



**Sacramento  
Housing &  
Redevelopment  
Agency**

A Component Unit of the  
City of Sacramento, California

**Comprehensive Annual Financial Report**

For the year ended December 31, 2005

**THE COMPREHENSIVE ANNUAL FINANCIAL REPORT  
OF THE  
SACRAMENTO HOUSING and REDEVELOPMENT AGENCY**

A Component Unit of the City of Sacramento, California  
For the Year Ended December 31, 2005

**ACKNOWLEDGEMENT**

Prepared by the Sacramento Housing and Redevelopment Agency  
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**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
A COMPONENT UNIT OF THE CITY OF SACRAMENTO, CALIFORNIA  
COMPREHENSIVE ANNUAL FINANCIAL REPORT**

For the Year Ended December 31, 2005

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*Introductory  
Section*

May 15, 2006

City Council, Housing Authority and  
Redevelopment Agency of the City of Sacramento  
Board of Supervisors, Housing Authority and  
Redevelopment Agency of the County of Sacramento  
Sacramento Housing and Redevelopment Commission  
Sacramento Housing Development Corporation  
Sacramento, California

State law requires that the Sacramento Housing and Redevelopment Agency (the Agency) publish a complete set of financial statements presented in conformity with the accounting principles generally accepted in the United States of America (GAAP) applied to governmental entities. The financial statements are to be audited by a certified public accountant in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue this Comprehensive Annual Financial Report (CAFR) of the Agency for the year ended December 31, 2005.

Management assumes full responsibility for the completeness and reliability of the information contained in this report. To provide a reasonable basis for making these representations, the management of the Agency has established a comprehensive internal control framework that is designed both to protect the Agency's assets from loss, theft or misuse and to compile sufficient reliable information for the preparation of the Agency's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the Agency's comprehensive framework of internal controls has been designed to provide reasonable, rather than absolute, assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The Agency's financial statements have been audited by Macias, Gini & Company LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the Agency for the year ended December 31, 2005, are free of material misstatement. The independent audit involved 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, and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the Agency's financial statements for its governmental activities and each major fund for the year ended December 31, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report, which can be found on pages 1 and 2.

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. MD&A complement this letter of transmittal and should be read in conjunction with it.



## **PROFILE OF THE AGENCY**

The Agency is located in Sacramento, California. The City of Sacramento, established in 1849, serves as the capital for the state of California and is the center of state government. Sacramento also serves as the seat of Sacramento County government. It is the seventh largest populated city in California and continues to see a migration of people from the San Francisco Bay Area and Southern California. The State of California, Department of Finance, estimates the population on January 1, 2005 at 452,959 for the City and 1,369,855 for the County of Sacramento. Sacramento encompasses 99 square miles and is located in the northern section of California's burgeoning Central Valley. Sacramento is a charter city and operates under a Council-Manager form of government.

The Agency is a joint powers agency which serves as the fiscal agent/administrator for the following four legal entities: The Housing Authorities of the City and County of Sacramento, and the Redevelopment Agencies of the City and County of Sacramento, which are responsible for the development and implementation of housing, redevelopment, and selected economic development programs and activities for the City and County of Sacramento. The Housing Authorities of the City and County were formed in July 1939 and June 1940, respectively. The Redevelopment Agencies were formed in September 1950 and September 1974, respectively. Additionally, the Agency has served as the administrator of the Community Development Block Grant Programs for the City and County of Sacramento since June 1982.

The governing boards of the Agency include the City Council of the City of Sacramento (City), the Board of Supervisors of the County of Sacramento (County), and the Sacramento Housing and Redevelopment Commission (Commission). The City Council, acting as the City Housing Authority and the City Redevelopment Agency, approves all City related agenda items. The County Board of Supervisors, acting as the County Housing Authority and the County Redevelopment Agency, approves all County related agenda items. The Commission also serves in an advisory capacity for each entity. The Commission has operational authority within the budget and policy direction approved by the City Council and County Board of Supervisors.

The Agency's financial statements are included in the comprehensive annual financial report of the City of Sacramento (City) as a component unit because of the operational and financial relationship that exists between the City and the Agency.

The Agency has defined its reporting entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," which provides guidance for determining which governmental activities, organizations, and functions should be included in its reporting entity. The component units listed below are included in the Agency's reporting entity because of the significance of their operational or financial relationships with the Agency. Blended component units, although legally separate entities are, in substance, part of the government's operations. The discretely presented component units are reported in a separate column in the government-wide financial statements to emphasize that they are legally separate from the Agency. Complete financial statements of individual component units can be obtained from the Finance Department of the Agency.

- ◆ Blended Component Unit
  - Foundation Uniting Needs and Dollars (FUND, Inc.)
  
- ◆ Discretely Presented Component Units:
  - Sacramento Housing Development Corporation
  - Riverview Plaza Associates

- ◆ Discretely Presented Component Units (continued):
  - Norwood Avenue Housing Partnership
  - Norwood Avenue Housing Corporation
  - Shasta Hotel Investors Partnership
  - Phoenix Park I, L.P.
  - Phoenix Park II, L.P.

**Budget.** The annual budget of the Agency, consisting of the operating and project budgets, is adopted on a calendar year basis. Prior to December 1, the Executive Director submits a proposed operating budget to the governing bodies for review and approval. The budget is legally enacted through passage of resolutions prior to January 1. The budget adoption resolution specifies that the legal level of budgetary control is at the fund level. Budgeted expenditures represent original appropriations adjusted by supplemental budgetary appropriation amendments.

Annual operating budgets are adopted on a modified accrual basis for all Debt Service funds, Local Tax Special Revenue funds and Housing Special Revenue funds, except for the Revenue Bond Program, City Drug Elimination fund and FUND, Inc. Project budgets are adopted for the Agency's major special revenue funds for the duration of the project which may extend over several years. The adopted project budgets for the Community Development, Tax Increment, Revenue Bond Program and City Drug Elimination Special Revenue funds and for the Capital Project funds are adopted on a project length basis. Additionally, although not legally required, the Agency adopts annual budgets for the Enterprise, Internal Service, and certain Component Unit funds.

### **FACTORS AFFECTING ECONOMIC CONDITION**

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the Agency operates.

**Local economy.** The Sacramento region provides a spectrum of diverse economies and is now 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, government, and retail employers.

The Sacramento area continues to have diverse employment opportunities, with the largest three employment sectors identified as services, government and retail trade. Although the real estate sector represents approximately 10 percent of the Sacramento job market, employment in the real estate sector accounted for nearly 46 percent of the 24,000 jobs created in the region over the past 2 years. Overall, Sacramento has seen a 2 percent to 3 percent increase in employment, with strengthening in the private sector and weakening in the government sector. Sacramento County's unemployment rate was 4.9 percent at June 30, 2005 compared with 5.7 percent at June 30, 2004.

There is a definite link between the fiscal health of the State of California (State) and local government in the Sacramento region. When the State was facing deficits a few years ago, the State enacted the Education Revenue Augmentation Fund (ERAF) shift as a partial solution. The Agency made an ERAF payment of \$2.90 million in 2005 and an additional \$3.15 million will be required in 2006. At this time, no additional ERAF payments are anticipated.

With the housing market boom throughout the state, the State and local government have seen tax revenues increased dramatically. Similarly, tax increment revenues in our redevelopment areas are increasing at an unprecedented rate. Actual tax increment revenues of \$50.2 million were 26 percent higher than originally anticipated in the 2005 budget of \$39.8 million. Although the same rate of increase will not continue, total tax increment revenues will continue to increase dramatically with the addition of new and amended project areas, continued residential property sales, and the continue high rate of new construction.

The primary sources of non-local revenue are from numerous programs sponsored by the U.S. Department of Housing and Urban Development (HUD). Congress and the Administration continue to revise HUD practices, programs and overall appropriation levels. Consequently, the Agency anticipates the impact of these revisions may result in reductions in revenues from HUD sources, particularly the Community Development Block Grant Program and the Public Housing Program.

The demand for affordable housing in Sacramento City and County, and in the entire Sacramento region, has increased as household income continues to fall seriously behind the steady increase in single family sales prices and rents. This has the result of pricing more and more households out of the housing market.

The increase in demand for affordable housing affected the entire continuum of housing assistance provided by the Agency, from homeless and other special populations, low and very low-income renters, to first time homebuyers, and low and moderate income homeowners. The Agency is committed to increasing the supply of affordable housing and has worked closely with the City and County in the development of inclusionary ordinances, to develop a ten year plan to end homelessness, and other policies that will help increase rental housing production and homeownership opportunities. As a lender and developer, we strive to efficiently manage our resources in order to address the range of need and reach special populations, the workforce population, and those who are moving out of the rental market and buying their first homes.

### **Long-term financial planning**

In response to the negative impacts of the conditions outlined above, the Agency has taken a proactive approach and instituted a strategic planning effort to assure continued viability and relevance to the Agency's housing and community development missions. Revenue enhancements and expenditure mitigation measures are continually being evaluated.

In preparation of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, the Agency commissioned an actuarial valuation of current post retirement medical benefits in 2004. The valuation is critical for the Agency to develop strategies to identify resources to fund the projected costs and/or to identify methods to reduce the potential obligations.

The study indicated that the discounted actuarial liability could range from \$22,724 to \$26,302 depending on a discount rate of 3% or 2% respectively. In addition, the study indicated that annual required contribution rates would range from \$1,940 to \$3,904 depending on the discount rate of 3% or 2% and amortization period ranging from 30 to 10 years, respectively. For the 2006 budget, the Agency has appropriated the cost of retiree medical cost based on an amortization period of 30 years and using a discount rate of 3%. By the end of 2007, staff anticipates obtaining governing board approval for establishing a trust fund, trust governance and trust investment policy.

## **Relevant financial policies**

The Agency since the 1980s has been funded primarily by four major programs. From HUD, the Housing Choice Voucher program is the largest by dollar volume, the Public Housing program (including Capital Fund) is our most labor intensive program, and the community development programs (CDBG and HOME) are the most versatile community development program. The fourth major funding source is the redevelopment agency tax increment revenues.

Within the HUD programs, HUD dictates financial framework by which the Agency is to expend the funds that it receives. HUD has made dramatic changes in how the HCV program is to be administered the last several years. Most of the financial changes have been beneficial to the Agency. The program has been stable for two years with funding adequate to meet program goals. The program is expected to remain unchanged for the foreseeable future.

HUD is implementing dramatic changes to the Public Housing program for 2007 with additional changes anticipated for 5 additional years. HUD is switching from the allowable expense level method of determining the federal level of assistance used since the 1970s to the project based management model used by the private and non-profit housing providers. With any shift in funding methodology, there are those that will receive more funding and those that will receive less funding. Unfortunately for the Agency, we will be one that will be receiving less. The reduction will be implemented during a five-year phase-in period. For the County Public Housing program, the loss is expected to be about five percent while the City is expected to lose about ten percent of its federal assistance.

The CDBG program had major challenges during the 2006 federal budget process as it was proposed for elimination in the President's budget. It was able to survive but the funding level was cut by ten percent and an additional 20 percent reduction has been proposed for 2007. Based on the recent history, the trend is not expected to change as long as the federal deficit continues to grow. The HOME program has been relatively unchanged and is likely to continue in its present form and funding level.

The Redevelopment Agency has been the beneficiary of two positive trends. First the increasing cost of homes has increased the assessed values in our project areas dramatically and therefore has resulted in significant tax increment revenue increases. During the last five property fiscal years, total tax increment revenues increased by a total of 75 percent. The 2005-06 tax increment revenue is expected to increase an additional 21 percent from the previous fiscal year. Although housing sales and price escalation have slowed, new housing projects and the continued search for affordable housing will lead many to continue to buy homes in the project areas. For the Merged Downtown project area, the construction of major condominium projects will likely result in an assessed value growth of 50 percent in four years. The other positive trend has been the favorable bond market. As a result, the Agency was able to issue new bonds for Merged Downtown and Oak Park at the end of 2005, issue new bonds for Del Paso Heights in 2006, it enabled refunding of various prior bond obligations, and the Agency will be participating in the City bond issue for the benefit of four additional project areas. In 2007 a County redevelopment issue is likely for the Merged Mather and McClellan project area. The Agency will continue to maximize its ability to leverage future tax increment revenues to fulfill redevelopment requirements for incurring indebtedness.

## **Significant 2005 Accomplishments**

We participated in many significant projects and policy initiatives in 2005. Highlights of accomplishments for each of the Agency's goals are listed below. The Agency goals were modified in 2002 to define our key businesses and strategies.

### Goal One: Develop, preserve and finance a continuum of affordable housing opportunities

- Completed the 360-unit renovation of Phoenix Park adding a new Resident Activity Center, laundry facilities and tot lots.
- Issued over \$53 million in tax-exempt mortgage revenue bonds and \$16 million in Agency loans to create or preserve over 1,200 affordable housing units.
- Completed the rehabilitation of 45-60 units of transitional housing at the Mather Community campus.
- Broke ground on the Globe Mills Adaptive Reuse project, a 143-unit affordable senior and market rate housing development in Alkali Flat.
- Purchased Greenfair site from HUD for new infill development project.
- Provided funds for the acquisition of the troubled Westerner Mobile Home Park.
- Completed the Fremont Mews project in the Central City adding 119 new rental units, of which 49 are affordable.

### Goal Two: Provide and maintain effective and efficient Agency-owned housing and tenant-based rental assistance programs

- Provided conventional housing to approximately 3,400 very low-income households with a lease up rate at 97 percent.
- Provided assistance to an average of 10,800 families per month in the Housing Choice Voucher program with a 97 percent lease up rate.
- Reduced HCV average housing assistance costs by nine percent, in-line with new HUD funding constraints.
- Received HUD approval to designate four public housing developments (288 units) as elderly-only.
- Improved the service level of public housing maintenance and management resulting in higher HUD assessment scores.

### Goal Three: Revitalize lower income neighborhoods to create healthy and sustainable communities

- Completed the Locke historic subdivision and sale of the underlying land to the building owners.
- Completed the restoration of the Old Florintown School.
- Initiated construction of Del Paso Boulevard Streetscape and obtained funding for the last phase of Stockton Boulevard Streetscape.
- Completed numerous park improvements including DixieAnne neighborhood tot lot, accessible play structure in Southside Park and Gardenland Park spray feature in the City and Florin Creek Park (Southgate Parks) and Hampton Street Park (Arcade Parks) in the County.
- Installed neighborhood street lighting in several low-income neighborhoods: in the City Dixieanne, Marshall Park, North City Farms and Mansion Flats, Rancho Cordova and in the County on Capitales Drive.

Goal Four: Eliminate blight and promote economic development in redevelopment areas and identified transitional neighborhoods including commercial corridors and converted military bases

- Completed significant new infrastructure improvements in the Mather Commerce Center. New buildings and leasing activity resulted in creation of over 500 new jobs, for a total of 5,600 jobs at Mather.
- Began planning for the adoption of a new redevelopment area in the remainder of the former Mather Air Force Base.
- Completed infrastructure projects and rehabilitation of facilities at McClellan and maintained employment at approximately 10,500 jobs.
- Completed Phase 1 of the Watt Avenue streetscape improvement project and began construction of Phase 2.
- Adopted a new redevelopment area for the Florin Road area around Florin Mall.
- Completed 33 storefront improvements in Downtown and in other older commercial corridors in the City and County.
- Issued over 400 hiring credit vouchers in the Enterprise Zones and the Local Agency Military Base Recovery Area.

**2006 Initiatives**

In 2006, the Agency will continue to partner with the City and County of Sacramento to initiate projects and policies to maximize affordable housing opportunities for low-income, very low-income, and extremely low-income households and revitalize low-income communities. We will also continue strategies to revitalize low-income communities, older commercial corridors, and converted military bases. Our initiatives include infrastructure and community facility improvements, financial assistance for commercial development, homeownership and housing rehabilitation assistance, and intervention to transform troubled rental properties into safe and affordable housing that complements the surrounding neighborhoods.

**AWARDS AND ACKNOWLEDGEMENTS**

Certificate of Achievement for Excellence in Financial Reporting

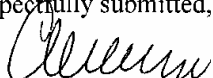
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Agency for its comprehensive annual financial report for the year ended December 31, 2004. This was the thirteenth consecutive year that the Agency has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.


### Acknowledgements

The preparation of this report could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. Their dedication to professional excellence is reflected in an improved comprehensive annual financial report. We would also like to commend the Agency's Commission, the City Council and the County Board of Supervisors for their interest, support of this substantial effort, and shared commitment to assuring the financial viability of an Agency which remains progressively committed to meeting the economic, redevelopment and housing needs of the communities we serve.

Respectfully submitted,



ANNE M. MOORE  
Executive Director



SATOSHI MATSUDA  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to  
Sacramento Housing  
and Redevelopment Agency,  
California

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2004

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.



*Carla E. Perry*

President

*Jeffrey R. Emer*

Executive Director



**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
A COMPONENT UNIT OF THE CITY OF SACRAMENTO, CALIFORNIA**

**THE COMPREHENSIVE ANNUAL FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2005**

**DIRECTORY OF OFFICIALS**

**COUNTY HOUSING AUTHORITY AND REDEVELOPMENT AGENCY**

District 1 - Roger Dickinson  
District 2 - Illa Collin  
District 3 – Susan Peters  
District 4 – Roberta MacGlashan  
District 5 - Don Nottoli

**CITY HOUSING AUTHORITY AND REDEVELOPMENT AGENCY**

Heather Fargo, Mayor  
District 1 – Ray Tretheway  
District 2 – Sandy Sheedy  
District 3 - Steve Cohn  
District 4 – Robert Fong  
District 5 - Lauren Hammond  
District 6 – Kevin McCarty  
District 7 - Robbie Waters  
District 8 - Bonnie Pannell

**HOUSING AND REDEVELOPMENT COMMISSION**

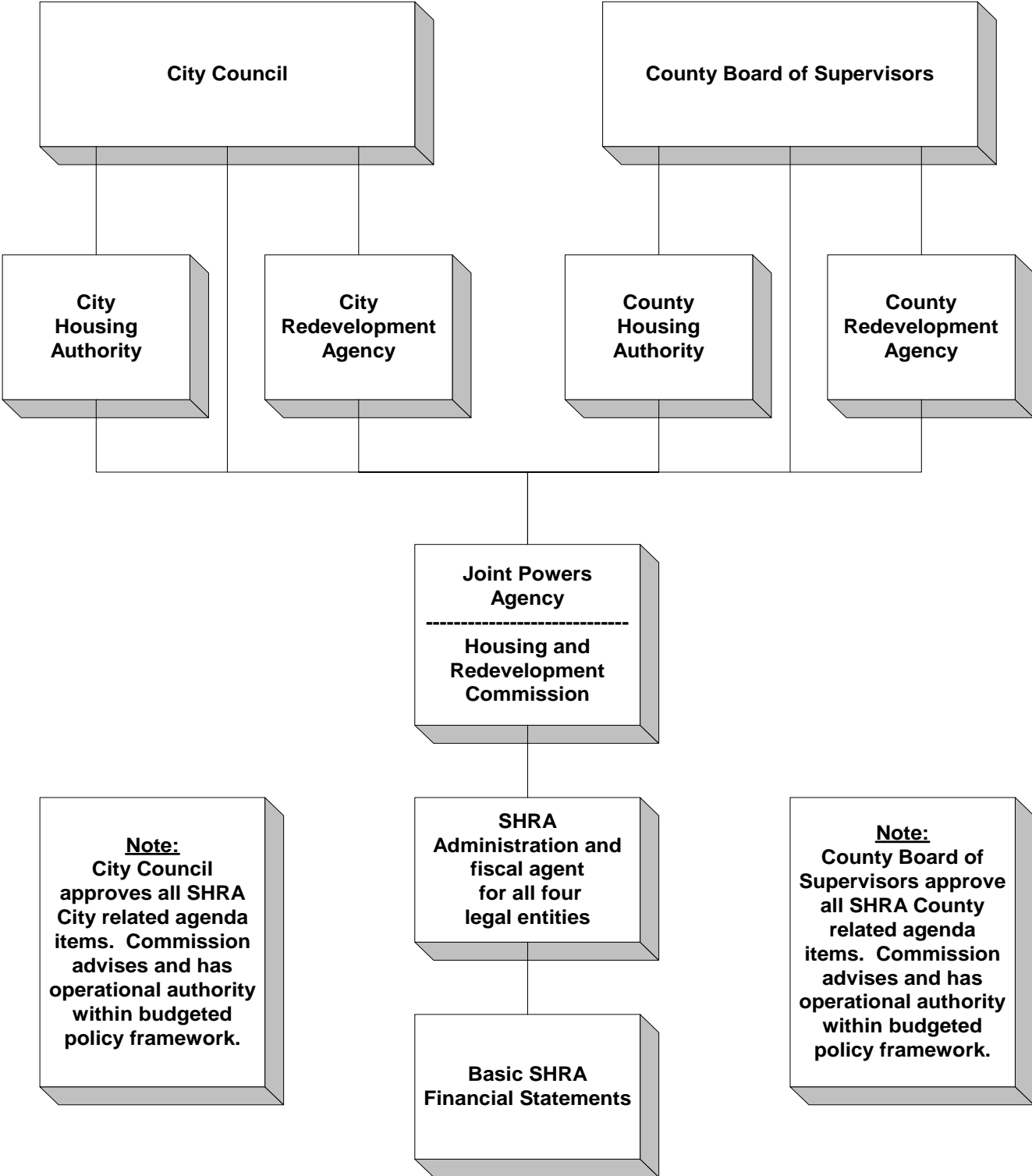
Sam Burns  
Tom Burruss  
Fernando Coriano  
Roy Fowler  
Darin Gale  
Verne Gore  
Jim Hoag  
Julius Piatkowski  
Cyril Shah  
Karolyn Simon  
Mark Stivers

**SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY**

Executive Director - Anne M. Moore  
Agency Clerk – Nancy Abeels  
Agency Counsel - Dana Phillips

