to the City after enactment of the Bill were proper and are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill and AB 1484. However, there is considerable legal uncertainty regarding this issue because the provisions of AB 1484 are currently in litigation and further clarifying legislation may be enacted in 2013.

In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012. Prior to that date, the activity of the redevelopment agency was reported in the financial statements of the Sacramento Housing and Redevelopment Agency (SHRA), a joint powers authority that provided staff services for the agency. After the date of dissolution, the assets and activities of the dissolved redevelopment agency, except for the housing assets transferred to the housing successor agency, are reported in a fiduciary fund (private-purpose trust fund) in the financial statements of the City. The City's receipt of the assets and liabilities as of February 1, 2012, from SHRA, was reported in the private-purpose trust fund as an extraordinary item.

NOTE 15 – **SUCCESSOR AGENCY TRUST FUND (Continued)**

The extraordinary item recognized in the fiduciary fund financial statements for the transfer of assets and liabilities from the former redevelopment agency, as of February 1, 2012, was calculated as follows:

Assets	
Cash and investments	$ 96,898
Receivables	45,632
Capital assets	62,773
	205,303
Liabilities	
Current liabilities	(22,674)
Long-term liabilities	(306,799)
	(329,473)
Extraordinary item	$ (124,170)

The OPEB liability reported in the private-purpose trust fund is an allocation of the SHRA OPEB liability for the former redevelopment agency employees.

Long-term Debt

The following is a summary of changes in long-term debt:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Bonds Payable:					
1998 Merged Downtown TABS, Series A	$ 8,850	$ -	$ -	$ 8,850	$ 4,320
1998 Merged Downtown TX TABS, Series B	2,860	-	-	2,860	1,385
1998 Merged Downtown TX TABS, Series C	4,905	-	-	4,905	2,395
2000 Merged Downtown, Series A	1,455	-	-	1,455	710
Subtotal, revenue and other bonds	$ 18,070	$ -	$ -	$ 18,070	$ 8,810

NOTE 15 – **SUCCESSOR AGENCY TRUST FUND (Continued)**

Long-term Debt (Continued)

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Notes Payable:					
1993 Merged Downtown TABS	$ 12,668	$ -	$ -	$ 12,668	$ 395
1999 Oak Park Refunding	2,135	-	-	2,135	145
2002 Merged Downtown TABS	10,920	-	-	10,920	1,890
2002 Merged Downtown Master Lease	3,825	-	-	3,825	1,875
2002 Stockton Blvd Master Lease	505	-	-	505	75
2003 Alkali Flat TE TABS, Series C	5,155	-	-	5,155	370
2003 Del Paso TE TABS, Series A	6,066	-	-	6,066	-
2003 North Sacramento TE TABS, Series C	4,610	-	-	4,610	80
2005 Del Paso Master Lease	1,455	-	-	1,455	155
2005 Del Paso Refunding	5,965	-	-	5,965	630
2005 Merged Downtown Master Lease Refunding	8,885	-	-	8,885	20
2005 Merged Downtown TE, Series A	83,528	-	-	83,528	-
2005 Merged Downtown TX, Series B	32,720	-	-	32,720	415
2005 North Sacramento Master Lease Refund	4,345	-	-	4,345	155
2005 Oak Park Master Lease Refunding	1,210	-	-	1,210	90
2005 Oak Park TE, Series A	8,844	-	-	8,844	-
2005 Oak Park TX, Series B	7,855	-	-	7,855	785
2005 Richards Master Lease Refunding	4,995	-	-	4,995	175
2006 65th Street TE Master Lease, Series A	1,605	-	-	1,605	35
2006 65th Street TX Master Lease, Series B	3,890	-	-	3,890	75
2006 Del Paso TE, Series A	5,260	-	-	5,260	60
2006 Del Paso TX, Series B	2,450	-	-	2,450	125
2006 North Sacramento TE Master Lease, Series A	485	-	-	485	10
2006 North Sacramento TX Master Lease, Series B	4,545	-	-	4,545	85
2006 Oak Park Refunding TE, Series A	8,460	-	-	8,460	630
2006 Stockton Blvd Master Lease	1,990	-	-	1,990	-
2008 BOA Public Capital Corporation	2,756	-	(45)	2,711	112
2009 Army Depot TX Swap	3,133	-	-	3,133	59
2009 Army Depot TE Swap	6,700	-	-	6,700	145
2009 River District TX Swap	2,932	-	-	2,932	56
2009-10 SERAF Borrowing	4,000	-	-	4,000	1,333
Boating and Waterways Loan	605	-	-	605	75
Globe Mills	4,675	-	-	4,675	197
City of Sacramento CIEDB - Utilities/Detention Basin	1,371	-	-	1,371	35
Franklin Blvd Redevelopment Area	196	-	-	196	44
North Sacramento BOA Line of Credit	5,400	-	-	5,400	5,400
North Sacramento CIEDB Loan	3,726	-	-	3,726	108
Railyards Parking Loan	340	-	-	340	-
Stockton Blvd CIEDB Loan	3,120	-	-	3,120	92
Stockton Blvd Line of Credit	6,400	-	-	6,400	6,400
Subtotal, notes payable	279,725	-	(45)	279,680	22,331
Total, long-term debt	$ 297,795	$ -	$ (45)	$ 297,750	$ 31,141

NOTE 15 – **SUCCESSOR AGENCY TRUST FUND (Continued)**

Future Debt Service Requirements

The following tables disclose the annual debt service requirements outstanding as of June 30, 2012:

	Bonds Payable		Notes Payable	
Fiscal Year Ending June 30,	Principal	Interest	Principal	Interest
2013	$ 8,810	$ 677	$ 22,331	$ 9,530
2014	9,260	282	10,886	9,100
2015	-	-	13,810	15,963
2016	-	-	12,729	15,714
2017	-	-	12,961	15,396
2018 - 2022	-	-	82,946	47,351
2023 - 2027	-	-	57,256	65,864
2028 - 2032	-	-	41,791	64,714
2033 - 2037			24,893	16,547
2038 - 2042	-	-	77	1
Totals	$ 18,070	$ 959	$ 279,680	$ 260,180

NOTE 16 – **SHORT-TERM DEBT**

The City issued $32,675 of Tax and Revenue Anticipation Notes (TRANs) on July 20, 2011, and redeemed them on June 29, 2012. The notes were issued to supplement City General Fund cash flows until taxes and other revenues were collected. Short-term activity for the year ended June 30, 2012 was as follows:

	Beginning Balance	Increase	Decrease	Ending Balance
Tax and Revenue Anticipation Notes	$ -	$ 32,675	$ (32,675)	$ -

NOTE 17 – **SUBSEQUENT EVENT**

On July 19, 2012, the City issued $36,585 of Tax and Revenue Anticipation Notes (TRANs), bearing interest at a rate of 2% per annum, maturing on June 28, 2013. The notes were issued to supplement City General Fund cash flows until taxes and other revenues are collected.

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Required Supplementary Information

City of Sacramento
Required Supplementary Information
Schedule of Funding Progress (Unaudited)
Pension Plans
(in millions)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) – Entry Age (b)	(Overfunded) Unfunded AAL (b) – (a)	Funded Ratio (a)/(b)	Covered Payroll (c)	(Overfunded) Unfunded AAL as a % of Covered Payroll {(b)-(a)}/(c)
CalPERS - Miscellaneous						
6/30/09	$ 556	$696	$ 140	80%	175	80%
6/30/10	607	751	144	81	171	84
6/30/11	660	819	159	81	165	96
CalPERS - Safety						
6/30/09	946	1,135	189	83	110	172
6/30/10	987	1,183	196	83	111	178
6/30/11	1,035	1,249	214	83	109	196
SCERS						
6/30/10	297	395	98	75	5	1,848
6/30/11	297	397	100	75	4	2,420
6/30/12	294	389	95	76	3	3,211

City of Sacramento
Required Supplementary Information
Schedule of Funding Progress (Unaudited)
Other Post Employment Benefits
(in millions)

Actuarial Valuation Date	Actuarial Valuation of Assets (a)	Actuarial Valued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/2007	$ -	$ 380	$ 380	0.00%	$ 266	142.9%
6/30/2009	-	376	376	0.00	275	136.7
6/30/2011	-	440	440	0.00	254	173.4

Notes to the Required Supplementary Information

1. This information is intended to help users assess the OPEB funding status on a going-concern basis, assess progress made in accumulating assets to pay benefits and make comparisons with other public employers.

OTHER GOVERNMENTAL FUNDS

Other governmental funds are nonmajor funds reported in the other governmental funds column of the governmental funds financial statements and include:

SPECIAL REVENUE FUNDS are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter or ordinance to finance specific governmental functions. The individual funds are listed in the special revenue funds section of the CAFR.

OTHER DEBT SERVICE FUNDS are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years. The individual funds are listed in the other debt service funds section of the CAFR.

OTHER CAPITAL PROJECTS FUNDS are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for governmental capital assets. The individual funds are listed in the other capital projects funds section of the CAFR.

PERMANENT FUNDS are used to account for and report resources that are held by the City which are legally restricted to the extent that only earnings may be used for purposes that support City programs. The individual funds are listed in the permanent funds section of the CAFR.

City of Sacramento
Other Governmental Funds
Combining Balance Sheet
June 30, 2012
(in thousands)

	Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
ASSETS					
Cash and investments held by City	$ 109,985	$ 4,435	$ 73,747	$ 4,380	$ 192,547
Cash and investments held by fiscal agent	48	891	-	-	939
Securities lending assets	180	-	280	136	596
Receivables, net:					
Accounts	3,530	-	1,095	-	4,625
Loans	1,310	6,749	9,861	-	17,920
Intergovernmental	16,870	48,668	-	-	65,538
Interest	15	26	928	11	980
Investments sold	-	-	624	-	624
Prepaid items	29	-	-	-	29
Restricted assets:					
Cash and investments held by City	600	809	12,553	-	13,962
Cash and investments held by fiscal agent	719	18,415	-	-	19,134
Total assets	$ 133,286	$ 79,993	$ 99,088	$ 4,527	$ 316,894
LIABILITIES AND FUND BALANCES					
Liabilities:					
Securities lending obligations	$ 567	$ -	$ 1,509	$ 162	$ 2,238
Accounts payable	6,875	-	1,541	-	8,416
Accrued payroll	114	-	-	-	114
Accrued claims and judgements	1,601	-	-	-	1,601
Due to other funds	4,912	-	-	-	4,912
Matured bonds and interest payable	-	3,323	-	-	3,323
Deposits	739	803	-	-	1,542
Deferred revenue	12,374	54,838	12,073	-	79,285
Advances from other funds	7,419	-	-	-	7,419
Total liabilities	34,601	58,964	15,123	162	108,850
Fund balances:					
Nonspendable:					
Prepaid items	29	-	-	-	29
Noncurrent assets	-	605	-	-	605
Permanent fund principal	-	-	-	878	878
Restricted:					
Capital projects	64,957	-	82,879	-	147,836
Debt service	1,906	15,810	514	-	18,230
Other programs	43,752	-	572	3,487	47,811
Committed:					
Capital projects	469	-	-	-	469
Debt service	-	2,278	-	-	2,278
Other programs	2,096	-	-	-	2,096
Assigned:					
Debt service	-	2,068	-	-	2,068
Unrealized investment gains	-	42	-	-	42
Other programs	3,867	226	-	-	4,093
Unassigned	(18,391)	-	-	-	(18,391)
Total fund balances	98,685	21,029	83,965	4,365	208,044
Total liabilities and fund balances	$ 133,286	$ 79,993	$ 99,088	$ 4,527	$ 316,894

City of Sacramento

Other Governmental Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:					
Taxes	$ 421	$ -	$ -	$ -	$ 421
Intergovernmental	71,182	2,895	-	-	74,077
Charges for services	12,687	-	-	-	12,687
Fines, forfeits and penalties	871	-	-	-	871
Interest, rents, and concessions	4,632	3,364	1,663	323	9,982
Community service fees	2,579	-	479	-	3,058
Assessment levies	32,994	-	2,280	-	35,274
Contributions and donations	1,107	1,255	2,000	1	4,363
Total revenues	126,473	7,514	6,422	324	140,733
Expenditures:					
Current:					
General government	3,010	-	188	162	3,360
Police	27,732	-	-	-	27,732
Fire	3,097	-	-	-	3,097
General services	9,529	-	-	-	9,529
Transportation	27,057	-	-	-	27,057
Convention, culture and leisure	5,777	-	217	-	5,994
Economic development	6,578	-	-	-	6,578
Parks and recreation	18,130	-	-	-	18,130
Community development	2,372	-	-	-	2,372
Library	4,609	-	-	-	4,609
Nondepartmental	245	-	67	-	312
Capital outlay	23,669	-	11,232	-	34,901
Debt service:					
Principal	946	17,179	517	-	18,642
Interest and fiscal charges	744	19,057	73	-	19,874
Total expenditures	133,495	36,236	12,294	162	182,187
Excess (deficiency) of revenues over (under) expenditures	(7,022)	(28,722)	(5,872)	162	(41,454)
Other financing sources (uses):					
Transfers in	1,574	25,182	-	-	26,756
Transfers out	(301)	-	(3,162)	-	(3,463)
Issuance of long term debt	-	-	73	-	73
Total other financing sources (uses)	1,273	25,182	(3,089)	-	23,366
Net change in fund balances	(5,749)	(3,540)	(8,961)	162	(18,088)
Fund balances, beginning of year	104,434	24,569	92,926	4,203	226,132
Fund balances, end of year	$ 98,685	$ 21,029	$ 83,965	$ 4,365	$ 208,044

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects. These funds are generally required by statute, charter or ordinance to finance specific government functions. The following special revenue funds have been classified as nonmajor funds:

THE TRANSPORTATION AND DEVELOPMENT FUND accounts for the receipts and disbursements of taxes, fees and fines which are used to construct and maintain streets, bridges and bikeways as well as for traffic safety and community development activities. Programs in the Transportation and Development Fund include the State Gasoline Tax Program, the Traffic Congestion Relief Program, the Sacramento Transportation Sales Tax Program, the Major Street Construction Tax Program, the Transportation Development Act Program and the Private Development Program.

THE CULTURE AND LEISURE FUND is used to account for a variety of cultural arts and leisure activities. Programs in the Culture and Leisure Fund include the Sacramento Zoo, Fairytale Town, Art in Public Places, Old Sacramento Market, H Street Theatre, Golf, the Sacramento Sports Commission, the Crocker Master Trust, and the Winchester G. and Mary Alice Felt Endowment.

THE PARKS AND RECREATION FUND is used to account for a variety of parks programs and recreation activities. Programs in the Parks and Recreation Fund include START, Quimby, Special Recreation, Land Park, Sutter Park Sites, Special Program Donations and the Ethel MacLeod Hart Trust.

THE OPERATING GRANTS FUND is used to account for federal, state and other agency grants received for various specific purposes.

THE CCOMWP FUND is used to account for the revenue and expenditures associated with the City/County Office of Metropolitan Water Planning. The CCOMWP was formed to develop the Water Forum Agreement with objectives to provide a reliable water supply for planned development to the year 2030, and to preserve the region's Lower American River.

THE SPECIAL DISTRICTS FUND is used to account for a variety of programs that provide infrastructure maintenance and other services for specific areas of the City. The Special Districts Fund includes the Business Improvement Districts Program, the Landscaping and Lighting Districts Program, the Maintenance Benefit Area Program and the Assessment District Maintenance Program.

THE CAL EPA FUND is used to account for the expenditures associated with the maintenance of the Joe Serna, Jr. California EPA Headquarters Building.

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City of Sacramento
Special Revenue Funds
Combining Balance Sheet
June 30, 2012
(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Operating Grants Fund
ASSETS				
Cash and investments held by City	$ 65,788	$ 2,659	$ 16,660	$ -
Cash and investments held by fiscal agent	-	48	-	-
Securities lending assets	-	-	180	-
Receivables, net:				
Accounts	595	372	1,465	-
Loans	1,310	-	-	-
Intergovernmental	2,353	-	107	14,369
Interest	9	2	4	-
Prepaid items	-	-	2	24
Restricted assets:				
Cash and investments held by City	-	-	-	-
Cash and investments held by fiscal agent	-	719	-	-
Total assets	$ 70,055	$ 3,800	$ 18,418	$ 14,393
LIABILITIES AND FUND BALANCES				
Liabilities:				
Securities lending obligations	$ 275	$ -	$ 292	$ -
Accounts payable	1,284	119	120	3,707
Accrued payroll	-	-	101	-
Accrued claims and judgments	1,601	-	-	-
Due to other funds	-	-	-	4,912
Deposits	470	5	143	121
Deferred revenue	1,200	113	251	10,807
Advances from other funds	-	7,419	-	-
Total liabilities	4,830	7,656	907	19,547
Fund balances:				
Nonspendable:				
Prepaid items	-	-	2	24
Restricted:				
Capital projects	47,722	65	12,974	-
Debt service	-	719	-	-
Other programs	16,537	1,671	3,980	5,183
Committed:				
Capital projects	247	152	70	-
Other programs	1,611	-	485	-
Assigned:				
Other programs	-	672	-	-
Unassigned	(892)	(7,135)	-	(10,361)
Total fund balances (deficit)	65,225	(3,856)	17,511	(5,154)
Total liabilities and fund balances	$ 70,055	$ 3,800	$ 18,418	$ 14,393

City of Sacramento
Special Revenue Funds
Combining Balance Sheet
June 30, 2012
(in thousands)

	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Total Special Revenue Funds
ASSETS				
Cash and investments held by City	$ 2,095	$ 19,629	$ 3,154	$ 109,985
Cash and investments held by fiscal agent	-	-	-	48
Securities lending assets	-	-	-	180
Receivables, net:				
Accounts	18	1,080	-	3,530
Loans	-	-	-	1,310
Intergovernmental	-	-	41	16,870
Interest	-	-	-	15
Prepaid items	3	-	-	29
Restricted assets:				
Cash and investments held by City	-	600	-	600
Cash and investments held by fiscal agent	-	-	-	719
Total assets	$ 2,116	$ 21,309	$ 3,195	$ 133,286
LIABILITIES AND FUND BALANCES				
Liabilities:				
Securities lending obligations	$ -	$ -	$ -	$ 567
Accounts payable	249	1,396	-	6,875
Accrued payroll	13	-	-	114
Accrued claims and judgments	-	-	-	1,601
Due to other funds	-	-	-	4,912
Deposits	-	-	-	739
Deferred revenue	3	-	-	12,374
Advances from other funds	-	-	-	7,419
Total liabilities	265	1,396	-	34,601
Fund balances:				
Nonspendable:				
Prepaid items	3	-	-	29
Restricted:				
Capital projects	-	4,196	-	64,957
Debt service	-	1,187	-	1,906
Other programs	1,851	14,530	-	43,752
Committed:				
Capital projects	-	-	-	469
Other programs	-	-	-	2,096
Assigned:				
Other programs	-	-	3,195	3,867
Unassigned	(3)	-	-	(18,391)
Total fund balances (deficit)	1,851	19,913	3,195	98,685
Total liabilities and fund balances	$ 2,116	$ 21,309	$ 3,195	$ 133,286

City of Sacramento

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2012

(in thousands)

	Transportation and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Operating Grants Fund
Revenues:				
Taxes	$ 421	$ -	$ -	$ -
Intergovernmental	31,639	100	6,589	23,166
Charges for services	2,488	2,474	65	7,660
Fines, forfeits and penalties	871	-	-	-
Interest, rents, and concessions	1,272	1,835	1,010	71
Community service fees	108	-	2,471	-
Assessment levies	35	-	-	-
Contributions and donations	-	31	1,076	-
Total revenues	36,834	4,440	11,211	30,897
Expenditures:				
Current:				
General government	-	-	-	83
Police	-	-	-	27,732
Fire	-	-	-	3,097
General services	-	-	-	675
Transportation	16,288	221	-	-
Convention, culture and leisure	-	3,263	-	203
Economic development	-	-	-	264
Parks and recreation	-	-	11,371	1,883
Community development	2,104	-	-	-
Library	-	-	-	-
Nondepartment	-	245	-	-
Capital outlay	18,221	309	2,716	1,671
Debt service:				
Principal	-	511	-	-
Interest and fiscal charges	-	592	-	-
Total expenditures	36,613	5,141	14,087	35,608
Excess (deficiency) of revenues over (under) expenditures	221	(701)	(2,876)	(4,711)
Other financing sources (uses):				
Transfers in	423	148	554	-
Transfers out	(268)	-	(33)	-
Total other financing sources (uses)	155	148	521	-
Net change in fund balances	376	(553)	(2,355)	(4,711)
Fund balances (deficit), beginning of year	64,849	(3,303)	19,866	(443)
Fund balances (deficit), end of year	$ 65,225	$ (3,856)	$ 17,511	$ (5,154)

City of Sacramento

Special Revenue Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2012

(in thousands)

	CCOMWP Fund	Special Districts Special Revenue Fund	Cal EPA Fund	Total Special Revenue Funds
Revenues:				
Taxes	$ -	$ -	$ -	$ 421
Intergovernmental	1,562	-	8,126	71,182
Charges for services	-	-	-	12,687
Fines, forfeits and penalties	-	-	-	871
Interest, rents, and concessions	36	342	66	4,632
Community service fees	-	-	-	2,579
Assessment levies	-	32,959	-	32,994
Contributions and donations	-	-	-	1,107
Total revenues	1,598	33,301	8,192	126,473
Expenditures:				
Current:				
General government	1,918	1,009	-	3,010
Police	-	-	-	27,732
Fire	-	-	-	3,097
General services	-	907	7,947	9,529
Transportation	-	10,548	-	27,057
Convention, culture and leisure	-	2,311	-	5,777
Economic development	-	6,314	-	6,578
Parks and recreation	-	4,876	-	18,130
Community development	-	268	-	2,372
Library	-	4,609	-	4,609
Nondepartment	-	-	-	245
Capital outlay	-	752	-	23,669
Debt service:				
Principal	-	435	-	946
Interest and fiscal charges	-	152	-	744
Total expenditures	1,918	32,181	7,947	133,495
Excess (deficiency) of revenues over (under) expenditures	(320)	1,120	245	(7,022)
Other financing sources (uses):				
Transfers in	449	-	-	1,574
Transfers out	-	-	-	(301)
Total other financing sources (uses)	449	-	-	1,273
Net change in fund balances	129	1,120	245	(5,749)
Fund balances (deficit), beginning of year	1,722	18,793	2,950	104,434
Fund balances (deficit), end of year	$ 1,851	$ 19,913	$ 3,195	$ 98,685

City of Sacramento

Transportation and Development Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
- Budget and Actual