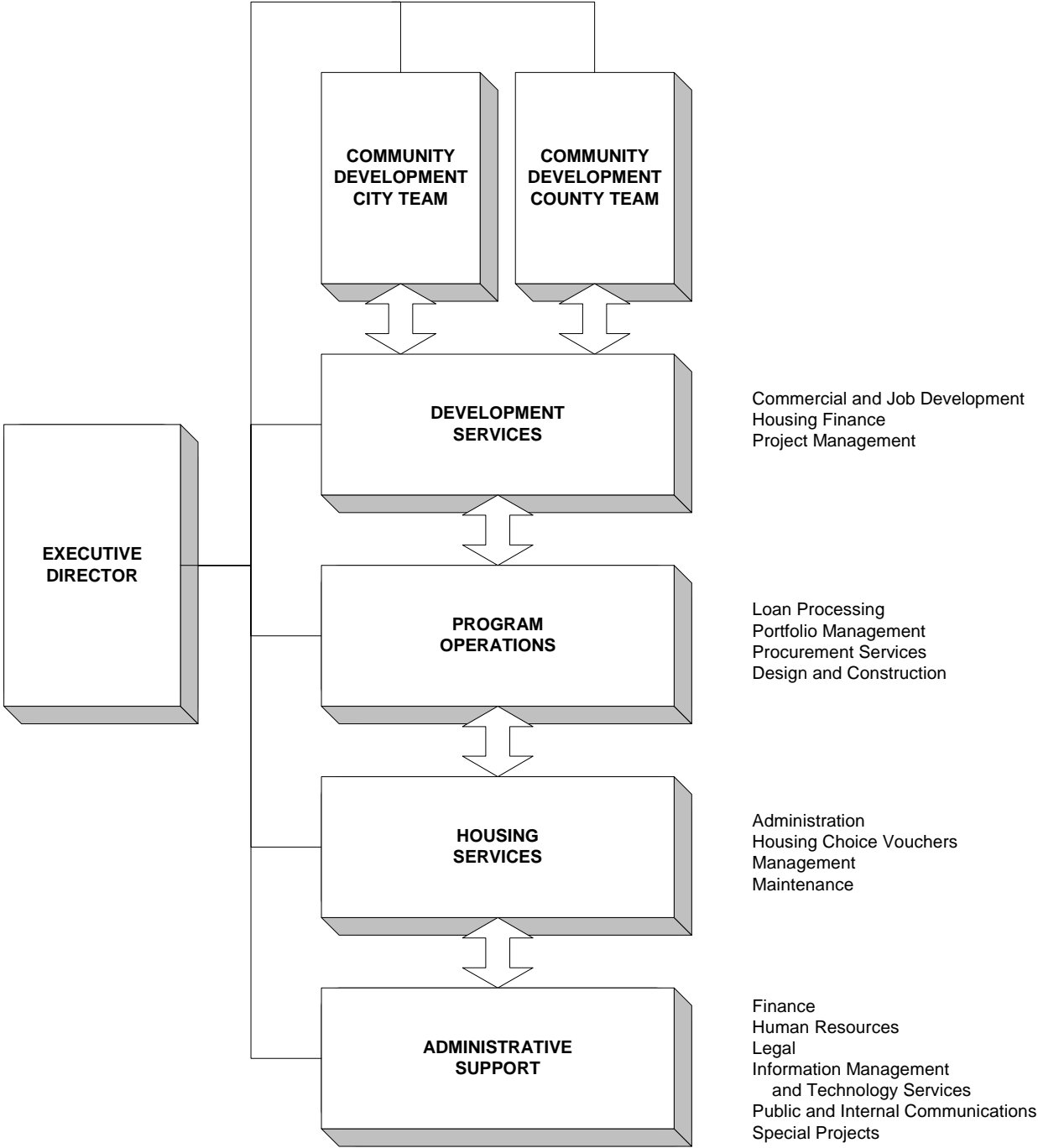
# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

## GOVERNING BODIES AND ADMINISTRATION ORGANIZATION CHART



# SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY

## DEPARTMENT/DIVISION ORGANIZATION CHART



# *Financial Section*



## MACIAS GINI & COMPANY<sup>LLP</sup>

3000 S Street, Ste 300  
Sacramento, California 95816

916.928.4600 PHONE  
916.928.2755 FAX

Honorable Members of the Sacramento  
City Council, County Board of Supervisors, and  
Housing and Redevelopment Commission  
Sacramento Housing and Redevelopment Agency  
Sacramento, California

### INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Sacramento Housing and Redevelopment Agency (Agency), a component unit of the City of Sacramento, California, as of and for the year ended December 31, 2005, which collectively comprise the Agency's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Agency'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 Agency'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 aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the Agency as of December 31, 2005, and the respective changes in financial position and, where applicable, cash flows thereof for the 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 May 15, 2006, on our consideration of the Agency'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.

The Management's Discussion and Analysis on pages 3 through 16 and the Schedule of Funding Progress on page 72 are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Agency's basic financial statements. The introductory section, combining and individual fund statements and schedules, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual fund statements and schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The introductory section and statistical section have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

*Macdon McInnis & Company LLP*

Certified Public Accountants

Sacramento, California  
May 15, 2006

*Management's  
Discussion  
and  
Analysis*

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
December 31, 2005**

(dollar amounts expressed in thousands)

This portion of the Sacramento Housing and Redevelopment Agency's (Agency) annual financial report presents a narrative overview and analysis of the Agency's financial activities for the year ended December 31, 2005. Please read this in conjunction with the transmittal letter at the beginning of this report and the Agency's financial statements following this section. All dollar amounts are expressed in thousands unless otherwise indicated.

**FINANCIAL HIGHLIGHTS**

- The assets of the Agency exceeded liabilities at the end of the 2005 year by \$326,677 (net assets). Of this amount, \$429,588 is restricted to specific purposes (restricted net assets), and \$222,195 is invested in capital assets, net of related debt. The negative unrestricted net assets of (\$325,106) are mainly the result of redevelopment debt that does not produce capital assets.
- The Agency's total net assets increased by \$30,626 during the year. Governmental activities increased by \$20,135. This was due to increased tax increment, operating and capital grant revenues, and investment earnings. The tax increment revenue increased due to the increase in housing values. The operating and capital grant revenues increased due to an increase in project expenses and investment earnings due to increased tax increment revenues and higher interest rates. Business-type activities increased by \$10,491 mainly due to transfers. In 2005 construction in progress amounts from closed grants were transferred from the City and County Capital funds to buildings in the City and County Public Housing funds in the amount of \$8,864.
- The capital assets of the Agency are mainly the property of the Housing Authorities and the net assets will reflect positive balances long into the future because of this. The Redevelopment Agencies have few capital assets and yet acquire the majority of the debt for the Agency. As the Agency continues to do bond issues the net assets will decrease even though the cash for redevelopment projects continue to increase. As the cash is used for projects, the net assets will decrease further. The reduction of net assets is actually a positive trend for a redevelopment agency, in that an increase in debt reflects higher tax increment revenues and more projects to revitalize the project area with the bond proceeds.
- As of December 31, 2005, the Agency's governmental funds reported combined fund balances of \$354,967, an increase of \$129,356 for the year. Approximately six percent of the combined fund balances, \$20,522 is available to meet the Agency's current and future needs (unreserved fund balance).



**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
December 31, 2005**

(dollar amounts expressed in thousands)

- The long-term debt of the Agency increased by \$128,619 in comparison with the prior year. The increase is due to a tax allocation revenue bond issue in the amount of \$139,122, a tax allocation refunding bond issue in the amount of \$27,180 and an increase in the California Infrastructure and Economic Development (CIEDB) bank loan in the amount of \$3,387. These increases were offset by refunded debt in the amount of \$27,640 and scheduled principal payments in the amount of \$13,430.

## **OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis are intended to serve as an introduction to the Agency's basic financial statements. The Agency's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide Financial Statements** are designed to provide readers with a broad overview of Agency finances, in a manner similar to a private-sector business.

The *statement of net assets* presents information on all Agency assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the Agency is improving or deteriorating.

The *statement of activities* presents information showing how net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected tax increment and grant revenue, accounts payable and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the Agency that are principally supported by tax increments and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or in part a portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the Agency include a variety of federal, state and local housing programs, community redevelopment programs funded by the federal government, including both the City and County Community Development Block Grant Program (CDBG), low and moderate housing activities associated with the redevelopment project areas using Tax Increment funds, Community Social Service Programs, and capital projects which include acquisition and construction of major capital facilities. The business-type activities of the Agency consist of Assisted Housing, which includes Public Housing subsidized by the Department of Housing and Urban Development (HUD), locally funded housing projects, and units subsidized by the State of California's Department of Housing and Community Development. In addition, the Housing Authority operates the Housing Choice Voucher (formerly Section 8) Program.

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
December 31, 2005**

(dollar amounts expressed in thousands)

Component units included in the Agency's basic financial statements consist of legally separate entities whose inclusion is necessary for the fair presentation in accordance with generally accepted accounting principles. Included within this grouping are: Riverview Plaza Associates, Sacramento Housing Development Corporation, Shasta Hotel Investors Partnership, Norwood Avenue Housing Corporation, Norwood Avenue Housing Partnership, Phoenix Park I, L.P. and Phoenix Park II, L.P.

**The government-wide financial statements can be found on pages 17 - 18 of this report.**

**Fund Financial Statements** are groupings of related funds that are used to maintain control over resources that have been segregated for specific activities or objectives. The Agency, like other state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the Agency can be divided into three categories: *governmental funds*, *proprietary funds* and *fiduciary funds*.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements.

However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating the Agency's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The Agency maintains 96 individual governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the City and County CDBG funds, City and County HOME funds, City Merged Downtown Debt Service fund, City Merged Downtown Capital Projects fund and the City Low/Mod Merged Downtown Capital Projects fund as each is considered a major fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

**The governmental funds financial statements can be found on pages 19 - 24 of this report.**

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
December 31, 2005**

(dollar amounts expressed in thousands)

**Proprietary funds** include two different types of funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The Agency uses enterprise funds to account for City and County Public Housing Authorities' operations, locally funded housing projects, units funded by the State of California's Department of Housing and Community Development and the Housing Choice Voucher program. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the Agency's various functions. The Agency uses internal service funds to account for the internal support services of administrative divisions, payroll, and Community-Social Services staff assigned to Sacramento County's Department of Human Assistance and the Community Services Planning Council, and self-insurance. Because these services predominantly benefit governmental rather than business-type functions, they have been included with *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City and County Public Housing funds and the County Housing Choice Vouchers fund are considered to be major funds of the Agency.

The Agency's two internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements. Individual fund data for the nonmajor enterprise funds and internal service funds are provided in the form of *combining statements* elsewhere in this report.

**The proprietary funds financial statements can be found on pages 25 - 27 of this report.**

*Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. The Agency's fiduciary fund is not reflected in the government-wide financial statements because the resources of that fund are not available to support the Agency's own programs.

**The fiduciary fund financial statement can be found on page 28 of this report.**

**Notes to the Basic Financial Statements** provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes can be found on pages 33 - 71 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor governmental funds, nonmajor enterprise funds, and internal service funds are presented immediately following the Notes to the Basic Financial Statements. Combining and individual fund statements and schedules can be found on pages 73 - 149 of this report.

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The government-wide financial statements provide long-term information about the Agency's overall financial condition. This analysis addresses the financial statements of the Agency as a whole.

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the Agency, assets exceeded liabilities by \$326,677 at the close of the most recent fiscal year.

**Net Assets**

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Current and other assets	\$ 484,588	\$ 343,577	\$ 29,688	\$ 23,335	\$ 514,276	\$ 366,912
Capital assets	53,581	52,146	173,794	169,553	227,375	221,699
Total assets	<u>538,169</u>	<u>395,723</u>	<u>203,482</u>	<u>192,888</u>	<u>741,651</u>	<u>588,611</u>
Long-term liabilities	375,670	246,325	680	727	376,350	247,052
Other liabilities	36,841	43,875	1,783	1,633	38,624	45,508
Total liabilities	<u>412,511</u>	<u>290,200</u>	<u>2,463</u>	<u>2,360</u>	<u>414,974</u>	<u>292,560</u>
Net assets:						
Invested in capital assets, net of related debt	49,081	47,646	173,114	168,826	222,195	216,472
Restricted	420,634	284,011	8,954	1,776	429,588	285,787
Unrestricted	(344,057)	(226,134)	18,951	19,926	(325,106)	(206,208)
Total net assets	<u>\$ 125,658</u>	<u>\$ 105,523</u>	<u>\$ 201,019</u>	<u>\$ 190,528</u>	<u>\$ 326,677</u>	<u>\$ 296,051</u>

\$222,195 of the Agency's net assets reflects its investment in capital assets (e.g., land, buildings, property, and equipment); less any related debt used to acquire those assets that is still outstanding. The Agency uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although this investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The amount invested in capital assets increased by \$5,723 in the current year. The business-type activities increased by \$4,288 mainly as a result of land and building purchases in Greenfair (\$896), the transfer of construction in progress from the Governmental City and County Capital Fund Program to Land and Buildings in the City and County Public Housing enterprise funds (\$8,864). These amounts were offset by depreciation expense associated with the capital assets (\$5,498) as well as other minor purchases and sales. The governmental activities increased by \$1,435 due to purchases of land, buildings and equipment (\$14,118) mainly in the Downtown, Del Paso and Alkali Flat redevelopment areas and construction in progress in the Capital Fund Program (\$2,668). These purchases were offset by depreciation expense (\$326), sales and deletions (\$6,161) and transfers to the City and County Public Housing enterprise fund (\$8,864).

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
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(dollar amounts expressed in thousands)

An additional portion of the Agency's net assets of \$429,588 represents resources that are subject to external restrictions on how they may be used. Restricted net assets increased by \$143,801 during the current year. The amount restricted for debt service decreased by \$1,005, restricted for housing increased by \$80,666, restricted for Housing Choice Vouchers increased by \$7,987, restricted for community development increased by \$56,172, and restricted for other decreased by \$19. The amount restricted for Housing Choice Vouchers is the result of HUD advance funding the program. The decrease in restricted for debt service is mainly the result of a refunding bond issue in July 2005 in the amount of \$27,180 that decreased many of our existing bond amounts and lowered the debt service payments. The Agency also issued bonds in December 2005 for the Merged Downtown and Oak Park redevelopment areas in the amount of \$139,122 which is mainly responsible for the increases in the restricted for housing (low-mod tax increment) and community development amounts.

The (\$325,106) unrestricted net assets for governmental and business-type activities is primarily the result of the Agency issuing bonds as a Redevelopment Agency. In the Agency's case, the debt proceeds are used for assorted redevelopment and economic development projects in the community, which are not capitalized. The result is a negative unrestricted net assets. The redevelopment debt will be repaid from future tax increment revenue. Issuing debt also increased the Agency's cash and long-term liabilities.

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

The following table indicates the changes in net assets for governmental and business-type activities.

	Governmental		Business-type		Total	
	Activities		Activities			
	2005	2004	2005	2004	2005	2004
Revenues:						
Program revenues:						
Charges for services	\$ 1,269	\$ 1,311	\$ 10,592	\$ 11,709	\$ 11,861	\$ 13,020
Operating grants and contributions	41,841	30,289	107,789	110,090	149,630	140,379
Capital grants and contributions	7,594	9,251	-	-	7,594	9,251
General revenues:						
Tax increment	50,173	40,676	-	-	50,173	40,676
Investment earnings	7,464	5,918	112	83	7,576	6,001
Gain/Loss on sale of capital assets	(364)	3,437	29	6,833	(335)	10,270
Income from sales of assets held for resale	5,613	-	-	-	5,613	-
Miscellaneous	2,201	3,305	995	836	3,196	4,141
Total revenues	<u>115,791</u>	<u>94,187</u>	<u>119,517</u>	<u>129,551</u>	<u>235,308</u>	<u>223,738</u>
Expenses:						
Housing operations	7,017	5,836	-	-	7,017	5,836
Community development	64,151	53,774	-	-	64,151	53,774
Community social services	3,231	4,408	-	-	3,231	4,408
Interest expense	11,737	12,233	-	-	11,737	12,233
Local housing	-	-	3,516	4,599	3,516	4,599
Public housing	-	-	21,605	21,687	21,605	21,687
Housing choice vouchers	-	-	93,425	104,228	93,425	104,228
Total expenses	<u>86,136</u>	<u>76,251</u>	<u>118,546</u>	<u>130,514</u>	<u>204,682</u>	<u>206,765</u>
Increase (decrease) in net assets						
before transfers	29,655	17,936	971	(963)	30,626	16,973
Transfers	(9,520)	(13,237)	9,520	13,237	-	-
Increase in net assets	<u>20,135</u>	<u>4,699</u>	<u>10,491</u>	<u>12,274</u>	<u>30,626</u>	<u>16,973</u>
Net assets - beginning	<u>105,523</u>	<u>100,824</u>	<u>190,528</u>	<u>178,254</u>	<u>296,051</u>	<u>279,078</u>
Net assets - ending	<u>\$ 125,658</u>	<u>\$ 105,523</u>	<u>\$ 201,019</u>	<u>\$ 190,528</u>	<u>\$ 326,677</u>	<u>\$ 296,051</u>

**Governmental Activities.** Governmental activities increased the Agency's net assets by \$20,135. The key elements of this increase are as follows:

- Operating grants and contributions increased by \$11,552 due largely to an increase in the CDBG, HOME and CalHOME expenses. These are multi-year entitlement programs and revenues are drawn based on expenses.
- Capital grants and contributions decreased by \$1,657 due to a decrease in projects in the City Capital Fund (\$2,491) and City Development Funds for Modernization programs (\$243) and offset by an increase in the County Capital Fund (\$1,077). The grants are for multiple years and revenue is drawn based on amount expended for projects.
- Tax increment revenues increased by \$9,497, due to increased home values in Sacramento.
- Investment earnings increased by \$1,546 due to higher interest rates, better cash flow for the HCV program, and an increase in bond proceeds.

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)**

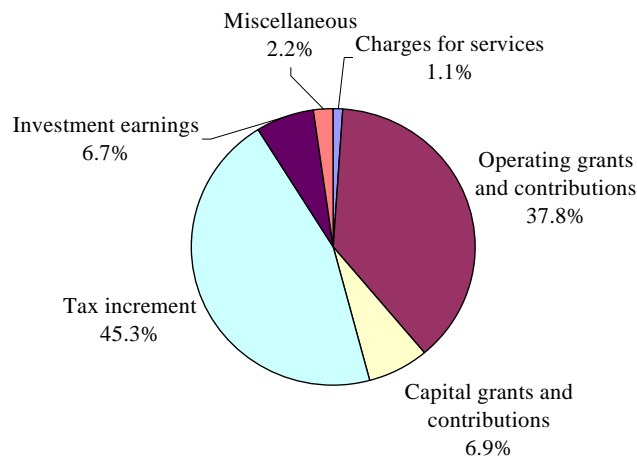
**December 31, 2005**

(dollar amounts expressed in thousands)

- Income from sales of assets held for resale increased by \$5,613 due to the sale of properties in the 5H program.
- The increase in revenue was offset by an increase of \$9,885 in expenses. Of this amount housing operations increased by \$1,181 mainly due to an increase in the Capital Fund Program expenditures of \$434 and payments made from low/mod tax increment funds for the housing choice voucher program of \$930. Community development operations increased by \$10,377 mainly due to expenditures in the City Merged Downtown capital projects funds. The majority of these expenditures were for the 9<sup>th</sup> and J street Metro Place project, the 10<sup>th</sup> & K street project, the 3<sup>rd</sup> and Capitol project, rehabilitation of the REA Building and the Pioneer Bridge project. The debt service related charges also increased due to higher property tax collection fees, pass thru payments and ERAF payments.
- The transfers out decreased by \$3,717. During 2004 capital assets were transferred from governmental funds to the Phoenix Park enterprise fund in the amount of \$12,320 and from the internal service funds to the City Public Housing fund in the amount of \$1,163. In 2005 construction in progress amounts from closed grants were transferred from the City and County Capital funds to buildings in the City and County Public Housing funds in the amount of \$8,864. Other miscellaneous transfers between the governmental funds and enterprise funds were to cover operating costs.

The following graphs show the breakdown of revenue by source and a comparison of expenses and program revenues for governmental activities. The community development expenses in excess of current year program revenues are paid by tax increment and prior year revenues.

Revenues by Source - Governmental Activities

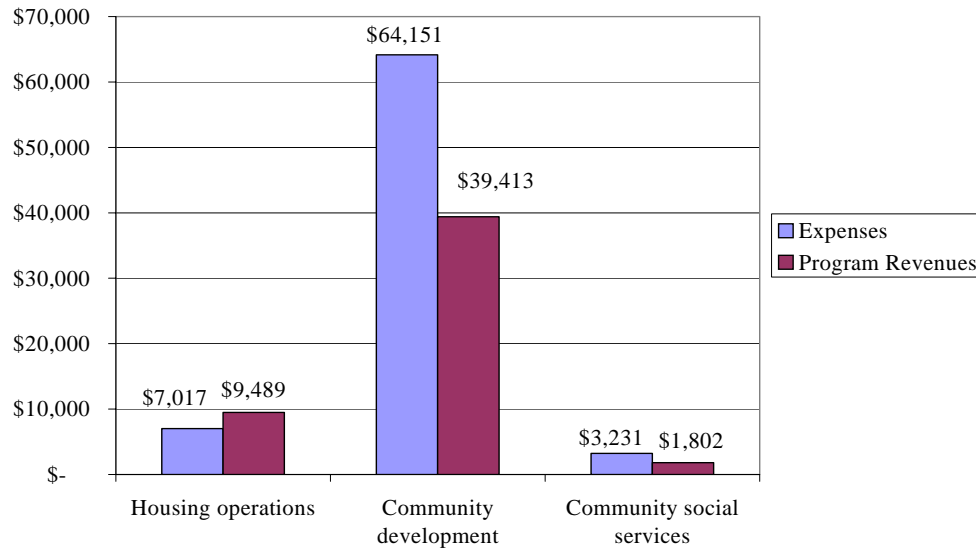


**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

Expenses and Program Revenues - Governmental Activities



**Business-type activities.** Business-type activities increased the Agency's net assets by \$10,491. The key elements of this increase are as follows:

- The net transfers amount of \$9,520 is included in the net assets balance. \$8,864 of the transfer balance is construction in progress from closed grants that were transferred from the City and County Capital funds to the City and County Public Housing funds.
- The key elements of the \$971 increase in net assets before transfers are as follows:
- Charges for services decreased by \$1,117 mainly due to the Agency absorbing the majority of the portable vouchers in 2005.
- Operating grants and contributions decreased by \$2,301 due mainly to lower housing choice voucher payments (\$10,803) that were offset by an advance funding by HUD (\$7,987).
- Gain on sale of capital assets decreased by \$6,804. In 2004 the sale of Phoenix Park properties to the Norwood Avenue Housing Corporation, Phoenix Park I, L.P. and Phoenix Park II, L.P. created a large gain on sale. In 2005 there was only one Phoenix Park property sold that resulted in a gain.
- The above increase in revenue was offset by a decrease of \$11,968 in expenses. The majority of this decrease in expenses is attributed to lower housing choice voucher payments of \$10,803. Local housing expenses also decreased by \$1,083 due mainly to the Phoenix Park project nearing completion.



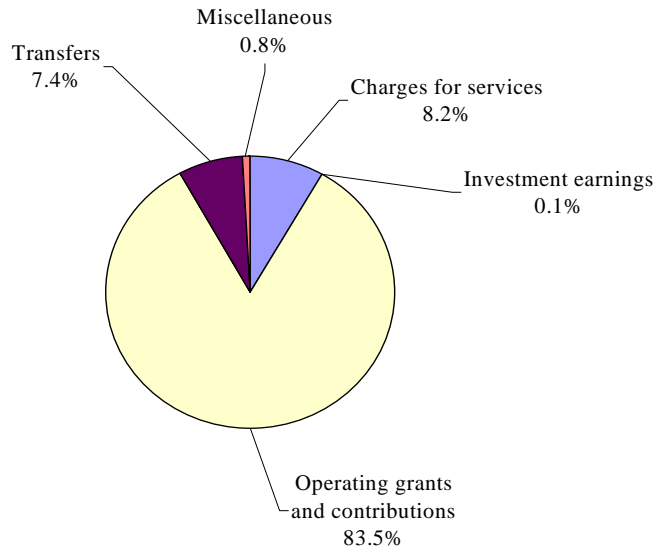
**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)**

**December 31, 2005**

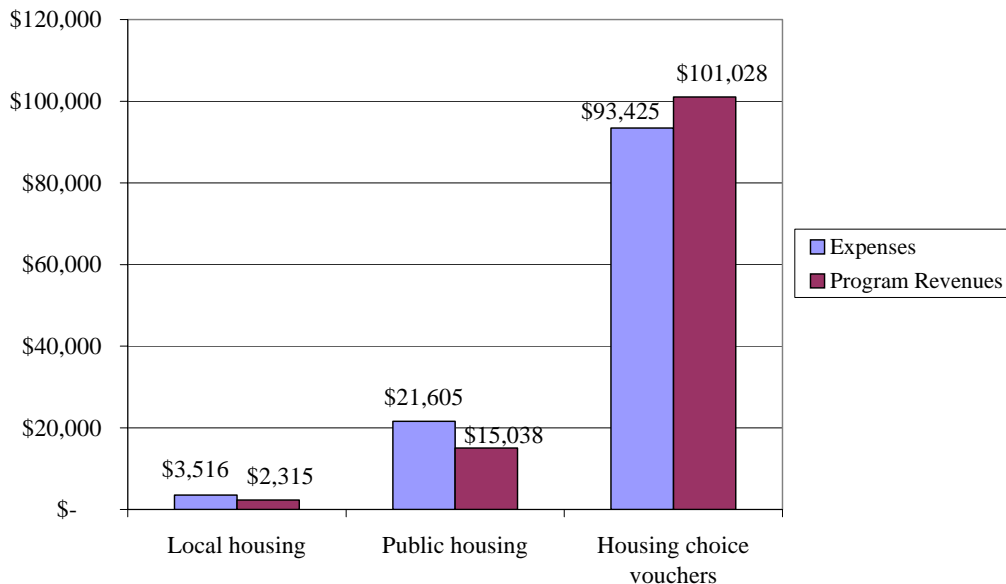
(dollar amounts expressed in thousands)

The following graphs show the breakdown of revenue by source and a comparison of expenses and program revenues for business-type activities. The variance in the revenues and expenses in Public housing (\$6,567) in the second graph is mainly due to depreciation expense (\$5,152). The variance in Housing Choice Vouchers (\$7,603) is due to an advance payment of revenues by HUD (\$7,987). This amount is in restricted fund balance for future use or repayment back to HUD. Expenses shown in excess of current year revenues are paid by prior year revenues.

Revenues by Source - Business-type Activities



Expenses and Program Revenues - Business-type Activities



**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
December 31, 2005**

(dollar amounts expressed in thousands)

**FINANCIAL ANALYSIS OF THE AGENCY'S FUNDS**

As noted earlier, the Agency uses *fund accounting* to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The general government functions are contained in the Special Revenue, Debt Service, and Capital Projects Funds. The Agency does not have a General Fund. The focus of the Agency's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the Agency's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

The Agency's governmental funds reported combined ending fund balances of \$354,967, an increase of \$129,356 in comparison with the prior year. The major funds listed below are responsible for \$101,181 of the increase in the combined fund balances and the nonmajor funds are responsible for \$28,175 of the increase.

The City Merged Downtown debt service fund has a total fund balance of \$1,034, of which \$752 is reserved for the payment of debt service and \$282 is unreserved. The net decrease in fund balance during the current year in the debt service fund was \$2,241. This decrease is the result of higher debt service payments and a transfer of cash to the capital projects fund and to the low/mod special revenue fund to use for redevelopment projects.

The City Merged Downtown capital projects fund has a total fund balance of \$113,847, of which \$98,846 is reserved for capital projects, \$6,932 is reserved to liquidate contracts and purchase orders of the prior period, \$7,827 is reserved for noncurrent assets, and \$242 is unreserved. The net increase in fund balance during the current year in the capital projects fund was \$66,549. This increase is the result of bonds proceeds in the amount of \$80,513, transfers from other funds and sales of capital assets. These amounts are offset by higher community development and capital outlay expenditures.

The City Low/Mod Merged Downtown capital projects fund has a total fund balance of \$62,632, of which \$48,620 is reserved for capital projects, \$253 is reserved to liquidate contracts and purchase orders of the prior period, \$12,966 is reserved for noncurrent assets, and \$793 is unreserved. The net increase in fund balance during the current year in the fund was \$36,873. This increase is the result of bond proceeds in the amount of \$37,910.

The City and County CDBG funds and the City and County HOME funds have no fund balances.

**Proprietary funds.** The Agency's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
December 31, 2005**

(dollar amounts expressed in thousands)

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets.** The Agency's investment in capital assets for its governmental and business type activities as of December 31, 2005, amounted to \$227,375 (net of accumulated depreciation). This investment in capital assets includes land, building and improvements, property and equipment, and construction in progress.

Capital assets for the governmental and business-type activities are presented below.

	<b>Capital Assets</b> (net of depreciation)						Increase/ (Decrease) Percent of Change
	Governmental Activities		Business-type Activities		Total		
	2005	2004	2005	2004	2005	2004	
Land	\$ 36,003	\$ 30,454	\$ 15,368	\$ 15,099	\$ 51,371	\$ 45,553	12.77%
Building and improvements	9,998	7,874	157,786	153,705	167,784	161,579	3.84%
Property and equipment	175	287	640	749	815	1,036	-21.33%
Construction in progress	7,405	13,531	-	-	7,405	13,531	-45.27%
Total	<u>\$ 53,581</u>	<u>\$ 52,146</u>	<u>\$ 173,794</u>	<u>\$ 169,553</u>	<u>\$ 227,375</u>	<u>\$ 221,699</u>	<u>2.56%</u>

**Long-term Debt.** At the end of December 31, 2005, the Agency had long-term debt outstanding of \$372,016. This is a net increase of \$128,619 from the prior year total of \$243,397.

Governmental activities notes payable decreased by \$471 due to scheduled principal payments in the amount of \$24,973, which was offset by an increase in the California Infrastructure and Economic Development Bank note for financing a public development facility in the County Mather/McClellan redevelopment area (\$3,387) This loan principal increases as the funds are spent. The total loan when fully expended will be \$10,000. The Agency also issued master lease agreements for the City Merged Downtown (\$8,950), the City Del Paso Heights (\$1,495), the City North Sacramento (\$4,375), the City Oak Park (\$1,235) and the City Richards Boulevard (\$5,060) redevelopment areas. During the current year the Agency made the final payment on a Community Development Block Grant Section 108 note.

Governmental activities bonds payable increased by \$129,137 due to tax allocation revenue bonds issued for the City Merged Downtown (\$118,423) and the City Oak Park (\$20,699) redevelopment areas. A tax allocation refunding bond was issued for the City Del Paso Heights redevelopment area in the amount of \$6,065. These increases were offset by scheduled principal payments in the amount of \$10,090 and a refunding of the 1999 City Del Paso Heights capital improvement revenue bond in the amount of \$5,960.

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
December 31, 2005**

(dollar amounts expressed in thousands)

Business-type activities notes payable decreased by \$47 due to scheduled principal payments, which reduced the year-end balances. There were no new notes issued in 2005.

**Outstanding Debt**

	Governmental Activities		Business-type Activities		Total	
	2005	2004	2005	2004	2005	2004
Notes payable	\$ 56,715	\$ 57,186	\$ 680	\$ 727	\$ 57,395	\$ 57,913
Bonds payable	314,621	185,484	-	-	314,621	185,484
Total	<u>\$ 371,336</u>	<u>\$ 242,670</u>	<u>\$ 680</u>	<u>\$ 727</u>	<u>\$ 372,016</u>	<u>\$ 243,397</u>

Additional information about the Agency's capital assets and total long-term debt is presented in Note III.E. and Note III.F., respectively, to the financial statements on pages 57 - 58 and 59 - 68 of this report.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The Agency has both housing authority and redevelopment agency functions. As such, its revenues and expenditures are dependent on external factors such as the availability of federal funding and the assessment of property values.

**2006 BUDGET SUMMARY**

The total budget (operating plus capital) has grown 2.4 percent, from \$222,093 to \$227,361 for 2006. The operating budget totals \$176,822 including \$92,171 for housing assistance payments, \$53,586 for operational costs, and \$31,064 for debt service. Funding available for new projects totals \$50,539. The total operating budget increased approximately \$3.7 million, or 2.14 percent, over the prior year.

We are proposing an interim budget until the recommendations for changes to our Public Housing programs can be developed in conjunction with the changes being imposed by HUD.

This budget proposes a net decrease of 16.9 positions. The Housing Authority operations is reducing 12.1 positions for the HCV and Public Housing programs, Administrative departments by 2.0 positions, Community Development by 1.8 positions and affiliated organizations by 1.0 position. Eleven of the positions had been unfunded for 2005. All the positions proposed for elimination are currently vacant. The Agency has had a controlled hiring program in effect since 2003 as the 1) HUD programmatic changes and reductions in funding have been implemented and 2) State ERAF shifts have been implemented for four years. This controlled hiring program will continue in effect until the structural deficits of each funding source have been eliminated.

**Sacramento Housing and Redevelopment Agency  
Management's Discussion and Analysis (Continued)  
December 31, 2005**

(dollar amounts expressed in thousands)

Even with the proposed elimination of positions, Employee Services costs are expected to increase by \$1,471, or 5.9 percent, from last year. The increase is due to retirement related costs. Because of the poor fiscal condition of the Housing Authority operations, no cost of living adjustment has been budgeted for 2006.

The overall Services and Supplies budget has increased \$463 or 3.3 percent.

The Housing Assistance Payments (HAPs) for the HCV Program total \$92,171, a slight decrease of 2.9 percent from last year. These reductions are a direct result of major changes HUD has imposed on the program over the last several years.

Costs related to debt service payments have increased by more than \$3,972 or 14.7 percent for the bond issuance, loan repayment by Richards Boulevard and for two Infrastructure Bank loans approved during 2005.

Redevelopment expenses have increased more than \$1.4 million or 12 percent. Much of this increase is due to the higher Education Revenue Augmentation Fund (ERAF) payments to address the state budget deficit for 2005-06 fiscal year and the increasing amount of pass through payments as tax increment revenues increase.

**REQUESTS FOR INFORMATION**

This financial report is designed to provide a general overview of the Agency's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to Finance Director, Sacramento Housing and Redevelopment Agency, 630 I Street, Sacramento, California, 95814.

*Basic  
Financial  
Statements*

**Sacramento Housing and Redevelopment Agency**  
**Statement of Net Assets**  
**December 31, 2005**  
(amounts expressed in thousands)

	<b>Primary Government</b>			<b>Component Units</b>
	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Cash and investments	\$ 316,192	\$ 3,464	\$ 319,656	\$ 2,255
Receivables (net)	17,787	482	18,269	754
Due from component units	-	318	318	-
Internal balances	2,150	(2,150)	-	-
Inventories	-	160	160	-
Deferred charges and prepaid items	8,262	14	8,276	79
Restricted cash and investments	9,650	9,042	18,692	4,144
Other long-term assets	-	-	-	1,319
Notes receivable (net)	114,225	358	114,583	-
Advances to component units	16,322	18,000	34,322	-
Advances to primary government	-	-	-	1,000
Capital assets				
Land and construction in progress	43,408	15,368	58,776	2,728
Depreciable buildings and improvements, and property and equipment, net	10,173	158,426	168,599	86,665
Total assets	<u>538,169</u>	<u>203,482</u>	<u>741,651</u>	<u>98,944</u>
<b>LIABILITIES</b>				
Securities lending obligations	19,450	-	19,450	-
Accounts payable and accrued liabilities	7,371	816	8,187	2,569
Interest payable	1,676	-	1,676	-
Unearned revenue	5,755	26	5,781	132
Deposit and trust liability	1,589	941	2,530	158
Due to primary government	-	-	-	318
Advances from component units	1,000	-	1,000	-
Advances from primary government	-	-	-	34,322
Long-term liabilities:				
Due within one year	15,589	52	15,641	3,312
Due in more than one year	360,081	628	360,709	54,472
Total liabilities	<u>412,511</u>	<u>2,463</u>	<u>414,974</u>	<u>95,283</u>
<b>NET ASSETS</b>				
Invested in capital assets, net of related debt	49,081	173,114	222,195	10,305
Restricted for:				
Debt service	8,876	-	8,876	-
Housing	137,952	967	138,919	-
Housing choice vouchers	-	7,987	7,987	-
Community development	273,766	-	273,766	-
Other	40	-	40	650
Unrestricted	(344,057)	18,951	(325,106)	(7,294)
Total net assets	<u>\$ 125,658</u>	<u>\$ 201,019</u>	<u>\$ 326,677</u>	<u>\$ 3,661</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Statement of Activities**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

Functions/Programs	Program Revenues				
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government:					
Governmental activities:					
Housing operations	\$ 7,017	\$ 1,152	\$ 743	\$ 7,594	\$ 2,472
Community development	64,151	117	39,296	-	(24,738)
Community social services	3,231	-	1,802	-	(1,429)
Interest expense	11,737	-	-	-	(11,737)
Total governmental activities	<u>86,136</u>	<u>1,269</u>	<u>41,841</u>	<u>7,594</u>	<u>(35,432)</u>
Business-type activities:					
Local housing	3,516	885	1,430	-	(1,201)
Public housing	21,605	7,268	7,770	-	(6,567)
Housing choice vouchers	93,425	2,439	98,589	-	7,603
Total business-type activities	<u>118,546</u>	<u>10,592</u>	<u>107,789</u>	<u>-</u>	<u>(165)</u>
Total primary government	<u>\$ 204,682</u>	<u>\$ 11,861</u>	<u>\$ 149,630</u>	<u>\$ 7,594</u>	<u>\$ (35,597)</u>
Component units:					
Local housing	<u>\$ 5,941</u>	<u>\$ 2,130</u>	<u>\$ 1,009</u>	<u>\$ -</u>	<u>\$ (2,802)</u>

	Primary Government			
	Governmental Activities	Business-type Activities	Total	Component Units
Net (expense) revenue	\$ (35,432)	\$ (165)	\$ (35,597)	\$ (2,802)
General revenues:				
Tax increment	50,173	-	50,173	-
Investment earnings	7,464	112	7,576	419
Gain/(loss) on disposal of capital assets	(364)	29	(335)	-
Income from assets held for resale	5,613	-	5,613	-
Miscellaneous	2,201	995	3,196	547
Transfers, net	<u>(9,520)</u>	<u>9,520</u>	<u>-</u>	<u>-</u>
Total general revenues and transfers	<u>55,567</u>	<u>10,656</u>	<u>66,223</u>	<u>966</u>
Change in net assets	20,135	10,491	30,626	(1,836)
Net assets - beginning, as restated	105,523	190,528	296,051	5,497
Net assets - ending	<u>\$ 125,658</u>	<u>\$ 201,019</u>	<u>\$ 326,677</u>	<u>\$ 3,661</u>

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



**Sacramento Housing and Redevelopment Agency**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2005**  
(amounts expressed in thousands)

	City CDBG	County CDBG	City HOME	County HOME	City Merged Downtown Debt Service
<b>Assets</b>					
Cash and investments	\$ 2,657	\$ 3,251	\$ 2,195	\$ 6,949	\$ -
Accounts receivable (net)	27	56	75	13	-
Property taxes receivable	-	-	-	-	2,550
Due from other funds	-	-	-	-	-
Due from other governments	710	993	222	72	-
Notes receivable (net)	4,114	3,828	17,864	24,717	-
Advances to other funds	570	215	1,156	-	-
Advances to component units	3,370	-	-	-	-
Restricted cash and investments	-	-	-	-	752
<b>Total assets</b>	<b>\$ 11,448</b>	<b>\$ 8,343</b>	<b>\$ 21,512</b>	<b>\$ 31,751</b>	<b>\$ 3,302</b>
<b>Liabilities and Fund Balances</b>					
<b>Liabilities:</b>					
Accounts payable	\$ 732	\$ 1,012	\$ 20	\$ 2	\$ 173
Accrued liabilities	18	2	2	-	-
Due to other funds	-	-	-	-	2,095
Due to other governments	-	-	-	-	-
Deferred revenue	10,698	7,319	21,490	31,749	-
Deposit and trust liability	-	10	-	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>11,448</b>	<b>8,343</b>	<b>21,512</b>	<b>31,751</b>	<b>2,268</b>
<b>Fund balances:</b>					
<b>Reserved for:</b>					
Capital projects	-	-	-	-	-
Encumbrances	-	-	-	-	-
Debt service	-	-	-	-	752
Noncurrent assets	-	-	-	-	-
<b>Unreserved, reported in:</b>					
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	282
Capital projects funds	-	-	-	-	-
<b>Total fund balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,034</b>
<b>Total liabilities and fund balances</b>	<b>\$ 11,448</b>	<b>\$ 8,343</b>	<b>\$ 21,512</b>	<b>\$ 31,751</b>	<b>\$ 3,302</b>

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

**Sacramento Housing and Redevelopment Agency**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2005**  
(amounts expressed in thousands)

	City Merged Downtown Capital Projects	City Low/ Mod Merged Downtown Capital Projects	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Cash and investments	\$ 104,897	\$ 50,132	\$ 114,322	\$ 284,403
Accounts receivable (net)	-	-	2,216	2,387
Property taxes receivable	-	-	8,017	10,567
Due from other funds	2,095	-	1,727	3,822
Due from other governments	-	-	2,805	4,802
Notes receivable (net)	2,388	11,322	49,992	114,225
Advances to other funds	2,438	-	3,714	8,093
Advances to component units	3,001	1,644	8,307	16,322
Restricted cash and investments	-	-	8,385	9,137
Total assets	<u>\$ 114,819</u>	<u>\$ 63,098</u>	<u>\$ 199,485</u>	<u>\$ 453,758</u>
<b>Liabilities and Fund Balances</b>				
Liabilities:				
Accounts payable	\$ 610	\$ -	\$ 2,786	\$ 5,335
Accrued liabilities	16	-	135	173
Due to other funds	-	76	1,567	3,738
Due to other governments	106	-	406	512
Deferred revenue	92	371	9,019	80,738
Deposit and trust liability	148	19	1,412	1,589
Advances from other funds	-	-	6,706	6,706
Total liabilities	<u>972</u>	<u>466</u>	<u>22,031</u>	<u>98,791</u>
Fund balances:				
Reserved for:				
Capital projects	98,846	48,620	80,315	227,781
Encumbrances	6,932	253	10,907	18,092
Debt service	-	-	8,124	8,876
Noncurrent assets	7,827	12,966	58,903	79,696
Unreserved, reported in:				
Special revenue funds	-	-	6,886	6,886
Debt service funds	-	-	7,999	8,281
Capital projects funds	242	793	4,320	5,355
Total fund balances	<u>113,847</u>	<u>62,632</u>	<u>177,454</u>	<u>354,967</u>
Total liabilities and fund balances	<u>\$ 114,819</u>	<u>\$ 63,098</u>	<u>\$ 199,485</u>	<u>\$ 453,758</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Reconciliation of the Balance Sheet of Governmental Funds**  
**to the Statement of Net Assets**  
**December 31, 2005**  
**(amounts expressed in thousands)**