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	$ 19,288	$ 19,208	$ 22,781	$ 3,573
Fines, forfeits and penalties	700	700	871	171
Interest, rents, and concessions	123	123	504	381
Total revenues	20,111	20,031	24,156	4,125
Expenditures:				
Current:				
Transportation	15,883	15,931	15,937	(6)
Capital Outlay	9,149	10,734	4,138	6,596
Total expenditures	25,032	26,665	20,075	6,590
Net change in fund balance for budgeted activities	$ (4,921)	$ (6,634)	4,081	$ 10,715
Net change in fund balance for Transportation and Development Special Revenue Fund activities for which annual budgets are not adopted.			(3,705)	
Net change in fund balance			$ 376	

City of Sacramento

Culture and Leisure Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	$ 130	$ 100	$ 100	$ -
Charges for services	5,946	5,868	2,253	(3,615)
Interest, rents and concessions	1,292	1,292	1,822	530
Contributions and donations	45	45	31	(14)
Total revenues	7,413	7,305	4,206	(3,099)
Expenditures:				
Current:				
Convention, culture and leisure	6,130	6,064	3,263	2,801
Nondepartmental	282	242	245	(3)
Capital Outlay	558	484	294	190
Debt Service:	-	-	-	-
Principal	578	578	511	67
Interest and fiscal charges	589	589	592	(3)
Total expenditures	8,137	7,957	4,905	3,052
Excess (deficiency) of revenues over (under) expenditures	(724)	(652)	(699)	(47)
Other financing sources (uses):				
Transfers in	142	142	148	6
Net change in fund balance for budgeted activities	$ (582)	$ (510)	$ (551)	$ (41)
Net change in fund balance for Culture and Leisure Special Revenue Fund activities for which annual budgets are not adopted.			(2)	
Net change in fund balance			$ (553)	

City of Sacramento

Parks and Recreation Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	$ 5,208	$ 6,442	$ 6,589	$ 147
Charges for services	10	10	65	55
Interest, rents and concessions	712	833	994	161
Community service fees	1,600	1,840	2,425	585
Contributions and donations	12	976	1,076	100
Total revenues	7,542	10,101	11,149	1,048
Expenditures:				
Current:				
Parks and recreation	9,180	11,173	11,371	(198)
Capital outlay	52	88	46	42
Total expenditures	9,232	11,261	11,417	(156)
Excess (deficiency) of revenues over (under) expenditures	(1,690)	(1,160)	(268)	892
Other financing sources (uses):				
Transfers in	553	553	554	1
Transfers out	-	-	(33)	(33)
Total other financing sources (uses)	553	553	521	(32)
Net change in fund balance for budgeted activities	$ (1,137)	$ (607)	253	$ 860
Net change in fund balance for Parks and Recreation Special Revenue Fund activities for which annual budgets are not adopted.			(2,608)	
Net change in fund balance			$ (2,355)	

City of Sacramento

CCOMWP Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Intergovernmental	$ 1,034	$ 1,387	$ 1,562	$ 175
Interest, rents and concessions	-	-	36	36
Total revenues	1,034	1,387	1,598	211
Expenditures:				
Current:				
General government	2,190	3,459	1,918	1,541
Excess (deficiency) of revenues over (under) expenditures	(1,156)	(2,072)	(320)	1,752
Other financing sources				
Operating transfers in	449	449	449	-
Net change in fund balance	$ (707)	$ (1,623)	$ 129	$ 1,752

City of Sacramento

Special Districts Special Revenue Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget- Positive (Negative)
	Original	Final		
Revenues:				
Interest, rents, and concessions	$ -	$ -	$ 342	$ 342
Assessment levies	30,048	32,224	32,959	735
Total revenues	30,048	32,224	33,301	1,077
Expenditures:				
Current:				
General government	1,119	1,000	1,009	(9)
General services	1,007	1,144	907	237
Transportation	11,668	10,556	10,548	8
Convention, culture and leisure	2,155	2,160	2,311	(151)
Economic development	6,130	7,306	6,314	992
Parks and recreation	4,195	4,875	4,876	(1)
Community development	268	268	268	-
Library	4,400	4,400	4,609	(209)
Utilities	5	5	-	5
Capital outlay	5,126	5,126	752	4,374
Debt Service:				
Principal	410	410	435	(25)
Interest and fiscal charges	175	175	152	23
Total expenditures	36,658	37,425	32,181	5,244
Net change in fund balance	$ (6,610)	$ (5,201)	$ 1,120	$ 6,321

City of Sacramento

Cal EPA Special Revenue Fund

Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual

For the Fiscal Year Ended June 30, 2012

(in thousands)

	Budgeted Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget- Positive (Negative)
Revenues:				
Intergovernmental	$ 7,874	$ 7,874	$ 8,126	$ 252
Interest, rents, and concessions	-	-	66	66
Total revenues	7,874	7,874	8,192	318
Expenditures:				
Current:				
General services	7,702	7,702	7,947	(245)
Net change in fund balance	$ 172	$ 172	$ 245	$ 73

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OTHER DEBT SERVICE FUNDS

Debt service funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for principal and interest, or that are being accumulated for principal and interest maturing in future years. The following debt service funds have been classified as nonmajor funds:

THE 1993 SERIES A REVENUE BOND FUND is used to account for refunded debt service activities related to the City of Sacramento's 1986 COP issue, for the debt service activity related to the partial refunding of the City of Sacramento's 1991 Marks-Roos Revenue Bond issuance, and to pay costs of issuance of the bonds.

THE 1993 SERIES B REVENUE BOND FUND is used to account for refunded debt service activities related to the City of Sacramento's 1989 COP issuance and to pay costs of issuance of the bonds.

THE 2002 CAPITAL IMPROVEMENT REVENUE BOND FUND is used to account for debt service activities related to financing various capital improvements and redevelopment projects including the new Civic Center, I-5 Arena Interchange and certain fire trucks and fire stations. These bonds were partially refunded with the 2005 Refunding Revenue Bonds, and with the 2006 Series E Refunding Revenue Bonds.

THE 2002 REFUNDING REVENUE BOND LIGHT RAIL PROJECTS FUND is used to account for refunded debt service activities related to the City of Sacramento's 1991 Refunded Certificates of Participation (Light Rail Transit Projects).

THE 2002 REFUNDING REVENUE BOND PUBLIC FACILITIES PROJECTS FUND is used to account for refunded debt service activities related to the City of Sacramento's 1991 Refunded Certificates of Participation (1987 Public Facilities Projects).

THE 2003 CAPITAL IMPROVEMENT REVENUE BOND FUND is used to account for debt service activities related to financing the acquisition and construction of the 911 Dispatch and Training Facility, a regional park, a corporation yard, a library, fire stations and other municipal projects. These bonds were partially refunded by the 2006 Series E Refunding Revenue Bonds.

THE 2005 REFUNDING REVENUE BOND FUND is used to account for refunded debt service related to refinancing all of the 2000 Capital Improvement Revenue Bonds and a portion of the 1999, 2001 and 2002 Capital Improvement Revenue Bonds, and to pay the costs of issuance.

THE 2006 SERIES A REVENUE BOND FUND is used to account for debt service activities related to financing the expansion of the Crocker Art Museum and other public capital improvements and redevelopment projects.

OTHER DEBT SERVICE FUNDS (continued)

THE 2006 SERIES B REVENUE BOND FUND is used to account for debt service activities related to financing an arts rehearsal facility and other public capital improvements and redevelopment projects.

THE 2006 SERIES C REVENUE BOND FUND is used to account for debt service activities related to financing the City's new Richards Boulevard building and improvements.

THE 2006 SERIES D REVENUE BOND FUND is used to account for debt service activities related to financing the City's new Richards Boulevard building and improvements.

THE 2006 SERIES E REVENUE BOND FUND is used to account for refunding debt service related to refinancing all of the 2001 Capital Improvement Revenue Bonds and a portion of the 2002 and 2003 Capital Improvement Revenue Bonds, and to pay the costs of issuance.

THE OTHER CITY DEBT FUND is used to account for debt service activities related to financing equipment for street lighting and other programs of the City.

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet
June 30, 2012
(in thousands)

	1993 Series A Revenue Bond Fund	1993 Series B Revenue Bond Fund	2002 Capital Improvement Revenue Bond Fund	2002 Refunding Revenue Bond Light Rail Projects Fund
ASSETS				
Cash and investments held by City	$ 307	$ 217	$ 276	$ 58
Cash and investments held by fiscal agent	80	218	-	424
Receivables, net:				
Loans	-	-	-	-
Intergovernmental	-	-	4,330	-
Interest	3	9	-	-
Restricted assets:				
Cash and investments held by City	-	-	-	-
Cash and investments held by fiscal agent	1,190	3,255	-	1,949
Total assets	$ 1,580	$ 3,699	$ 4,606	$ 2,431
LIABILITIES AND FUND BALANCES				
Liabilities:				
Matured bonds and interest payable	$ -	$ -	$ -	$ 2,393
Deposits	-	-	-	-
Deferred revenue	3	9	4,330	-
Total liabilities	3	9	4,330	2,393
Fund balances:				
Nonspendable:				
Noncurrent assets	-	-	-	-
Restricted:				
Debt service	1,190	3,255	165	-
Committed:				
Debt service	-	-	-	-
Assigned:				
Debt service	345	320	-	38
Other programs	-	115	111	-
Unrealized investment gains	42	-	-	-
Total fund balances	1,577	3,690	276	38
Total liabilities and fund balances	$ 1,580	$ 3,699	$ 4,606	$ 2,431

(continued)

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet
June 30, 2012
(in thousands)

	2002 Refunding Revenue Bond Public Facilities Projects Fund	2005 Refunding Revenue Bond Fund	2006 Series A Revenue Bond Fund	2006 Series B Revenue Bond Fund
ASSETS				
Cash and investments held by City	$ 74	$ -	$ 600	$ 2,737
Cash and investments held by fiscal agent	81	-	64	24
Receivables, net:				
Loans	-	-	6,144	-
Intergovernmental	-	20,890	8,092	13,366
Interest	-	-	9	5
Restricted assets:				
Cash and investments held by City	-	-	809	-
Cash and investments held by fiscal agent	821	-	6,927	4,002
Total assets	$ 976	$ 20,890	$ 22,645	$ 20,134
LIABILITIES AND FUND BALANCES				
Liabilities:				
Matured bonds and interest payable	$ 930	$ -	$ -	$ -
Deposits	-	-	803	-
Deferred revenue	-	20,890	14,245	13,371
Total liabilities	930	20,890	15,048	13,371
Fund balances:				
Nonspendable:				
Noncurrent assets	-	-	-	-
Restricted:				
Debt service	-	-	6,927	4,002
Committed:				
Debt service	-	-	-	2,278
Assigned:				
Debt service	46	-	670	483
Other programs	-	-	-	-
Unrealized investment gains	-	-	-	-
Total fund balances	46	-	7,597	6,763
Total liabilities and fund balances	$ 976	$ 20,890	$ 22,645	$ 20,134

(continued)

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet
June 30, 2012
(in thousands)

	2006 Series D Revenue Bond Fund	2006 Series E Revenue Bond Fund	Other City Debt Fund	Total Other Debt Service Funds
ASSETS				
Cash and investments held by City	$ 4	$ 43	$ 119	$ 4,435
Cash and investments held by fiscal agent	-	-	-	891
Receivables, net:				
Loans	-	-	605	6,749
Intergovernmental	-	1,990	-	48,668
Interest	-	-	-	26
Restricted assets:				
Cash and investments held by City	-	-	-	809
Cash and investments held by fiscal agent	-	-	271	18,415
Total assets	$ 4	$ 2,033	$ 995	$ 79,993
LIABILITIES AND FUND BALANCES				
Liabilities:				
Matured bonds and interest payable	$ -	$ -	$ -	$ 3,323
Deposits	-	-	-	803
Deferred revenue	-	1,990	-	54,838
	-	-		
Total liabilities	-	1,990	-	58,964
Fund balances:				
Nonspendable:				
Noncurrent assets	-	-	605	605
Restricted:				
Debt service	-	-	271	15,810
Committed:				
Debt service	-	-	-	2,278
Assigned:				
Debt service	4	43	119	2,068
Other programs	-	-	-	226
Unrealized investment gains	-	-	-	42
Total fund balances	4	43	995	21,029
Total liabilities and fund balances	$ 4	$ 2,033	$ 995	$ 79,993

City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012
(in thousands)

	1993 Series A Revenue Bond Fund	1993 Series B Revenue Bond Fund	2002 Capital Improvement Revenue Bond Fund	2002 Refunding Revenue Bond Light Rail Projects Fund
Revenues:				
Intergovernmental	$ -	$ -	$ 1,880	$ -
Interest, rents, and concessions	34	73	224	24
Contributions from property owners	-	-	-	-
Total revenues	34	73	2,104	24
Expenditures:				
Debt service:				
Principal	639	1,835	4,615	2,335
Interest and fiscal charges	424	1,178	586	117
Total expenditures	1,063	3,013	5,201	2,452
Excess (deficiency) of revenues over (under) expenditures	(1,029)	(2,940)	(3,097)	(2,428)
Other financing sources:				
Transfers in	662	2,412	3,103	503
Net change in fund balances	(367)	(528)	6	(1,925)
Fund balances, beginning of year	1,944	4,218	270	1,963
Fund balances, end of year	$ 1,577	$ 3,690	$ 276	$ 38

City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012
(in thousands)

	2002 Refunding Revenue Bond Public Facilities Projects Fund	2003 Capital Improvement Revenue Bond Fund	2005 Refunding Revenue Bond Fund
Revenues:			
Intergovernmental	$ -	$ -	$ 80
Interest, rents, and concessions	11	-	1,024
Contributions from property owners	-	-	-
Total revenues	11	-	1,104
Expenditures:			
Debt service:			
Principal	908	1,225	615
Interest and fiscal charges	45	1,068	2,828
Total expenditures	953	2,293	3,443
Excess (deficiency) of revenues over (under) expenditures	(942)	(2,293)	(2,339)
Other financing sources:			
Transfers in	133	2,293	2,339
Net change in fund balances	(809)	-	-
Fund balances, beginning of year	855	-	-
Fund balances, end of year	$ 46	$ -	$ -

(continued)

City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012
(in thousands)

	2006 Series A Revenue Bond Fund	2006 Series B Revenue Bond Fund	2006 Series C Revenue Bond Fund	2006 Series D Revenue Bond Fund
Revenues:				
Intergovernmental	$ 190	$ 255	$ -	$ -
Interest, rents, and concessions	851	972	-	-
Contributions and donations	1,255	-	-	-
Total revenues	2,296	1,227	-	-
Expenditures:				
Debt service:				
Principal	2,870	900	570	-
Interest and fiscal charges	3,997	3,067	1,313	125
Total expenditures	6,867	3,967	1,883	125
Excess (deficiency) of revenues over (under) expenditures	(4,571)	(2,740)	(1,883)	(125)
Other financing sources:				
Transfers in	4,670	2,792	1,883	125
Net change in fund balances	99	52	-	-
Fund balances, beginning of year	7,498	6,711	-	4
Fund balances, end of year	$ 7,597	$ 6,763	$ -	$ 4

(continued)

City of Sacramento
Other Debt Service Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
For the Fiscal Year Ended June 30, 2012
(in thousands)

	2006 Series E Revenue Bond Fund	Other City Debt Fund	Total Other Debt Service Funds
Revenues:			
Intergovernmental	$ -	$ 490	$ 2,895
Interest, rents, and concessions	105	46	3,364
Contributions and donations	-	-	1,255
Total revenues	105	536	7,514
Expenditures:			
Debt service:			
Principal	-	667	17,179
Interest and fiscal charges	4,130	179	19,057
Total expenditures	4,130	846	36,236
Excess (deficiency) of revenues over (under) expenditures	(4,025)	(310)	(28,722)
Other financing sources:			
Transfers in	4,026	241	25,182
Net change in fund balances	1	(69)	(3,540)
Fund balances, beginning of year	42	1,064	24,569
Fund balances, end of year	$ 43	$ 995	$ 21,029

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OTHER CAPITAL PROJECTS FUNDS

Other capital projects funds are used to account for and report financial resources that are restricted, committed or assigned to expenditure for governmental capital assets. The following capital projects funds have been classified as nonmajor funds:

THE GENERAL FUND CAPITAL PROJECTS FUND is used to account for the proceeds of bond issues and associated capital projects.

THE CROCKER ART MUSEUM EXPANSION FUND is used to account for contributions from the Crocker Art Museum Association (CAMA) and related expenditures for the museum expansion project.

THE FINANCING PLANS FUND is used to account for the construction of public infrastructure funded by fee districts and finance plans. The Financing Plans Fund projects include the North Natomas Financing Plan, the Richard/Railyards/Downtown Development District, the Willowcreek Project Area, the Jacinto Creek Planning Area and the City-wide Park Development Impact Fee program.

THE SPECIAL DISTRICTS CAPITAL PROJECTS FUND is used to account for the proceeds of special assessment bond issues which are used in the construction of street lighting, curbs, gutters, sidewalks and drainage infrastructure.

City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet
June 30, 2012
(in thousands)

	General Fund Capital Projects Fund	Crocker Art Museum Expansion Fund	Financing Plans Fund	Special Districts Capital Projects Fund	Total Other Capital Projects Funds
ASSETS					
Cash and investments held by City	$ 279	$ 241	$ 62,453	$ 10,774	$ 73,747
Securities lending assets	-	-	280	-	280
Receivables, net:					
Accounts	-	-	1,068	27	1,095
Loans	-	9,861	-	-	9,861
Interest	-	24	904	-	928
Investments sold	-	-	624	-	624
Restricted assets:					
Cash and investments held by City	12,489	64	-	-	12,553
Total assets	$ 12,768	$ 10,190	$ 65,329	$ 10,801	$ 99,088
LIABILITIES AND FUND BALANCES					
Liabilities:					
Securities lending obligations	$ 207	$ 241	$ 995	$ 66	$ 1,509
Accounts payable	87	-	1,359	95	1,541
Deferred revenue	-	9,885	2,188	-	12,073
Total liabilities	294	10,126	4,542	161	15,123
Fund balances:					
Restricted:					
Capital projects	11,960	64	60,215	10,640	82,879
Debt service	514	-	-	-	514
Other programs	-	-	572	-	572
Total fund balances	12,474	64	60,787	10,640	83,965
Total liabilities and fund balances	$ 12,768	$ 10,190	$ 65,329	$ 10,801	$ 99,088

City of Sacramento

Other Capital Projects Funds
Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2012
(in thousands)

	General Fund Capital Projects Fund	Crocker Art Museum Expansion Fund	Financing Plans Fund	Special Districts Capital Projects Fund	Total Other Capital Projects Funds
Revenues:					
Interest, rents, and concessions	$ 361	$ 502	$ 599	$ 201	$ 1,663
Community service fees	-	-	479	-	479
Assessment levies	-	-	-	2,280	2,280
Contributions and donations	-	-	-	2,000	2,000
Total revenues	361	502	1,078	4,481	6,422
Expenditures:					
Current:					
General government	6	-	170	12	188
Parks and recreation	-	-	217	-	217
Nondepartment	-	-	-	67	67
Capital outlay	2,346	-	6,462	2,424	11,232
Debt service:					
Principal	-	-	517	-	517
Interest and fiscal charges	-	-	73	-	73
Total expenditures	2,352	-	7,439	2,503	12,294
(Deficiency) excess of revenues (under) over expenditures	(1,991)	502	(6,361)	1,978	(5,872)
Other financing sources (uses):					
Transfers out	(126)	(468)	(2,568)	-	(3,162)
Issuance of long-term debt	-	-	73	-	73
Total other financing sources (uses)	(126)	(468)	(2,495)	-	(3,089)
Net change in fund balances	(2,117)	34	(8,856)	1,978	(8,961)
Fund balances, beginning of year	14,591	30	69,643	8,662	92,926
Fund balances, end of year	$ 12,474	$ 64	$ 60,787	$ 10,640	$ 83,965

PERMANENT FUNDS

Permanent funds are used to account for and report resources that are held by the City which are legally restricted to the extent that only earnings may be used for purposes that support City programs. The resources must be spent as provided in legal trust agreements and related state laws. The following permanent funds have been classified as nonmajor funds:

THE ANN LAND FUND is used to account for gifts to the City. The investment income is available to aid destitute persons in the City.

THE BERTHA HENSCHEL FUND is used to account for gifts to the City. The investment income is available to aid destitute persons in the City.

THE GEORGE CLARK SCHOLARSHIP FUND is used to account for an endowment established by George Clark, Mayor of Sacramento in 1900. The investment income is available to provide college scholarships for Sacramento high school seniors.

THE ALICE MILLER FUND is used to account for gifts to the City. The investment income is available to care for a specific area of the Old City Cemetery.

THE SACRAMENTO HISTORY MUSEUM FUND is used to account for gifts to the Museum. The investment income is available to help pay the operating expenses of the Museum.

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City of Sacramento

Permanent Funds
Combining Balance Sheet

June 30, 2012
(in thousands)

	Ann Land Fund	Bertha Henschel Fund	George Clark Scholarship Fund
ASSETS			
Cash and investments held by City	$ 805	$ 2,408	$ 790
Securities lending assets	19	58	59
Receivables, net:			
Interest	2	7	2
Total assets	$ 826	$ 2,473	$ 851
LIABILITIES AND FUND BALANCES			
Liabilities:			
Securities lending obligations	$ 25	$ 75	$ 62
Fund balances:			
Nonspendable:			
Permanent fund principal	272	278	25
Restricted:			
Other programs	529	2,120	764
Total fund balances	801	2,398	789
Total liabilities and fund balances	$ 826	$ 2,473	$ 851

City of Sacramento

Permanent Funds
Combining Balance Sheet

June 30, 2012
(in thousands)

	Alice Miller Fund	Sacramento History Museum Fund	Total Permanent Funds
ASSETS			
Cash and investments held by City	$ 49	$ 328	$ 4,380
Securities lending assets	-	-	136
Receivables, net:			
Interest	-	-	11
Total assets	$ 49	$ 328	$ 4,527
LIABILITIES AND FUND BALANCES			
Liabilities:			
Securities lending obligations	$ -	$ -	$ 162
Fund balances:			
Nonspendable:			
Permanent fund principal	3	300	878
Restricted:			
Other programs	46	28	3,487
Total fund balances	49	328	4,365
Total liabilities and fund balances	$ 49	$ 328	$ 4,527

City of Sacramento

Permanent Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Ann Land Fund	Bertha Henschel Fund	George Clark Scholarship Fund
Revenues:			
Interest, rents, and concessions	$ 65	$ 194	$ 56
Contributions and donations	-	1	-
Total revenues	65	195	56
Expenditures:			
Current:			
General government	35	104	23
Excess (deficiency) of revenues over (under) expenditures	30	91	33
Fund balances, beginning of year	771	2,307	756
Fund balances, end of year	$ 801	$ 2,398	$ 789

City of Sacramento

Permanent Funds

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Alice Miller Fund	Sacramento History Museum Fund	Total Permanent Funds
Revenues:			
Interest, rents, and concessions	$ 1	$ 7	$ 323
Contributions and donations	-	-	1
Total revenues	1	7	324
Expenditures:			
Current:			
General government	-	-	162
Excess (deficiency) of revenues over (under) expenditures	1	7	162
Fund balances, beginning of year	48	321	4,203
Fund balances, end of year	$ 49	$ 328	$ 4,365

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OTHER ENTERPRISE FUNDS

Enterprise funds are used to account for self-supporting City programs that provide services on a user-fee basis to the general public. The following enterprise funds have been classified as nonmajor funds:

THE PARKING FUND is used to account for the operation and maintenance of the City's off-street parking facilities throughout the City.

THE 4th R FUND is used to account for a program that provides school age child care services at various locations throughout the City.

THE MARINA FUND is used to account for the operation and maintenance of the City's Marina located on the Sacramento River at Miller Park.

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City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position
June 30, 2012
(in thousands)

	Parking Fund	4th R Fund	Marina Fund	Total Other Enterprise Funds
ASSETS				
Current assets:				
Cash and investments held by City	$ 29,966	$ 266	$ 1,176	$ 31,408
Cash and investments held by fiscal agent	118	-	-	118
Securities lending assets	142	-	-	142
Receivables, net:				
Accounts	827	46	33	906
Loans	60	-	-	60
Intergovernmental	-	26	-	26
Interest	180	-	-	180
Investments sold	317	-	-	317
Prepaid items	7	8	-	15
Total current assets	31,617	346	1,209	33,172
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	314	29	52	395
Cash and investments held by fiscal agent	1,759	-	-	1,759
Loans receivable	712	-	-	712
Deferred charges	341	182	-	523
Capital assets:				
Land	6,795	-	3,821	10,616
Buildings and improvements	60,212	1,546	17,679	79,437
Machinery and equipment	6,902	-	208	7,110
Less: accumulated depreciation/amortization	(31,044)	(639)	(7,246)	(38,929)
Total noncurrent assets	45,991	1,118	14,514	61,623
Total assets	77,608	1,464	15,723	94,795

City of Sacramento
Other Enterprise Funds
Combining Statement of Net Position
June 30, 2012
(in thousands)

	Parking Fund	4th R Fund	Marina Fund	Total Other Enterprise Funds
LIABILITIES				
Current liabilities:				
Securities lending obligations	351	-	-	351
Accounts payable	645	93	16	754
Accrued payroll	118	204	15	337
Accrued compensated absences	11	15	1	27
Interest payable	200	-	633	833
Deposits	-	-	85	85
Unearned revenue	518	29	40	587
Accrued claims and judgements	12	-	-	12
Capital leases payable	-	-	90	90
Revenue and other bonds payable, net	1,868	-	-	1,868
Notes payable	-	20	396	416
Total current liabilities	3,723	361	1,276	5,360
Noncurrent liabilities:				
Accrued compensated absences	273	327	33	633
OPEB liability	809	122	80	1,011
Capital leases payable	-	-	1,073	1,073
Revenue and other bonds payable, net	30,792	-	-	30,792
Notes payable	-	40	14,985	15,025
Total noncurrent liabilities	31,874	489	16,171	48,534
Total liabilities	35,597	850	17,447	53,894
NET POSITION				
Net investment in capital assets	12,278	846	(2,030)	11,094
Unrestricted	29,733	(232)	306	29,807
Total net position (deficit)	$ 42,011	$ 614	$ (1,724)	$ 40,901

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City of Sacramento

Other Enterprise Funds
Combining Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Parking Fund	4th R Fund	Marina Fund	Total Other Enterprise Funds
Operating revenues:				
Charges for services:				
User fees and charges	$ 18,065	$ 5,229	$ 1,345	$ 24,639
Rents and concessions	704	-	1	705
Miscellaneous	-	3	13	16
Total operating revenues	18,769	5,232	1,359	25,360
Operating expenses:				
Employee services	3,727	5,073	432	9,232
Services and supplies	8,078	735	559	9,372
Depreciation/amortization	2,131	77	276	2,484
Claims and judgements	20	-	-	20
Total operating expenses	13,956	5,885	1,267	21,108
Operating income (loss)	4,813	(653)	92	4,252
Nonoperating revenues (expenses):				
Interest and investment revenue	351	2	25	378
Revenue from other agencies	562	678	-	1,240
Interest expense	(1,751)	-	(741)	(2,492)
Amortization of deferred charges	(25)	-	-	(25)
Total nonoperating revenues (expenses)	(863)	680	(716)	(899)
Income (loss) before transfers	3,950	27	(624)	3,353
Transfers in	3	-	-	3
Transfers out	(3,884)	-	(183)	(4,067)
Changes in net position	69	27	(807)	(711)
Total net position (deficit), beginning of year	41,942	587	(917)	41,612
Total net position (deficit), end of year	$ 42,011	$ 614	$ (1,724)	$ 40,901

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Parking Fund	4th R Fund	Marina Fund	Total Other Enterprise Funds
Cash flows from operating activities:				
Receipts from customers and users	$ 18,552	$ 5,226	$ 1,356	$ 25,134
Payments to suppliers	(8,569)	(741)	(555)	(9,865)
Payments to employees	(3,567)	(5,011)	(412)	(8,990)
Claims and judgements paid	(13)	-	-	(13)
Net cash provided by (used for) operating activities	6,403	(526)	389	6,266
Cash flows from noncapital financing activities:				
Transfers in from other funds	3	-	-	3
Transfers out to other funds	(2,815)	-	(183)	(2,998)
Intergovernmental revenue received	562	492	-	1,054
Net cash provided by (used for) noncapital financing activities	(2,250)	492	(183)	(1,941)
Cash flows from capital and related financing activities:				
Interfund loan repayments	(89)	-	-	(89)
Interest payments on interfund borrowings	(2)	-	-	(2)
Acquisition and construction of capital assets	(466)	-	-	(466)
Proceeds from issuance of debt	-	-	900	900
Principal payments on capital debt	(1,849)	(40)	(310)	(2,199)
Interest payments on capital debt	(1,723)	-	(296)	(2,019)
Transfers out to other funds	(1,069)	-	-	(1,069)
Net cash provided by (used for) capital and related financing activities	(5,198)	(40)	294	(4,944)
Cash flows from investing activities:				
Collection of interest and investment revenue	278	2	25	305
Payments for investments purchased in prior year	(311)	-	-	(311)
Investments sold with settlement after year end	(317)	-	-	(317)
Net cash provided by (used for) investing activities	(350)	2	25	(323)
Net increase (decrease) in cash and cash equivalents	(1,395)	(72)	525	(942)
Cash and cash equivalents, beginning of year	33,552	367	703	34,622
Cash and cash equivalents, end of year	$ 32,157	$ 295	$ 1,228	$ 33,680
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	$ 29,966	$ 266	$ 1,176	$ 31,408
Cash and investments held by fiscal agent	118	-	-	118
Restricted cash and investments held by City	314	29	52	395
Restricted cash and investments held by fiscal agent	1,759	-	-	1,759
Total cash and cash equivalents, end of year	$ 32,157	$ 295	$ 1,228	$ 33,680

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Parking Fund	4th R Fund	Marina Fund	Total Other Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ 4,813	$ (653)	$ 92	$ 4,252
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	2,131	77	276	2,484
Changes in assets and liabilities:				
Accounts receivable, net	(21)	(6)	(3)	(30)
Deferred charges	-	8	-	8
Accrued claims	7	-	-	7
Accounts payable	(491)	(14)	4	(501)
Accrued payroll	(14)	17	1	4
Accrued compensated absences	2	12	2	16
OPEB liabilities	172	33	17	222
Deposits	-	-	(2)	(2)
Unearned revenue	(196)	-	2	(194)
Net cash provided by (used for) operating activities	$ 6,403	$ (526)	$ 389	$ 6,266
Noncash investing, capital and financing activities:				
Capitalized interest	$ 30	$ -	$ -	$ 30
Amortization of bond premium, discount, and loss on refunding	(68)	-	-	(68)
Amortization of deferred charges	(25)	-	-	(25)
Change in securities lending assets	67	-	-	67
Change in securities lending obligations	32	-	-	32
Interest accrual on loans receivable	(29)	-	-	(29)
Accrual interest added to Marina Phase V loan	-	-	34	34

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WATER FUND

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City of Sacramento
Water Fund
Combining Statement of Net Position
June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	ARRA Grant/Loan Fund	Grant Projects Fund	Total Water Fund
ASSETS					
Current assets:					
Cash and investments held by City	$ -	$ 43,655	$ 10	$ (1,074)	$ 42,591
Securities lending assets	-	290	-	-	290
Receivables, net:					
Accounts	1,500	18,171	-	-	19,671
Loans	2,050	6	-	-	2,056
Intergovernmental	-	-	-	1,191	1,191
Interest	332	356	-	-	688
Investments sold	-	645	-	-	645
Inventories	-	3,900	-	-	3,900
Total current assets	3,882	67,023	10	117	71,032
Noncurrent assets:					
Restricted assets:					
Cash and investments held by City	18,435	-	-	-	18,435
Cash and investments held by fiscal agent	-	-	-	-	-
Loans receivable	7,075	-	-	-	7,075
Deferred charges	-	1,739	-	-	1,739
Capital assets:					
Land	-	967	-	-	967
Buildings and improvements	-	37,468	-	-	37,468
Machinery and equipment	-	15,512	-	-	15,512
Transmission and distribution systems	389	570,146	-	304	570,839
Construction in progress	973	16,208	-	1,006	18,187
Software	-	201	-	-	201
Less: accumulated depreciation/amortization	(12)	(185,995)	-	(10)	(186,017)
Total noncurrent assets	26,860	456,246	-	1,300	484,406
Total assets	30,742	523,269	10	1,417	555,438

City of Sacramento
Water Fund
Combining Statement of Net Position
June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	ARRA Grant/Loan Fund	Grant Projects Fund	Total Water Fund
LIABILITIES					
Current liabilities:					
Securities lending obligations	-	599	-	-	599
Accounts payable	59	4,120	10	113	4,302
Accrued payroll	-	829	-	-	829
Accrued compensated absences	-	120	-	-	120
Interest payable	-	766	-	-	766
Deposits	-	26	-	-	26
Unearned revenue	-	2,974	-	4	2,978
Accrued claims and judgements	-	90	-	-	90
Capital leases payable	-	-	-	-	-
Revenue and other bonds payable, net	-	4,916	-	-	4,916
Notes payable	-	-	-	-	-
Total current liabilities	59	14,440	10	117	14,626
Noncurrent liabilities:					
Accrued compensated absences	-	1,932	-	-	1,932
Water fee credits	-	1,702	-	-	1,702
OPEB liability	-	4,534	-	-	4,534
Capital leases payable	-	-	-	-	-
Revenue and other bonds payable, net	-	152,660	-	-	152,660
Notes payable	-	10,000	-	-	10,000
Total noncurrent liabilities	-	170,828	-	-	170,828
Total liabilities	59	185,268	10	117	185,454
NET POSITION					
Net investment in capital assets	1,350	286,931	-	1,300	289,581
Restricted for:					
Capital projects	29,333	-	-	-	29,333
Unrestricted	-	51,070	-	-	51,070
Total net position (deficit)	$ 30,683	$ 338,001	$ -	$ 1,300	$ 369,984

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City of Sacramento

Water Fund

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	ARRA Grant/Loan Fund	Grant Projects Fund	Total Water Fund
Operating revenues:					
Charges for services:					
User fees and charges	$ -	$ 79,758	$ -	$ -	$ 79,758
Miscellaneous	-	99	-	-	99
Total operating revenues	-	79,857	-	-	79,857
Operating expenses:					
Employee services	-	23,402	-	7	23,409
Services and supplies	3	19,614	-	157	19,774
Depreciation/amortization	8	16,438	-	10	16,456
Claims and judgements	-	163	-	-	163
Total operating expenses	11	59,617	-	174	59,802
Operating income (loss)	(11)	20,240	-	(174)	20,055
Nonoperating revenues (expenses):					
Interest and investment revenue	703	369	-	-	1,072
Revenue from other agencies	-	289	527	164	980
Interest expense	-	(7,421)	-	-	(7,421)
Amortization of deferred charges	-	(119)	-	-	(119)
Total nonoperating revenues (expenses)	703	(6,882)	527	164	(5,488)
Income (loss) before transfers	692	13,358	527	(10)	14,567
Capital contributions	2,193	1,087	-	1,310	4,590
Transfers in	-	11,689	-	-	11,689
Transfers out	-	(8,980)	(11,635)	-	(20,615)
Changes in net position	2,885	17,154	(11,108)	1,300	10,231
Total net position (deficit), beginning of year	27,798	320,847	11,108	-	359,753
Total net position (deficit), end of year	$ 30,683	$ 338,001	$ -	$ 1,300	$ 369,984

City of Sacramento
Water Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	ARRA Grant/Loan Fund	Grant Projects Fund	Total Water Fund
Cash flows from operating activities:					
Receipts from customers and users	$ -	$ 77,459	$ -	$ -	$ 77,459
Payments to suppliers	(3)	(16,981)	-	(44)	(17,028)
Payments to employees	-	(22,367)	-	(7)	(22,374)
Claims and judgements paid	-	(114)	-	-	(114)
Net cash provided by (used for) operating activities	(3)	37,997	-	(51)	37,943
Cash flows from noncapital financing activities:					
Transfers in from other funds	-	54	-	-	54
Transfers out to other funds	-	(8,941)	-	-	(8,941)
Loan payments	-	(76)	-	-	(76)
Intergovernmental revenue received	-	289	-	136	425
Net cash provided by (used for) noncapital financing activities	-	(8,674)	-	136	(8,538)
Cash flows from capital and related financing activities:					
Interfund loan repayments	-	(329)	-	-	(329)
Interest payments on interfund loan repayments	-	(7)	-	-	(7)
Acquisition and construction of capital assets	(634)	(15,400)	(1,042)	(1,310)	(18,386)
Proceeds from issuance of debt	-	-	4,987	-	4,987
Principal payments on capital debt	-	(3,330)	-	-	(3,330)
Interest payments on capital debt	-	(7,978)	-	-	(7,978)
Capital contributions received	698	-	4,987	151	5,836
Loan repayments received	201	24	-	-	225
Net cash provided by (used for) capital and related financing activities	265	(27,020)	8,932	(1,159)	(18,982)
Cash flows from investing activities:					
Collection of interest and investment revenue	460	189	-	-	649
Investments received with settlement after year end	-	(645)	-	-	(645)
Loans made	-	(512)	-	-	(512)
Net cash provided by (used for) investing activities	460	(968)	-	-	(508)
Net increase (decrease) in cash and cash equivalents	722	1,335	8,932	(1,074)	9,915
Cash and cash equivalents, beginning of year	17,713	42,320	(8,922)	-	51,111
Cash and cash equivalents, end of year	$ 18,435	$ 43,655	$ 10	$ (1,074)	$ 61,026
Reconciliation of cash and cash equivalents to the Statement of Net Position:					
Cash and investments held by City	$ -	$ 43,655	$ 10	$ (1,074)	$ 42,591
Restricted cash and investments held by City	18,435	-	-	-	18,435
Total cash and cash equivalents, end of year	$ 18,435	$ 43,655	$ 10	$ (1,074)	$ 61,026

City of Sacramento
Water Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	ARRA Grant/Loan Fund	Grant Projects Fund	Total Water Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:					
Operating income (loss)	$ (11)	$ 20,240	$ -	$ (174)	$ 20,055
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	8	16,438	-	10	16,456
Changes in assets and liabilities:					
Accounts receivable, net	-	(2,186)	-	-	(2,186)
Intergovernmental receivables	-	675	-	-	675
Inventories	-	564	-	-	564
Accounts payable	-	2,015	-	113	2,128
Accrued payroll	-	81	-	-	81
Accrued compensated absences	-	(71)	-	-	(71)
OPEB liabilities	-	1,025	-	-	1,025
Accrued claims and judgments	-	49	-	-	49
Unearned revenue	-	(833)	-	-	(833)
Net cash provided by (used for) operating activities	$ (3)	$ 37,997	$ -	$ (51)	$ 37,943
Noncash investing, capital and financing activities:					
Contributions of capital assets	$ -	$ 22,121	$ (21,635)	$ -	$ 486
Transfer of capital assets from governmental funds, net of depreciation	-	578	-	-	578
Transfer of capital assets, net of depreciation, from ARRA Grant/Loan Fund	-	21,633	(21,633)	-	-
Transfer of note payable from ARRA Grant/Loan Fund	-	(9,990)	9,990	-	-
Capitalized interest	13	459	-	-	472
Amortization of bond premium, discount, and loss on refunding	-	217	-	-	217
Amortization of deferred charges	-	(119)	-	-	(119)
Change in securities lending assets	-	166	-	-	166
Change in securities lending obligations	-	(116)	-	-	(116)
Purchase of capital assets on accounts payable	28	-	10	-	38
Change in intergovernmental receivable for capital contributions	-	-	-	1,159	1,159

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WASTEWATER FUND

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City of Sacramento

Wastewater Fund

Combining Statement of Net Position

June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	Total Wastewater Fund
ASSETS				
Current assets:				
Cash and investments held by City	$ -	$ 16,764	$ -	$ 16,764
Securities lending assets	-	94	-	94
Receivables, net:				
Accounts	-	10,228	-	10,228
Loans	-	237	-	237
Interest	-	157	-	157
Investments sold	-	210	-	210
Inventories	-	97	-	97
Total current assets	-	27,787	-	27,787
Noncurrent assets:				
Restricted assets:				
Cash and investments held by City	2,564	797	-	3,361
Loans receivable	-	1,056	-	1,056
Capital assets:				
Land	-	1,138	-	1,138
Buildings and improvements	-	14,906	-	14,906
Machinery and equipment	-	4,831	-	4,831
Transmission and distribution systems	-	145,405	-	145,405
Construction in progress	124	1,846	-	1,970
Software	-	296	-	296
Less: accumulated depreciation/amortization	-	(58,547)	-	(58,547)
Total noncurrent assets	2,688	111,728	-	114,416
Total assets	2,688	139,515	-	142,203

City of Sacramento

Wastewater Fund

Combining Statement of Net Position

June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	Total Wastewater Fund
LIABILITIES				
Current liabilities:				
Securities lending obligations	-	193	-	193
Accounts payable	-	7,350	-	7,350
Accrued payroll	-	241	-	241
Accrued compensated absences	-	23	-	23
Interest payable	-	74	-	74
Accrued claims and judgements	-	57	-	57
Capital leases payable	-	133	-	133
Notes payable	-	703	-	703
Total current liabilities	-	8,774	-	8,774
Noncurrent liabilities:				
Accrued compensated absences	-	571	-	571
OPEB liability	-	1,805	-	1,805
Capital leases payable	-	575	-	575
Notes payable	-	6,034	-	6,034
Total noncurrent liabilities	-	8,985	-	8,985
Total liabilities	-	17,759	-	17,759
NET POSITION				
Net investment in capital assets	124	102,430	-	102,554
Restricted for:				
Capital projects	2,564	-	-	2,564
Unrestricted	-	19,326	-	19,326
Total net position (deficit)	$ 2,688	$ 121,756	$ -	$ 124,444

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City of Sacramento

Wastewater Fund

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Reimbursable Projects Fund	Total Wastewater Fund
Operating revenues:				
Charges for services:				
User fees and charges	$ -	$ 20,484	$ -	$ 20,484
Charge to Regional Sanitation District for operating and maintaining treatment plant	-	913	-	913
Miscellaneous	-	99	-	99
Total operating revenues	-	21,496	-	21,496
Operating expenses:				
Employee services	-	7,034	-	7,034
Services and supplies	-	8,747	122	8,869
Depreciation/amortization	-	4,084	-	4,084
Claims and judgements	-	371	-	371
Total operating expenses	-	20,236	122	20,358
Operating income (loss)	-	1,260	(122)	1,138
Nonoperating revenues (expenses):				
Interest and investment revenue	52	183	-	235
Revenue from other agencies	-	-	17	17
Interest expense	-	(133)	-	(133)
Total nonoperating revenues (expenses)	52	50	17	119
Income (loss) before transfers	52	1,310	(105)	1,257
Capital contributions	220	1,312	105	1,637
Transfers in	-	19	-	19
Transfers out	-	(2,269)	-	(2,269)
Changes in net position	272	372	-	644
Total net position (deficit), beginning of year	2,416	121,384	-	123,800
Total net position (deficit), end of year	$ 2,688	$ 121,756	$ -	$ 124,444

City of Sacramento
Wastewater Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	Total Wastewater Fund
Cash flows from operating activities:				
Receipts from customers and users	$ -	$ 21,141	$ -	$ 21,141
Payments to suppliers	-	(7,721)	(122)	(7,843)
Payments to employees	-	(6,562)	-	(6,562)
Claims and judgements paid	-	(339)	-	(339)
Net cash provided by (used for) operating activities	-	6,519	(122)	6,397
Cash flows from noncapital financing activities:				
Transfers in from other funds	-	19	-	19
Transfers out to other funds	-	(2,218)	-	(2,218)
Net cash provided by (used for) noncapital financing activities	-	(2,199)	-	(2,199)
Cash flows from capital and related financing activities:				
Interfund loan repayments	-	(108)	-	(108)
Interest payments on interfund loan repayments	-	(2)	-	(2)
Acquisition and construction of capital assets	(59)	(1,728)	-	(1,787)
Principal payments on capital debt	-	(687)	-	(687)
Interest payments on capital debt	-	(172)	-	(172)
Intergovernmental revenue received	-	-	17	17
Transfers out to other funds	-	(51)	-	(51)
Capital contributions received	220	-	105	325
Loan repayments received	-	2	-	2
Net cash provided by (used for) capital and related financing activities	161	(2,746)	122	(2,463)
Cash flows from investing activities:				
Collection of interest and investment revenue	52	118	-	170
Investments received with settlement after year end	-	(210)	-	(210)
Loans made	-	(181)	-	(181)
Net cash provided by (used for) investing activities	52	(273)	-	(221)
Net increase (decrease) in cash and cash equivalents	213	1,301	-	1,514
Cash and cash equivalents, beginning of year	2,351	16,260	-	18,611
Cash and cash equivalents, end of year	$ 2,564	$ 17,561	$ -	$ 20,125
Reconciliation of cash and cash equivalents to the Statement of Net Position:				
Cash and investments held by City	$ -	$ 16,764	$ -	$ 16,764
Restricted cash and investments held by City	2,564	797	-	3,361
Total cash and cash equivalents, end of year	$ 2,564	$ 17,561	$ -	$ 20,125

City of Sacramento
Wastewater Fund
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2012
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	Total Wastewater Fund
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:				
Operating income (loss)	$ -	$ 1,260	$ (122)	$ 1,138
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	-	4,084	-	4,084
Changes in assets and liabilities:				
Accounts receivable, net	-	(342)	-	(342)
Inventories	-	(16)	-	(16)
Accounts payable	-	334	-	334
Accrued payroll	-	40	-	40
Accrued compensated absences	-	45	-	45
OPEB liabilities	-	387	-	387
Accrued claims and judgments	-	32	-	32
Unearned revenue	-	(13)	-	(13)
Capital leases payable	-	708	-	708
Net cash provided by (used for) operating activities	$ -	$ 6,519	$ (122)	$ 6,397
Noncash investing, capital and financing activities:				
Contributions of capital assets	$ -	$ 119	$ -	$ 119
Transfer of capital assets from governmental funds, net of depreciation	-	1,192	-	1,192
Capital lease obligation for purchase of Fleet Fund vehicles	-	(708)	-	(708)
Capitalized interest	-	33	-	33
Change in securities lending assets	-	50	-	50
Change in securities lending obligations	-	(33)	-	(33)

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INTERNAL SERVICE FUNDS

Internal service funds are established to account for goods or services provided by one department within the City to other departments on a cost reimbursement basis. The following are internal service funds:

THE FLEET MANAGEMENT FUND is used to account for the operation, maintenance and replacement of the City's fleet of vehicles that serve the transportation needs of all City departments and divisions.