Total fund balances of governmental funds (pages 19-20)		\$ 354,967
Amounts reported for governmental activities in the statement of net assets are different because:		
Long-term assets are not available to pay for current period expenditures and, therefore, are deferred in the funds.		74,983
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	\$ 55,554	
Less: accumulated depreciation	<u>(2,071)</u>	
		53,483
Internal service funds are used by management to charge the costs of administration and insurance to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.		8,261
Costs of issuance related to bonds and notes payable are reported as current period expenditures in the funds:		
Deferred bond issuance costs		8,220
Certain current liabilities are not due and payable in the current period and, therefore, are not reported in the funds:		
Interest payable		(1,676)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds:		
Tax allocation bonds payable, net	\$ (317,396)	
Notes payable, net	<u>(55,184)</u>	
		<u>(372,580)</u>
Net assets of governmental activities (page 17)		<u>\$ 125,658</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City CDBG	County CDBG	City HOME	County HOME	City Merged Downtown Debt Service
<b>Revenues:</b>					
Intergovernmental	\$ 7,833	\$ 7,241	\$ 2,313	\$ 7,471	\$ -
Property taxes	-	-	-	-	16,818
Charges for services	-	6	-	-	-
Investment earnings	337	94	415	461	1,058
Income from assets held for resale	-	-	-	-	-
Miscellaneous	299	297	43	226	-
Total revenues	<u>8,469</u>	<u>7,638</u>	<u>2,771</u>	<u>8,158</u>	<u>17,876</u>
<b>Expenditures:</b>					
Current:					
Housing operations	-	-	-	-	-
Community development	6,295	6,882	2,848	8,158	-
Community social services	602	672	-	-	-
Capital outlay	332	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	7,654
Interest	72	1	-	-	4,737
Related charges	2	-	-	-	2,333
Advance refunding escrow	-	-	-	-	-
Bond issuance costs	-	-	-	-	135
Total expenditures	<u>7,303</u>	<u>7,555</u>	<u>2,848</u>	<u>8,158</u>	<u>14,859</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,166</u>	<u>83</u>	<u>(77)</u>	<u>-</u>	<u>3,017</u>
<b>Other financing sources (uses):</b>					
Long-term debt issued	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	8,950
Premium on redevelopment bonds	-	-	-	-	853
Sale of capital assets	101	-	77	-	-
Transfers in	-	-	-	-	-
Transfers out	(1,267)	(83)	-	-	(5,393)
Payment to refunded bond escrow agent	-	-	-	-	(9,668)
Total other financing sources (uses)	<u>(1,166)</u>	<u>(83)</u>	<u>77</u>	<u>-</u>	<u>(5,258)</u>
Net change in fund balances	-	-	-	-	(2,241)
Fund balances, beginning	-	-	-	-	3,275
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,034</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>City Merged Downtown Capital Projects</u>	<u>City Low/ Mod Merged Downtown Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 13,980	\$ 38,838
Property taxes	-	-	33,355	50,173
Charges for services	18	-	1,245	1,269
Investment earnings	396	83	4,306	7,150
Income from assets held for resale	-	-	5,613	5,613
Miscellaneous	18	550	740	2,173
Total revenues	<u>432</u>	<u>633</u>	<u>59,239</u>	<u>105,216</u>
<b>Expenditures:</b>				
Current:				
Housing operations	8	-	9,204	9,212
Community development	11,631	16	21,432	57,262
Community social services	-	-	1,957	3,231
Capital outlay	7,893	-	8,561	16,786
Debt service:				
Principal retirement	-	-	5,729	13,383
Interest	-	-	6,738	11,548
Related charges	-	-	4,292	6,627
Advance refunding escrow	-	-	1,111	1,111
Bond issuance costs	3,085	1,339	864	5,423
Total expenditures	<u>22,617</u>	<u>1,355</u>	<u>59,888</u>	<u>124,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22,185)</u>	<u>(722)</u>	<u>(649)</u>	<u>(19,367)</u>
<b>Other financing sources (uses):</b>				
Long-term debt issued	80,513	37,910	24,086	142,509
Proceeds of refunding bonds	-	-	18,230	27,180
Premium on redevelopment bonds	13	348	1,655	2,869
Sale of capital assets	4,740	-	879	5,797
Transfers in	3,913	-	24,047	27,960
Transfers out	(445)	(663)	(20,765)	(28,616)
Payment to refunded bond escrow agent	-	-	(19,308)	(28,976)
Total other financing sources (uses)	<u>88,734</u>	<u>37,595</u>	<u>28,824</u>	<u>148,723</u>
Net change in fund balances	66,549	36,873	28,175	129,356
Fund balances, beginning	47,298	25,759	149,279	225,611
Fund balances, ending	<u>\$ 113,847</u>	<u>\$ 62,632</u>	<u>\$ 177,454</u>	<u>\$ 354,967</u>

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

**Sacramento Housing and Redevelopment Agency  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balances of Governmental Funds  
to the Statement of Activities  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

Net change in fund balances - total governmental funds (pages 22-23) \$ 129,356

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period:

Capital outlay	\$ 16,786	
Depreciation expense	<u>(293)</u>	16,493

The net effect of various transactions involving capital assets (i.e., sales and disposals) is to decrease net assets. (6,161)

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 because there has been no use of current financial resources. (8,864)

The issuance of long-term debt provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment on long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets:

Long-term debt issued	\$ (169,689)	
Principal repayments on long-term debt:		
Notes payable	3,293	
Tax allocation bonds payable	10,090	
Payment to refunded bond escrow	28,976	
Premium on bond issue	(2,869)	
Bond issuance costs	5,423	
Advance refunding escrow	<u>1,111</u>	(123,665)

Governmental funds report the effect of issuance costs and premiums when debt is first issued, whereas these amounts are deferred and amortized throughout the period during which the related debt is outstanding in the statement of activities:

Amortization of bond issuance costs	(13)	
Amortization of bond premium	262	
Amortization of bond discount	<u>(390)</u>	(141)

Interest expense reported in the statement of activities does not require the use of current financial resources, and therefore, is not reported as expenditures in governmental funds. (176)

Earned deferred revenue and other resources not available to liquidate liabilities of the current period are not recognized in the funds. 10,597

Internal service funds are used by management to charge the costs of certain activities, such as administration and insurance, to individual funds. The net expense of the internal service funds is reported with the governmental activities. 2,696

Change in net assets of governmental activities (page 18) \$ 20,135

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

**Sacramento Housing and Redevelopment Agency**  
**Statement of Net Assets**  
**Proprietary Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>Business-type Activities-Enterprise Funds</b>				<b>Total</b>	<b>Governmental Activities- Internal Service Funds</b>
	<b>City Public Housing</b>	<b>County Public Housing</b>	<b>County Housing Choice Vouchers</b>	<b>Other Enterprise Funds</b>		
<b>Assets</b>						
<b>Current assets:</b>						
Cash and investments	\$ 1,576	\$ 442	\$ 224	\$ 1,222	\$ 3,464	\$ 31,789
Restricted cash and investments	445	244	201	47	937	-
Accounts receivable (net)	113	97	12	162	384	10
Due from component units	-	-	-	318	318	-
Due from other governments	-	-	79	19	98	21
Deferred charges and prepaid items	-	-	-	14	14	42
Inventories	160	-	-	-	160	-
Total current assets	<u>2,294</u>	<u>783</u>	<u>516</u>	<u>1,782</u>	<u>5,375</u>	<u>31,862</u>
<b>Noncurrent assets:</b>						
Restricted cash and investments	4	-	7,987	114	8,105	513
Notes receivable	-	-	-	358	358	-
Advances to other funds	-	-	-	-	-	679
Advances to component units	-	-	-	18,000	18,000	-
	<u>4</u>	<u>-</u>	<u>7,987</u>	<u>18,472</u>	<u>26,463</u>	<u>1,192</u>
<b>Capital assets:</b>						
Land	8,878	5,249	-	1,241	15,368	-
Buildings and improvements	117,048	89,824	-	14,126	220,998	-
Property and equipment	2,509	1,634	-	-	4,143	1,028
Less accumulated depreciation	(36,308)	(24,753)	-	(5,654)	(66,715)	(930)
Total capital assets (net of accumulated depreciation)	<u>92,127</u>	<u>71,954</u>	<u>-</u>	<u>9,713</u>	<u>173,794</u>	<u>98</u>
Total noncurrent assets	<u>92,131</u>	<u>71,954</u>	<u>7,987</u>	<u>28,185</u>	<u>200,257</u>	<u>1,290</u>
Total assets	<u>94,425</u>	<u>72,737</u>	<u>8,503</u>	<u>29,967</u>	<u>205,632</u>	<u>33,152</u>
<b>Liabilities</b>						
<b>Current liabilities:</b>						
Securities lending obligations	-	-	-	-	-	19,450
Accounts payable	147	68	177	240	632	115
Accrued liabilities	71	16	43	53	183	673
Compensated absences	-	-	-	-	-	1,944
Due to other funds	-	-	-	84	84	-
Due to other governments	-	-	-	1	1	563
Deferred revenue	-	-	12	14	26	-
Current portion of long-term debt	-	-	-	52	52	-
<b>Current liabilities payable from restricted assets:</b>						
Deposit and trust liability	445	244	205	47	941	-
Total current liabilities	<u>663</u>	<u>328</u>	<u>437</u>	<u>491</u>	<u>1,919</u>	<u>22,745</u>
<b>Noncurrent liabilities:</b>						
Compensated absences	-	-	-	-	-	1,146
Mortgage notes payable	-	-	-	628	628	-
Advances from other funds	390	-	-	1,676	2,066	-
Advances from component unit	-	-	-	-	-	1,000
Total noncurrent liabilities	<u>390</u>	<u>-</u>	<u>-</u>	<u>2,304</u>	<u>2,694</u>	<u>2,146</u>
Total liabilities	<u>1,053</u>	<u>328</u>	<u>437</u>	<u>2,795</u>	<u>4,613</u>	<u>24,891</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	92,127	71,954	-	9,033	173,114	98
Restricted for housing operations	609	244	-	114	967	-
Restricted for housing choice vouchers	-	-	7,987	-	7,987	-
Restricted for community development	-	-	-	-	-	513
Unrestricted	636	211	79	18,025	18,951	7,650
Total net assets	<u>\$ 93,372</u>	<u>\$ 72,409</u>	<u>\$ 8,066</u>	<u>\$ 27,172</u>	<u>\$ 201,019</u>	<u>\$ 8,261</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<b>Business-type Activities-Enterprise Funds</b>				<b>Total</b>	<b>Governmental Activities- Internal Service Funds</b>
	<b>City Public Housing</b>	<b>County Public Housing</b>	<b>County Housing Choice Vouchers</b>	<b>Other Enterprise Funds</b>		
Operating revenues:						
Charges for services	\$ 4,827	\$ 2,441	\$ 2,439	\$ 885	\$ 10,592	\$ 8,159
Miscellaneous	262	156	16	561	995	28
<b>Total operating revenues</b>	<b>5,089</b>	<b>2,597</b>	<b>2,455</b>	<b>1,446</b>	<b>11,587</b>	<b>8,187</b>
Operating expenses:						
Employee services	4,297	2,276	4,016	493	11,082	3,921
Administrative services	1,092	586	1,333	538	3,549	-
Services and supplies	4,186	2,031	2,062	1,713	9,992	1,872
Utilities	1,304	681	-	240	2,225	-
Claims and judgments	-	-	-	-	-	107
Depreciation	2,883	2,269	-	346	5,498	33
Housing assistance payments	-	-	86,014	126	86,140	-
<b>Total operating expenses</b>	<b>13,762</b>	<b>7,843</b>	<b>93,425</b>	<b>3,456</b>	<b>118,486</b>	<b>5,933</b>
<b>Operating income (loss)</b>	<b>(8,673)</b>	<b>(5,246)</b>	<b>(90,970)</b>	<b>(2,010)</b>	<b>(106,899)</b>	<b>2,254</b>
Nonoperating revenues (expenses):						
Intergovernmental	5,174	2,596	98,589	1,430	107,789	-
Investment earnings	59	27	-	26	112	442
Interest expense	-	-	-	(60)	(60)	-
Gain on disposal of capital assets	-	-	-	29	29	-
<b>Total nonoperating revenues (expenses)</b>	<b>5,233</b>	<b>2,623</b>	<b>98,589</b>	<b>1,425</b>	<b>107,870</b>	<b>442</b>
<b>Income (loss) before contributions and transfers</b>	<b>(3,440)</b>	<b>(2,623)</b>	<b>7,619</b>	<b>(585)</b>	<b>971</b>	<b>2,696</b>
Capital contributions	6,276	2,588	-	-	8,864	-
Transfers in	-	-	318	633	951	-
Transfers out	(38)	(47)	-	(210)	(295)	-
<b>Change in net assets</b>	<b>2,798</b>	<b>(82)</b>	<b>7,937</b>	<b>(162)</b>	<b>10,491</b>	<b>2,696</b>
<b>Total net assets, beginning</b>	<b>90,574</b>	<b>72,491</b>	<b>129</b>	<b>27,334</b>	<b>190,528</b>	<b>5,565</b>
<b>Total net assets, ending</b>	<b>\$ 93,372</b>	<b>\$ 72,409</b>	<b>\$ 8,066</b>	<b>\$ 27,172</b>	<b>\$ 201,019</b>	<b>\$ 8,261</b>

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



**Sacramento Housing and Redevelopment Agency**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<b>Business-type Activities-Enterprise Funds</b>					<b>Governmental Activities- Internal Service Funds</b>
	<b>City Public Housing</b>	<b>County Public Housing</b>	<b>County Housing Choice Vouchers</b>	<b>Other Enterprise Funds</b>	<b>Total</b>	
Cash flows from operating activities:						
Cash receipts from tenants	\$ 5,088	\$ 2,556	\$ 2,455	\$ 1,474	\$ 11,573	\$ -
Cash receipts from interfund services provided	-	-	-	-	-	8,207
Cash received from (refunded to) tenants	(5)	(10)	2	(17)	(30)	-
Cash paid to suppliers for goods and services	(5,381)	(2,648)	(1,890)	(1,847)	(11,766)	(3,364)
Cash paid to employees for services	(5,389)	(2,862)	(5,349)	(1,031)	(14,631)	(3,792)
Cash paid for claims and judgments	-	-	-	-	-	(107)
Cash paid for housing assistance payments on behalf of tenants	-	-	(86,014)	(126)	(86,140)	-
Net cash provided by (used in) operating activities	<u>(5,687)</u>	<u>(2,964)</u>	<u>(90,796)</u>	<u>(1,547)</u>	<u>(100,994)</u>	<u>944</u>
Cash flows from noncapital financing activities:						
Transfers in	-	-	318	633	951	-
Transfers out	-	-	-	(210)	(210)	-
Intergovernmental revenue received	5,174	2,596	101,148	1,430	110,348	-
Change in assets and liabilities:						
Due to other funds	-	-	(2,483)	(203)	(2,686)	-
Due from component unit	-	-	-	193	193	-
Due to component unit	-	-	-	(244)	(244)	-
Advance from other funds	390	-	-	1,476	1,866	-
Due from other governments	-	-	-	16	16	56
Due to other governments	-	-	-	(32)	(32)	563
Advances to other funds	-	-	-	-	-	163
Securities lending obligations	-	-	-	-	-	3,809
Net cash provided by (used in) noncapital financing activities	<u>5,564</u>	<u>2,596</u>	<u>98,983</u>	<u>3,059</u>	<u>110,202</u>	<u>4,591</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	(81)	-	-	(896)	(977)	-
Proceeds from the sale of capital assets	-	-	-	45	45	-
Payments on long-term liabilities	-	-	-	(47)	(47)	-
Interest paid	-	-	-	(60)	(60)	-
Net cash provided by (used in) capital and related financing activities	<u>(81)</u>	<u>-</u>	<u>-</u>	<u>(958)</u>	<u>(1,039)</u>	<u>-</u>
Cash flows from investing activities:						
Change in notes receivable	-	-	-	(233)	(233)	-
Interest received	59	27	-	26	112	442
Net cash provided by (used in) investing activities	<u>59</u>	<u>27</u>	<u>-</u>	<u>(207)</u>	<u>(121)</u>	<u>442</u>
Net increase (decrease) in cash and cash equivalents	(145)	(341)	8,187	347	8,048	5,977
Cash and cash equivalents, beginning	2,169	1,027	225	1,036	4,457	26,325
Cash and cash equivalents, ending	<u>\$ 2,024</u>	<u>\$ 686</u>	<u>\$ 8,412</u>	<u>\$ 1,383</u>	<u>\$ 12,505</u>	<u>\$ 32,302</u>
Reconciliation of cash and cash equivalents to the statement of net assets:						
Cash and cash equivalents in cash and investments	\$ 1,576	\$ 442	\$ 224	\$ 1,222	\$ 3,464	\$ 31,789
Cash and cash equivalents in restricted cash and investments	449	244	8,188	161	9,042	513
Total	<u>\$ 2,025</u>	<u>\$ 686</u>	<u>\$ 8,412</u>	<u>\$ 1,383</u>	<u>\$ 12,506</u>	<u>\$ 32,302</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating Income (loss)	\$ (8,673)	\$ (5,246)	\$ (90,970)	\$ (2,010)	\$ (106,899)	\$ 2,254
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation/amortization	2,883	2,269	-	346	5,498	33
Change in assets and liabilities:						
Accounts receivable	(1)	(41)	(12)	21	(33)	20
Inventories	54	-	-	-	54	-
Deferred charges and prepaid items	-	-	-	(7)	(7)	5
Accounts payable	67	60	175	126	428	(951)
Accrued liabilities	(12)	4	(3)	(13)	(24)	(546)
Deferred revenue	-	-	12	7	19	-
Deposit and trust liability	(5)	(10)	2	(17)	(30)	-
Compensated absences	-	-	-	-	-	129
Total adjustments	<u>2,986</u>	<u>2,282</u>	<u>174</u>	<u>463</u>	<u>5,905</u>	<u>(1,310)</u>
Net cash provided by (used in) operating activities	<u>\$ (5,687)</u>	<u>\$ (2,964)</u>	<u>\$ (90,796)</u>	<u>\$ (1,547)</u>	<u>\$ (100,994)</u>	<u>\$ 944</u>
Noncash Investing, Capital and Financing Activities:						
Contributions of capital assets, net of accumulated depreciation	\$ 6,276	\$ 2,588	\$ -	\$ -	\$ 8,864	\$ -
Transfers out of capital assets	38	47	-	-	85	-
	<u>\$ 6,314</u>	<u>\$ 2,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 8,949</u>	<u>\$ -</u>

**Sacramento Housing and Redevelopment Agency**  
**Statement of Fiduciary Net Assets**  
**Agency Fund**  
**December 31, 2005**  
**(amounts expressed in thousands)**

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	<b>Neighborhood Housing Services</b>
<b>Assets</b>	
Cash and investments	<u>\$ 10</u>
<b>Liabilities</b>	
Deposit and trust liability	<u>\$ 10</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Net Assets**  
**Component Units**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	Riverview Plaza Associates	Sacramento Housing Development Corporation	Shasta Hotel Investors Partnership	Norwood Avenue Housing Corporation	Norwood Avenue Housing Partnership	Phoenix Park I, L.P.
<b>Assets</b>						
Current assets:						
Cash and investments	\$ 320	\$ -	\$ 4	\$ 516	\$ 260	\$ 640
Restricted cash and investments	47	-	16	-	-	35
Accounts receivable (net)	-	-	8	122	50	200
Deferred charges and prepaid items	-	-	8	-	6	34
Total current assets	<u>367</u>	<u>-</u>	<u>36</u>	<u>638</u>	<u>316</u>	<u>909</u>
Noncurrent assets:						
Restricted cash and investments	200	-	131	-	242	105
Other long-term assets (net)	-	-	-	337	-	848
Advances to primary government	-	1,000	-	-	-	-
	<u>200</u>	<u>1,000</u>	<u>131</u>	<u>337</u>	<u>242</u>	<u>953</u>
Capital assets:						
Land	-	-	-	2,552	176	-
Buildings and improvements	13,725	-	4,345	-	3,473	40,459
Property and equipment	318	-	9	-	-	581
Less accumulated depreciation	(6,151)	-	(1,825)	-	(1,413)	(1,176)
Total capital assets (net of accumulated depreciation)	<u>7,892</u>	<u>-</u>	<u>2,529</u>	<u>2,552</u>	<u>2,236</u>	<u>39,864</u>
Total noncurrent assets	<u>8,092</u>	<u>1,000</u>	<u>2,660</u>	<u>2,889</u>	<u>2,478</u>	<u>40,817</u>
Total assets	<u>8,459</u>	<u>1,000</u>	<u>2,696</u>	<u>3,527</u>	<u>2,794</u>	<u>41,726</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	-	-	55	-	10	198
Accrued liabilities	2	-	1	-	1	1,133
Due to primary government	318	-	-	-	-	-
Deferred revenue	3	-	1	-	128	-
Current portion of notes payable	-	-	-	-	11	-
Current liabilities payable from restricted assets:						
Deposit and trust liability	47	-	16	-	12	35
Total current liabilities	<u>370</u>	<u>-</u>	<u>73</u>	<u>-</u>	<u>162</u>	<u>1,366</u>
Noncurrent liabilities:						
Notes payable	933	-	2,000	-	1,804	22,062
Bonds payable	-	-	-	-	-	-
Advances from primary government	9,382	101	-	2,552	834	12,138
Other long - term obligations	476	-	908	-	549	1,247
Total noncurrent liabilities	<u>10,791</u>	<u>101</u>	<u>2,908</u>	<u>2,552</u>	<u>3,187</u>	<u>35,447</u>
Total liabilities	<u>11,161</u>	<u>101</u>	<u>2,981</u>	<u>2,552</u>	<u>3,349</u>	<u>36,813</u>
<b>Net Assets</b>						
Invested in capital assets, net of related debt	2,561	-	529	-	16	5,664
Restricted for other	200	-	131	-	228	91
Unrestricted	(5,463)	899	(945)	975	(799)	(842)
Total net assets	<u>\$ (2,702)</u>	<u>\$ 899</u>	<u>\$ (285)</u>	<u>\$ 975</u>	<u>\$ (555)</u>	<u>\$ 4,913</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Net Assets**  
**Component Units**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>Phoenix Park II, L.P.</b>	<b>Total</b>
<b>Assets</b>		
Current assets:		
Cash and investments	\$ 515	\$ 2,255
Restricted cash and investments	41	139
Accounts receivable (net)	374	754
Deferred charges and prepaid items	31	79
Total current assets	<u>961</u>	<u>3,227</u>
Noncurrent assets:		
Restricted cash and investments	3,327	4,005
Other long-term assets (net)	134	1,319
Advances to primary government	-	1,000
Total noncurrent assets	<u>3,461</u>	<u>6,324</u>
Capital assets:		
Land	-	2,728
Buildings and improvements	34,108	96,110
Property and equipment	626	1,534
Less accumulated depreciation	(414)	(10,979)
Total capital assets (net of accumulated depreciation)	<u>34,320</u>	<u>89,393</u>
Total noncurrent assets	<u>37,781</u>	<u>95,717</u>
Total assets	<u>38,742</u>	<u>98,944</u>
<b>Liabilities</b>		
Current liabilities:		
Accounts payable	179	442
Accrued liabilities	990	2,127
Due to primary government	-	318
Deferred revenue	-	132
Current portion of notes payable	-	11
Current liabilities payable from restricted assets:		
Deposit and trust liability	48	158
Total current liabilities	<u>1,217</u>	<u>3,188</u>
Noncurrent liabilities:		
Notes payable	3,301	30,100
Bonds payable	23,470	23,470
Advances from primary government	9,315	34,322
Other long - term obligations	1,023	4,203
Total noncurrent liabilities	<u>37,109</u>	<u>92,095</u>
Total liabilities	<u>38,326</u>	<u>95,283</u>
<b>Net Assets</b>		
Invested in capital assets, net of related debt	1,535	10,305
Restricted for other	-	650
Unrestricted	(1,119)	(7,294)
Total net assets	<u>\$ 416</u>	<u>\$ 3,661</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Component Units**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	Riverview Plaza Associates	Sacramento Housing Development Corporation	Shasta Hotel Investors Partnership	Norwood Avenue Housing Corporation	Norwood Avenue Housing Partnership	Phoenix Park I, L.P.
Operating revenues:						
Charges for services	\$ 524	\$ -	\$ 345	\$ 247	\$ 189	\$ 458
Miscellaneous	103	-	30	10	7	248
Total operating revenues	<u>627</u>	<u>-</u>	<u>375</u>	<u>257</u>	<u>196</u>	<u>706</u>
Operating expenses:						
Employee services	132	-	-	-	-	-
Administrative services	-	-	204	-	72	194
Services and supplies	520	-	176	173	75	659
Utilities	73	-	55	-	19	77
Depreciation and amortization	343	-	159	-	116	1,197
Total operating expenses	<u>1,068</u>	<u>-</u>	<u>594</u>	<u>173</u>	<u>282</u>	<u>2,127</u>
Operating income (loss)	<u>(441)</u>	<u>-</u>	<u>(219)</u>	<u>84</u>	<u>(86)</u>	<u>(1,421)</u>
Nonoperating revenues (expenses):						
Intergovernmental	-	-	-	189	-	820
Investment earnings	15	-	3	-	7	-
Interest expense	(752)	-	(61)	-	(101)	-
Total nonoperating revenues (expenses)	<u>(737)</u>	<u>-</u>	<u>(58)</u>	<u>189</u>	<u>(94)</u>	<u>820</u>
Income (loss) before contributions and transfers	(1,178)	-	(277)	273	(180)	(601)
Capital contributions	-	-	-	-	-	-
Change in net assets	<u>(1,178)</u>	<u>-</u>	<u>(277)</u>	<u>273</u>	<u>(180)</u>	<u>(601)</u>
Total net assets, beginning, as restated	<u>(1,524)</u>	<u>899</u>	<u>(8)</u>	<u>702</u>	<u>(375)</u>	<u>5,514</u>
Total net assets, ending	<u>\$ (2,702)</u>	<u>\$ 899</u>	<u>\$ (285)</u>	<u>\$ 975</u>	<u>\$ (555)</u>	<u>\$ 4,913</u>