THE RISK MANAGEMENT FUND is used to account for the City's risk management and insurance programs.

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City of Sacramento

Internal Service Funds

Combining Statement of Net Position

June 30, 2012
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
ASSETS			
Current assets:			
Cash and investments held by City	$ 11,223	$ 44,672	$ 55,895
Cash and investments held by fiscal agent	-	210	210
Securities lending assets	-	184	184
Receivables, net:			
Accounts	68	38	106
Interest	-	226	226
Investments sold	-	410	410
Due from other funds	-	43,609	43,609
Total current assets	11,291	89,349	100,640
Noncurrent assets:			
Advances to other funds	-	13,966	13,966
Loans receivable	1	-	1
Deferred charges	28	-	28
Capital assets:			
Buildings and improvements	7,402	-	7,402
Machinery and equipment	457	-	457
Vehicles	118,751	-	118,751
Software	177	-	177
Less: accumulated depreciation/amortization	(72,787)	-	(72,787)
Total noncurrent assets	54,029	13,966	67,995
Total assets	65,320	103,315	168,635

City of Sacramento

Internal Service Funds

Combining Statement of Net Position

June 30, 2012
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
LIABILITIES			
Current liabilities:			
Securities lending obligations	-	287	287
Accounts payable	6,278	673	6,951
Accrued payroll	240	120	360
Accrued compensated absences	55	20	75
Interest Payable	10	-	10
Deposits	-	4	4
Unearned revenue	-	527	527
Accrued claims	51	13,772	13,823
Capital leases payable	22	-	22
Revenue and other bonds payable, net	322	-	322
Total current liabilities	6,978	15,403	22,381
Noncurrent liabilities:			
Accrued compensated absences	821	345	1,166
OPEB liability	1,845	263	2,108
Accrued claims and judgments	-	42,161	42,161
Capital leases payable	172	-	172
Revenue and other bonds payable, net	3,064	-	3,064
Total noncurrent liabilities	5,902	42,769	48,671
Total liabilities	12,880	58,172	71,052
NET POSITION			
Net investment in capital assets	50,420	-	50,420
Unrestricted	2,020	45,143	47,163
Total net position	$ 52,440	$ 45,143	$ 97,583

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City of Sacramento

Internal Service Funds

Combining Statement of Revenues, Expenses and Changes in Fund Net Position

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Operating revenues:			
Charges for services:			
User fees and charges	$ 43,782	$ 25,374	$ 69,156
Operating expenses:			
Employee services	7,851	3,404	11,255
Services and supplies	22,564	6,352	28,916
Depreciation	8,636	-	8,636
Insurance premiums	-	2,274	2,274
Claims and judgements	54	17,249	17,303
Total operating expenses	39,105	29,279	68,384
Operating income (loss)	4,677	(3,905)	772
Nonoperating revenues (expenses):			
Interest and investment revenue	65	1,122	1,187
Insurance and other claim recoveries	-	270	270
Interest expense	(119)	-	(119)
Amortization of deferred charges	(3)	-	(3)
Gain (loss) on disposition of fixed assets	(237)	-	(237)
Loss on liquidation of inventory	(530)	-	(530)
Total nonoperating revenues (expenses)	(824)	1,392	568
Income (loss) before contributions and transfers	3,853	(2,513)	1,340
Transfers in	423	7	430
Transfers out	(779)	(26)	(805)
Changes in net position	3,497	(2,532)	965
Total net position, beginning of year	48,943	47,675	96,618
Total net position, end of year	$ 52,440	$ 45,143	$ 97,583

City of Sacramento

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities:			
Receipts from interfund services provided	$ 43,102	$ 83,707	$ 126,809
Payments to suppliers	(22,215)	(68,936)	(91,151)
Payments to employees	(7,365)	(3,353)	(10,718)
Claims and judgments paid	(26)	(15,254)	(15,280)
Net cash provided by (used for) operating activities	13,496	(3,836)	9,660
Cash flows from noncapital financing activities:			
Transfers in from other funds	-	7	7
Transfers out to other funds	(728)	(26)	(754)
Proceeds from sale of inventory	482	-	482
Collections on interfund loans	-	13,704	13,704
Loans made to other funds	-	(43,359)	(43,359)
Claim and judgment recoveries	-	239	239
Net cash provided by (used for) noncapital financing activities	(246)	(29,435)	(29,681)
Cash flows from capital and related financing activities:			
Acquisition and construction of capital assets	(10,944)	-	(10,944)
Proceeds from sale of capital assets	751	-	751
Principal payments on capital debt	(323)	-	(323)
Interest payments on capital debt	(131)	-	(131)
Transfers in from other funds	372	-	372
Net cash used for capital and related financing activities	(10,275)	-	(10,275)
Cash flows from investing activities:			
Collection of interest and investment revenue	65	1,196	1,261
Payments for investments purchased in prior year	-	(712)	(712)
Investment sold with settlement after year end	-	(410)	(410)
Net cash provided by investing activities	65	74	139
Net increase in cash and cash equivalents	3,040	(33,197)	(30,157)
Cash and cash equivalents, beginning of year	8,183	78,079	86,262
Cash and cash equivalents, end of year	$ 11,223	$ 44,882	$ 56,105
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
Cash and investments held by City	$ 11,223	$ 44,672	$ 55,895
Cash and investments held by fiscal agent	-	210	210
Total cash and cash equivalents, end of year	$ 11,223	$ 44,882	$ 56,105

City of Sacramento

Internal Service Funds

Combining Statement of Cash Flows

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	$ 4,677	$ (3,905)	$ 772
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	8,636	-	8,636
Changes in assets and liabilities:			
Accounts receivable, net	28	3	31
Inventories	201	-	201
Accounts payable	148	(1,986)	(1,838)
Accrued payroll	3	3	6
Accrued compensated absences	66	(13)	53
OPEB liabilities	417	61	478
Accrued claims	28	1,995	2,023
Deposit	-	2	2
Unearned revenue	-	4	4
Non-cash contribution from Wastewater Fund	(708)	-	(708)
Net cash provided by (used for) operating activities	$ 13,496	$ (3,836)	$ 9,660
Noncash investing, capital and financing activities:			
Capital assets purchased on capital lease	$ 708	$ -	$ 708
Amortization of bond premium, discount, and loss on refunding	(10)	-	(10)
Amortization of deferred charges	3	-	3
Change in securities lending assets	-	11	11
Change in securities lending obligations	-	(6)	(6)
Write down of obsolete inventory	(530)	-	(530)
Change in accounts receivable related to claim and judgment recoveries	-	31	31
Purchase of capital assets on accounts payable	3,569	-	3,569

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INVESTMENT TRUST FUNDS

Investment trust funds account for assets and related liabilities of legally separate entities for which the City provides investment services.

Investment Pool is used to account for assets and liabilities held for external participants in the City Sponsored Investment Pool.

Individual Investment Accounts are used to account for assets and liabilities, held for entities external to the City, which are not invested in the City Sponsored Investment Pool.

City of Sacramento

Investment Trust Funds
Combining Statement of Fiduciary Net Position

June 30, 2012
(in thousands)

	Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
ASSETS			
Cash and investments held by City	$ 58,153	$ 86,879	$ 145,032
Securities lending assets	187	352	539
Receivables, net:			
Interest	230	509	739
Investments sold	416	-	416
Total assets	58,986	87,740	146,726
LIABILITIES			
Securities lending obligations	200	735	935
Accounts payable	-	830	830
Total liabilities	200	1,565	1,765
NET POSITION			
Held in trust	$ 58,786	$ 86,175	$ 144,961

City of Sacramento

Investment Trust Funds

Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2012
(in thousands)

	Investment Pool	Individual Investment Accounts	Total Investment Trust Funds
Additions:			
From investment activities:			
Net appreciation in fair value of investments	$ (379)	$ (2,786)	$ (3,165)
Interest	1,285	6,245	7,530
Dividends	-	-	-
Total investment earnings	906	3,459	4,365
Less investment expenses:			
Banking, interest, and fiscal agent expenses	122	20	142
Net income from investing activities	784	3,439	4,223
From securities lending activities:			
Net appreciation in fair value of investments	-	-	-
Interest	1	3	4
Total securities lending income	1	3	4
Securities lending expenses:			
Borrower rebates	-	-	-
Management fees	-	1	1
Total securities lending expenses	-	1	1
Net income from securities lending activities	1	2	3
Net investment income	785	3,441	4,226
Deposits	75,585	66,877	142,462
Total additions	76,370	70,318	146,688
Deductions:			
Withdrawals	91,046	188,991	280,037
Change in net position	(14,676)	(118,673)	(133,349)
Net position, beginning of year	73,462	204,848	278,310
Net position, end of year	$ 58,786	$ 86,175	$ 144,961

AGENCY FUNDS

Agency funds account for assets held for other organizations, governments or private individuals and include:

THE ASSESSMENT DISTRICTS FUND is used to account for monies collected from parcel assessments to service debt issued for improvements in 1911 and 1915 Act districts in the City.

THE COMMUNITY FACILITIES DISTRICTS FUND is used to account for monies collected from special tax assessments to service debt issued for improvements and to pay other costs of Mello-Roos districts in the City.

City of Sacramento

Agency Funds

Combining Statement of Fiduciary Assets and Liabilities

June 30, 2012

(in thousands)

	Assessment Districts Fund	Community Facilities Districts Fund	Total Agency Funds
ASSETS			
Cash and investments held by City	$ 11,967	$ 16,780	$ 28,747
Cash and investments held by fiscal agent	2,381	15,532	17,913
Receivables, net:			
Taxes	-	379	379
Accounts	26	-	26
Interest	24	19	43
Total assets	$ 14,398	$ 32,710	$ 47,108
LIABILITIES			
Due to bondholders	$ 14,398	$ 32,710	$ 47,108

City of Sacramento

Agency Funds

Combining Statement of Changes in Fiduciary Assets and Liabilities

For the Fiscal Year Ended June 30, 2012

(in thousands)

ASSESSMENT DISTRICTS FUND

	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	$ 11,662	$ 2,386	$ 2,081	$ 11,967
Cash and investments held by fiscal agent	2,447	571	637	2,381
Receivables, net:				
Accounts	23	26	23	26
Interest	24	24	24	24
Total assets	$ 14,156	$ 3,007	$ 2,765	$ 14,398
LIABILITIES				
Due to bondholders	$ 14,156	$ 2,576	$ 2,334	$ 14,398

City of Sacramento

Agency Funds

Combining Statement of Changes in Fiduciary Assets and Liabilities

For the Fiscal Year Ended June 30, 2012

(in thousands)

COMMUNITY FACILITIES DISTRICTS FUND

	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	$ 16,710	$ 14,200	$ 14,130	$ 16,780
Cash and investments held by fiscal agent	16,287	610	1,365	15,532
Receivables, net:				
Taxes	377	379	377	379
Interest	72	19	72	19
Total assets	$ 33,446	$ 15,208	$ 15,944	$ 32,710
LIABILITIES				
Due to bondholders	$ 33,446	$ 15,139	$ 15,875	$ 32,710

(continued)

City of Sacramento

Agency Funds

Combining Statement of Changes in Fiduciary Assets and Liabilities

For the Fiscal Year Ended June 30, 2012

(in thousands)

TOTAL - ALL AGENCY FUNDS

	Balance Beginning of Fiscal Year	Additions	Deletions	Balance End of Fiscal Year
ASSETS				
Cash and investments held by City	$ 28,372	$ 16,586	$ 16,211	$ 28,747
Cash and investments held by fiscal agent	18,734	1,181	2,002	17,913
Receivables, net:				
Taxes	377	379	377	379
Accounts	23	26	23	26
Interest	96	43	96	43
Total assets	$ 47,602	$ 18,215	$ 18,709	$ 47,108
LIABILITIES				
Due to bondholders	$ 47,602	$ 17,715	$ 18,209	$ 47,108

(continued)

Statistical Section

Statistical Section

This part of the City's Comprehensive Annual Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

Financial Trends Information

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

Revenue Capacity Information

These schedules contain trend information to help the reader understand the City's most significant local revenue source, property taxes.

Debt Capacity Information

These schedules present information to help the reader assess the affordability of the City's current level of outstanding debt and the City's ability to issue additional debt in the future.

Demographic and Economic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

Successor Agency Information

These schedules present revenue and debt capacity information related to the Successor Agency for the former Redevelopment Agency of the City of Sacramento. These schedules contain trend information to help the reader understand the Successor Agency's primary revenue source, property tax distributions from the county redevelopment property tax trust fund, and affordability of the Successor Agency's current level of outstanding debt.

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and the activities it performs.

City of Sacramento
Net Position by Component [(1) (2) (3)]
Last Ten Fiscal Years
(accrual basis accounting, in thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
Governmental activities					
Net investment in capital assets	$ 1,042,608	$ 1,135,271	$ 1,223,934	$ 1,155,619	$ 1,296,115
Restricted for:					
Capital projects	94,682	110,794	52,773	149,982	155,596
Debt service	9,949	11,508	9,882	797	509
Transportation programs	-	-	-	-	-
Other programs	13,177	21,394	24,801	28,634	31,649
Housing and redevelopment	184,269	273,473	274,130	-	-
Trust and endowments:					
Expendable	4,519	4,962	1,927	5,368	6,513
Nonexpendable	1,803	1,927	2,920	1,927	1,927
Unrestricted	(28,060)	(111,552)	(71,536)	155,072	145,750
Total governmental activities net position	$ 1,322,947	$ 1,447,777	$ 1,497,399	$ 1,497,399	$ 1,638,059
Business-type activities					
Net investment in capital assets	$ 726,196	$ 782,620	$ 839,889	$ 623,208	$ 634,966
Restricted for:					
Capital projects	-	-	-	425	425
Housing and redevelopment	2,808	3,421	1,776	-	-
Other programs	438	-	1,038	-	-
Unrestricted	124,505	113,957	93,751	115,223	119,050
Total business-type activities net position	$ 853,947	$ 899,998	$ 936,454	$ 738,856	$ 754,441
Primary government					
Net investment in capital assets	$ 1,768,804	$ 1,917,891	$ 2,063,823	$ 1,778,827	$ 1,931,081
Restricted for:					
Capital projects	94,682	110,794	52,773	150,407	156,021
Debt service	9,949	11,508	9,882	797	509
Transportation programs	-	-	-	-	-
Other programs	13,615	21,394	25,839	28,634	31,649
Housing and redevelopment	187,077	276,894	275,906	-	-
Trust and endowments:					
Expendable	4,519	4,962	1,927	5,368	6,513
Nonexpendable	1,803	1,927	2,920	1,927	1,927
Unrestricted	96,445	2,405	22,215	270,295	264,800
Total primary government net position	$ 2,176,894	$ 2,347,775	$ 2,455,285	$ 2,236,255	$ 2,392,500

Notes: (1) 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.
(2) The fiscal year 2008 amounts for governmental activities net assets invested in capital assets, net of related debt, and restricted net assets have been reclassified.
(3) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Net Position by Component [(1) (2) (3)]
Last Ten Fiscal Years
(accrual basis accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
Governmental activities					
Net investment in capital assets	$ 1,296,978	$ 1,378,249	$ 1,411,767	$ 1,451,059	$ 1,500,603
Restricted for:					
Capital projects	239,377	221,594	186,619	156,157	149,830
Debt service	531	544	494	1,105	1,101
Transportation programs	-	-	-	21,484	18,103
Other programs	30,996	30,836	32,443	23,544	23,274
Housing and redevelopment	-	-	-	-	-
Trust and endowments					
Expendable	6,159	4,442	4,690	5,659	6,870
Nonexpendable	1,934	1,934	1,934	1,934	878
Unrestricted	124,408	84,092	76,953	16,107	(7,872)
Total governmental activities net position	$ 1,700,383	$ 1,721,691	$ 1,714,900	$ 1,677,049	$ 1,692,787
Business-type activities					
Net investment in capital assets	$ 656,951	$ 687,417	$ 691,197	$ 701,157	$ 705,527
Restricted for:					
Capital projects	-	16,866	25,781	30,184	33,209
Housing and redevelopment	-	-	-	-	-
Other programs	-	-	-	-	530
Unrestricted	119,975	92,458	106,148	113,804	123,265
Total business-type activities net assets	$ 776,926	$ 796,741	$ 823,126	$ 845,145	$ 862,531
Primary government					
Net investment in capital assets	$ 1,953,929	$ 2,065,666	$ 2,102,964	$ 2,152,216	$ 2,206,130
Restricted for:					
Capital projects	239,377	238,460	212,400	186,341	183,039
Debt service	531	544	494	1,105	1,101
Transportation programs	-	-	-	21,484	18,103
Other programs	30,996	30,836	32,443	23,544	23,804
Housing and redevelopment	-	-	-	-	-
Trust and endowments					
Expendable	6,159	4,442	4,690	5,659	6,870
Nonexpendable	1,934	1,934	1,934	1,934	878
Unrestricted	244,383	176,550	183,101	129,911	115,393
Total primary government net position	$ 2,477,309	$ 2,518,432	$ 2,538,026	$ 2,522,194	$ 2,555,318

Notes: (1) 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.
(2) The fiscal year 2008 amounts for governmental activities net assets invested in capital assets, net of related debt, and restricted net assets have been reclassified.
(3) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [1] [2]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
Expenses [3]					
Governmental Activities					
General government	$ 27,548	$ 26,739	$ 28,759	$ 38,804	$ 41,536
Police	106,177	106,676	124,204	134,213	148,586
Fire	55,408	57,799	74,606	87,844	97,044
Public works	93,777	108,413	-	-	-
General services	-	-	21,502	18,853	17,502
Transportation	-	-	71,871	88,749	89,063
Economic development	3,688	4,283	-	8,212	8,538
Convention, culture & leisure	11,132	6,823	6,824	17,825	19,602
Parks and recreation	38,435	41,486	44,534	49,341	55,661
Code enforcement	-	-	-	7,184	9,946
Community development	-	-	-	-	-
Neighborhood services	5,893	6,883	7,880	2,560	2,505
Planning and development	15,071	18,780	-	-	-
Development services	-	-	67,852	36,739	27,851
Planning	-	-	-	-	8,158
Housing and redevelopment	72,227	46,774	64,018	-	-
Library	8,187	8,185	8,505	9,147	9,433
Nondepartmental	28,274	32,473	36,492	-	-
Interest on long-term debt	17,900	29,306	31,752	22,693	31,067
Total governmental activities expenses	483,717	494,620	588,799	522,164	566,492
Business type activities					
Water	31,312	47,843	51,950	55,896	58,890
Wastewater	12,247	12,734	13,447	14,685	17,171
Storm drainage	27,721	27,010	34,988	34,544	36,473
Solid waste	35,058	36,102	39,260	40,329	45,050
Community center	18,281	18,310	19,066	19,333	19,704
Child development	4,689	4,492	5,092	5,666	5,868
Marina	1,701	1,656	1,684	1,437	1,384
Parking	13,092	13,580	14,115	14,056	16,375
Advanced life support	7,265	7,823	-	-	-
Golf	6,758	6,846	6,719	-	-
Housing and redevelopment	87,817	123,892	135,282	-	-
Total business-type activities	245,941	300,288	321,603	185,946	200,915
Total primary government expenses	$ 729,658	$ 794,908	$ 910,402	$ 708,110	$ 767,407

Notes: (1) 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.

(2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [1] [2]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
Expenses [3]					
Governmental Activities					
General government	$ 49,841	$ 45,956	$ 44,278	$ 42,238	$ 40,846
Police	159,207	153,874	152,922	159,908	153,392
Fire	104,149	107,119	109,210	111,174	116,418
Public works	-	-	-	-	-
General services	27,527	28,132	29,175	25,679	26,148
Transportation	89,016	95,238	89,358	97,350	98,384
Economic development	10,048	10,055	9,815	10,467	9,704
Convention, culture & leisure	21,518	18,573	18,064	21,348	19,857
Parks and recreation	60,930	54,209	51,984	56,162	45,448
Code enforcement	10,154	10,882	10,984	-	-
Community development	-	-	18,848	25,821	24,286
Neighborhood services	1,667	1,370	1,105	-	-
Planning and development	-	-	-	-	-
Development services	30,247	24,063	-	-	-
Planning	6,830	2,973	-	-	-
Housing and redevelopment	-	-	-	-	-
Library	9,935	13,976	16,827	14,635	13,301
Nondepartmental	-	-	-	-	-
Interest on long-term debt	31,157	29,284	29,658	24,903	23,583
Total governmental activities expenses	612,226	595,704	582,228	589,685	571,367
Business type activities					
Water	63,364	66,757	60,902	63,073	67,335
Wastewater	18,330	20,498	17,389	18,990	20,491
Storm drainage	38,570	38,483	37,040	37,815	37,692
Solid waste	48,735	67,911	47,076	48,203	53,205
Community center	20,507	20,342	19,563	18,530	18,125
Child development	6,604	7,617	6,797	6,274	5,885
Marina	1,257	1,045	1,625	2,662	2,008
Parking	17,154	16,009	16,390	15,786	15,732
Advanced life support	-	-	-	-	-
Golf	-	-	-	-	-
Housing and redevelopment	-	-	-	-	-
Total business-type activities	214,521	238,662	206,782	211,333	220,473
Total primary government expenses	$ 826,747	$ 834,366	$ 789,010	$ 801,018	$ 791,840

Notes: (1) 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.