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

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Component Units**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<b>Phoenix Park II, L.P.</b>	<b>Total</b>
Operating revenues:		
Charges for services	\$ 367	\$ 2,130
Miscellaneous	149	547
Total operating revenues	<u>516</u>	<u>2,677</u>
Operating expenses:		
Employee services	-	132
Administrative services	253	723
Services and supplies	51	1,654
Utilities	42	266
Depreciation and amortization	437	2,252
Total operating expenses	<u>783</u>	<u>5,027</u>
Operating income (loss)	<u>(267)</u>	<u>(2,350)</u>
Nonoperating revenues (expenses):		
Intergovernmental	-	1,009
Investment earnings	394	419
Interest expense	-	(914)
Total nonoperating revenues (expenses)	<u>394</u>	<u>514</u>
Income (loss) before contributions and transfers	127	(1,836)
Capital contributions	-	-
Change in net assets	<u>127</u>	<u>(1,836)</u>
Total net assets, beginning, as restated	<u>289</u>	<u>5,497</u>
Total net assets, ending	<u>\$ 416</u>	<u>\$ 3,661</u>

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

*Notes to the Basic  
Financial Statements*

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements**  
**December 31, 2005**

(dollar amounts expressed in thousands)

**I. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Sacramento Housing and Redevelopment Agency (Agency) is a joint powers agency that includes the Housing Authorities of the City and County of Sacramento and the Redevelopment Agencies of the City and County of Sacramento, which are responsible for the development and implementation of housing, redevelopment, and selected economic development programs and activities for the City and County of Sacramento.

The Agency serves as the fiscal agent/administrator for the following four legal entities: The Housing Authorities of the City and County of Sacramento, and the Redevelopment Agencies of the City and County of Sacramento. The Housing Authorities of the City and County were formed in July 1939 and June 1940, respectively. The Redevelopment Agencies were formed in September 1950 and September 1974, respectively. Additionally, the Agency has served as the administrator of the Community Development Block Grant Programs for the City and County of Sacramento since June 1982.

The governing boards of the Agency include the City Council of the City of Sacramento (City), the Board of Supervisors of the County of Sacramento (County), and the Sacramento Housing and Redevelopment Commission (Commission). The City Council, acting as the City Housing Authority and the City Redevelopment Agency, approves all City related agenda items. The County Board of Supervisors, acting as the County Housing Authority and the County Redevelopment Agency, approves all County related agenda items. The Commission also serves in an advisory capacity for each entity. The Commission has operational authority within the budget and policy direction approved by the City Council and County Board of Supervisors.

The Agency has been classified as a blended component unit of the City of Sacramento because of the City's financial and operational relationship with the Agency. The Agency's governing body is substantively the same as the City's governing body.

The Agency has defined its reporting entity in accordance with Governmental Accounting Standards Board (GASB) Statement No. 14, "The Financial Reporting Entity," which provides guidance for determining which governmental activities, organizations, and functions should be included in its reporting entity. The component units discussed in the following paragraphs are included in the Agency's reporting entity because of the significance of their operational or financial relationships with the Agency. Blended component units, although legally separate entities are, in substance, part of the government's operations. The discretely presented component units are reported in a separate column in the government-wide financial statements (see note below for description) to emphasize that they are legally separate from the Agency. Complete financial statements of individual component units can be obtained from the Finance Department of the Agency.

**Blended Component Unit**

**Foundation Uniting Needs and Dollars (FUND, Inc.)** - A nonprofit corporation established to maintain or aid charitable activities serving the public. It is a component unit of the Agency because the purpose of this corporation is to promote and support the activities and programs of the Sacramento Housing and Redevelopment Agency. The Board of Directors of FUND, Inc. is comprised of the members of the Commission. Acting in its capacity as the Board of Directors, the Commission approves the FUND, Inc. budget. The Executive Director of the Agency serves as the Executive Director of FUND, Inc.



**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**Discretely Presented Component Units**

**Riverview Plaza Associates (RPA)** - A California limited partnership created to provide affordable housing to seniors with limited income. It is a component unit of the Agency because one of the governing boards of the Agency (the Board of Supervisors) serves as the Board of Directors of the general partner. Additionally, it is a component unit because through contractual arrangement, the Agency is responsible for all financial matters including management of daily operations. Finally, the Agency has historically contributed funds to cover obligations of the RPA, to the extent that RPA revenues are inadequate. During the year ended December 31, 2005, the Agency contributed \$100 to RPA.

**Norwood Avenue Housing Corporation (Corporation)** - a nonprofit corporation with a governing board comprised of three Agency staff appointed by the Executive Director of the Agency and two community representatives. It is a component unit because through contractual arrangements, the Agency bears some responsibility for financial and operational matters of the entity, as well as having the ability to impose its will on the Corporation.

**Norwood Avenue Housing Partnership (Partnership)** - A California limited partnership created to provide affordable housing to families with limited income. The Partnership is comprised of the following entities: (1) Norwood Avenue Housing Corporation, a nonprofit corporation with a governing board comprised of three Agency staff appointed by the Executive Director of the Agency and two community representatives, as managing general partner; (2) Housing Allies, Inc., a Delaware corporation as an additional general partner; (3) Housing Authority of the City of Sacramento as the initial limited partner, and (4) Housing Allies Credit Partners -Norwood, a California limited partnership as limited partner. It is a component unit because through contractual arrangements, the Agency bears responsibility for financial and operational matters of the project.

**Sacramento Housing Development Corporation (SHDC)** - A nonprofit corporation created to serve as the general partner of RPA (component unit described above). It is a component unit of the Agency because the governing board of the SHDC is comprised of the members of one of the governing boards of the Agency, the County Board of Supervisors. The Redevelopment Agency of the City of Sacramento is legally obligated to finance any deficits of SHDC. The Executive Director of the Agency also serves as the Executive Director of SHDC.

**Shasta Hotel Investors Partnership (Partnership)** - A California limited partnership created for the purpose of constructing and operating an 80 unit rental housing project in Sacramento, California. The Partnership is comprised of the following two entities: (1) Shasta Hotel Corporation, a nonprofit corporation with a governing board comprised of Agency staff and representatives of selected nonprofit housing and social service entities as managing general partner and (2) National Equity Fund 1992 limited partnership, a California limited partnership. It is a component unit because the general partner's governing board members serve at the direction of the Executive Director, and through contractual arrangements, the Agency is responsible for financial and operational matters of the Partnership.

**Phoenix Park I L.P. (Partnership)** - A California limited partnership created for the purpose of providing low-income housing to the poor and distressed by developing, financing, constructing, rehabilitating, owning, maintaining and operating a rental housing project. The project consists of 178 units located in Sacramento, California. The Partnership has a Managing General Partner, Norwood Avenue Housing Corporation, a California nonprofit public benefit corporation; MMA Special Limited Partner, Inc., a Florida corporation, as Special Limited Partner; and MMA Financial Warehousing, LLC, a Maryland limited liability company, as Investor Limited Partner. The Partnership meets the criteria for inclusion as a component unit within the Agency's reporting entity. Through contractual arrangements, the Agency is responsible for all financial matters, including oversight responsibility for independent contractual management of operations.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**Phoenix Park II L.P. (Partnership)** - A California limited partnership created for the purpose of providing low-income housing to the poor and distressed by developing, financing, constructing, rehabilitating, owning, maintaining, and operating a rental housing project. The project consists of 182 units located in Sacramento, California. The Partnership has a Managing General Partner, Norwood Avenue Housing Corporation, a California nonprofit public benefit corporation; and MMA Financial Institutional Tax Credits XXVIII, LP, as an Investor Limited Partner. The Partnership meets the criteria for inclusion as a component unit within the Agency's reporting entity. Through contractual arrangements, the Agency is responsible for all financial matters, including oversight responsibility for independent contractual management of operations.

**B. Government-Wide and Fund Financial Statements**

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the nonfiduciary activities of the Agency 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 Agency is reported separately from certain legally separate component units for which the Agency is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Tax increment revenues and other items not properly included among program revenues are reported instead as general revenues.

Separate fund financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

**C. 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 and fiduciary fund financial statements. 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 imposed by the provider 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 Agency 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, investment earnings, certain state and federal grants and charges for services are accrued when their receipt occurs within sixty days after the end of the accounting period so as to be both measurable and available. All other revenue items are considered to be measurable and available only when cash is received by the Agency.

The Agency reports the following major governmental funds:

The *City and County Community Development Block Grant (CDBG) funds* account for a variety of capital projects and community service activities for targeted areas within the City and County of Sacramento, and federal and state loan programs on behalf of the federal and state governments.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

The *City and County Home Investment Partnerships Act (HOME) funds* account for the activities of programs/projects to provide more units of low-income housing in the City and County of Sacramento.

The *City Merged Downtown Debt Service fund* accounts for the accumulation of monies for the payment of interest and principal on bonds, notes and loans issued to finance capital improvements and redevelopment within the City Merged Downtown project area.

The *City Merged Downtown Capital Projects fund* accounts for the financing and construction activities of capital improvements in the City Merged Downtown project area.

The *City Low/Mod Merged Downtown Capital Projects fund* accounts for the financing and construction activities of low and moderate housing capital improvements in the City Low/Mod Merged Downtown project area.

The Agency reports the following major enterprise funds:

The *City and County Public Housing funds* account for the activity of the low-income rental units operated by the Agency within the City and County of Sacramento. This is a program subsidized by the U.S. Department of Housing and Urban Development.

The *County Housing Choice Vouchers fund* accounts for various U.S. Department of Housing and Urban Development programs that subsidize private landlords to house low-income households within the County of Sacramento.

Additionally, the Agency reports the following fund types:

*Internal service funds* are used to account for the costs of insurance and accumulated funds for catastrophic events and the financing of goods or services provided among and between Agency departments and to other governmental units, on a cost-reimbursement basis.

The *Neighborhood Housing Services Agency fund* is used to account for resources held on behalf of Sacramento Neighborhood Housing Services (NHS). NHS is a nonprofit corporation whose purpose is to improve and restore neighborhoods throughout Sacramento County, primarily for the benefit of the neighborhood residents.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the GASB. 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 Agency has elected not to follow subsequent private-sector guidance.

Eliminations have been made to minimize the double counting of internal activities in the government-wide financial statements.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services in connection with a proprietary fund's principal ongoing operations.

The principal operating revenues of the Agency's enterprise funds are rental income from its public housing units. Operating expenses for enterprise funds include employee services, services and supplies, administrative expenses, utilities, depreciation on capital assets and housing assistance payments to landlords. 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 Agency's policy to use restricted resources first, then unrestricted resources as they are needed.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**D. Assets, Liabilities, and Net Assets or Equity**

**1. Cash and Investments**

The City Treasurer and the County Treasurer each manage portions of the Agency's cash and investments, except those that must be legally segregated. The share of each fund in the pooled cash accounts is separately accounted for and investment earnings is apportioned monthly to funds that are legally required to receive interest based on the relationship of a fund's average daily balance to the total of pooled cash and investments. The balance of pooled cash is maintained at a level sufficient to meet current operating requirements. Cash in excess of current requirements is invested. Investments for the Agency are stated at fair value, based on quoted market prices.

The County Treasurer manages investments of the Agency and the County Treasury Oversight Committee is responsible for the regulatory oversight of its pool. During the year ended December 31, 2003 the newly formed Sacramento County Public Financing Authority issued bonds and loaned the proceeds to the Redevelopment Agencies of the City and County of Sacramento. The Agency invested the proceeds loaned to the Redevelopment Agency of the County of Sacramento, with the County Treasurer. These proceeds were for the County Mather/McClellan Merged redevelopment project area. The County invests funds pursuant to Sections 53601 et seq. and 53635 et seq. of the California Government Code.

The City Treasurer manages investments of the Agency (except for funds held at the County Treasurer or with fiscal agents) and is responsible for the regulatory oversight of its pool. The Agency formally requested that the City invest the Agency's funds in compliance with Section 53601 of the California Government Code and the City Council adopted a revised investment policy.

Investment of funds serve to maximize investment income and are accomplished by various custodial financial institutions vested with responsibility for administering funds under the control of the City Treasurer and the County Treasurer. The fair value of investments is determined monthly. The value of the pooled shares in the City and County and with the Local Agency Investment Fund (LAIF) that may be withdrawn is determined on an amortized cost basis, which is different than fair value, but is adjusted to the fair value at year-end. However, the fair value of the Agency's position in the pool is the same as the value of the pool shares.

Investment earnings on bond proceeds are recorded in the tax increment low/mod special revenue funds or in the debt service funds depending on the type of bond.

**2. Receivables and Payables**

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are 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 noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances to other funds, as reported in the fund financial statements, are offset by a reservation of fund balance for noncurrent assets in the applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

The Agency receives property tax revenue in the form of tax increments. Tax increments are derived from the increase in assessed value of tax rate areas from the date first established as a redevelopment area to the current date, multiplied by the area tax rate. The property tax rate pursuant to the state constitution is 1% of the assessed value plus any amount necessary to provide coverage of debt established prior to 1977. Taxes are levied by the Sacramento County Assessor and become a lien on property on January 1 and are payable in two installments on November 1 and February 1. Taxes become delinquent after December 10 and April 10. The County bills and collects property taxes and apportions them to the relevant public entities periodically during the year. The County utilizes an alternative method of distribution of property tax levies and assessments known as the "Teeter Plan."

The State Revenue and Taxation Code allows counties to distribute secured real property assessments and supplemental property taxes based on the tax levy resulting in full payment to the Agency each fiscal year. Any subsequent delinquent payments and related penalties and interest collected reverts to the County.

Budget problems at the State level have resulted in less tax increment funding available to the Agency. The 2004-05 State of California budget included the Education Revenue Augmentation Fund (ERAF), which shifted money from redevelopment agencies to increase funding for schools. For the Agency, ERAF charges amounted to \$2,902 for the 2005 year.

The balance of property taxes receivable at December 31 represents current accrued property taxes, which were received from the County within 60 days of the Agency's year end.

Notes receivable amounts primarily represent loans made for redevelopment, economic development and property rehabilitation. A committee of the governing body approves deferral of payments. The Agency has created an allowance for loan losses for notes that the Agency has identified as potentially uncollectible. If the amounts become uncollectible, they will be written-off and charged against the allowance when the determination is made. The allowance for loan losses as of December 31, 2005 was \$2,516.

Amounts reported as due from other governments represent receivables from federal, state, and local governments for various programs including \$718 due from the City of Sacramento and \$90 due from the County of Sacramento.

**3. Inventories and Prepaid Items**

Inventories are stated at cost using the first-in, first-out method in the enterprise funds. Inventories are recorded as expenses when consumed rather than when purchased.

Prepaid items represent costs for goods and/or services, which will benefit periods beyond December 31, 2005.

**4. Restricted Cash and Investments**

Certain proceeds of debt issuances, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets and balance sheet because their use is limited by applicable debt covenants. In addition, certain cash and investments are restricted by grantors for replacement, tenant security deposits and insurance impounds. The total restricted assets on the government-wide statement of net assets equals \$22,836 of which \$12,981 represents cash and investments restricted by debt covenants, \$7,987 is restricted for the Housing Choice Voucher program, \$656 is for replacement and operating reserves, \$91 is for relocation rent reserves, \$14 is for construction reserves, \$210 is for the Family Self Sufficiency program (FSS), \$879 is for tenant security deposits and \$18 is for insurance impounds.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**5. Capital Assets**

Capital assets, which include land, construction in progress, buildings and improvements, and property and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements and the proprietary funds financial statements. Capital assets are recorded at the lower of actual historical cost or fair market value (as of the date donated for contributed assets). Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Buildings and improvements	40 years
Property and equipment	5 to 10 years

It is the policy of the Agency to capitalize all land, construction in progress, buildings and improvements, and property and equipment with an initial, individual cost of more than \$5. Interest incurred during the construction phase of capital assets of business-type activities and component units is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the assets lives are not capitalized.

The Phoenix Park I and Phoenix Park II component units incurred total interest costs of \$1,663 and \$1,313, respectively, for the year ended December 31, 2005, which has been capitalized into the basis of the buildings.

In the government-wide statements and in the proprietary funds financial statements, costs of assets sold or retired (and related amounts of accumulated depreciation) 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 fund. In governmental funds, the proceeds of the sale of general capital assets are included in the statement of revenues, expenditures and changes in fund balances.

**6. Compensated Absences**

An employee accumulates vacation time in accordance with the employee's respective Memorandum of Understanding. The amount of vacation vested and accrued depends on years of service and date of hire. Vacation vested may be accumulated up to various maximum hours and is paid in full upon retirement. Sick leave time may be accumulated without limit.

At retirement an employee may convert all unused sick leave towards retirement service credit or receive in cash the value of one-third (33.3%) and convert the balance of unused sick leave to retirement service credit. Annually, employees with an accumulated sick leave balance of 500 hours or more, and who have used 24 hours or less of sick leave by December 1 of the current calendar year, may receive in cash the value of up to 16 hours sick leave by December 31.

In the government-wide and proprietary fund financial statements, accrued vacation and sick pay are charged as an expense in the period earned. Compensated absences are generally liquidated by the Agency's Internal Service Funds. The related liability is recorded in the Internal Support Internal Service Fund.

**B. Deferred Revenue**

Governmental funds report deferred revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period and when resources are received before the Agency has a legal claim to them.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**8. Long-Term Obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets.

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. Bond issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. Bond premiums and discounts as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

**9. Fund Equity**

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose.

**10. Statement of Cash Flows**

For the purposes of the statement of cash flows, cash and cash equivalents have been defined as all highly liquid investments (including restricted cash and investments) with a maturity of three months or less from the date of purchase and pooled cash.

**11. Estimates**

The preparation of the basic 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. Accordingly, actual results could differ from those estimates.

**E. Fund Reclassifications**

The City Housing Choice Vouchers Fund in prior years consisted of the Housing Choice Vouchers program, Portability, and Mod Rehab. In the current year the City Housing Choice Vouchers and Portability were moved into the County Housing Choice Vouchers Fund and the City Mod Rehab fund is shown separately as a nonmajor enterprise fund.

**F. Restatement of Net Assets**

*Phoenix Park II discretely presented component unit*-A loan in the amount of \$2,701 given to the partnership by the limited partners was initially recorded as a capital contribution. The effect of the restatement was to reduce beginning net assets by \$2,701.

*Norwood Avenue Housing Corporation discretely presented component unit*-The corporation's investment of \$337 in Norwood Avenue Housing Partnership, Phoenix Park I and Phoenix Park II was previously recognized as expenses. The effect of the restatement was to increase beginning net assets by \$337.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**II. Stewardship, Compliance, and Accountability**

**A. Budgets and Budgetary Accounting**

The annual budget of the Agency is adopted on a calendar year basis. Prior to December 1, the Executive Director submits a proposed operating budget to the governing bodies for review and approval. The budget is legally enacted through passage of a resolution prior to January 1. The budget adoption resolution specifies that the legal level of budgetary control is at the fund level. Budgeted expenditures represent original appropriations adjusted by supplemental budgetary appropriation amendments. Management has the authority to overexpend appropriations at the function or department level without additional approval of the governing bodies as long as the total appropriations for the fund are not exceeded.

The Executive Director is authorized to transfer up to \$100 per transaction, within a fund without additional approval of the governing boards. In addition, the Executive Director has been delegated the authority to amend the budget for federally funded programs as approved by federal departments and for a variety of social services grants identified in the budget, provided that the grantor is fully funding the augmentation. The Executive Director has authority to allocate and transfer any available fund balances to accounts held for future projects or to reduce budget shortfalls in any other fund balances up to \$100, provided that funds so used are not restricted by law or regulations related to the funding source.

Encumbrance accounting is used during the year for budgetary control. Encumbrances outstanding at year-end do not constitute expenditures or liabilities, but rather, a reservation of fund balance. The Agency honors contracts represented by year-end encumbrances in the subsequent year's appropriations provided that the Agency has adequate funding to complete these transactions. Encumbrance appropriation carryovers are limited to the balance remaining of operating budget appropriations. All other operating budget appropriations and encumbrances lapse at year-end.

Annual operating budgets are adopted on a modified accrual basis for all Debt Service funds, Local Tax Special Revenue funds and Housing Special Revenue funds, except for the Revenue Bond Program, City Drug Elimination fund and FUND, Inc. An operating budget was not adopted for the County Florin Road Debt Service fund since no activity was expected. Project budgets are adopted for the Agency's major special revenue funds for the duration of the project which may extend over several years. The adopted project budgets for the Community Development, Tax Increment, Revenue Bond Program and City Drug Elimination Special Revenue funds and for the Capital Project funds are adopted on a project length basis. Additionally, although not legally required, the Agency adopts annual budgets for the Enterprise, Internal Service, and certain Component Unit funds.

For financial reporting purposes, budgetary information is presented on the modified accrual basis of accounting consistent with accounting principles generally accepted in the United States of America for those special revenue funds and debt service funds which have annual budgets.

**B. Excess of Expenditures Over Appropriations**

For the year ended December 31, 2005, certain funds had the following expenditures in excess of budgeted appropriations at the fund level:

Special Revenue:		Debt Service:	
County Mather Transitional Housing	\$40	City/County Stockton Boulevard	\$ 80
		City 65 <sup>th</sup> Street/Folsom Boulevard	11
		City CDBG	129

Fund expenditures exceeded budget appropriations in County Mather Transitional Housing due to unanticipated operating expenditures. City/County Stockton Boulevard had higher than anticipated pass thru payments offset by higher than anticipated revenues. City 65<sup>th</sup> Street/Folsom Boulevard had higher than anticipated pass thru payments and debt service related fees offset by higher than anticipated revenues. City CDBG issued two loans that were funded by unanticipated capital asset sales proceeds.



**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**C. Net Assets/Fund Balances**

The government-wide and proprietary fund financial statements utilize a net assets presentation. Net assets are categorized as invested in capital assets (net of related debt), restricted and unrestricted.

*Invested in capital assets, net of related debt* - This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

*Restricted net assets* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Of the restricted net assets, \$650 are categorized as *other* in the Component Unit funds, which represents operating and replacement reserves and \$40 in the Governmental Activities, which represents funds legally required to be set aside for the Shasta Hotel Investors Partnership.

*Unrestricted net assets* – This category represents net assets of the Agency, not restricted for any project or other purpose.

In the fund financial statements, reserves segregate portions of fund balance, which do not represent expendable available resources or are legally segregated for a specific future use. The remaining portion is unreserved fund balance.

A summary of reserved and unreserved fund balances for the governmental funds is as follows:

Reserved for:	<u>Amount</u>	Unreserved, reported in:	<u>Amount</u>
Capital projects	\$227,781	Special revenue funds	\$ 6,886
Encumbrances	18,092	Debt service funds	8,281
Debt service	8,876	Capital projects funds	<u>5,355</u>
Noncurrent assets	<u>79,696</u>	Total unreserved	
		fund balance	<u>20,522</u>
Total reserved fund balance	<u>\$334,445</u>	Total fund balance	<u>\$354,967</u>

**D. Deficit Fund Equity**

The following governmental funds have deficit fund balances:

Special Revenue:

Tax Increment Low and Moderate Income Housing:

City/County Low/Mod Auburn Boulevard      \$130

Debt Service:

City Richards Boulevard                              702  
 County Walnut Grove                                    223  
 City/County Auburn Boulevard                    175  
 City Army Depot    597  
 City 65th Street/Folsom Boulevard              398  
 County Florin Road                                        215

The deficit fund balances within the special revenue and debt service funds noted above will be funded by future tax increment revenues and transfers from other funds of the Agency.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**III. Detailed Notes on All Funds**

**B. Cash and Investments**

At December 31, 2005, total Agency cash and investments at fair value were as follows:

	Government-wide Statement of Net Assets		Fiduciary Fund Statement of Net Assets	Total
	Primary Government	Component Units		
Cash and investments	\$ 319,656	\$ 2,255	\$ 10	\$ 321,921
Restricted cash and investments	<u>18,692</u>	<u>4,144</u>	-	<u>22,836</u>
Total cash and investments	<u>\$ 338,348</u>	<u>\$ 6,399</u>	<u>\$ 10</u>	<u>\$ 344,757</u>

At December 31, 2005, the Agency's cash and investments consist of the following:

Cash in bank	\$ 7,213
Investments	339,741
Outstanding checks	<u>(2,197)</u>
Total cash and investments	<u>\$ 344,757</u>

The table below identifies the investment types that are authorized for the Agency, including its discretely presented component units, by California Government Code Section 53601. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the Agency, rather than the general provisions of the Agency's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer	Minimum Rating
Local Agency Bonds	5 years	None	None	
U.S. Treasury Obligations	5 years	None	None	
U.S. Agency Securities	5 years	None	None	
Bankers Acceptance	180 days	40%	30%	
Commercial Paper	270 days	25%	10%	A1/P1
Negotiable Certificates of Deposit	5 years	30%	None	
Repurchase Agreements	1 year	None	None	
Reverse Repurchase Agreements	92 days	20%	None	
Medium Term Notes (Corporate & Depository debt securities)	5 years	30%	None	A
Mutual Funds (that invest in allowable securities)	N/A	20%	10%	
Money Market Mutual Funds	N/A	20%	10%	
Collateralized Bank Deposits	5 years	None	None	
Mortgage Pass-through Securities	5 years	20%	None	AA
Time Deposits	5 years	None	None	
County Pooled Investment	N/A	None	None	
Joint Powers Authority Pool	N/A	None	None	
Local Agency Investment Fund	N/A	None	None	

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**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 is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the City manages the Agency's 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 over time as necessary to provide the cash flow and liquidity needed for operations.

The Agency purchased a \$3,000 and a \$5,000 variable-rate bond issued by the Morgan Stanley and Toyota Motor Credit Corporation, respectively. The investments were purchased on August 18, 2005, and April 14, 2005, respectively, and mature on September 2, 2008 and October 27, 2008, respectively. The Morgan Stanley variable-rate bond provides for a 15 basis point return above the 2-year U.S. Treasury Securities index. The Toyota Motor Credit Corporation medium-term note is tied to the Consumer Price Index. This inflation bond's yield will rise with the rate of inflation. The pooled investment policy permits such investments. A variable coupon varies directly with movements in interest rates. At December 31, 2005, the variable rate bonds had fair values of \$3,005 and \$4,832, respectively.

**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 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 Agency's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under stated 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. Furthermore, the California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio. At December 31, 2005, the carrying amount of the Agency's deposits is \$2,440 and the bank balance is \$3,959. Of the bank balance, \$308 is covered by federal depository insurance, \$3,633 is collateralized with securities held by the pledging financial institution, in accordance with the State of California Government Code and held in the Agency's name and \$18 is uninsured and uncollateralized. Those amounts which are uninsured and uncollateralized are held with state and federal agencies. At December 31, 2005, the carrying amount of the Agency's discretely presented component units deposits is \$2,576 and the bank balance is \$3,254. Of the bank balance, \$1,119 is covered by federal depository insurance, \$2,105 is collateralized with securities held by the pledging financial institution and \$30 is uninsured and uncollateralized. Those amounts which are uninsured and uncollateralized are held with state and federal agencies.

**Concentration of Credit Risk**

Nearly 51%, or \$171,699, of the Agency's investments at year-end are in U.S. Treasury Notes or U.S. Agency Securities. There is no limitation on amounts invested in these types of issues. Of the \$34,932, or 10%, of the portfolio invested in commercial paper, corporate bonds, or guaranteed investment contracts, no investment in a single issuer exceeded 5%. Investments in any one issuer (other than U.S. Treasury Securities, mutual funds and external investment pools) that represent 5% or more of the total investments of the Agency are as follows:

Federal Home Loan Bank	\$60,468
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Investments in any one issuer that represented 5% or more of the total investments by reporting unit (governmental activities, business-type activities, discretely presented component units, major fund and nonmajor funds in the aggregate) are as follows:

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

\$3,327 in restricted cash and investments reported in the Phoenix Park II, L.P. component unit fund is held in an unrated guaranteed investment contract issued by Pallas Capital Corporation. These funds represent the bond proceeds related to the \$23,470 in variable rate demand bonds.

**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. It is the Agency's policy to purchase investments with the minimum ratings required by the California Government Code. As of December 31, 2005, the Agency's (primary government) investments and credit ratings are as follows:

	Credit Rating (S & P/ Moody's)	<u>Maturity</u>					Fair Value
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	Over 5 Years	
Cash in bank							\$ 3,959
Investments held by fiscal agents:							
U.S. Treasury Notes	AAA	\$1,185	\$ -	\$ -	\$ -	\$ -	1,185
Money Market Mutual Funds	Not Rated	925	-	-	-	-	925
Guaranteed Investment Contract	Not Rated	-	-	-	3,137	-	3,137
Corporate Bonds	AAA	-	-	-	-	1,164	1,164
Total investments held by fiscal agents							<u>6,411</u>
Securities Lending:							
Securities on Loan							
U.S. Treasury Notes	AAA	-	310	2,588	14,032	-	16,930
U.S. Treasury Bills	AAA	1,234	-	-	-	-	1,234
Federal Home Loan Bank	AAA	925	-	-	-	-	925
Total securities lending							<u>19,089</u>
County Investment Pool	Not Rated	-	-	31,101	-	-	31,101
City Investment Pool	Not Rated	-	-	-	41,747	-	41,747
LAIIF	Not Rated	-	-	35,972	-	-	35,972
Money Market Mutual Funds	Not Rated	-	-	-	-	-	255
Commercial Paper	A1/P1	7,178	6,885	5,832	-	-	19,895
Variable Rate Securities	AAA	-	-	-	4,832	-	4,832
Variable Rate Securities	A+/Aa3e	-	-	-	3,005	-	3,005
U.S. Treasury Notes	AAA	-	676	15,262	65,251	-	81,189
U.S. Treasury Bills	AAA	5,745	2,948	-	-	-	8,693
Federal Home Loan Bank	AAA	4,065	6,918	20,153	28,407	-	59,543
Corporate Bonds	A+/AA3	-	-	-	2,500	-	2,500
Corporate Bonds	B+/BA3	-	-	-	236	-	236
Federal Home Loan Mortgage Corp	AAA	-	-	-	2,000	-	2,000
Securities Lending Collateral Invested in City Investment Pool	Not Rated	19,450	-	-	-	-	19,450
Less outstanding checks							(1,519)
Total cash and investments – primary government and fiduciary fund							<u>\$ 338,358</u>

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

As of December 31, 2005, the investments and credit ratings of the discretely presented component units of the Agency are as follows:

	Credit Rating	<b>Maturity</b>				Fair Value
		Under 30 Days	31-180 Days	181-365 Days	1-5 Years	
Cash in bank		\$ -	\$ -	\$ -	\$ -	\$ 3,254
Investments held by fiscal agents:						
Guaranteed Investment Contract	Not Rated	-	-	3,327	-	3,327
Money Market Mutual Funds	Not Rated	-	-	276	-	276
Total investments held						<u>3,603</u>
by						
fiscal agents						<u>3,603</u>
City Investment Pool	Not Rated	-	-	-	220	220
Less: Outstanding checks						<u>(678)</u>
Total cash and investments – component units						<u>\$ 6,399</u>

**Investment in State Investment Pool**

The Agency is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code. All investments with LAIF are secured by the full faith and credit of the State of California. The Local Investment Advisory Board (LIAB) has oversight responsibility for LAIF. The LIAB consists of five members as designated by State Statute. A total of \$16,516,870 is invested by public agencies in the LAIF as of December 31, 2005. LAIF is part of the State of California Pooled Money Investment Account (P.M.I.A.) whose balance at December 31, 2005 was \$57,674,820. Of this amount, 2.857% was invested in structured notes and asset-backed securities. P.M.I.A. is not SEC-registered, but is required to invest according to California State Code. The average maturity of P.M.I.A. investments was 192 days as of December 31, 2005.

**Securities Lending**

The City engages in securities lending transactions using Agency investments, whereby the City has authorized its custodial bank to loan its securities to approved counterparties for collateral (cash or securities). 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 Agency's investment policy permits securities loans up to 20% of the fair value of the Agency's portfolio.

Borrowers delivered collateral equal to 102% of the market value of the loaned securities. All loans are marked to market daily and if the value of the collateral falls below the minimum margin in aggregate for a borrower, the borrower must either increase the collateral or terminate the loans. There have been no losses as a result of a default. As of December 31, 2005, the average number of days that the loans were outstanding was 5 days and the weighted maturity of the collateral investments was 28 days. The cash collateral that was received by the City from the borrowers was invested in Commercial Paper, U.S. Treasury Notes, U.S. Treasury Bills, and U.S. Agency Securities.

The securities loaned include U.S. Treasury Notes, U.S. Treasury Bills, and U.S. Agency Securities totaling \$16,930, \$1,234, and \$925, respectively. The types of collateral accepted are cash, U.S. Government Securities and letters of credit. The City cannot pledge or sell collateral securities without a borrower default. At year-end, the Agency has no credit risk exposure to borrowers because the amounts the City owes the borrowers, on behalf of the Agency, exceeds the amounts the borrowers owe to the City. The Agency's policy is to allocate the securities lending obligations to the funds that would ultimately have the risk of loss on the collateral assets.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**B. Receivables**

Receivables as of year-end for the Agency's governmental activities on the statement of net assets are as follows:

	Accounts receivable	Property taxes receivable	Due from other governments	Total receivables	Gross notes receivable	Allowance for loan losses	Net notes receivable
City CDBG	\$ 27	\$ -	\$710	\$ 737	\$ 4,185	\$ (71)	\$ 4,114
County CDBG	56	-	993	1,049	3,913	(85)	3,828
City HOME	75	-	222	297	18,997	(1,133)	17,864
County HOME	13	-	72	85	25,173	(456)	24,717
City Merged Downtown Debt Service	-	2,550	-	2,550	-	-	-
City Merged Downtown Capital Projects	-	-	-	-	2,583	(195)	2,388
City Low/Mod Merged Downtown Capital Projects	-	-	-	-	11,322	-	11,322
Nonmajor funds	2,216	8,017	2,805	13,038	50,568	(576)	49,992
Internal Service	<u>10</u>	<u>-</u>	<u>21</u>	<u>31</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$2,397</u>	<u>\$10,567</u>	<u>\$4,823</u>	<u>\$17,787</u>	<u>\$116,741</u>	<u>\$(2,516)</u>	<u>\$114,225</u>

Generally notes receivable are not expected to be collected within one year.

Receivables as of year-end for the Agency's business-type activities on the statement of net assets are as follows:

	<u>Gross accounts receivable</u>	<u>Allowances for uncollectibles</u>	<u>Net accounts receivable</u>	<u>Due from other governments</u>	<u>Net total receivables</u>
City Public Housing	\$126	\$ (13)	\$113	\$ -	\$113
County Public Housing	108	(11)	97	-	97
County Housing Choice Vouchers	12	-	12	79	91
Nonmajor Funds	<u>162</u>	<u>-</u>	<u>162</u>	<u>19</u>	<u>181</u>
Total	<u>\$408</u>	<u>\$(24)</u>	<u>\$384</u>	<u>\$98</u>	<u>\$482</u>

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**C. Payables**

Payables as of year end for the Agency's governmental activities on the statement of net assets are summarized as follows:

	<u>Accounts payable</u>	<u>Accrued liabilities</u>	<u>Due to other governments</u>	<u>Net total payables</u>
City CDBG	\$ 732	\$ 18	\$ -	\$ 750
County CDBG	1,012	2	-	1,014
City HOME	20	2	-	22
County HOME	2	-	-	2
City Merged Downtown Debt Service	173	-	-	173
City Merged Downtown Capital Projects	610	16	106	732
Nonmajor Funds	2,786	135	406	3,327
Internal Service	<u>115</u>	<u>673</u>	<u>563</u>	<u>1,351</u>
Total	<u>\$5,450</u>	<u>\$846</u>	<u>\$1,075</u>	<u>\$7,371</u>

Payables as of year end for the Agency's business-type activities on the statement of net assets are summarized as follows:

	<u>Accounts payable</u>	<u>Accrued liabilities</u>	<u>Net total payables</u>
City Public Housing	\$147	\$ 71	\$218
County Public Housing	68	16	84
County Housing Choice Vouchers	177	43	220
Nonmajor Funds	<u>240</u>	<u>53</u>	<u>293</u>
Total	<u>\$632</u>	<u>\$183</u>	<u>\$815</u>

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**D. Interfund Transactions**

The composition of interfund balances as of December 31, 2005, is as follows:

**Due to/from other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
City Merged Downtown Capital Projects	City Merged Downtown Debt Service	\$2,095
Nonmajor Governmental	City Low/Mod Merged Downtown Capital Projects	76
	Nonmajor Governmental	1,567
	Nonmajor Enterprise	<u>84</u>
		<u>\$3,822</u>

The due to/from other funds amounts represent negative cash reclassifications.

**Advances from/to other funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
Internal Service	Nonmajor Governmental	\$ 679
City CDBG	Nonmajor Governmental	250
	Nonmajor Enterprise	320
County CDBG	Nonmajor Governmental	215
City HOME	Nonmajor Enterprise	1,156
City Merged Downtown Capital Projects	Nonmajor Governmental	2,438
Nonmajor Governmental	City Public Housing Enterprise	390
	Nonmajor Governmental	3,124
	Nonmajor Enterprise	<u>200</u>
		<u>\$8,772</u>



**Sacramento Housing and Redevelopment Agency  
Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
<p>\$375 advance from the Self Insurance internal service fund to the City/County Franklin Blvd. debt service fund, authorized and issued in December 1991. The note was restructured in December 2000, adding \$200 to the principal amount and deferring annual payments of \$54 until December 2006 and continuing through December 2015, with interest accruing at 7%, to be repaid with tax increment revenue. The advances were issued for the purpose of incurring debt in the redevelopment area and to provide funds for projects.</p>	\$407
<p>\$150 advance from the Self Insurance internal service fund to the City/County Auburn Blvd. debt service fund, authorized and issued in December 1991, with annual installments of \$51 deferred until December 2005 and continuing until December 2019, to be repaid with tax increment revenue with interest accruing at 8%, for the purpose of incurring debt in the redevelopment area and to provide funds for projects.</p>	272
<p>\$500 advance from the City Merged Downtown capital projects fund to the Local Housing Revenue special revenue fund. Purpose of advance was to prepay Ping Yuen's outstanding HUD mortgage in July 1997. The mortgage had to be fully paid so that the Agency could transfer Ping Yuen from a project based Section 8 program to the public housing inventory and then to pursue HUD funds for renovation or reconstruction. There is no interest or due date on this transfer. Resolution No. 97-005 states that "these funds shall be considered a loan to be repaid either through federal funds or through future disposition of the site to a private developer".</p>	500
<p>\$350 advance from the Mortgage Revenue Bond special revenue fund to the County Walnut Grove debt service fund, authorized and issued in December 1996 at \$175. The note was restructured in 1998, adding \$175 to the principal amount. Principal and interest is due and payable in annual payments of \$16 to \$29 through December 2031, with interest accruing at 7%, to be repaid with tax increment revenue. The advance was issued for the purpose of incurring debt in the redevelopment area and to provide funds for projects.</p>	239
<p>\$1,440 advance from the Mortgage Revenue Bond special revenue fund to the City Army Depot debt service fund, authorized and issued in December 2001 at \$300. The note was restructured in 2004, adding \$800 and restructured again in 2005 adding an additional \$800 and paying down \$460 of the principal amount. Interest is accruing at 6%, due in annual installments of \$505 through December 2007, to be repaid with tax increment, for the purpose of incurring debt in the redevelopment area and to provide funds for projects.</p>	1,145
<p>\$250 advance from the City CDBG special revenue fund to the City 65<sup>th</sup> Street/Folsom Blvd. debt service fund, authorized and issued in December 2002, with no annual payment until December 2006, with interest accruing at 6%, due in annual installments of \$45 through December 2012, to be repaid with tax increment, for the purpose of incurring debt in the redevelopment area and to provide funds for projects.</p>	250
<p>\$600 advance from the City Merged Downtown (Lot A) capital projects fund to the City Richards Blvd. debt service fund, authorized and issued in December 2002. The note was restructured in 2003, adding \$301 to the principal amount, with no annual payment until December 2005, with no interest, due in annual installments of \$113 through December 2012, to be repaid with tax increment, for the purpose of incurring debt in the redevelopment area and to provide funds for projects.</p>	788