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(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [(1) (2)]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
Program Revenues					
Governmental activities					
Charge for services					
General government	$ 4,613	$ 4,766	$ 4,768	$ 4,902	$ 5,333
Police	3,272	3,126	3,456	3,986	3,959
Fire	4,421	5,022	16,854	18,721	17,579
Public works	42,034	39,942	-	-	-
General services	-	-	7,600	9,636	10,327
Transportation	-	-	12,097	15,058	14,261
Economic development	1,843	212	-	5,235	5,905
Convention, culture & leisure	4,391	4,526	1,970	8,995	9,759
Parks and recreation	3,679	4,193	4,794	15,907	17,142
Code enforcement	-	-	-	1	2,417
Community development	-	-	-	-	-
Neighborhood services	1,723	2,755	2,714	2,969	1,085
Planning and development	16,924	17,600	-	-	-
Development services	-	-	43,941	27,834	25,261
Planning	-	-	-	-	4
Housing and redevelopment	1,940	1,389	1,311	-	-
Nondepartmental	4,163	376	494	-	-
Total charge for services	89,003	83,907	99,999	113,244	113,032
Operating grants and contributions	68,199	59,821	77,052	59,348	52,805
Capital grants and contributions	137,307	204,955	147,034	122,010	189,710
Total governmental activities program revenues	294,509	348,683	324,085	294,602	355,547
Business - type activities					
Charge for services					
Water	42,616	45,994	49,009	53,480	58,363
Wastewater	14,593	15,304	16,332	17,285	18,609
Storm drainage	29,299	30,086	31,336	31,400	31,981
Solid waste	35,431	38,423	42,241	42,984	46,351
Community center	5,742	5,843	6,391	6,743	7,348
Child development	4,298	4,361	4,766	5,086	5,377
Marina	1,587	1,711	1,745	1,889	1,827
Parking	15,897	16,210	16,422	17,342	18,706
Advanced life support	10,107	11,035	-	-	-
Golf	6,254	6,329	6,408	-	-
Housing and redevelopment	10,497	10,899	13,720	-	-
Total charge for services	176,321	186,195	188,370	176,209	188,562
Operating grants and contributions	71,799	99,582	112,326	1,230	1,422
Capital grants and contributions	21,446	18,592	35,318	31,638	14,728
Total business - type activities program revenues	269,566	304,369	336,014	209,077	204,712
Total primary government program revenues	$ 564,075	$ 653,052	$ 660,099	$ 503,679	$ 560,259
Net (Expense) Revenue					
Governmental activities	$ (189,208)	$ (145,937)	$ 324,085	$ (227,562)	$ (210,945)
Business - type activities	23,625	4,081	336,014	23,131	3,797
Total primary government net expenses	$ (165,583)	$ (141,856)	$ 660,099	$ (204,431)	$ (207,148)

Notes: (1) 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.

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(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [(1) (2)]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
Program Revenues					
Governmental activities					
Charge for services					
General government	$ 5,233	$ 5,290	$ 6,614	$ 5,827	$ 5,608
Police	4,203	4,819	4,098	10,316	9,714
Fire	17,936	24,448	22,711	21,998	21,643
Public works	-	-	-	-	-
General services	10,471	10,878	9,964	10,442	10,965
Transportation	19,574	26,391	28,857	28,614	28,309
Economic development	8,143	8,345	8,497	9,136	8,800
Convention, culture & leisure	9,425	11,026	9,689	9,364	7,985
Parks and recreation	13,343	10,187	10,122	10,039	11,579
Code enforcement	3,800	7,932	5,627	-	-
Community development	-	-	8,752	15,409	15,459
Neighborhood services	123	195	166	-	-
Planning and development	-	-	-	-	-
Development services	19,867	16,115	-	-	-
Planning	114	108	-	-	-
Housing and redevelopment	-	-	-	-	-
Nondepartmental	-	-	-	-	-
Total charge for services	112,232	125,734	115,097	121,145	120,062
Operating grants and contributions	51,845	53,206	59,179	51,289	54,287
Capital grants and contributions	141,919	119,689	90,888	69,234	112,247
Total governmental activities program revenues	305,996	298,629	265,164	241,668	286,596
Business - type activities					
Charge for services					
Water	65,411	62,619	70,463	79,315	79,809
Wastewater	20,704	19,775	20,284	21,360	21,513
Storm drainage	33,289	32,747	34,082	34,160	34,545
Solid waste	52,434	55,949	58,901	62,906	64,055
Community center	7,556	7,651	7,020	6,780	7,521
Child development	5,587	5,640	5,473	5,309	5,232
Marina	1,378	1,748	1,782	1,464	1,359
Parking	19,626	18,661	18,784	18,660	18,769
Advanced life support	-	-	-	-	-
Golf	-	-	-	-	-
Housing and redevelopment	-	-	-	-	-
Total charge for services	205,985	204,790	216,789	229,954	232,803
Operating grants and contributions	1,824	2,343	2,381	2,358	3,744
Capital grants and contributions	11,661	38,094	14,148	10,417	5,289
Total business - type activities program revenues	219,470	245,227	233,318	242,729	241,836
Total primary government program revenues	$ 525,466	$ 543,856	$ 498,482	$ 484,397	$ 528,432
Net (Expense) Revenue					
Governmental activities	$ (306,230)	$ (297,075)	$ (317,064)	$ (348,017)	$ (284,771)
Business - type activities	4,949	6,565	26,536	31,396	21,363
Total primary government net expenses	$ (301,281)	$ (290,510)	$ (290,528)	$ (316,621)	$ (263,408)

Notes: (1) 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.

(2) The City of Sacramento implemented GASB 63 for the period ended June 30, 2011. "Net Position" prior to the implementation was reported as "Net Assets".

(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [1] [2]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	$ 57,898	$ 63,877	$ 70,456	$ 112,234	$ 127,454
Redevelopment tax increment	29,300	35,314	40,676	-	-
Utility user taxes	48,675	52,538	53,893	56,243	55,619
Other taxes	20,098	25,984	30,668	32,002	28,379
Sales taxes shared state revenue	57,984	61,822	55,342	59,118	55,846
In-lieu sales tax	-	-	15,284	13,956	18,197
In-lieu motor vehicle tax	25,809	27,179	26,393	-	-
Grants and other intergovernmental revenue not restricted to specific programs	3,841	4,137	-	-	-
Investment earnings	26,274	18,290	24,751	21,741	39,867
Miscellaneous	9,545	6,966	10,267	7,516	12,544
Contributions to permanent fund	-	124	-	1	1
Gain (loss) on disposition of capital assets	118	-	3,437	-	-
Special items, net	-	-	-	-	-
Transfers	(5,393)	(25,546)	(9,800)	8,159	13,698
Total Governmental activities	274,149	270,685	321,367	310,970	351,605
Business-type activities					
Taxes:					
Other taxes	13,567	13,436	14,398	15,419	17,258
Investment earnings	4,163	2,437	4,342	5,231	8,227
Miscellaneous	-	676	1,015	3	1
Gain (loss) on disposition of capital assets	6	-	6,891	722	-
Transfers	5,393	25,546	9,800	(8,159)	(13,698)
Total business-type activities	23,129	42,095	36,446	13,216	11,788
Total primary government	$ 297,278	$ 312,780	$ 357,813	$ 324,186	$ 363,393
Change in Net Position					
Governmental activities	$ 84,941	$ 124,748	$ 645,452	$ 83,408	$ 140,660
Business-type activities	46,754	46,176	372,460	36,347	15,585
Total primary government	$ 131,695	$ 170,924	$ 1,017,912	$ 119,755	$ 156,245

Notes: (1) 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.

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(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Net Position [1] [2]
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes:					
Property taxes	$ 137,782	$ 135,806	$ 123,681	$ 118,801	$ 114,874
Redevelopment tax increment	-	-	-	-	-
Utility user taxes	57,561	57,775	58,693	58,907	58,787
Other taxes	23,865	20,358	18,591	18,327	17,403
Sales taxes shared state revenue	54,821	48,905	46,769	47,680	50,683
In-lieu sales tax	16,344	15,745	14,332	14,548	14,081
In-lieu motor vehicle tax	-	-	-	-	-
Grants and other intergovernmental revenue not restricted to specific programs	-	4,224	4,591	2,610	-
Investment earnings	34,343	14,896	11,508	6,260	10,953
Miscellaneous	12,142	10,368	12,743	12,464	11,005
Contributions to permanent fund	7	-	-	4	1
Gain (loss) on disposition of capital assets	-	2,912	-	2,336	-
Special items, net	18,791	(929)	-	-	-
Transfers	12,898	8,348	19,365	28,229	22,722
Total Governmental activities	368,554	318,408	310,273	310,166	300,509
Business-type activities					
Taxes:					
Other taxes	17,538	15,852	14,233	15,403	15,781
Investment earnings	6,898	5,746	4,964	3,449	2,957
Miscellaneous	353	-	-	-	-
Gain (loss) on disposition of capital assets	5,645	-	17	-	7
Transfers	(12,898)	(8,348)	(19,365)	(28,229)	(22,722)
Total business-type activities	17,536	13,250	(151)	(9,377)	(3,977)
Total primary government	$ 386,090	$ 331,658	$ 310,122	$ 300,789	$ 296,532
Change in Net Position					
Governmental activities	$ 62,324	$ 21,333	$ (6,791)	$ (37,851)	$ 15,738
Business-type activities	22,485	19,815	26,385	22,019	17,386
Total primary government	$ 84,809	$ 41,148	$ 19,594	$ (15,832)	$ 33,124

Notes: (1) 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.

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(3) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Fund Balances, Governmental Funds [1] [2]
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
General Fund					
Reserved for:					
Noncurrent assets	$ 1,742	$ 1,200	$ 1,305	$ 1,074	$ 987
Encumbrances	7,864	12,410	10,790	14,089	17,070
Inventories and prepaids	-	-	-	-	-
Unreserved	104,253	109,868	141,331	133,573	113,421
Nonspendable:					
Prepaid items	-	-	-	-	-
Noncurrent assets	-	-	-	-	-
Restricted:					
Other programs	-	-	-	-	-
Committed:					
Economic uncertainty	-	-	-	-	-
Capital projects	-	-	-	-	-
Other programs	-	-	-	-	-
Assigned:					
Unrealized investment gains	-	-	-	-	-
Next year's budget	-	-	-	-	-
Total general fund	$ 113,859	$ 123,478	$ 153,426	$ 148,736	$ 131,478
All Other Governmental Funds					
Reserved for:					
Noncurrent assets	$ 58,669	$ 68,152	$ 70,511	$ 993	$ 935
Encumbrances	97,073	70,611	67,585	32,087	33,855
Debt service	19,489	23,485	24,721	23,138	22,568
Inventories and prepaids	-	-	-	-	-
Housing/redevelopment	225	1,410	106,624	-	-
Trust obligations	1,803	1,927	1,927	1,927	1,927
Capital projects	-	-	-	-	-
Unreserved, reported in:					
Special revenue funds	75,305	76,971	75,224	80,115	34,125
Capital projects funds	141,444	214,811	58,302	192,768	276,582
Debt service funds	4,077	6,558	13,959	7,615	7,651
Permanent funds	2,361	2,706	2,920	3,131	3,855
Nonspendable:					
Prepaid items	-	-	-	-	-
Noncurrent assets	-	-	-	-	-
Permanent fund principal	-	-	-	-	-
Restricted:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Other programs	-	-	-	-	-
Committed:					
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Other programs	-	-	-	-	-
Assigned:					
Debt service	-	-	-	-	-
Unrealized investment gains	-	-	-	-	-
Other programs	-	-	-	-	-
Unassigned	-	-	-	-	-
Total all other governmental funds	$ 400,446	$ 466,631	$ 421,773	$ 341,774	$ 381,498

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 54 for the period ended June 30, 2011. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Fund Balances, Governmental Funds [1] [2]
Last Ten Fiscal Years
(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
General Fund					
Reserved for:					
Noncurrent assets	$ 1,604	$ 969	$ 514	$ -	$ -
Encumbrances	8,947	5,189	6,301	-	-
Inventories and prepaids	449	316	304	-	-
Unreserved	87,962	65,614	47,988	-	-
Nonspendable:					
Prepaid items	-	-	-	63	23
Noncurrent assets	-	-	-	245	71
Restricted:					
Other programs	-	-	-	86	64
Committed:					
Economic uncertainty	-	-	-	14,340	20,263
Capital projects	-	-	-	19,612	21,542
Other programs	-	-	-	12,468	9,349
Assigned:					
Unrealized investment gains	-	-	-	972	402
Next year's budget	-	-	-	5,138	9,354
Total general fund	$ 98,962	$ 72,088	$ 55,107	$ 52,924	$ 61,068
All Other Governmental Funds					
Reserved for:					
Noncurrent assets	$ 875	$ 746	$ 1,149	$ -	$ -
Encumbrances	113,669	78,390	30,000	-	-
Debt service	22,634	20,517	20,269	-	-
Inventories and prepaids	1,344	35	35	-	-
Housing/redevelopment	-	-	-	-	-
Trust obligations	1,934	1,934	1,934	-	-
Capital projects	-	-	2,210	-	-
Unreserved, reported in:					
Special revenue funds	79,289	73,626	93,583	-	-
Capital projects funds	131,595	104,824	100,308	-	-
Debt service funds	9,200	9,868	10,047	-	-
Permanent funds	3,700	2,567	2,798	-	-
Nonspendable:					
Prepaid items	-	-	-	30	29
Noncurrent assets	-	-	-	1,577	605
Permanent fund principal	-	-	-	1,934	878
Restricted:					
Capital projects	-	-	-	161,365	150,475
Debt service	-	-	-	20,870	18,230
Other programs	-	-	-	50,264	50,026
Committed:					
Capital projects	-	-	-	606	469
Debt service	-	-	-	2,278	2,278
Other programs	-	-	-	646	2,096
Assigned:					
Debt service	-	-	-	2,878	2,068
Unrealized investment gains	-	-	-	120	42
Other programs	-	-	-	2,281	4,093
Unassigned	-	-	-	(31,287)	(48,094)
Total all other governmental funds	$ 364,240	$ 292,507	$ 262,333	$ 213,562	$ 183,195

Notes: (1) The Sacramento Housing and Redevelopment Agency, reported as a blended component until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(2) The City of Sacramento implemented GASB 54 for the period ended June 30, 2011. GASB 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Fund Balances, Governmental Funds [1]
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2003	2004	2005	2006	2007
Revenues					
Taxes	$ 224,051	$ 249,050	$ 269,695	$ 273,010	$ 287,254
Intergovernmental	179,058	137,234	167,448	134,905	148,521
Charges for services	39,320	45,226	58,836	64,063	64,902
Fines, forfeits and penalties	6,276	7,223	7,804	8,065	8,285
Interest, rents, and concessions	21,442	13,998	17,278	18,195	34,398
Community service fees	40,508	45,936	40,315	64,360	40,386
Assessment levies	16,112	17,387	18,443	19,374	21,424
Contributions from property owners	11,996	54,936	46,343	3,942	44,099
Donations	947	215	63	94	-
Miscellaneous	8,083	3,098	3,670	1,463	395
Total revenues	547,793	574,303	629,895	587,471	649,664
Expenditures					
General Government	22,108	24,503	25,886	30,456	31,172
Police	101,707	105,089	121,548	137,391	149,159
Fire	53,555	56,986	73,360	87,648	91,965
General Services	-	-	16,325	14,925	14,348
Transportation	-	-	22,038	34,691	37,598
Neighborhood Services	5,893	6,883	7,880	1,917	1,815
Convention, Culture & Leisure	7,127	4,829	4,847	13,060	15,074
Economic Development	2,544	2,361	-	5,461	5,882
Parks and Recreation	34,262	37,167	38,898	43,477	47,884
Code enforcement	-	-	-	7,184	9,713
Community Development	-	-	-	-	-
Library	7,636	7,636	7,997	8,587	8,868
Utilities	274	274	219	109	109
Nondepartmental	21,805	26,336	32,284	24,811	18,526
Public Works	46,289	48,466	-	-	-
Development Services	-	-	66,785	35,802	32,600
Planning	-	-	-	-	8,079
Housing and Redevelopment	53,650	47,231	58,399	-	-
Planning and Building	15,115	17,560	-	-	-
Capital Outlay					
City	135,657	143,414	127,157	95,683	193,954
SHRA	14,334	12,678	10,229	-	-
Subtotal - capital outlay	149,991	156,092	137,386	95,683	193,954
Debt Service					
City					
Principal	18,896	26,449	21,260	21,213	17,253
Interest and fiscal charges	18,297	20,163	19,415	21,973	30,216
Bond issuance costs	-	-	-	2,600	1,519
Advance refunding escrow	4,382	-	-	1,154	213
SHRA					
Principal	9,862	11,445	12,978	-	-
Interest and fiscal charges	13,177	14,782	16,382	-	-
Subtotal - debt service	64,614	72,839	70,035	46,940	49,201
Total Expenditures	586,570	614,252	683,887	588,142	715,947
Excess (deficiency) of revenues over (under) expenditures	(38,777)	(39,949)	(53,992)	(671)	(66,283)
Other Financing Sources (uses)					
Transfers in	66,732	90,952	57,544	52,864	56,203
Transfers out	(57,862)	(114,577)	(53,208)	(38,609)	(37,441)
Issuance of long-term debt	197,176	137,436	14,983	212,339	147,281
Premium on long term debt	-	-	-	7,447	14,857
Proceeds from sale of property	5,100	6,427	5,286	-	-
Payments to participating governments	-	-	-	(25,500)	-
Payments to refunded bond escrow	(25,038)	(2,712)	-	(63,560)	(92,151)
Donation of capital assets	6,820	-	-	-	-
Discount on long-term debt	-	(1,245)	-	-	-
Special items, net	-	-	-	-	-
Total other financing sources (uses)	192,928	116,281	24,605	144,981	88,749
Net change in fund balances	$ 154,151	$ 76,332	$ (29,387)	$ 144,310	$ 22,466
Debt services as a percentage of noncapital expenditures	14.80%	15.90%	12.82%	9.53%	9.43%

Note: (1) 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.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Changes in Fund Balances, Governmental Funds [1]
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2008	2009	2010	2011	2012
Revenues					
Taxes	$ 286,498	$ 277,370	$ 260,749	$ 254,705	$ 256,564
Intergovernmental	137,341	161,418	174,214	125,758	154,937
Charges for services	63,285	70,403	62,962	67,831	62,760
Fines, forfeits and penalties	9,916	12,213	12,118	11,093	11,891
Interest, rents, and concessions	28,430	15,414	10,928	9,627	15,494
Community service fees	16,831	13,297	7,875	3,647	3,058
Assessment levies	25,894	33,204	31,970	33,482	35,294
Contributions from property owners	31,753	8,132	7,972	9,440	6,170
Donations	-	-	-	-	-
Miscellaneous	296	212	196	411	2,090
Total revenues	600,244	591,663	568,984	515,994	548,258
Expenditures					
General Government	33,778	31,938	27,471	26,049	24,610
Police	148,392	145,148	147,059	144,081	142,204
Fire	94,284	99,613	102,430	97,573	98,749
General Services	23,198	23,396	21,025	19,353	19,388
Transportation	30,235	32,902	31,023	29,708	33,183
Neighborhood Services	1,547	1,363	1,007	-	-
Convention, Culture & Leisure	16,080	15,116	13,196	13,291	10,670
Economic Development	8,035	9,472	9,136	9,819	9,396
Parks and Recreation	53,499	45,845	40,312	36,650	30,393
Code enforcement	9,595	10,605	10,279	-	-
Community Development	-	-	15,873	23,307	21,819
Library	9,366	13,406	12,366	12,398	11,739
Utilities	83	67	67	137	97
Nondepartmental	27,373	26,028	26,818	33,407	32,269
Public Works	-	-	-	-	-
Development Services	28,261	21,881	-	-	-
Planning	5,626	2,709	-	-	-
Housing and Redevelopment	-	-	-	-	-
Planning and Building	-	-	-	-	-
Capital Outlay					
City	153,507	180,125	156,146	91,902	118,259
SHRA	-	-	-	-	-
Subtotal - capital outlay	153,507	180,125	156,146	91,902	118,259
Debt Service					
City					
Principal	19,529	45,789	18,577	44,189	21,595
Interest and fiscal charges	30,689	30,468	29,697	25,209	24,028
Bond issuance costs	607	-	-	-	-
Advance refunding escrow	-	-	-	-	-
SHRA					
Principal	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Subtotal - debt service	50,825	76,257	48,274	69,398	45,623
Total Expenditures	693,684	735,871	662,482	607,073	598,399
Excess (deficiency) of revenues over (under) expenditures	(93,440)	(144,208)	(93,498)	(91,079)	(50,141)
Other Financing Sources (uses)					
Transfers in	58,989	65,076	53,621	58,006	55,435
Transfers out	(39,780)	(33,695)	(30,241)	(27,025)	(27,590)
Issuance of long-term debt	5,666	10,981	22,963	6,808	73
Premium on long term debt	-	-	-	-	-
Proceeds from sale of property	-	2,992	-	2,336	-
Payments to participating governments	-	-	-	-	-
Payments to refunded bond escrow	-	-	-	-	-
Donation of capital assets	-	-	-	-	-
Discount on long-term debt	-	-	-	-	-
Special items, net	18,791	(929)	-	-	-
Total other financing sources (uses)	43,666	44,425	46,343	40,125	27,918
Net change in fund balances	$ (49,774)	$ (99,783)	$ (47,155)	$ (50,954)	$ (22,223)
Debt services as a percentage of noncapital expenditures	9.41%	13.72%	9.35%	13.06%	9.41%

Note: (1) 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.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Tax Revenues by Source, Governmental Funds
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

Fiscal Year	Property	Tax Increment	Sales & Use	Utility Users	Others	Total
2003	$ 57,772	$ 29,300	$ 62,018	$ 48,675	$ 26,286	$ 224,051
2004	64,377	35,314	66,234	52,538	30,587	249,050
2005	70,405	40,676	70,627	53,893	34,094	269,695
2006 (2)	112,144 (1)	-	72,479	56,243	32,144	273,010
2007	145,376 (3)	-	56,441	55,618	29,819	287,254
2008	150,901	-	54,821	57,561	23,215	286,498
2009	151,551	-	48,905	57,775	19,139	277,370
2010	140,013	-	45,670	58,700	16,366	260,749
2011	133,099	-	47,680	58,887	15,039	254,705
2012	130,287	-	50,683	58,787	16,807	256,564

Notes: (1) Property taxes in fiscal year 2006 include approximately $30 million of in-lieu vehicle license fee revenue reported as intergovernmental revenues in fiscal year 2005.

(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) In lieu sales tax was reported as intergovernmental revenue in fiscal year 2006. This revenue is reported as property tax in fiscal year 2007 and subsequent fiscal years.