**Sacramento Housing and Redevelopment Agency  
Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
\$253 advance from the City Merged Downtown (Lot A) capital projects fund to the City Richards Blvd. debt service fund, authorized and issued in 2003, with no interest, no annual payment until December 2005, due in annual installments of \$32 through December 2012, to be repaid with tax increment, for the purpose of incurring debt in the redevelopment area and to provide funds for the Sports and Entertainment District project.	\$222
\$85 was advanced from the CHFA HELP debt service fund to the County Miscellaneous Development Grants special revenue fund for the purchase and sale of the real property located at 4934 Morningstar Drive. Authorized December 2001 and issued February 2002. Terms are 4% for 5 years. Repayment terms can be flexible based on the financial need of the project and are currently based on rents received.	61
\$200 advance from the Mortgage Revenue Bond special revenue fund to the City/County Low/Mod Auburn Blvd. special revenue fund, authorized and issued in December 2003, with interest accruing at 6% and payable in annual payments of \$12 until December 2005, when principal and interest are due in annual installments of \$23 through December 2017, to be repaid with tax increment, for the purpose of providing funds for the Lerwich Road project.	183
\$307 advance from the Mortgage Revenue Bond special revenue fund to the City Low/Mod Army Depot special revenue fund, authorized and issued in 2003, with annual payments beginning December 2004, with interest accruing at 6%, due in annual installments of \$42 through December 2013, to be repaid with tax increment, for the purpose of incurring debt in the redevelopment area and to provide funds for low and moderate income housing.	106
\$1,008 advance from the City Merged Downtown (Lot A) capital projects fund to the City Richards Blvd. capital projects fund, authorized and issued in December 2003, with no annual payment until 2004, with 6% interest, due in annual installments as follows: \$95 in 2004, \$104 in 2005, and \$984 in 2006, to be repaid with tax increment, for the purpose of refinancing debt due in 2003.	928
\$215 advance from the County CDBG special revenue fund to the County Florin Road debt service fund, authorized and issued in October 2004, with no annual payment until December 2019, with interest accruing at 2%, due in annual installments of \$24 through December 2019, to be repaid with tax increment, for the purpose of incurring debt in the redevelopment area and to provide funds for projects.	215
\$200 advance from the City Housing Trust capital projects fund to the Greenfair enterprise fund, authorized and issued in September 2004, with no interest, no annual payment until December 2006, due in annual installments of \$50 through December 2009, to be repaid with sales proceeds of units. This is for the Greenfair funding.	200
\$320 advance from the City CDBG special revenue fund to the Phoenix Park enterprise fund, authorized and issued in April 2005, with no monthly payments until May 2006, with interest accruing at 4%, due in monthly installments of \$2 thru April 2027, to be repaid with rents, for the rehabilitation of 16 units at Phoenix Park.	320
\$1,156 advance from the City HOME special revenue fund to the Greenfair enterprise fund, authorized and issued in 2005, with 0% interest and no annual payments for five years, to be repaid by sales proceeds, for the acquisition of 6 units at the Greenfair housing project.	1,156

**Sacramento Housing and Redevelopment Agency**

**Notes to the Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
\$150 advance from the Mortgage Revenue Bond Program special revenue fund to the City Richards Boulevard debt service fund, authorized and issued in 2005, with no annual payments for five years, with interest accruing at 3%, due in full at the end of five years either from sales proceeds or from tax increment, for the purpose of repairing the 470 Bannon Street facility.	\$150
\$500 advance from the Mortgage Revenue Bond Program special revenue fund to the City 65 <sup>th</sup> Street/Folsom Boulevard debt service fund, authorized and issued in 2005, with no annual payments until December 2006, with interest accruing at 6%, due in annual installments of \$100 thru December 2012, to be repaid with tax increment, for the purpose of incurring debt in the redevelopment area and to provide funds for projects.	500
\$740 advance from the City Del Paso Heights capital projects fund to the City Public Housing Homeownership special revenue fund, authorized and issued in 2005, with no interest, to be repaid with sale proceeds, for the purpose of rehabilitating 17 homes in the Del Paso Heights redevelopment area.	740
\$390 advance from the City Housing Trust capital projects fund to the City Public Housing enterprise fund, authorized and issued in 2005, with no interest, payments deferred for 50 years, for the purpose of acquiring and rehabilitating 31-37 Coral Gables Court.	<u>390</u>
	<u>\$8,772</u>

**Sacramento Housing and Redevelopment Agency**

**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**Due to/from primary government and component units:**

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Nonmajor Enterprise Funds	Component Unit-Riverview Plaza Associates	<u>\$318</u>

**Advances to/from primary government and component units:**

<u>Receivable Entity</u>	<u>Payable Entity</u>	<u>Amount</u>
Primary Government-City CDBG	Component Unit-Riverview Plaza Associates	\$ 3,180
	Component Unit-Norwood Avenue Housing Partnership	<u>190</u>
		<u>3,370</u>
Primary Government-City Merged Downtown Capital Projects	Component Unit-Sacramento Housing Development Corporation	101
	Component Unit-Phoenix Park I, L.P.	<u>2,900</u>
		<u>3,001</u>
Primary Government-City Low/Mod Merged Downtown Capital Projects	Component Unit-Norwood Avenue Housing Partnership	644
	Component Unit-Riverview Plaza Associates	<u>1,000</u>
		<u>1,644</u>
Primary Government-Nonmajor Enterprise Funds	Component Unit-Phoenix Park I, L.P.	6,133
	Component Unit-Phoenix Park II, L.P.	9,315
	Component Unit-Norwood Avenue Housing Corporation	<u>2,552</u>
		<u>18,000</u>
Primary Government-Nonmajor Governmental Funds	Component Unit-Riverview Plaza Associates	5,202
	Component Unit-Phoenix Park I, L.P.	<u>3,105</u>
		<u>8,307</u>
Component Unit-Sacramento Housing Development Corporation	Internal Service Funds	<u>1,000</u>
		<u>\$ 35,322</u>

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
\$101 advance from the City Merged Downtown capital projects fund to the Sacramento Housing Development Corporation (SHDC) component unit fund, at 0% interest and no due date, for the purpose of covering cash deficit in fund.	\$101
\$1,000 advance from the SHDC component unit fund to the Internal Support internal service fund at 0% interest and no due date, for the purpose of providing equity to the general partner of Riverview Plaza Associates for start up capital.	1,000
\$1,000 advance from the City Low/Mod Merged Downtown capital projects fund to the Riverview Plaza Associates component unit fund at 0% interest, due June 2018, for the purpose of financing the construction of multiple unit housing. This note is unsecured.	1,000
\$2,000 advance from the Riverview Plaza Reserve special revenue fund to the Riverview Plaza Associates component unit fund, authorized and issued in 1991, with interest compounded annually at 9.45%. Accrued interest is payable annually on March 31, from available surplus cash. Outstanding principal and interest due March 31, 2028, for the purpose of financing the construction of multiple unit housing. This note is secured by a deed of trust on real property. \$3,202 in accrued interest has been added to the advance amount of \$2,000.	5,202
\$1,398 advance from the City CDBG special revenue fund to the Riverview Plaza Associates component unit fund, commencing January 1992. Interest is compounded annually at 9.45% and payable from surplus cash. Outstanding principal and interest are due October 2016, for the purpose of financing the construction of multiple unit housing. This note is unsecured. \$1,782 in accrued interest has been added to the advance amount of \$1,398.	3,180
\$215 advance from the City Low/Mod Merged Downtown capital projects fund to the Norwood Avenue Housing Partnership component unit fund. The note bears interest at 7.5% compounded annually and is deferred for 30 years until the principal due date of September 16, 2021. The note is secured by deed of trust. \$429 in accrued interest has been added to the advance amount of \$215.	644
\$465 advance from the City CDBG special revenue fund to the Norwood Avenue Housing Partnership component unit fund. The note is non-interest bearing and is deferred until the principal due date of September 16, 2021. The note is secured by deed of trust.	190
\$8,270 advance from the City Low/Mod Merged Downtown special revenue fund (\$958), the City Merged Downtown capital projects fund (\$3,000), the Riverview Plaza Reserve special revenue fund (\$1,742), the City Low/Mod Franklin Blvd. capital projects fund (\$500), and the Phoenix Park enterprise fund (\$2,070), to the Phoenix Park I, L.P. component unit fund. The note bears interest equal to the prime rate estimated at 3.5% on the first \$3,362 and 6% on the remaining \$4,908. Principal payments are deferred until 2059. Interest payments are to be made monthly only to the extent that residual receipts income is available, as defined in the Partnership Agreement. The note is secured by a deed of trust.	8,075

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
<p>\$4,063 advance from the Phoenix Park enterprise fund to the Phoenix Park I, L.P. component unit fund. The note bears interest of 3% on the first \$1,644 and 4.94% on the remaining. Principal payments are deferred until 2059. Interest payments are to be made monthly only to the extent that residual receipts income is available, as defined in the Partnership Agreement. The note is secured by a deed of trust.</p>	\$4,063
<p>\$4,730 advance from the Phoenix Park enterprise fund, to the Phoenix Park II, L.P. component unit fund. The note bears interest equal to the prime rate estimated at 3.5% on the first \$2,638, which was paid off in 2004, and 6% on the remaining \$2,092. Principal payments are deferred until 2059. Interest payments are to be made monthly only to the extent that residual receipts income is available, as defined in the Partnership Agreement. The note is secured by a deed of trust.</p>	4,730
<p>\$4,585 advance from the Phoenix Park enterprise fund to the Phoenix Park II, L.P. component unit fund. The note bears interest of 3% on the first \$856 accruing from March 15, 2003 and continuing through the term of the loan. The remaining \$3,729 bears interest of 3% accruing from the date of the origination of the construction financing. Principal payments are deferred until 2059. Interest payments are to be made monthly only to the extent that residual receipts income is available, as defined in the Partnership Agreement. The note is secured by a deed of trust.</p>	4,585
<p>\$1,430 advance from the Phoenix Park enterprise fund to the Norwood Avenue Housing Corporation component unit fund at 0% interest. Payments shall be made annually in an amount equal to the annual aggregate Phoenix Park I, L.P. ground lease payments, if any, that are received by the borrower payable on or before March 1 of each year from and after the payment start date, which has yet to occur. The unpaid balance of the note is due and payable in 2059, including without limitation all unpaid principal, interest, fees and charges. The note is secured by a deed of trust.</p>	1,430
<p>\$1,122 advance from the Phoenix Park enterprise fund to the Norwood Avenue Housing Corporation component unit fund at 0% interest. Payments shall be made on or before the sixtieth (60<sup>th</sup>) day following borrower's receipt of each of the Phoenix Park II, L.P. ground lease payments in an amount equal to the Phoenix Park II, L.P. ground lease payments that are received by borrower from and after the payment start date, which has yet to occur. The unpaid balance of the note is due and payable in 2059, including without limitation all unpaid principal, interest, fees and charges. The note is secured by a deed of trust.</p>	1,122
	<u>\$35,322</u>

**Sacramento Housing and Redevelopment Agency**

**Notes to the Financial Statements (*Continued*)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**Transfers:**

Transfers report the nonreciprocal contribution of resources from one fund to another. They are routine transfers that represent funding for capital projects, debt service payments and subsidies of various Agency operations. The following is a summary of transfers for the year ended December 31, 2005:

<u>Transfers in:</u>	<u>Transfers out:</u>	<u>Amount</u>
City Merged Downtown Capital Projects Fund	City Merged Downtown Debt Service Fund	<u>\$ 3,913</u>
Nonmajor Governmental Funds	City CDBG Fund	1,267
	County CDBG Fund	83
	City Merged Downtown Debt Service Fund	1,480
	City Merged Downtown Capital Projects Fund	445
	City L/M Merged Downtown Capital Projects Fund	663
	Nonmajor Governmental Funds	19,933
	City Public Housing Enterprise Fund	38
	County Public Housing Enterprise Fund	47
	Nonmajor Enterprise Funds	<u>91</u>
		<u>24,047</u>
County Housing Choice Vouchers Enterprise Fund	Nonmajor Governmental Funds	298
	Nonmajor Enterprise Funds	<u>20</u>
		<u>318</u>
Nonmajor Enterprise Funds	Nonmajor Governmental Funds	534
	Nonmajor Enterprise Funds	<u>99</u>
		<u>633</u>
		<u>\$28,911</u>

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**E. Capital Assets**

Capital asset activity for the year ended December 31, 2005, was as follows:

<u>Governmental activities:</u>	<u>January 1,</u> <u>2005</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u> <u>In/Out</u>	<u>December 31,</u> <u>2005</u>
Capital assets, not being depreciated:					
Land	\$30,454	\$10,915	\$(5,366)	\$ -	\$36,003
Construction in progress	<u>13,531</u>	<u>2,668</u>	<u>(10)</u>	<u>(8,784)</u>	<u>7,405</u>
Total capital assets, not being depreciated	<u>43,985</u>	<u>13,583</u>	<u>(5,376)</u>	<u>(8,784)</u>	<u>43,408</u>
Capital assets, being depreciated:					
Buildings and improvements	9,603	3,171	(899)	-	11,875
Property and equipment	<u>1,403</u>	<u>32</u>	<u>-</u>	<u>(136)</u>	<u>1,299</u>
Total capital assets being depreciated	<u>11,006</u>	<u>3,203</u>	<u>(899)</u>	<u>(136)</u>	<u>13,174</u>
Less accumulated depreciation for:					
Buildings and improvements	(1,729)	(262)	114	-	(1,877)
Property and equipment	<u>(1,116)</u>	<u>(64)</u>	<u>-</u>	<u>56</u>	<u>(1,124)</u>
Total accumulated depreciation	<u>(2,845)</u>	<u>(326)</u>	<u>114</u>	<u>56</u>	<u>(3,001)</u>
Total capital assets, being depreciated, net	<u>8,161</u>	<u>2,877</u>	<u>(785)</u>	<u>(80)</u>	<u>10,173</u>
Governmental activities capital assets, net	<u>\$52,146</u>	<u>\$16,460</u>	<u>\$(6,161)</u>	<u>\$(8,864)</u>	<u>\$53,581</u>
<u>Business-type activities:</u>					
Capital assets, not being depreciated:					
Land	\$ 15,099	\$ 269	\$ -	\$ -	\$ 15,368
Capital assets, being depreciated:					
Buildings and improvements	211,636	708	(17)	8,671	220,998
Property and equipment	<u>4,063</u>	<u>-</u>	<u>-</u>	<u>80</u>	<u>4,143</u>
Total capital assets, being depreciated	<u>215,699</u>	<u>708</u>	<u>(17)</u>	<u>8,751</u>	<u>225,141</u>
Less accumulated depreciation for:					
Buildings and improvements	(57,931)	(5,309)	-	28	(63,212)
Property and equipment	<u>(3,314)</u>	<u>(189)</u>	<u>-</u>	<u>-</u>	<u>(3,503)</u>
Total accumulated depreciation	<u>(61,245)</u>	<u>(5,498)</u>	<u>-</u>	<u>28</u>	<u>(66,715)</u>
Total capital assets, being depreciated, net	<u>154,454</u>	<u>(4,790)</u>	<u>(17)</u>	<u>8,779</u>	<u>158,426</u>
Business-type activities capital assets, net	<u>\$169,553</u>	<u>\$(4,521)</u>	<u>\$(17)</u>	<u>\$ 8,779</u>	<u>\$173,794</u>

Capital assets previously held in the City and County Public Housing enterprise funds were transferred to the City and County Public Housing Homeownership capital projects funds as assets held for resale. The amounts transferred were \$38 and \$47, respectively. Income generated from the sales of the assets held for resale was \$3,703 and \$1,910, respectively.



**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:

Housing	\$ 31
Community Development	262
Internal Service - capital assets held by the government's internal service funds are charged to the various functions based on their usage of the assets	33
Total depreciation expense - governmental activities	\$ 326

Business-type activities:

Public Housing	\$5,152
Local Housing	346
Total depreciation expense - business-type activities	\$5,498

Component unit capital asset activity for the year ended December 31, 2005, was as follows:

<u>Component unit activities:</u>	<u>January 1,</u> <u>2005</u>	<u>Increases</u>	<u>Decreases</u>	<u>December 31,</u> <u>2005</u>
Capital assets, not being depreciated:				
Land	\$ 2,728	\$ -	\$ -	\$ 2,728
Construction in progress	<u>43,207</u>	<u>32,376</u>	<u>(75,583)</u>	<u>-</u>
Total capital assets, not being depreciated	<u>45,935</u>	<u>32,376</u>	<u>(75,583)</u>	<u>2,728</u>
Capital assets, being depreciated:				
Buildings and improvements	27,741	68,369	-	96,110
Property and equipment	<u>327</u>	<u>1,207</u>	<u>-</u>	<u>1,534</u>
Total capital assets, being depreciated	<u>28,068</u>	<u>69,576</u>	<u>-</u>	<u>97,644</u>
Less accumulated depreciation for:				
Buildings and improvements	(8,487)	(2,010)	-	(10,497)
Property and equipment	<u>(317)</u>	<u>(165)</u>	<u>-</u>	<u>(482)</u>
Total accumulated depreciation	<u>(8,804)</u>	<u>(2,175)</u>	<u>-</u>	<u>(10,979)</u>
Total capital assets, being depreciated, net	<u>19,264</u>	<u>67,401</u>	<u>-</u>	<u>86,665</u>
Component unit activities capital assets, net	<u>\$65,199</u>	<u>\$99,777</u>	<u>\$(75,583)</u>	<u>\$89,393</u>

Depreciation expense was charged to functions/programs as follows:

Component unit activities:

Local Housing	\$2,175
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**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

**F. Long-Term Debt**

Long-term debt payable at December 31, 2005 for the Agency and component units is comprised of the following individual issues:

Governmental activities:	<u>Interest Rates</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
<u>Notes Payable:</u>		
City B-97-MC-06-0003	5.28% - 5.46%	\$ 1,720
City B-97-MC-06-0003	5.70% - 6.67%	2,785
County B-00-UC-06-0005	3.30% - 4.16%	360
County B-01-UC-06-0005	4.20% - 5.00%	226
Boating and Waterways	4.50%	993
CHFA	3.00%	2,000
CHFA-Phoenix Park	3.00%	1,000
CHFA-Phoenix Park	3.00%	1,500
County of Sacramento-Auburn Boulevard	3.00%	150
1999 Del Paso Master Lease	4.00% - 5.80%	400
1999 Oak Park Master Lease	4.00% - 5.80%	225
1999 North Sacramento Master Lease	4.00% - 5.88%	385
1999 Richards Boulevard Master Lease	4.10% - 5.88%	450
2002 Downtown Master Lease	3.00% - 5.00%	13,555
2002 Stockton Boulevard Master Lease	3.00% - 5.00%	3,095
Mather/McClellan CIEDB	3.52%	6,756
2005 Del Paso Master Lease - Refunding	4.00% - 5.00%	1,495
2005 Downtown Master Lease - Refunding	4.00% - 5.00%	8,950
2005 North Sacramento Master Lease - Refunding	4.00% - 5.00%	4,375
2005 Oak Park Master Lease - Refunding	4.00% - 5.00%	1,235
2005 Richards Boulevard Master Lease - Refunding	4.00% - 5.00%	<u>5,060</u>
Total notes payable		<u>56,715</u>
<u>Bonds Payable:</u>		
1993 Downtown TARBS	4.05% - 6.70%	15,653
1998 Downtown TABS - Refunding	3.50% - 5.25%	48,030
1998 Downtown TAB	5.90% - 6.38%	9,565
2000 Downtown TABS - Refunding	4.25% - 4.75%	4,715
2002 Downtown TAB	3.00% - 5.25%	21,270
1999 Del Paso CIRBS	4.00% - 5.80%	2,505
1999 Oak Park CIRBS	4.00% - 5.80%	14,860
2003 Alkali Flat TAB	2.50% - 5.30%	7,115
2003 Del Paso TAB	2.00% - 5.00%	6,066
2003 Mather TAB	2.00% - 6.25%	5,565
2003 Mather TAB	2.00% - 6.25%	22,744
2003 McClellan TAB	2.00% - 6.25%	2,500
2003 McClellan TAB	2.00% - 6.25%	3,806
2003 North Sacramento TAB	2.50% - 5.30%	5,040
2005 Del Paso TAB - Refunding	4.00% - 5.00%	6,065
2005 Downtown TARB	4.88% - 5.29%	53,243
2005 Downtown TARB	4.75% - 5.54%	27,270
2005 Downtown TARB	4.88% - 5.23%	30,285
2005 Downtown TARB	4.75% - 5.54%	7,625
2005 Oak Park TARB	4.96% - 5.12%	8,844
2005 Oak Park TARB	4.75% - 5.54%	9,125
2005 Oak Park TARB	4.75% - 5.70%	<u>2,730</u>
Total bonds payable		<u>314,621</u>
Sub-total governmental activities		<u>371,336</u>

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Interest Rates</u>	<u>Balance</u> <u>Dec. 31, 2005</u>
Business-type activities:		
<u>Mortgage Notes:</u>		
San Jose/Broadway	8.38%	\$ 573
Larchmont/Wildflower	7.75%	107
Total business-type activities mortgage notes		<u>680</u>
Component unit activities:		
<u>Bonds and Notes Payable:</u>		
Riverview - October 1988	3.00%	933
Norwood - May 1992	3.00%	1,522
Norwood - Saving Association Mortgage Company	8.25%	293
Shasta Partnership (HCD)	3.00%	2,000
Phoenix Park I, L.P. – Citibank	2.25%	21,062
Phoenix Park I, L.P. – Union Safe Deposit Bank	--	1,000
Phoenix Park II, L.P. – Demand Bonds	variable	23,470
Phoenix Park II, L.P. – Interim Loan from Investor Limited Partner	10.00%	3,301
Total component unit activities bonds and notes payable		<u>53,581</u>
Sub-total long-term debt		425,597
<u>Other Debt:</u>		
Component unit activities - Accrued interest due in future years	--	<u>4,203</u>

GOVERNMENTAL ACTIVITIES:

**Notes Payable:**

	<u>Amount</u>
\$2,320 Community Development Block Grant Note Payable authorized and issued September 3, 1998, due in installments of \$80 to \$155 from August 1999 through August 2018 with interest payable semiannually at 5.28% to 5.46% for the purpose of financing the Del Paso Nuevo project. This note is collateralized by and payable from future CDBG entitlements.	\$1,720
\$3,125 Community Development Block Grant Note Payable authorized and issued August 9, 2001, due in installments of \$85 to \$300 from February 2002 through August 2021 with interest payable semiannually at 5.7% to 6.67% for the purpose of financing the Del Paso Nuevo project. This note is collateralized by and payable from future CDBG entitlements.	2,785
\$550 Community Development Block Grant Note Payable authorized and issued August 2002, due in annual installments of \$90 to \$130 through August 2008, with interest payable semi-annually at 3.3% to 4.16% for the purpose of financing the rehabilitation for Hampton Inn in the Auburn Boulevard area. This note is collateralized by and payable from future CDBG entitlements.	360
\$250 Community Development Block Grant Note Payable authorized and issued August 2002, due in annual installments of \$24 to \$40 through August 2012, with interest payable semi-annually at 4.2% to 5% for the purpose of financing the acquisition of property for retail development for the Auburn Boulevard area. This note is collateralized by and payable from future CDBG entitlements.	226
\$1,380 City of Sacramento Note Payable authorized and issued August 5, 1999, due in installments of \$103 from August 1999 through August 2018 with interest payable annually at 4.5% for the purpose of financing the Sacramento River Waterfront between the I street bridge and the Pioneer Bridge.	993