Sources: (A) City of Sacramento Comprehensive Annual Financial Reports
(B) Finance Department, City of Sacramento

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			
2003	$ 21,855,519	$ 1,157,123	$ 66,428	$ 23,079,070	$ 478,334	$ 22,600,736	1.0000
2004	23,859,347	1,168,917	60,909	25,089,173	489,478	24,599,695	1.0000
2005 [3]	27,010,976	1,343,104	57,800	28,411,880	500,620	27,911,260	1.0000
2006	31,112,448	1,374,566	56,950	32,543,964	506,813	32,037,151	1.0000
2007	35,687,712	1,441,042	54,611	37,183,365	509,257	36,674,108	1.0000
2008	39,286,839	1,548,914	15,371 [4]	40,851,124	505,519	40,345,605	1.0000
2009	40,360,550	1,691,096	11,948	42,063,594	503,159	41,560,435	1.0000
2010	37,446,222	1,819,726	11,937	39,277,885	499,878	38,778,007	1.0000
2011	36,388,660	1,742,824	11,977	38,143,461	496,459	37,647,002	1.0000
2012	35,267,406	1,711,462	12,132	36,991,000	488,888	36,502,112	1.0000

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 that 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 be 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 Sacramento Housing Redevelopment Agency, reported as a blended component unit until fiscal year 2005, has been eliminated from the City's subsequent financial statements.

(4) 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

City of Sacramento
Direct and Overlapping Property Tax Rates [1]
Per $100 of Assessed Value
Last Ten Fiscal Years

Fiscal Year End June 30	Basic County, City, and School Levy [2]	County of Sacramento	Schools	Special Districts	Total
2003	1.0000	__	0.0815	0.0082	1.0897
2004	1.0000	__	0.1058	0.0070	1.1128
2005	1.0000	__	0.0647	0.0067	1.0714
2006	1.0000	__	0.1163	0.0055	1.1218
2007	1.0000	__	0.0922	__	1.0922
2008	1.0000	__	0.0956	__	1.0956
2009	1.0000	__	0.1012	__	1.1012
2010	1.0000	__	0.1035	__	1.1035
2011	1.0000	__	0.1069	__	1.1069
2012	1.0000	__	0.1174	__	1.1174

Note : (1) Data is stated at full value as required under Article XIII-A of the Constitution of the State of California.
(2) This 1.00% is shared by all taxing agencies for which the subject property resides within.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Principal Property Taxpayers
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2003		
Taxpayer	Assessed Valuation	Rank	Percentage of Total Assessed Valuation	Assessed Valuation	Rank	Percentage of Total Assessed Valuation
Hines Sacramento Wells Fargo	$ 391,849	1	1.07 %	$ -		- %
CIM Sacramento LLC	227,866	2	0.62	-		-
Verizon	160,723	3	0.44	-		-
Arden Fair Associates	131,865	4	0.36	114,700	5	0.51
Comcast Cable	127,309	5	0.35	-		-
621 Capitol Mall LLC	115,137	6	0.32	-		-
300 Capitol Association NF LP	114,727	7	0.31	-		-
Downtown Plaza LLC	97,565	8	0.27	126,567	2	0.56
1415 Meridian Plaza LLC	81,818	9	0.22	-		-
Sacramento Equities REIT	81,806	10	0.22	-		-
400 Capital Mall Venture	-		-	135,387	1	0.60
Shriners Hospital	-		-	120,341	4	0.53
980 9th Street	-		-	87,234	6	0.39
Sacramento Hotel Corporation	-		-	86,454	7	0.38
Prentiss Properties Natomas LP	-		-	78,761	10	0.35
McClatchy Newspaper Inc.	-		-	80,514	9	0.36
VV USA City LP	-		-	81,677	8	0.36
Spieker Properties LP	-		-	121,419	3	0.54
	1,530,665		4.19	1,033,054		4.58
All other taxpayers	34,971,447		95.81	21,567,682		95.42
Total	$ 36,502,112		100.00 %	$ 22,600,736		100.00 %

Source: County of Sacramento, Office of Auditor/Controller

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City of Sacramento
Property Tax Levies and Collections [1] [2]
Last Ten Fiscal Years
(in thousands)

Fiscal Year End June 30	Current Tax Collections	Delinquent Taxes Collected	Total Tax Collections
2003	$ 57,067	$ 705	$ 57,772
2004	63,748	629	64,377
2005	70,343	62	70,405
2006	112,052	92	112,144
2007	142,771 [3]	2,605	145,376
2008	146,828	4,073	150,901
2009	147,780	4,839	152,619
2010	136,313	3,700	140,013
2011	130,711	2,388	133,099
2012	127,914	1,729	129,643

Notes: (1) Includes City tax collections only; does not include SHRA, a component unit until fiscal year 2005.
(2) The City cannot provide property tax levy information because property tax levies by jurisdiction are not provided by the County of Sacramento.
(3) Property taxes in 2007 and subsequent years include revenue reported in 2006 as in lieu sales tax.

Source: City of Sacramento, Finance Department

City of Sacramento
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(in thousands, except Population and Per Capita)

	Governmental Activites				
Fiscal Year	Revenue Bonds	Tax Allocation Bonds	Certificates of Participation	Notes Payable	Capital Leases
2003 (1)(2)	$ 385,180	$ 96,971	$ 1,765	$ 13,952	$ 1,264
2004 (3)(4)	440,550	144,047	820	15,504	2,456
2005	427,590	137,454	324	16,440	2,549
2006 (5)(6)	529,598	-	104	993	1,940
2007 (7)	548,175	-	-	25,935	8,062
2008	532,354	-	-	25,875	8,806
2009	514,431	-	-	812	7,354
2010	496,641	-	-	746	11,203
2011	477,588	-	-	677	9,910
2012	457,324	-	-	605	8,439

Notes:
1) New revenue bonds of $160 million and refunding bonds of $47 million were issued.
2) The decrease in 2003 results from refunding a majority of the certificates of participation in the amount of $55 million.
3) Tax allocation bonds were issued in 2004 by the City's redevelopment agency.
4) $68 million in revenue bonds were issued in 2004.
5) $151 million in revenue bonds and $168 million in refunding revenue bonds were issued in 2006.
6) In 2006, the Sacramento Housing and Redevelopment Agency was eliminated as a blended component unit.
7) In 2007, $31 million of revenue bonds, $187 million of refunding bonds and a $25 million note payable were issued.
NA) Personal income data was not available in 2007, 2008, 2009, 2010, 2011 and 2012.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

(in thousands, except Population and Per Capita)

	Business-Type Activities							
Fiscal Year	Revenue Bonds	Certificates of Participation	Notes Payable	Capital Leases	Total Primary Government	Percentage of Personal Income	Population	Per Capita
2003 (1)(2)	$ 389,898	$ 69	$ 63,691	$ -	$ 952,790	7 %	433,355	2,199
2004 (3)(4)	381,085	43	67,310	-	1,051,815	7	440,976	2,385
2005	397,441	15	74,943	1,146	1,057,902	7	452,959	2,336
2006 (5)(6)	353,065	-	49,210	2,279	937,189	6	457,514	2,048
2007 (7)	331,024	-	46,540	1,760	961,496	NA	467,343	2,057
2008	322,965	-	49,977	2,710	942,687	NA	475,743	1,982
2009	312,967	-	49,103	6,487	891,154	NA	481,097	1,852
2010	302,064	-	56,307	8,295	875,256	NA	486,189	1,800
2011	289,950	-	56,388	7,066	841,579	NA	469,566	1,792
2012	277,241	-	55,131	11,693	810,433	NA	470,956	1,721

Notes:
1) New revenue bonds of $160 million and refunding bonds of $47 million were issued.
2) The decrease in 2003 results from refunding a majority of the certificates of participation in the amount of $55 million.
3) Tax allocation bonds were issued in 2004 by the City's redevelopment agency.
4) $68 million in revenue bonds were issued in 2004.
5) $151 million in revenue bonds and $168 million in refunding revenue bonds were issued in 2006.
6) In 2006, the Sacramento Housing and Redevelopment Agency was eliminated as a blended component unit.
7) In 2007, $31 million of revenue bonds, $187 million of refunding bonds and a $25 million note payable were issued.
NA) Personal income data was not available in 2007, 2008, 2009, 2010, 2011 and 2012.

Source: City of Sacramento Comprehensive Annual Financial Reports

City of Sacramento
Ratios of Net General Bonded Debt Outstanding
Last Ten Fiscal Years

(in thousands, except Population and Per Capita)

Fiscal Year	Total Gross General Obligation Bonds	Amounts Restricted for Principal Repayments	Total Net General Obligation Bonds	Actual Taxable Value of Property	Percentage of Actual Taxable Value of Property	Population	Net Bonded Debt Per Capita
2003	$ -	$ -	$ -	$ 22,600,736	0.00%	433,355	-
2004	-	-	-	24,599,695	0.00%	440,976	-
2005	-	-	-	27,911,260	0.00%	452,959	-
2006	-	-	-	32,037,151	0.00%	457,514	-
2007	-	-	-	36,674,108	0.00%	467,343	-
2008	-	-	-	40,345,605	0.00%	475,743	-
2009	-	-	-	41,560,435	0.00%	481,097	-
2010	-	-	-	38,778,007	0.00%	486,189	-
2011	-	-	-	37,647,002	0.00%	469,566	-
2012	-	-	-	36,502,112	0.00%	470,956	-

Source: City of Sacramento Comprehensive Annual Financial Reports and the County of Sacramento.

City of Sacramento
Direct and Overlapping Governmental Activities Debt [1]
As of June 30, 2012
(in thousands)

Governmental Unit	Total Debt Outstanding	Estimated Percentage Applicable	Estimated Share of Overlapping Debt
Overlapping Tax and Assessment Debt:			
Los Rios Community College District	$ 308,710	24.159 %	$ 74,581
Natomas Unified School District	182,204	87.742	159,869
Sacramento Unified School District	331,143	81.182	268,828
San Juan Unified School District	299,539	3.073	9,205
Twin Rivers Unified School District (former elementary school district bonds)	90,087	45.665	41,138
Twin Rivers Unified School District (former Grant Joint Union High School District bonds)	187,683	47.000	88,211
Robla School District	24,301	59.730	14,515
City of Sacramento Community Facilities Districts	162,565	100.000	162,565
Elk Grove Unified School District Community Facilities District No. 1	143,834	11.567	16,637
Sacramento City Unified School District Community Facilities District No. 1	1,230	100.000	1,230
City of Sacramento 1915 Act Bonds	14,320	100.000	14,320
Sacramento Area Flood Control Agency, A.D. No.2	200,070	80.334	160,724
Sacramento Area Flood Control Agency Operation and Maintenance AD	2,690	40.477	1,089
Subtotal - Overlapping Tax and Assessment debt			1,012,914
Direct and Overlapping General Fund Debt:			
Sacramento County General Fund Obligations	336,654	29.062	97,838
Sacramento County Pension Obligations	976,998	29.062	283,935
Sacramento County Board of Education Certificates of Participation	9,315	29.062	2,707
Los Rios Community College District Certificates of Participation	6,105	24.159	1,475
Sacramento Unified School District Certificates of Participation	81,555	81.182	66,208
Sacramento Unified School District Pension Obligations	2,745	81.182	2,228
San Juan Unified School District Certificates of Participation	1,491	3.073	46
Twin Rivers Unified School District Certificates of Participation	129,825	47.000	61,018
Subtotal - Lease Obligation Debt			515,456
Total Overlapping Debt			1,528,369
City of Sacramento Direct Debt			447,741
Total Direct and Overlapping Debt			$ 1,976,110

Note: (1) Overlapping governments are those that coincide, at least in part, with the geographical boundaries of the City of Sacramento. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping government. Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: Data regarding overlapping debt is obtained from California Municipal Statistics, Inc.

City of Sacramento
Legal Debt Margin
Last Ten Fiscal Years
(in thousands)

	Debt Limit		Debt Applicable to Limit				
Fiscal Year	Net Assessed Value	Debt Limit - 15% of Assessed Value	General Obligation Bonds	Amount set aside for repayment of general obligation debt	Total net debt applicable to limit	Legal Debt Margin	Total net debt applicable to the limit as a percentage of debt limit
2003	$ 22,600,736	$ 3,390,110	$ -	$ -	$ -	$ 3,390,110	0.00%
2004	24,599,695	3,689,954	-	-	-	3,689,954	0.00%
2005	27,911,260	4,186,689	-	-	-	4,186,689	0.00%
2006	32,037,151	4,805,573	-	-	-	4,805,573	0.00%
2007	36,674,108	5,501,116	-	-	-	5,501,116	0.00%
2008	40,345,605	6,051,841	-	-	-	6,051,841	0.00%
2009	41,560,435	6,234,065	-	-	-	6,234,065	0.00%
2010	38,778,007	5,816,701	-	-	-	5,816,701	0.00%
2011	37,647,002	5,647,050	-	-	-	5,647,050	0.00%
2012	36,502,112	5,475,317	-	-	-	5,475,317	0.00%

Sources: (A) City of Sacramento Comprehensive Annual Financial Reports.
(B) County of Sacramento, Office of Auditor/Controller.

City of Sacramento
Demographic and Economic Statistics for Sacramento County
Last Ten Calendar Years
(in thousands)

Year	Population (A)	Personal Income *(in millions of dollars)*	Per Capita Personal Income	Median Age	Education Level in Years of Schooling	School Enrollment (B)	Unemployment Rate (C)
2003	1,330,375	$ 40,627	$ 30,538	33.8	14.3	232,612	5.6 %
2004	1,351,455	43,229	31,987	33.7	14.2	235,369	5.7
2005	1,369,855	46,375	34,014	33.7	14.2	238,385	5.1
2006	1,385,607	48,313	35,197	34.1	NA	239,026	4.8
2007	1,406,804	NA	NA	NA	NA	238,233	5.3
2008	1,424,415	NA	NA	NA	NA	238,522	7.0
2009	1,433,187	NA	NA	NA	NA	237,722	11.9
2010	1,445,327	NA	NA	NA	NA	237,916	12.6
2011	1,428,355	NA	NA	NA	NA	237,567	12.7
2012	1,435,153	NA	NA	NA	NA	237,362	11.1

Sources: (A) http://www.dof.ca.gov/research/demographic/reports/estimates/e-5/2011-20/view.php (Population estimates are as of January 1st each year)
(B) California Department of Education, report on Sacramento County: http://dq.cde.ca.gov/dataquest/
(C) California Employment Development Department, Report 400 C - Monthly Labor Force Data for California Counties
http://www.labormarketinfo.edd.ca.gov/ (as of June each year)

City of Sacramento
Principal Employers
Current Fiscal Year and Nine Years Ago

Employer (A)	2012			2006 (1)		
	Employee (A) (2)	Rank	Percentage of Total Employment (B) (3)	Employee (A) (2)	Rank	Percentage of Total Employment (B)
State of California	69,763	1	11.57%	87,467	1	13.50%
Sacramento County	11,450	2	1.90%	14,408	2	2.22%
University of California, Davis Health System	7,725	3	1.28%	7,901	5	1.22%
Dignity Health	7,069	4	1.17%	-		-
Intel Corporation	6,633	5	1.10%	-		-
Kaiser Permanente	6,360	6	1.05%	8,656	3	1.34%
Sutter Health Sacramento Sierra Region	5,765	7	0.96%	4,181	8	0.65%
Elk Grove Unified School District	5,021	8	0.83%	-		-
Sacramento City Unified School District	5,000	9	0.83%	7,000	6	1.08%
San Juan Unified School District	4,700	10	0.78%	-		-
City of Sacramento	4,083	11	0.68%	5,003	7	0.77%
Los Rios Community College	-		-	8,000	4	1.23%
Wells Fargo & Co.	-		-	2,368	9	0.37%
California State University, Sacramento	-		-	2,295	10	0.35%
Sacramento Municipal Utility District	-		-	2,169	11	0.33%

Notes: (1) Data is not available from nine years ago. Fiscal Year 2006 was the first year this data was presented.
(2) Ranked by number of employees in full-time equivalents.
(3) Percentage of total employment is calculated based on Sacramento County's total employment force of 602,900 (per Employment Development Department website) in June 2012.

Sources: (A) Sacramento Business Journal, April 20, 2012. List of largest employers in Sacramento County.
(B) Employment Development Department, State of California.

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City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property (1) (2)
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year 2003	2004	2005	2006	2007
Merged Downtown					
Secured	$ 1,662,431	$ 1,786,667	$ 1,898,779	$ 1,961,343	$ 2,095,806
Unsecured	138,319	119,926	130,133	136,059	141,829
Utility	5,777	5,781	5,282	5,280	5,274
Total	$ 1,806,527	$ 1,912,374	$ 2,034,194	$ 2,102,682	$ 2,242,909
Del Paso Heights					
Secured	$ 149,885	$ 172,192	$ 196,526	$ 260,127	$ 338,413
Unsecured	10,203	11,086	11,417	10,364	10,930
Utility	-	-	-	-	-
Total	$ 160,088	$ 183,278	$ 207,943	$ 270,491	$ 349,343
Alkali Flat					
Secured	$ 92,003	$ 84,456	$ 91,498	$ 96,749	$ 104,672
Unsecured	3,958	14,870	12,784	13,802	15,521
Utility	37	37	37	37	37
Total	$ 95,998	$ 99,363	$ 104,319	$ 110,588	$ 120,230
Oak Park					
Secured	$ 279,818	$ 290,062	$ 348,674	$ 441,020	$ 549,470
Unsecured	12,618	21,900	11,306	10,644	10,970
Utility	-	-	-	-	-
Total	$ 292,436	$ 311,962	$ 359,980	$ 451,664	$ 560,440
River District (formerly Richards Blvd)					
Secured	$ 340,617	$ 349,823	$ 368,429	$ 383,756	$ 396,256
Unsecured	33,542	31,661	29,806	30,896	31,005
Utility	38,018	38,382	37,775	37,533	2,759
Total	$ 412,177	$ 419,866	$ 436,010	$ 452,185	$ 430,020
North Sacramento					
Secured	$ 364,275	$ 385,601	$ 424,562	$ 469,556	$ 533,114
Unsecured	27,070	28,063	34,986	36,278	29,494
Utility	-	-	-	-	-
Total	$ 391,345	$ 413,664	$ 459,548	$ 505,834	$ 562,608

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.
(2) One percent is the maximum tax rate by state law.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property (1) (2)
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year 2008	2009	2010	2011	2012
Merged Downtown					
Secured	$ 2,203,787	$ 2,549,340	$ 2,656,453	$ 2,504,312	$ 2,427,850
Unsecured	146,071	174,529	172,285	160,110	145,125
Utility	4,107	997	997	997	997
Total	$ 2,353,965	$ 2,724,866	$ 2,829,735	$ 2,665,419	$ 2,573,972
Del Paso Heights					
Secured	$ 393,968	$ 414,673	$ 317,546	$ 305,405	$ 286,172
Unsecured	11,076	14,272	37,627	17,112	10,267
Utility	-	1	1	1	1
Total	$ 405,044	$ 428,946	$ 355,174	$ 322,518	$ 296,440
Alkali Flat					
Secured	$ 122,660	$ 126,892	$ 132,387	$ 128,304	$ 121,651
Unsecured	4,701	4,273	4,759	3,740	2,962
Utility	-	-	-	-	-
Total	$ 127,361	$ 131,165	$ 137,146	$ 132,044	$ 124,613
Oak Park					
Secured	$ 618,602	$ 611,302	$ 460,439	$ 438,987	$ 428,226
Unsecured	10,363	11,361	13,418	10,613	8,973
Utility	-	-	-	-	-
Total	$ 628,965	$ 622,663	$ 473,857	$ 449,600	$ 437,199
River District (formerly Richards Blvd)					
Secured	$ 404,185	$ 434,882	$ 454,256	$ 405,518	$ 403,771
Unsecured	34,967	44,693	45,813	41,732	31,661
Utility	4,120	4,120	4,200	4,200	4,264
Total	$ 443,272	$ 483,695	$ 504,269	$ 451,450	$ 439,696
North Sacramento					
Secured	$ 581,880	$ 613,238	$ 563,978	$ 555,744	$ 526,139
Unsecured	30,238	37,027	33,239	36,014	35,675
Utility	-	-	-	-	-
Total	$ 612,118	$ 650,265	$ 597,217	$ 591,758	$ 561,814

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.
(2) One percent is the maximum tax rate by state law.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property [1] [2]
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year 2003	2004	2005	2006	2007
Franklin Boulevard					
Secured	$ 389,585	$ 429,292	$ 450,740	$ 507,056	$ 566,043
Unsecured	44,211	44,090	43,519	44,426	42,667
Utility	-	-	-	-	-
Total	$ 433,796	$ 473,382	$ 494,259	$ 551,482	$ 608,710
Stockton Boulevard					
Secured	$ 246,597	$ 267,341	$ 306,436	$ 370,130	$ 417,045
Unsecured	12,060	14,516	13,282	13,381	12,071
Utility	-	-	-	-	-
Total	$ 258,657	$ 281,857	$ 319,718	$ 383,511	$ 429,116
Army Depot					
Secured	$ 163,041	$ 159,883	$ 160,357	$ 402,960	$ 896,449
Unsecured	52,180	94,488	98,651	88,155	104,420
Utility	775	824	920	922	841
Total	$ 215,996	$ 255,195	$ 259,928	$ 492,037	$ 1,001,710
65th Street					
Secured	$ -	$ -	$ -	$ 203,524	$ 224,504
Unsecured	-	-	-	165	26,401
Utility	-	-	-	739	611
Total	$ -	$ -	$ -	$ 204,428	$ 251,516
Railyards					
Secured	$ -	$ -	$ -	$ -	$ -
Unsecured	-	-	-	-	-
Utility	-	-	-	-	-
Total	$ -	$ -	$ -	$ -	$ -

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.
(2) One percent is the maximum tax rate by state law.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Assessed Value of Taxable Property [1] [2]
Last Ten Fiscal Years
(in thousands)

PROJECT AREA	Fiscal Year 2008	2009	2010	2011	2012
Franklin Boulevard					
Secured	$ 595,198	$ 615,732	$ 571,385	$ 571,094	$ 554,662
Unsecured	45,819	47,150	44,573	41,821	38,551
Utility	-	-	-	-	-
Total	$ 641,017	$ 662,882	$ 615,958	$ 612,915	$ 593,213
Stockton Boulevard					
Secured	$ 463,344	$ 476,809	$ 390,475	$ 372,566	$ 355,452
Unsecured	15,416	16,399	16,598	17,048	17,468
Utility	-	-	-	-	-
Total	$ 478,760	$ 493,208	$ 407,073	$ 389,614	$ 372,920
Army Depot					
Secured	$ 995,435	$ 1,011,483	$ 835,497	$ 826,480	$ 810,113
Unsecured	145,115	118,889	120,863	119,918	116,198
Utility	578	578	578	578	579
Total	$ 1,141,128	$ 1,130,950	$ 956,938	$ 946,976	$ 926,890
65th Street					
Secured	$ 243,734	$ 240,544	$ 224,753	$ 242,905	$ 230,618
Unsecured	22,673	29,115	25,010	25,040	25,808
Utility	-	-	-	-	-
Total	$ 266,407	$ 269,659	$ 249,763	$ 267,945	$ 256,426
Railyards					
Secured	$ -	$ -	$ 49,467	$ 71,772	$ 80,928
Unsecured	-	-	-	251	3,521
Utility	-	-	641	680	768
Total	$ -	$ -	$ 50,108	$ 72,703	$ 85,217

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.
(2) One percent is the maximum tax rate by state law.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Merged Downtown
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
CIM Group LP	$ 87,151	$ 74,000	$ (13,151)	0.51%
CIM & J Street Hotel Sacramento	63,474	50,000	(13,474)	0.52%
Chase Merrit Sacramento	41,900	12,569	(29,331)	1.14%
CIM Group LP	40,301	32,000	(8,301)	0.32%
GCCFC 2005 GG5 L Street	34,917	23,000	(11,917)	0.46%
925 L Street Inc.	31,158	9,347	(21,811)	0.85%
Sacramento Hotel Partner	22,770	3,400	(19,370)	0.75%
One Capitol Mall Investment	21,384	12,870	(8,514)	0.33%
Juno Commercial Real Estate	18,500	9,200	(9,300)	0.36%
Towers on Capitol Mall	17,000	14,000	(3,000)	0.12%
Sub Total	378,555	240,386	(138,169)	5.37%
All Other Taxpayers	2,195,417	-	-	-
Total	$ 2,573,972	$ 240,386	$ (138,169)	5.37%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Del Paso Heights
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
23002 Moulton Parkway LL	$ 1,900	$ 1,635	$ (265)	0.09%
The Lenore Wyatt Living Trust	1,244	622	(622)	0.21%
Fine Homes, LLC	1,095	712	(383)	0.13%
Robert & Michelle Lundbo	954	500	(454)	0.15%
530 Display Way LLC	933	600	(333)	0.11%
Robert & Michelle Lundbo	916	600	(316)	0.11%
Robert & Michelle Lundbo	522	240	(282)	0.10%
Thahn Xuan La & Hanh Hon	438	153	(285)	0.10%
Richard Coltrim, Trustee	384	165	(219)	0.07%
The Lenore Wyatt Living Trust	368	183	(185)	0.06%
Sub Total	8,754	5,410	(3,344)	1.13%
All Other Taxpayers	287,686	-	-	-
Total	$ 296,440	$ 5,410	$ (3,344)	1.13%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Alkali Flat
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Realty Advisors	$ 6,911	$ 3,456	$ (3,455)	2.77%
Lynn R. Honlihan	2,073	1,000	(1,073)	0.86%
700 E Street Building	1,904	1,238	(666)	0.53%
Entezari, Hossein	1,205	600	(605)	0.49%
600 12th Street LLC	685	555	(130)	0.10%
Sub Total	12,778	6,849	(5,929)	4.76%
All Other Taxpayers	111,835	-	-	-
Total	$ 124,613	$ 6,849	$ (5,929)	4.76%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
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(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Oak Park
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Donald & Virginia Compto	$ 2,894	$ 2,110	$ (784)	0.18%
St Hope Development Company	1,898	949	(949)	0.22%
Chu, Steven C	1,850	1,295	(555)	0.13%
Donald & Virginia Compto	1,487	1,190	(297)	0.07%
Fenstermacher Family Trust	1,227	615	(612)	0.14%
DB & S, LLC	1,025	666	(359)	0.08%
Maliheh H Pakzat	684	549	(135)	0.03%
Hellen, Loretta H.	408	172	(236)	0.05%
Guadalupe T Tapia	375	187	(188)	0.04%
Annexus Capital LLC	334	239	(95)	0.02%
Sub Total	12,182	7,972	(4,210)	0.96%
All Other Taxpayers	425,017	-	-	-
Total	$ 437,199	$ 7,972	$ (4,210)	0.96%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
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(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
River District
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Alan Mendell	$ 12,547	$ 3,900	$ (8,647)	1.97%
RECP HAW Sacramento LLC	10,198	5,862	(4,336)	0.99%
ORIX Capital Markets LLC	6,118	4,000	(2,118)	0.48%
MLCFC 2007 9 Bercut Dr	5,877	2,900	(2,977)	0.68%
YSI XX Limited Partnership	3,991	3,300	(691)	0.16%
Geraldine Cowgill Trust	2,779	2,339	(440)	0.10%
10th North Industrial	2,733	1,367	(1,366)	0.31%
Motel 6 Operating LP #13	2,630	2,000	(630)	0.14%
MSN Enterprises LLC	2,387	1,192	(1,195)	0.27%
Signal Court/MEW LLC	2,323	1,400	(923)	0.21%
Sub Total	51,583	28,260	(23,323)	5.30%
All Other Taxpayers	388,113	-	-	-
Total	$ 439,696	$ 28,260	$ (23,323)	5.30%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
North Sacramento
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
PD Hotel Associates LLC	$ 14,408	$ 4,920	$ (9,487)	1.69%
Dr Pepper Snapple Group	9,477	7,173	(2,305)	0.41%
Sent Expo Pointe LLC & S	8,483	5,514	(2,969)	0.53%
2006 Tcherkoyan Family Trust	7,065	3,533	(3,532)	0.63%
Recreational Equipment Inc.	6,412	3,100	(3,312)	0.59%
Patel, Ramesh	3,866	1,900	(1,966)	0.35%
CMS Woodlake Property	3,804	1,902	(1,902)	0.34%
Dr Pepper Snapple Group	3,709	2,675	(1,034)	0.18%
Michael C/Nancy L Tooley	2,594	1,297	(1,297)	0.23%
CMS Lathrop Way LLC	2,477	1,239	(1,238)	0.22%
Sub Total	62,296	33,253	(29,043)	5.17%
All Other Taxpayers	499,518	-	-	-
Total	$ 561,814	$ 33,253	$ (29,043)	5.17%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Franklin Boulevard
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Advance Education, Inc.	$ 5,291	$ 932	$ (4,358)	0.73%
Public Storage	4,024	1,960	(2,064)	0.35%
Chateau Lang Apartments	3,055	214	(2,841)	0.48%
Alnup Corp DBA Guardian	2,267	1,450	(817)	0.14%
Crown Enterprises, Inc.	1,066	533	(533)	0.09%
Crown Enterprises, Inc.	1,059	529	(530)	0.09%
Prichard, Lauren	870	575	(295)	0.05%
Gonzalez, Jose R	688	365	(323)	0.05%
Gonzalez, Jose R	662	350	(312)	0.05%
Jair, Jack and Rosemarie	581	174	(407)	0.07%
Sub Total	19,563	7,082	(12,481)	2.10%
All Other Taxpayers	573,650	-	-	-
Total	$ 593,213	$ 7,082	$ (12,481)	2.10%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
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(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Stockton Boulevard
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Bee Saigon Plaza LLC	$ 17,374	$ 8,600	$ (8,774)	2.35%
Stockton Plaza Partners	9,572	5,000	(4,572)	1.23%
LSREF2 Clipper II LLC	9,248	6,410	(2,838)	0.76%
Hill Ct Inv Limited Part	5,533	2,000	(3,533)	0.95%
Brittany Arms LLC	5,549	3,855	(1,694)	0.45%
ESS Prisa II LLC	4,475	3,500	(975)	0.26%
Ross Dress For Less, Inc.	3,616	3,000	(616)	0.17%
Martin Ensquey	2,970	500	(2,470)	0.66%
Martin Ensquey	2,700	500	(2,200)	0.59%
Martin Ensquey	2,565	500	(2,065)	0.55%
Sub Total	63,602	33,865	(29,737)	7.97%
All Other Taxpayers	309,318	-	-	-
Total	$ 372,920	$ 33,865	$ (29,737)	7.97%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Army Depot
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Allied Waste Industries	$ 9,884	$ 5,000	$ (4,884)	0.53%
Mark C Ballantyne	7,771	3,915	(3,856)	0.42%
C/S Logistics Sacramento	5,937	4,144	(1,793)	0.19%
A & W Investments LLC	5,752	1,950	(3,802)	0.41%
Iron Mountain, Inc.	5,119	4,400	(719)	0.08%
6331 Power Inn Rd LLC	3,937	2,500	(1,437)	0.16%
Teichert Land Co.	3,332	2,200	(1,132)	0.12%
Singh Amarjit	2,749	1,500	(1,249)	0.13%
Rasm Enterprises	1,615	1,049	(566)	0.06%
Southdown Calif Cement	1,488	500	(988)	0.11%
Sub Total	47,584	27,158	(20,426)	2.20%
All Other Taxpayers	879,306	-	-	-
Total	$ 926,890	$ 27,158	$ (20,426)	2.20%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
65th Street
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
Valeo Sacramento LLC	$ 21,043	$ 6,312	$ (14,731)	5.74%
Valeo Sacramento LLC	11,564	3,469	(8,095)	3.16%
Valeo Sacramento LLC	3,619	1,086	(2,533)	0.99%
KCMKC Props LP / FONG	2,356	1,178	(1,178)	0.46%
Home Depot USA Inc.	1,301	400	(901)	0.35%
GAWFCO Incorporated	953	650	(303)	0.12%
Eckert, George M.	935	600	(335)	0.13%
James L. Kouretas	921	650	(271)	0.11%
Suresh C. Paranjpe	53	5	(48)	0.02%
Sub Total	42,745	14,350	(28,395)	11.07%
All Other Taxpayers	213,681	-	-	-
Total	$ 256,426	$ 14,350	$ (28,395)	11.07%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Parcels Appealing Assessed Valuation - At Risk of Reduction [1] [2]
Railyard
As of June 30, 2012
(in thousands)

Assessee	Taxable Value [3]	Assessee's Value [3]	Value Difference	Percentage of Total Taxable Value
S. Thomas Enterprises	$ 29,300	$ -	$ (29,300)	34.38%
IA Sacramento Holdings	28,256	10,170	(18,086)	21.22%
St. Anton Investor, LLC	14,794	11,665	(3,129)	3.67%
REA Limited Partnership	5,406	3,120	(2,286)	2.68%
IA Sacramento Holdings	1,150	503	(647)	0.76%
Sub Total	78,906	25,458	(53,448)	62.72%
All Other Taxpayers	6,311	-	-	-
Total	$ 85,217	$ 25,458	$ (53,448)	62.72%

Notes: (1) These are outstanding appeals; there is no estimate of outcome.
(2) Information for prior years is not readily available and is not statistically significant.
(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of June 30, 2012.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Merged Downtown
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Hines Sacramento Wells Fargo Center	$ 206,544	1	8.02%	$ -		-
621 Capitol Mall	117,394	2	4.56%	-		-
300 Capitol Associates NF LP	109,000	3	4.23%	-		-
CIM/980 9th Street Sacramento LP	96,602	4	3.75%	-		-
500 Capitol Mall	77,567	5	3.01%	-		-
Capitol Regency LLC	71,823	6	2.79%	48,054	8	2.51%
CIM/J Street Hotel Sacramento LP	71,154	7	2.76%	-		-
1325 J Street LLC	66,641	8	2.59%			
1415 Meridian Plaza LLC/Valley View Investors	65,120	9	2.53%	-		-
Sacramento Equities REIT	61,000	10	2.37%	-		-
400 Capitol Mall Venture	-		-	138,053	1	7.22%
Downtown Plaza	-		-	127,921	2	6.69%
Sacramento Hotel Corporation	-		-	87,593	3	4.58%
SRI Six USBP LLC	-		-	80,629	4	4.22%
V V Usa City LP	-		-	74,020	5	3.87%
Alpine Realty Sacramento	-		-	64,496	6	3.37%
Sacramento Renaissance Tower	-		-	54,228	7	2.84%
California Hospital Association	-		-	32,290	9	1.69%
770 L Street Investment Group	-		-	31,620	10	1.65%
Sub Total	942,845		36.63%	738,904		38.64%
All Other Taxpayers	1,631,127		63.37%	1,173,470		61.36%
Total	$ 2,573,972		100.00%	$ 1,912,374		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Del Paso Heights
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Research Properties	$ 5,146	1	1.74%	$ 4,463	1	2.44%
BM Ventures LLC	5,084	2	1.72%	-		-
Woodhaven Senior Residences	4,341	3	1.46%	2,652	3	1.45%
John A/ Leta K Nichols 1994 Rev Trust	2,710	4	0.91%	-		-
Lundbom Family Trust	2,439	5	0.82%	-		-
US Rental Inc.	2,417	6	0.82%	2,096	4	1.14%
Proffutt Limited Partnership	2,099	7	0.71%	-		-
23002 Moulton Parkway LLC	1,938	8	0.65%	-		-
Harry & Mariann Brix 1993 Family Trust	1,811	9	0.61%	1,571	7	0.86%
Terkensha Associates	1,667	10	0.56%	1,331	9	0.73%
Anderson Family Trust	-		-	2,723	2	1.49%
United Rentals Inc.	-		-	1,880	5	1.03%
IBM Credit Corporation	-		-	1,783	6	0.97%
Sacramento Partners	-		-	1,335	8	0.73%
Crystal Bottling Company, Inc.	-		-	1,153	10	0.63%
Sub Total	29,652		10.00%	20,987		11.45%
All Other Taxpayers	266,788		90.00%	162,291		88.55%
Total	$ 296,440		100.00%	$ 183,278		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Alkali Flat
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Hearst-Argyle Stations Inc.	$ 21,508	1	17.26%	$ 19,905	1	20.03%
Crystal Cream/Butter Holdings, Inc.	11,328	2	9.09%	10,931	2	11.00%
Realty Advisors	7,049	3	5.66%	6,114	3	6.15%
City Park Apartment Homes	4,036	4	3.24%	-		-
520 Ninth Street	2,115	5	1.70%	1,834	5	1.85%
Janet Fortino Loehr Separate Prop Trust/Etal	1,988	6	1.60%	-		-
700 E Street Building Partner	1,942	7	1.56%	1,689	6	1.70%
John Dailey Trust/Charles D Deloney	1,912	8	1.53%	1,658	7	1.67%
GMA Investors LP	1,802	9	1.45%	-		-
Tarpin Samuel D	1,434	10	1.15%	1,296	10	1.30%
US Housing Partners II LP	-		-	3,500	4	3.52%
Washington Square III	-		-	1,507	8	1.52%
P. Bruce Booher	-		-	1,344	9	1.35%
Sub Total	55,114		44.23%	49,778		50.10%
All Other Taxpayers	69,499		55.77%	49,585		49.90%
Total	$ 124,613		100.00%	$ 99,363		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Oak Park
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Rainbow Baking	$ 52,628	1	12.04%	$ 7,000	2	2.24%
University of the Pacific	19,702	2	4.51%	-		-
Shriners Hospitals for Crippled Children	11,509	3	2.63%	-		-
GCCFC 2005 GG5 Y Street Limited Partners	10,102	4	2.31%	-		-
Broadway/Stockton Food Source Investors LLC	5,061	5	1.16%	-		-
Donald/Virginia Compton Family Trust	4,468	6	1.02%	-		-
Crestwood Medical Center Hospital	4,235	7	0.97%	2,513	6	0.81%
Security Public Storage	3,629	8	0.83%	3,103	4	0.99%
Edmar Invs LLC (Walgreens)	3,119	9	0.71%	2,670	5	0.86%
Campbell Taggart Baking Companies Inc./Etal	2,163	10	0.49%	1,876	7	0.60%
Regents of UC (Camellia Inn)	-		-	11,901	1	3.81%
Stockton/Broadway Partners	-		-	4,217	3	1.35%
John C Skinner 2001 Living Trust	-		-	1,348	8	0.43%
First States Invs. 5000A, LLC	-		-	1,227	9	0.39%
Stockton Boulevard Partners LLC	-		-	1,146	10	0.37%
Sub Total	116,616		26.67%	37,001		11.86%
All Other Taxpayers	320,583		73.33%	274,961		88.14%
Total	$ 437,199		100.00%	$ 311,962		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - River District
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
California Almond Growers	$ 70,591	1	16.05%	$ 45,241	1	10.78%
Grove Investment Company	33,357	2	7.59%	9,122	8	2.17%
MLCFC 2007 9 Bercut Dr Limited Partnership	18,229	3	4.15%	-		-
Mendell Allan/Etal	12,798	4	2.91%	-		-
Capitol Station 665 LLC	9,602	5	2.18%	-		-
BRE / LQ Props LLC	7,489	6	1.70%	-		-
C/J Warehouse	6,595	7	1.50%	-		-
Bank of America	6,241	8	1.42%	-		-
Dos Rios Venture	6,161	9	1.40%	-		-
Vida N Anello Revocable Living Trust	5,141	10	1.17%	-		-
Continental Plaza LLC	-		-	19,876	2	4.73%
Sunstone OP Properties LLC	-		-	10,868	3	2.59%
James/Roxanne Loen Trust	-		-	10,377	4	2.47%
Second Richards Boulevard Partners	-		-	10,161	5	2.42%
Ice Bear Inc. (Sequoia Pacific)	-		-	9,977	6	2.38%
LaQuinta Development Partner	-		-	9,952	7	2.37%
Andrew Alan Lewis Revocable	-		-	8,240	9	1.96%
Hammer Phyllis/Thomas J	-		-	7,787	10	1.85%
Sub Total	176,204		40.07%	141,601		33.73%
All Other Taxpayers	263,492		59.93%	278,265		66.27%
Total	$ 439,696		100.00%	$ 419,866		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - North Sacramento
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Seven-up Bottling Company	$ 31,030	1	5.52%	$ 19,005	4	4.59%
Price Company	21,598	2	3.84%	16,941	5	4.10%
Shri Gowri Ganesha Real Estate, LLC	14,696	3	2.62%	-		-
MerIliz Incorporated	14,559	4	2.59%	20,602	3	4.98%
JB Management LP	13,109	5	2.33%	23,113	2	5.59%
JBDB Management LP	11,692	6	2.08%	-		-
McCuen Acoma Street Investors	11,577	7	2.06%	-		-
North Sacramento Land Company	10,324	8	1.84%	9,937	6	2.40%
Radiological Assoc of Sacto Medical Group	7,877	9	1.40%	-		-
SENT EXPO Pointe LLC	7,584	10	1.35%	-		-
PD Hotel Associates LLC	-		-	27,062	1	6.54%
Radiological Associates	-		-	6,561	7	1.59%
Dos Robles Limited Partnership	-		-	6,259	8	1.51%
KMAX Channel 31	-		-	3,065	9	0.74%
Recreational Equipment Inc.	-		-	5,165	10	1.25%
Sub Total	144,046		25.64%	137,710		33.29%
All Other Taxpayers	417,768		74.36%	275,954		66.71%
Total	$ 561,814		100.00%	$ 413,664		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Franklin Boulevard
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Campbell Soup Supply Co LLC	$ 141,205	1	23.80%	$ 136,419	1	28.82%
United States Cold Storage	9,243	2	1.56%	8,315	2	1.76%
Rosedown Associates LLC	6,732	3	1.13%	-		-
Extra Space Franklin Blvd. LLC	5,108	4	0.86%	-		-
ABF Freight System, Inc.	5,071	5	0.85%	-		-
Western Village LP	9,467	6	1.60%	-		-
Sei/PSP Vi Joint Ventures	4,135	7	0.70%	2,750	5	0.58%
Bowling Green Associates	3,977	8	0.67%	-		-
Con-Way Western Express Inc.	3,657	9	0.62%	-		-
47th Street Associates LLC	3,571	10	0.60%	-		-
Rosedown Apartments I LLC	-		-	6,457	3	1.36%
John Raleigh/David Yancey	-		-	3,449	4	0.73%
Chateau Lang Apartments LLC	-		-	2,702	6	0.57%
Preservation Southpointe LP	-		-	2,500	7	0.53%
Mulberry Estates LLC	-		-	2,335	8	0.49%
Jeon Family Trust	-		-	2,262	9	0.48%
Hampton Park	-		-	2,236	10	0.47%
Sub Total	192,166		32.39%	169,425		35.79%
All Other Taxpayers	401,047		67.61%	303,957		64.21%
Total	$ 593,213		100.00%	$ 473,382		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Stockton Boulevard
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Stockton Plaza Partners LLC	$ 12,147	1	3.26%	-		-
EKG Investors LLC	11,154	2	2.99%	-		-
John M/Nancy M Kehriotis Living Trust	7,395	3	1.98%	6,413	1	2.28%
BE Saigon Plaza LLC	7,237	4	1.94%	-		-
NT Stockton Investors LLC	6,681	5	1.79%	-		-
LSREF2 Clipper II LLC	6,630	6	1.78%	-		-
Brittany Arms	5,660	7	1.52%	4,292	4	1.52%
IP Sac Commercial LLC	5,644	8	1.51%	-		-
ESS Prisa II LLC	4,758	9	1.28%	-		-
Mulleian Investments LLC	4,662	10	1.25%	3,985	5	1.41%
Preferred Properties LLC	-		-	5,940	2	2.11%
CCI Stockridge SAC LLC	-		-	5,508	3	1.95%
Ralphs Grocery	-		-	3,468	6	1.23%
Tran Jack Khai	-		-	3,075	7	1.09%
Shiloh Arms LTD	-		-	2,682	8	0.95%
Northern California Cement	-		-	2,511	9	0.89%
Fruitridge/Stockton LLC	-		-	2,186	10	0.78%
Sub Total	71,968		19.30%	40,060		14.21%
All Other Taxpayers	300,952		80.70%	241,797		85.79%
Total	$ 372,920		100.00%	$ 281,857		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Army Depot
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2004 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Engineered Polymer Solutions Inc.	$ 15,847	1	1.71%	$ 4,665	4	1.83%
R/G Hayward LLC	15,527	2	1.68%	-		-
Elder Creek Transfer/Recovery Inc.	11,371	3	1.23%	-		-
Buzz Oates LLC	9,718	4	1.05%	-		-
Ballantyne Diana S/Mark C/Jan W Leonard/M	7,986	5	0.86%	-		-
Air Products Manufacturing Corporation	7,868	6	0.85%	-		-
C/S Logistics Sacramento/Tracy LLC	7,131	7	0.77%	8,524	2	3.34%
A/W Investments LLC	5,866	8	0.63%	-		-
Teichert Land Co	5,721	9	0.62%	2,948	7	1.16%
Viviion Shops LLC	5,221	10	0.56%	4,528	5	1.77%
Prentiss/Copley Investment	-		-	11,116	1	4.36%
Air Products/Chemicals Inc.	-		-	8,341	3	3.27%
Inland Empire Investments	-		-	3,755	6	1.47%
W H Q	-		-	2,833	8	1.11%
Warehouse Way Associates	-		-	2,675	9	1.05%
Thunderbird Partners	-		-	2,388	10	0.94%
Sub Total	92,256		9.95%	51,773		20.29%
All Other Taxpayers	834,634		90.05%	203,422		79.71%
Total	$ 926,890		100.00%	$ 255,195		100.00%

Notes: (1) Data from Fiscal Year 2003 was not available.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - 65th Street
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2005 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
Valeo Sacramento LLC	$ 33,900	1	13.22%	$ -		-
Target Corporation	26,486	2	10.33%	22,181	2	7.64%
65th St Village LLC	8,700	3	3.39%	-		-
Farming Company Folsom Blvd LLC Etal	7,560	4	2.95%	-		-
Atlas Disposal Industries	6,477	5	2.53%	-		-
KCMC Properties, LP/Paul E Fong/MAE Etal	5,799	7	2.26%	13,034	4	4.49%
Dimension Properties LLC	5,671	6	2.21%	-		-
Kenneth/Susan Catchot Family 2005 Revocable	4,945	8	1.93%	5,567	6	1.92%
American River Self Storage LP	4,836	9	1.89%	8,531	5	2.94%
2800 Pico Associates LLC	4,142	10	1.62%	4,878	8	1.68%
Jefferson Commons-Sacramento LP	-		-	52,515	1	18.10%
Home Depot USA Inc.	-		-	14,506	3	5.00%
Commercial Net Lease Realty	-		-	5,095	7	1.76%
Gonzales Kimmel Enterprises	-		-	4,524	9	1.56%
John/Claudine Jackson Family Revocable Trust	-		-	4,459	10	1.54%
Sub Total	108,516		42.32%	135,290		46.62%
All Other Taxpayers	147,910		57.68%	154,927		53.38%
Total	$ 256,426		100.00%	$ 290,217		100.00%

Notes: (1) Data from Fiscal Year 2005 - 65th Street Redevelopment Area was formed in Fiscal Year 2005.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Railyards
Current Fiscal Year and Nine Years Ago
(in thousands)

	2012			2010 [1]		
Assessee	**Taxable Value [2]**	**Rank**	**Percentage of Total Taxable Value [3]**	**Taxable Value**	**Rank**	**Percentage of Total Taxable Value**
IA Sacramento Development LLC	$ 32,436	1	38.06%	$ -		-
CCAA Partners LLC/Bruce W. Bell/Etal	15,234	2	17.88%	14,843	2	19.07%
New Baytree LLC	8,600	3	10.09%	14,826	3	19.05%
REA Limited Partnership	5,514	4	6.47%	5,378	4	6.91%
Sacramento County Employee Credit Union	4,073	5	4.78%	4,068	5	5.23%
PDRA/Company LLC	3,627	6	4.26%	3,537	6	4.54%
Mercy Housing CA 47	3,060	7	3.59%	-		-
Strumwasser Michael J/Silvia M	2,998	8	3.52%	2,924	7	3.76%
Bowman/Bay Building Joint Venture	2,169	9	2.55%	2,115	8	2.72%
CNPA Services Inc.	1,630	10	1.91%	-		-
S Thomas Enterprises of Sacramento	-		-	17,224	1	22.13%
John Morgan/Nelly B Patino/Eddie Cuevas	-		-	1,556	9	2.00%
Legacy Ventures LLC	-		-	1,245	10	1.60%
Sub Total	79,341		93.10%	67,716		87.00%
All Other Taxpayers	5,876		6.90%	10,117		13.00%
Total	$ 85,217		100.00%	$ 77,833		100.00%

Notes: (1) Data from Fiscal Year 2010 - Railyards Redevelopment Area was formed in Fiscal Year 2010.
(2) Based on ownership of locally-assessed secured and unsecured property.
(3) Based on total adjusted 2011-12 Project Area total taxable value.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Eight Fiscal Years
(in thousands)

Merged Downtown

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 22,090	$ 217	$ -	$ 21,873	$ 12,546	1.74	$ NA	$ NA	NA
2005-06	22,447	200	261	21,986	14,319	1.54	NA	NA	NA
2006-07	24,217	167	496	23,554	16,162	1.46	NA	NA	NA
2007-08	26,259	277	502	25,480	16,541	1.54	NA	NA	NA
2008-09	30,213	380	484	29,349	16,090	1.82	NA	NA	NA
2009-10	29,144	282	1,606	27,256	16,072	1.70	NA	NA	NA
2010-11	23,069	387	1,454	21,228	16,051	1.32	NA	NA	NA
2011-12	23,750	406	807	22,537	16,254	1.39	2,564	18,818	1.20

Del Paso Heights

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 2,269	$ 23	$ 85	$ 2,160	$ 553	3.90	$ NA	$ NA	NA
2005-06	3,172	28	197	2,948	949	3.11	NA	NA	NA
2006-07	3,837	29	307	3,501	1,290	2.71	NA	NA	NA
2007-08	4,181	27	357	3,796	1,606	2.36	NA	NA	NA
2008-09	4,079	51	169	3,859	1,625	2.37	NA	NA	NA
2009-10	3,222	33	377	2,812	1,627	1.73	NA	NA	NA
2010-11	2,901	45	322	2,534	1,626	1.56	NA	NA	NA
2011-12	2,551	44	199	2,307	1,769	1.30	86	1,855	1.24

Alkali Flat

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 984	$ 11	$ 7	$ 966	$ 629	1.54	$ NA	$ NA	NA
2005-06	1,061	11	19	1,031	621	1.66	NA	NA	NA
2006-07	1,168	9	33	1,126	618	1.82	NA	NA	NA
2007-08	1,270	14	34	1,222	619	1.98	NA	NA	NA
2008-09	1,234	17	14	1,203	618	1.95	NA	NA	NA
2009-10	1,253	15	54	1,185	616	1.92	NA	NA	NA
2010-11	1,106	18	68	1,020	619	1.65	NA	NA	NA
2011-12	1,077	18	19	1,039	622	1.67	453	1,075	0.97

Note:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Eight Fiscal Years
(in thousands)

Oak Park

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 3,836	$ 39	$ 119	$ 3,678	$ 1,370	2.68	$ NA	$ NA	NA
2005-06	4,957	44	274	4,639	1,686	2.75	NA	NA	NA
2006-07	5,939	45	404	5,490	2,846	1.93	NA	NA	NA
2007-08	6,255	69	409	5,777	2,769	2.09	NA	NA	NA
2008-09	5,854	73	381	5,400	2,767	1.95	NA	NA	NA
2009-10	4,213	49	372	3,792	2,757	1.38	NA	NA	NA
2010-11	3,871	60	314	3,498	2,761	1.27	NA	NA	NA
2011-12	3,772	63	150	3,559	2,756	1.29	69	2,825	1.26

River District

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ NA	$ NA	$ NA	$ NA	$ -	-	$ NA	$ NA	NA
2005-06	NA	NA	NA	NA	-	-	NA	NA	NA
2006-07	NA	NA	NA	NA	-	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	1,372	25	246	1,100	-	-	492	492	2.24

North Sacramento

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 2,167	$ 21	$ 253	$ 1,893	$ 322	5.88	$ NA	$ NA	NA
2005-06	2,620	24	249	2,347	305	7.68	NA	NA	NA
2006-07	3,063	24	194	2,845	436	6.53	NA	NA	NA
2007-08	3,542	38	198	3,305	468	7.06	NA	NA	NA
2008-09	3,787	46	291	3,450	528	6.53	NA	NA	NA
2009-10	3,087	36	237	2,814	530	5.30	NA	NA	NA
2010-11	2,722	45	209	2,468	528	4.68	NA	NA	NA
2011-12	2,439	44	187	2,208	539	4.10	605	1,144	1.93

Note:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Eight Fiscal Years
(in thousands)

Franklin Boulevard

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ NA	$ NA	$ NA	$ NA	$ -	-	$ NA	$ NA	NA
2005-06	NA	NA	NA	NA	-	-	NA	NA	NA
2006-07	NA	NA	NA	NA	-	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	2,225	39	184	2,002	-	-	58	58	34.51

Stockton Boulevard

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ 1,497	$ 14	$ 207	$ 1,276	$ -	-	$ NA	$ NA	NA
2005-06	2,293	19	169	2,105	-	-	NA	NA	NA
2006-07	2,557	19	338	2,200	115	19.16	NA	NA	NA
2007-08	2,930	31	350	2,548	115	22.20	NA	NA	NA
2008-09	2,849	33	957	1,860	208	8.92	NA	NA	NA
2009-10	1,957	22	405	1,529	187	8.19	NA	NA	NA
2010-11	1,611	26	317	1,268	191	6.63	NA	NA	NA
2011-12	1,496	26	387	1,083	180	6.02	206	386	2.81

Army Depot

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ NA	$ NA	$ NA	$ NA	$ -	-	$ NA	$ NA	NA
2005-06	NA	NA	NA	NA	-	-	NA	NA	NA
2006-07	NA	NA	NA	NA	-	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	2,617	44	523	2,050	-	-	713	713	2.88

Note:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

Source: County of Sacramento, Office of Auditor/Controller

City of Sacramento
Successor Agency Trust Fund
Debt Coverage Analysis
Last Eight Fiscal Years
(in thousands)

65th Street

Fiscal Year	Total Tax Increment	Property Tax Collection Fee	AB 1290 Pass thru	Net Tax Revenues	Senior Debt	Senior Debt Coverage	Subordinate Debt	Total Debt	Total Debt Coverage
2004-05	$ NA	$ NA	$ NA	$ NA	$ -	-	$ NA	$ NA	NA
2005-06	NA	NA	NA	NA	-	-	NA	NA	NA
2006-07	NA	NA	NA	NA	-	-	NA	NA	NA
2007-08	NA	NA	NA	NA	-	-	NA	NA	NA
2008-09	NA	NA	NA	NA	-	-	NA	NA	NA
2009-10	NA	NA	NA	NA	-	-	NA	NA	NA
2010-11	NA	NA	NA	NA	-	-	NA	NA	NA
2011-12	1,035	17	207	811	-	-	514	514	1.58

Note:

NA) Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

Source: County of Sacramento, Office of Auditor/Controller

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City of Sacramento
Full-time Equivalent Employees by Function/Program
Last Ten Fiscal Years

	Full-time Equivalent Employees as of June 30,									
Function/Program	**2003**	**2004**	**2005**	**2006**	**2007**	**2008**	**2009**	**2010**	**2011**	**2012**
Code Enforcement	-	-	-	82	94	92	107	90	-	-
Community Development	-	-	-	-	-	-	-	107	170	166
Convention, Culture & Leisure	263	263	204	204	208	213	214	206	196	194
Development Services	-	190	252	259	243	246	222	-	-	-
Economic Development	17	17	-	17	17	24	27	22	18	14
Fire	571	588	609	623	651	651	655	582	611	589
General Government	387	390	393	374	408	419	400	329	319	312
General Services	-	754	457	260	264	287	307	257	247	225
Neighborhood Services	80	243	86	16	16	15	15	9	-	-
Nondepartmental	1	-	-	-	-	-	-	-	-	-
Parks and Recreation	828	677	841	896	930	925	872	680	648	579
Planning	-	-	-	-	38	33	34	-	-	-
Planning and Building	176	-	-	-	-	-	-	-	-	-
Police	1,111	1,116	1,189	1,207	1,265	1,272	1,271	1,091	1,060	900
Public Works	749	-	-	-	-	-	-	-	-	-
Transportation	-	-	333	340	350	356	437	424	409	409
Utilities	490	492	497	727	732	741	741	752	698	698
Total	4,672	4,729	4,860	5,003	5,213	5,273	5,300	4,549	4,374	4,083

Source: City of Sacramento Approved Operating Budgets

City of Sacramento
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/program	Fiscal Year 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Adult arrests	23,015	23,046	25,623	27,314	24,703	22,783	21,230	20,555	19,885	17,058
Citizen initiated calls for service with officer responses	202,671	269,815	194,969	187,731	181,793	181,873	173,045	176,157	166,207	154,193
Fire (1)										
Number of incidents	43,018	43,108	63,242	65,714	66,284	70,609	64,525	59,608 (2)	71,111	73,343
Number of structure fires	2,751	3,915	835	1,189	500	414	401	359 (2)	606	652
Number of construction inspection/reviews	3,037	4,596	5,181	NA	NA	NA	NA	2,790	NA	1,895
General Services										
Number of animal licenses issued	8,316	8,256	9,446	12,815	14,944	18,812	18,732	17,094	17,132	17,318
Number of animal outplacements	3,612	2,852	4,267	4,323	4,352	4,252	4,025	3,300	2,901	3,750
Transportation										
Number of traffic investigations completed	1,185	1,114	927	922	1,123	1,019	1,028	903	712 (4)	717
Number of parking citations issued	203,364	211,128	199,428	201,196	194,193	233,901	236,103	240,248	184,215 (5)	164,492
Convention, Culture & Leisure										
Number of Community Convention Center events	609	591	607	600	664	568	528	453	417	389
Community Convention Center event attendance	1,016,787	981,766	929,425	833,428	849,000	863,759	862,000	780,000	873,577	796,000
Number of Zoo attendance	495,000	480,000	485,000	485,000	529,734	482,072	467,446	481,452	498,518	526,959
Parks and Recreation										
Number of students enrolled in START	7,700	8,000	7,149	7,913	8,845	8,364	8,695	8,563	7,437	5,755 (7)
Number of students enrolled in 4th R (9)	2,500	2,510	2,695	2,885	3,000	3,500	2,675	2,600	2,142	1,899
Number of lunches served through food programs	216,100	210,000	195,000	192,500	160,900	156,916	197,020	120,726 (3)	133,687	42,848 (8)
Development Services										
Number of building permits issued	17,389	18,089	17,869	18,261	16,930	14,349	13,182	11,786	11,474	11,545
Building permit valuation (in million of dollars)	1,060	1,001	883	817	1,005	862	557	543	387	281
Code Enforcement										
Vehicles abated by City	4,958	4,814	4,660	3,747	2,572	1,538	898	694	429	254 (10)
Notice and orders issued on housing and dangerous buildings	340	278	279	293	445	378	360	305	250	188 (11)
Water										
Number of accounts	129,852	131,745	136,347	151,459	151,459	135,665	137,029	136,600	136,812	137,148
Amount distributed/pumped (million of gallons)	44,165	46,852	44,177	45,180	49,463	NA	42,726	38,453	37,393	38,692
Wastewater										
Number of accounts	77,940	78,177	78,596	78,541	79,620	76,253	76,802	76,385	76,394	76,477
Amount distributed/pumped (million of gallons)	16,454	16,339	18,054	19,185	19,185	NA	15,889	14,302	NA	10,695
Storm Drainage										
Number of accounts	123,324	127,216	130,426	128,427	132,376	131,801	132,727	132,556	133,188	133,814
Amount distributed/pumped (million of gallons)	28,420	30,506	41,608	53,444	53,444	NA	27,936	27,288	NA	28,445
Solid Waste										
Residential garbage disposed (in Tons)	124,623	129,838	129,499	127,120	128,802	128,060	104,542	112,203	110,103	106,085
Commercial garbage collected (in Tons)	16,207	20,390	23,159	22,469	NA	24,804	18,937	17,688	12,918 (6)	12,251

Notes: (1) The threshold for investigation of a fire was raised from $10,000 or $30,000 in fiscal year 2005.
(2) Due to a system problem in October 2009, only 11 months of data are available.
(3) In FY2010, the decrease in number of lunches served through food programs was due to decrease in number of sites in operation from 112 to 43. The sites were scaled back to better manage the program and reduce waste.
(4) In FY2011, the reason for the significant drop in the number of traffic investigations completed was due to the decrease in calls from the General Public. In addition, FY2011 onwards, Maintenance Calls were excluded.
(5) In FY2011, the reasons for the significant drop in the number of citations writtens were due to a) the depressed economy; (b) there were 4 fewer parking enforcement officers; and 3) the staff were furloughed.
(6) In FY2011, the reason for the significant drop in the commercial garbage collected was primarily due to loss of two major accounts, i.e. Sacramento City Unified School District to Atlas Disposal and California State University, Sacramento to Allied Waste.
(7) In FY2012, the number of school sites the City of Sacramento served under START program were reduced from 57 to 46, thus reducing the total number of students enrolled.
(8) In FY2012, the number of lunches served through food programs decreased significantly because the federal grant for this program ended in Septmber 2011.
(9) The number of students enrolled in 4th R program has been declining since FY2009 due to substantial decline in the subsidy-side of enrollees. Due to the recession many parents/guardians lost their employment and were not pursuing post secondary education/skill training which make them ineligible to receive these subsidies because the requirement for eligibility is either employment or post secondary education/skill training. In addition, there was also some decline in fee based enrollment.
(10) In FY2012, the number of vehicles abated by City decreased significantly due to the slow economic conditions which led to people holding onto their vehicles longer as well as turning in vehicles for the cost of parts or scrap metal.
(11) In FY2012, the number of complaints for housing and dangerous buildings declined largely due to proactive inspections performed under the City's Rental Housing Inspection Program which led to decrease in notice and orders issued on housing and dangerous buildings.

Source: Various City of Sacramento Departments

City of Sacramento
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

Function/program	Fiscal Year 2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Police										
Number of stations [1]	2	2	2	2	2	4	4	4	4	4
Number of patrol units [2]	241	239	238	229	210	210	210	242	242	242
Number of aircraft	NA	NA	NA	NA	NA	NA	3	3	3	4
Number of watercraft	NA	NA	NA	NA	NA	NA	2	2	2	3
Fire										
Number of stations	22	22	23	23	23	23	23	23	23	24
Number of fire protection vehicles	152	150	167	169	170	151	150	160	160	159
Transportation										
Miles of streets	2,922	2,936	2,960	3,025	3,034	3,045	3,044	3,063	3,108	3,108
Number of street lights	35,896	36,852	38,450	39,277	39,964	40,578	41,131	41,252	41,301	41,679
Number of City parking spaces [3]	8,580	8,580	8,488	8,518	8,795	8,798	8,484	8,484	8,484	8,484
Miles of off-street bikeways	50	53	58	62	67	76	78	78	82	82
Parks and recreation										
Number of parks	197	196	204	205	205	206	208	212	213	213
Park acreage [4]	2,998	3,627	3,122	3,124	3,125	3,126	3,167	3,171	3,171	3,150 [10]
Number of community centers [5]	17	17	17	17	17	16	13	13	13	13
Number of swimming pools (including wading pools)	22	23	23	23	23	23	26	26	26	26
Water										
Miles of water mains and distribution lines [6] [7]	1,434	1,467	1,708	1,873	1,873	1,859	1,720	1,724	1,596	1,599
Sewers and storm drainage										
Miles of sanitary sewers and storm drainage [8]	2,054	2,103	2,081	2,081	2,024	1,859	1,693	1,950	1,954	1,951
Off-street parking										
Number of City garages and open parking lots	12	12	11	11	12	12	10	10	10	10
Golf										
Number of golf courses	6	6	6	6	6	6	6	6	6	6
Marina										
Number of boat harbor slips	563	563	563	563	547	475 [9]	475	475	475	475

Note: (1) From FY2008 onwards, police stations refer to stations plus police headquarters.
(2) From FY2010 onwards, patrol units include cars and motorcycles.
(3) From FY2009 onwards, City parking spaces is defined as only those which are City-owned.
(4) Golf course acreage is not included from FY 2005 onwards.
(5) Does not include neighborhood centers.
(6) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Reporting categories have been changed to show this distinction FY2011 onwards. In addition, FY2011 onwards, Service Mains and Hydrant Mains are excluded.
(7) From FY2009 onwards, does not include miles for private mains and mains owned by other agencies .
(8) Non-pipe elements may have been included in years prior to FY2009.
(9) In FY2008, the marina boat slips were made larger thereby decreasing their total number.
(10) In FY2012, the City conveyed 22.79 acreas to a developer from Granite Regional Park, pursuant to a development agreement, and acquired two parcel adding 1.73 acres to the Sacramento River Parkway.

Source: Various City of Sacramento Departments

City of Sacramento
Miscellaneous Statistics
Current Fiscal Year and Nine Years Ago

Date of incorporation	1849
Date of charter	1921
Date City became State Capitol	1854
Form of government	Council/Manager

	2012	2003
Number of budgeted positions	4,083	4,672
Area in square miles	99	98
Altitude in feet	20	20
City of Sacramento facilities and services:		
Police		
Number of stations	4	2
Number of police personnel sworn / civilian (actual)	683/255	706/405
Number of patrol units	242	241
Fire		
Number of stations	24	22
Number of fire personnel sworn / unsworn	547/42	524/47
Number of fire protection vehicles	159	152
Utilities		
Miles of water mains and distribution lines (1)	1,599	1,434
Annual water production in gallons	39 billion	44 billion
Miles of sanitary sewers and storm drainage (2)	1,951	2,054
Transportation		
Miles of streets	3,108	2,922
Number of street lights	41,679	35,896
Number of City managed parking lots / spaces	21/10,465	12/8,580
Miles of off-street bikeways	82	50
Convention, Culture and Leisure		
Golf courses	6	6
Boat harbor slips (3)	475	563
Zoo animals (4)	511	474
Fairytale town attendance for year	238,776	196,692
Crocker Art Gallery attendance for year	249,617	160,322
Community Convention Center attendance for year	796,000	1,016,787
Parks and Recreation		
Parks	213	197
Park acreage (5)	3,150	2,998
Camp Sacramento attendance for year	2,487	3,482
Community centers	13	11
Neighborhood centers	5	N/A
Swimming pools	26	29
Baseball fields (6)	99	96
Soccer fields	129	49
Ball courts	176	118
Library		
Library branches	12	12
Library books and audiovisual recordings in circulation	813,552	886,144

Notes: (1) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Reporting categories have been changed to show this distinction FY2011 onwards. In addition, FY2011 onwards, Service Mains and Hydrant Mains are excluded.

(2) Non-pipe elements may have been included in years prior to FY2009.

(3) In FY2008, the marina boat slips were made larger thereby decreasing their total number.

(4) Zoo animals number is comprised of animals on-site (either owned by zoo or owned by other entity).

(5) Golf course acreage is not included from FY 2005 onwards.

(6) This includes softball, little league and adult baseball from FY2011 onwards.

Source: Various City of Sacramento Departments and Publications

KEVIN JOHNSON
Mayor

ANGELIQUE ASHBY
Vice Mayor, District 1

SANDY SHEEDY
Councilmember, District 2

STEVE COHN
Councilmember, District 3

ROBERT KING FONG
Councilmember, District 4

JAY SCHENIRER
Councilmember, District 5

KEVIN MCCARTY
Councilmember, District 6

DARRELL FONG
Councilmember, District 7

BONNIE J. PANNELL
Councilmember, District 8

CITY OF SACRAMENTO FACTS

- The City of Sacramento was founded in 1849 and is the oldest incorporated city in California.
- In 1920, city voters adopted a Charter (municipal constitution) and a City Council/City Manager form of government.
- The City is divided into eight districts.
- Elected members of the City Council serve a four-year term.
- The Mayor is elected by all voters in the City. In 2002, voters approved a measure for the Mayor to serve full-time. All other Councilmembers are elected by district and serve part-time.
- The Mayor and other Councilmembers have an equal vote in all matters.
- The City of Sacramento currently encompasses approximately 99 square miles.
- The current estimated population is 470,956.

www.CityofSacramento.org