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
\$2,000 California Housing Finance Agency Note Payable authorized and issued August 1999. Interest accrues annually at 3% on funds drawn for the purpose of financing developer loans for acquisition, rehabilitation, development and/or permanent financing for affordable multi-family rental developments. Interest and principal are due in full September 2009.	\$2,000
\$1,000 California Housing Finance Agency Note Payable authorized and issued February 2002. Interest accrues annually at 3% on funds drawn for the purpose of acquisition of properties in the Phoenix Park project. Interest and principal are due in full August 2011.	1,000
\$1,500 California Housing Finance Agency Note Payable authorized and issued January 2003. Interest accrues annually at 3% on funds drawn for the purpose of acquisition of properties in the Phoenix Park project. Interest and principal are due in full January 2013.	1,500
\$300 County of Sacramento Note Payable authorized and issued August 2002, due in annual installments from December 2007 through December 2016 with interest payable annually at 3% for the purpose of demolition, relocation and clearance activities in the Auburn Boulevard redevelopment area.	150
\$2,625 Master Lease Agreement authorized and issued December 1999, due in annual installments of \$85 to \$205 through December 2019 with interest payable semiannually at 4.0% to 5.8% for the purpose of financing redevelopment projects.	400
\$1,845 Master Lease Agreement authorized and issued December 1999, due in annual installments of \$50 to \$135 through December 2022 with interest payable semiannually at 4.0% to 5.8%, for the purpose of financing redevelopment projects.	225
\$5,245 Master Lease Agreement authorized and issued December 1999, due in annual installments of \$85 to \$345 through December 2029 with interest payable semiannually at 4.0% to 5.875% for the purpose of financing redevelopment projects.	385
\$5,920 Master Lease Agreement authorized and issued December 1999, due in annual installments of \$100 to \$405 through December 2029 with interest payable semiannually at 4.1% to 5.875% for the purpose of financing redevelopment projects.	450
\$26,740 Master Lease Agreement authorized and issued July 2002, due in annual installments of \$1,365 to \$2,375 through December 2017 with interest payable semiannually at 3% to 5% for the purpose of financing redevelopment projects.	13,555
\$3,265 Master Lease Agreement authorized and issued July 2002, due in annual installments of \$55 to \$200 through December 2032 with interest payable semiannually at 3% to 5% for the purpose of financing redevelopment projects.	3,095
\$10,000 California Infrastructure and Economic Development bank loan authorized and issued January 2002, due in annual installments of \$193 to \$604 through December 2033 with interest payable semiannually at 3.52% for the purpose of financing a public development facility.	6,756
\$1,495 Master Lease Agreement authorized and issued July 2005, due in annual installments of \$10 to \$215 through December 2019 with interest payable semiannually at 4.00% to 5.00% for the purpose of refunding portions of outstanding bonds and financing redevelopment projects.	1,495

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
\$8,950 Master Lease Agreement authorized and issued July 2005, due in annual installments of \$10 to \$2,380 through December 2017 with interest payable semiannually at 4.00% to 5.00% for the purpose of refunding portions of outstanding bonds and financing redevelopment projects.	\$8,950
\$4,375 Master Lease Agreement authorized and issued July 2005, due in annual installments of \$10 to \$340 through December 2029 with interest payable semiannually at 4.00% to 5.00% for the purpose of refunding portions of outstanding bonds and financing redevelopment projects.	4,375
\$1,235 Master Lease Agreement authorized and issued July 2005, due in annual installments of \$5 to \$135 through December 2022 with interest payable semiannually at 4.00% to 5.00% for the purpose of refunding portions of outstanding bonds and financing redevelopment projects.	1,235
\$5,060 Master Lease Agreement authorized and issued July 2005, due in annual installments of \$15 to \$410 through December 2029 with interest payable semiannually at 4.00% to 5.00% for the purpose of refunding portions of outstanding bonds and financing redevelopment projects.	5,060
	<u>56,715</u>
Less current portion	<u>(2,100)</u>
Total notes payable	<u>\$54,615</u>

**Bonds Payable:**

\$25,304 Tax Allocation Revenue Bonds authorized and issued June and July 1993, due in annual installments of \$373 to \$3,268 through November 2017 with interest paid semiannually at 4.05% to 6.7%, for the purpose of financing redevelopment projects.	\$15,653
\$55,315 Tax Allocation Bonds authorized and issued April and July 1998, due in annual installments of \$605 to \$7,040 through 2013 with interest payable semiannually at 3.5% to 5.25%, for the purpose of financing redevelopment projects.	48,030
\$13,080 Tax Allocation Bonds authorized and issued April 1998, due in annual installments of \$100 to \$6,540 through 2013 with interest payable semiannually at 5.9% to 6.375%, for the purpose of financing redevelopment projects.	9,565
\$22,065 Tax Allocation Bonds authorized and issued October 2000, due in annual installments of \$155 to \$3,565 through November 2013 with interest payable semiannually at 4.25% to 4.75%, for the purpose of financing redevelopment projects.	4,715
\$26,815 Tax Allocation Bonds authorized and issued July 2002, due in annual installments of \$1,595 to \$2,010 through December 2017 with interest payable semiannually at 3.0% to 5.25%, for the purpose of financing redevelopment projects.	21,270
\$10,060 Capital Improvement Revenue Bonds authorized and issued December 1999, due in annual installments of \$250 to \$870 through December 2019 with interest payable semiannually at 4.0% to 5.8% for the purpose of financing redevelopment projects.	2,505
\$17,855 Capital Improvement Revenue Bonds authorized and issued December 1999, due in annual installments of \$465 to \$1,305 through December 2022 with interest payable semiannually at 4.0% to 5.8%, for the purpose of financing redevelopment projects.	14,860

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
\$7,705 Tax Allocation Bonds authorized and issued December 2003, due in annual installments of \$295 to \$595 through December 2022 with interest payable semiannually at 2.5% to 5.3% for the purpose of financing redevelopment projects.	\$7,115
\$6,066 Tax Allocation Bonds authorized and issued December 2003, due in annual installments of \$382 to \$825 through December 2030 with interest payable semiannually at 2.0% to 5% for the purpose of financing redevelopment projects.	6,066
\$5,758 Tax Allocation Bonds authorized and issued December 2003, due in annual installments of \$83 to \$397 through December 2033 with interest payable semiannually at 2.0% to 6.25% for the purpose of financing redevelopment projects.	5,565
\$23,669 Tax Allocation Bonds authorized and issued December 2003, due in annual installments of \$450 to \$1,852 through December 2033 with interest payable semiannually at 2.0% to 6.25% for the purpose of financing redevelopment projects.	22,744
\$2,587 Tax Allocation Bonds authorized and issued December 2003, due in annual installments of \$37 to \$178 through December 2033 with interest payable semiannually at 2.0% to 6.25% for the purpose of financing redevelopment projects.	2,500
\$3,961 Tax Allocation Bonds authorized and issued December 2003, due in annual installments of \$74 to \$314 through December 2033 with interest payable semiannually at 2.0% to 6.25% for the purpose of financing redevelopment projects.	3,806
\$5,175 Tax Allocation Bonds authorized and issued December 2003, due in annual installments of \$60 to \$645 through December 2033 with interest payable semiannually at 2.0% to 5.3% for the purpose of financing redevelopment projects.	5,040
\$6,065 Tax Allocation Bonds authorized and issued July 2005, due in annual installments of \$10 to \$870 through December 2019 with interest payable semiannually at 4.00% to 5.00% for the purpose of refunding portions of outstanding bonds and financing redevelopment projects.	6,065
\$53,243 Tax Allocation Revenue Bonds authorized and issued December 2005, due in annual installments of \$1,528 to \$5,290 through December 2034 with interest payable semiannually at 4.88% to 5.29% for the purpose of financing redevelopment projects.	53,243
\$27,270 Tax Allocation Revenue Bonds authorized and issued December 2005, due in annual installments of \$5 to \$10,970 through December 2020 with interest payable semiannually at 4.75% to 5.54% for the purpose of financing redevelopment projects.	27,270
\$30,285 Tax Allocation Revenue Bonds authorized and issued December 2005, due in annual installments of \$1,167 to \$3,785 through December 2034 with interest payable semiannually at 4.88% to 5.23% for the purpose of financing redevelopment projects.	30,285
\$7,625 Tax Allocation Revenue Bonds authorized and issued December 2005, due in annual installments of \$210 to \$4,015 through December 2020 with interest payable semiannually at 4.75% to 5.54% for the purpose of financing redevelopment projects.	7,625
\$8,844 Tax Allocation Revenue Bonds authorize and issued December 2005, due in annual installments of \$497 to \$2,200 through December 2025 with interest payable semiannually at 4.96% to 5.12% for the purpose of financing redevelopment projects.	8,844

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
\$9,125 Tax Allocation Revenue Bonds authorized and issued December 2005, due in annual installments of \$125 to \$1,090 through December 2020 with interest payable semiannually at 4.75% to 5.54% for the purpose of financing redevelopment projects.	\$9,125
\$2,730 Tax Allocation Revenue Bonds authorized and issued December 2005, due in annual installments of \$40 to \$590 through December 2025 with interest payable semiannually at 4.75% to 5.70% for the purpose of financing redevelopment projects.	<u>2,730</u>
Less current portion	<u>(11,545)</u>
Total bonds payable	<u>\$303,076</u>

**BUSINESS-TYPE ACTIVITIES:**

<u>Mortgage Notes Payable:</u>	<u>Amount</u>
\$787 San Jose/Broadway Mortgage Note Payable authorized and issued May 1984, due in monthly installments of \$6 through February 2020 with interest payable monthly at 8.375%. This note is collateralized by land and building.	\$ 573
\$427 Larchmont/Wildflower Mortgage Note Payable authorized and issued August 1979, due in monthly installments of \$3 through April 2009 with interest payable monthly at 7.75%. This note is collateralized by land and building.	<u>107</u>
Less current portion	<u>680</u>
Long-term mortgage notes payable	<u>(52)</u>
	<u>\$ 628</u>

**COMPONENT UNITS:**

<u>Bonds and Notes Payable:</u>	
\$933 Riverview Plaza Associates Mortgage Note Payable authorized and issued October 1988, principal and interest due in full September 2016 with interest payable at 3.0%, for the purpose of financing the construction of multiple unit housing. This note is collateralized by land and building.	\$933
\$1,522 Norwood Avenue Housing Partnership Mortgage Note Payable to the Department of Housing and Community Development, principal and interest due in full January 2044 with interest payable at 3.0%, for the purpose of financing the construction of a multiple unit housing and child care center. This note is collateralized by land and building.	1,522
\$350 Norwood Avenue Partnership Mortgage Note Payable to Saving Association Mortgage Company (SAMCO) due in monthly installments of \$3 through June 2024 with interest payable monthly at 8.25%. This note is collateralized by land and building.	293
\$2,000 Shasta Partnership Note Payable to the Department of Housing and Community Development principal and interest due in full January 2044 with interest payable at 3.0%, for the purpose of financing the construction of a multiple single room occupancy unit. This note is collateralized by land and building.	2,000

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Financial Statements (Continued)**

**December 31, 2005**

(dollar amounts expressed in thousands)

	<u>Amount</u>
<p>\$21,062 Phoenix Park I, L.P. Construction Note Payable to Citibank. The note bears variable interest at 2.25% plus one month LIBOR rate during the rehabilitation phase. Interest only payments are made on a monthly basis. The entire principal balance on the construction note, including any accrued interest, is immediately due and payable on the conversion date, as defined in the promissory note agreement. On the conversion date, the construction note shall become a permanent loan, less the conversion paydown amount. As of December 31, 2005, the conversion date has not occurred. The note is secured by a deed of trust.</p>	\$21,062
<p>\$1,000 Phoenix Park I, L.P. Note Payable to Union Safe Deposit Bank (Bank). The note is non-interest bearing and is forgivable at the sole discretion of the Bank 57 years after February 1, 2004 provided that the Partnership complies with all of its obligation under the Affordable Housing Program (AHP) Agreement. There are no scheduled payments of interest and principal. The note is secured by a deed of trust.</p>	1,000
<p>\$23,470 Variable Rate Demand Bonds authorized and issued in June and October 2004, maturing on October 1, 2036, subject to the prior redemption of the bonds on demand by the bondholders, and are fully secured by a letter of credit. Interest rate is determined on a weekly basis, payments of which are due on a monthly basis. The bonds were issued for the rehabilitation and construction of the Phoenix Park II, L.P. affordable housing complex.</p>	23,470
<p>\$3,301 Interim Note Payable to the Phoenix Park II Investor Limited Partner for the period from October 1, 2004 through December 31, 2005. The interim note bears an interest rate of 10.0%, compounded annually. Repayment of all principal and accrued interest is due on the date of the first equity installment pursuant to the terms of Section 5.2 of the Partnership agreement.</p>	<u>3,301</u>
<p>Less current portion</p>	<u>(11)</u>
<p>Long-term bonds and notes payable</p>	<u>\$53,570</u>
<b><u>Other Long-Term Obligations:</u></b>	
<p>Accrued interest on \$933 Riverview Plaza Associates mortgage notes payable from available surplus cash. Due in full in September 2016.</p>	\$ 476
<p>Accrued interest on \$1,522 Norwood Avenue Housing Partnership mortgage notes payable from available surplus cash. Due in full January 2044.</p>	549
<p>Accrued interest on \$2,000 Shasta Partnership mortgage notes payable from available surplus cash. Due in full January 2044. Included in this amount is a deferred lease payable amount of \$74 and deferred partnership management fees of \$111.</p>	908
<p>Accrued interest on \$12,138 Phoenix Park I advance payable from available surplus cash. Due in full in 2059.</p>	1,247
<p>Accrued interest on \$9,315 Phoenix Park II advance payable from available surplus cash. Due in full in 2059.</p>	<u>1,023</u>
<p>Total other long-term obligations</p>	<u>\$ 4,203</u>



**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

The following is a summary of changes in long-term liabilities for the fiscal year ended December 31, 2005:

	<u>January 1,</u> <u>2005</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31,</u> <u>2005</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Governmental activities:					
Notes payable	\$ 57,186	\$ 24,502	\$ (24,973)	\$ 56,715	\$ 2,100
Tax allocation bonds payable	185,484	145,187	(16,050)	314,621	11,545
Compensated absences	<u>2,961</u>	<u>2,518</u>	<u>(2,389)</u>	<u>3,090</u>	<u>1,944</u>
Sub-total	<u>245,631</u>	<u>172,207</u>	<u>(43,412)</u>	<u>374,426</u>	<u>\$15,589</u>
Deferred amounts:					
For original issue premium	1,269	2,869	(262)	3,876	
For original issue discount	(575)	-	390	(185)	
On refunding	<u>-</u>	<u>(2,447)</u>	<u>-</u>	<u>(2,447)</u>	
Total governmental activities -long-term liabilities	<u>\$246,325</u>	<u>\$172,629</u>	<u>\$(43,284)</u>	<u>\$375,670</u>	
	<u>January 1, 2005,</u> <u>as restated</u>	<u>Additions</u>	<u>Retirements</u>	<u>December 31,</u> <u>2005</u>	<u>Amounts</u> <u>Due Within</u> <u>One Year</u>
Business-type activities:					
Mortgage notes payable	<u>\$ 727</u>	<u>\$ -</u>	<u>\$(47)</u>	<u>\$ 680</u>	<u>\$ 52</u>
Component unit activities:					
Bonds and notes payable	\$46,110	\$ 7,481	\$ (10)	\$ 53,581	\$3,312
Other long-term obligations	<u>2,890</u>	<u>1,313</u>	<u>-</u>	<u>4,203</u>	<u>-</u>
Total component unit activities -long-term liabilities	<u>\$49,000</u>	<u>\$8,794</u>	<u>\$ (10)</u>	<u>\$57,784</u>	<u>\$3,312</u>

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

<u>Year ending December 31</u>	<u>Notes Payable</u>		<u>Tax Allocation Bonds</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 2,100	\$ 2,463	\$ 11,545	\$ 11,817
2007	2,231	2,390	11,910	11,451
2008	2,469	2,306	12,456	10,991
2009	4,848	2,720	12,979	10,484
2010	2,972	2,091	13,638	9,938
2011-2015	19,286	9,106	62,988	54,844
2016-2020	12,414	4,356	71,726	46,175
2021-2025	5,429	2,281	53,712	62,649
2026-2030	4,576	944	36,697	64,085
2031-2035	<u>390</u>	<u>49</u>	<u>26,970</u>	<u>27,391</u>
Sub-total	<u>56,715</u>	<u>28,706</u>	<u>314,621</u>	<u>309,825</u>
Deferred amounts:				
Plus original issue premium	610	-	3,266	-
Less original issue discount	-	-	(185)	-
Less refunding	<u>(2,141)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Totals	<u>\$55,184</u>	<u>\$28,706</u>	<u>\$317,702</u>	<u>\$309,825</u>

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

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

<u>Year ending December 31,</u>	<u>Mortgage Notes Payable</u>	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 52	\$ 57
2007	56	52
2008	61	48
2009	40	45
2010	31	39
2011-2015	201	146
2016-2020	<u>239</u>	<u>45</u>
Total	<u>\$680</u>	<u>\$432</u>

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

<u>Year ending December 31,</u>	<u>Bonds and Notes Payable</u>		<u>Other Long-term Obligations</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2006	\$ 3,312	\$ 12	\$ -	\$ -
2007	11	12	-	-
2008	12	11	-	-
2009	12	11	-	-
2010	13	10	-	-
2011-2015	72	43	-	-
2016-2020	1,022	809	-	476
2021-2025	74	6	-	-
2026-2030	-	-	-	-
2031-2035	-	-	-	-
2036-2040	23,470	-	-	-
2041-2045	3,521	5,278	-	1,457
2046-2050	-	-	-	-
2051-2055	-	-	-	-
2056-2060	-	-	-	-
2061-2065	<u>1,000</u>	<u>-</u>	<u>-</u>	<u>2,270</u>
Total	<u>\$32,519</u>	<u>\$6,192</u>	<u>\$ -</u>	<u>\$4,203</u>

The Phoenix Park I construction note payable to Citibank in the amount of \$21,062 will be converted to a permanent loan in 2006.

**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. The Agency utilized an independent consultant to perform calculations of excess investment earnings on various bonds during 2005 and did not incur a liability.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (*Continued*)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

**Refunding Revenue Bonds**

The Sacramento City Financing Authority (a joint exercise of powers authority organized under the laws of the State of California and composed of the City and the Agency) issued its 2005 Refunding Revenue Bonds (Solid Waste, Redevelopment and Master Lease Program Facilities) (the "Bonds") in the aggregate principal amount of \$173,925. The Bonds were issued to provide funds (1) to refund a portion of the Authority's outstanding 1999 Capital Improvement Revenue Bonds (Solid Waste and Redevelopment Projects), 2000 Capital Improvement Revenue Bonds (City of Sacramento 2000 Public Safety and Parking Improvements, 2001 Capital Improvement Revenue Bonds, Series A (Water and Capital Improvement Projects) and 2002 Revenue Bonds, Series A (City Hall and Redevelopment Projects), (2) to fund certain reserve sub accounts for the Bonds or to purchase certain reserve fund surety bonds and (3) to pay costs of issuance of the Bonds.

The face value of the Agency's portion of the Refunding Revenue bonds is \$27,180 sold at a premium of \$2,209 resulting in net proceeds of \$29,389. \$28,976 of the proceeds and \$1,111 of Agency reserves were placed in escrow to defease outstanding debt with a net book value of \$27,640 resulting in a deferred amount on refunding of \$2,447 which is to be amortized over the life of the bonds. The transaction resulted in an economic gain of \$1,380 and a reduction of \$2,695 in future debt service payments.

**IV. Other Information**

**A. Risk Management**

The Agency is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries and illnesses of employees; wrongful employment practices; and natural disasters. The Agency maintains an internal service fund to account for and finance its risks of loss. Under these programs the Agency is self-insured for the following risks up to the maximum amount per claim as follows: general liability, \$100; property, \$100; auto liability, \$3; and employment practice liability, \$100.

The Agency is one of seven public housing authorities of the California Housing Authority Risk Management Agency (CHARMA), formed as a means of providing general liability (including errors and omissions), property, automotive and employment practice liability coverage. CHARMA purchases excess insurance on a collective basis and provides other coverage as approved by the board of directors. The purpose of CHARMA is to spread the adverse effects of losses among the member agencies. Should actual losses among participants be greater than anticipated, the Agency will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the Agency will be refunded its pro rata share of the excess.

For general liability, the Agency covers the first \$100 per claim, and the risk pool covers up to \$250 per claim. Excess liability coverage is obtained from a national housing authority insurance pool and is provided through the pool up to \$5,000 for each occurrence. Settled claims have not exceeded this commercial coverage in any of the past ten years.

The Agency obtains property coverage from CHARMA. The Agency covers the first \$100 per claim and CHARMA covers up to \$100 per claim. A commercial insurance carrier provides coverage above CHARMA's self-insured retention level of \$100 to the maximum value of all CHARMA insured properties.

For automotive insurance, the Agency obtains coverage from CHARMA. The Agency covers the first \$3 and CHARMA provides coverage up to \$100. CHARMA obtains excess automotive liability coverage from a national housing authority insurance group up to \$5,000. Employee injuries and automotive body coverage is provided up to \$100.

Employer's liability insurance was obtained from the Employment Risk Management Authority until June 30, 2005. Since July 1, 2005, the Agency has purchased private employment liability insurance from a private insurance company. The policy provides a maximum of \$2 million coverage per year with a maximum of \$1 million per incident with a \$100 deductible per claim.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

Workers compensation insurance is provided through California Housing Workers Compensation Authority (CHWCA), a risk sharing pool. For worker's compensation claims, the pool covers the Agency's claims within the statutory limit. Should actual losses among participants be greater than anticipated, the Agency will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the Agency will be refunded its pro rata share of the excess.

All operating funds participate in the self-insurance programs and make payments to the internal service fund based on a historical cost and/or actuarial estimates of amounts needed to pay prior and current year claims, and to allow accrual of estimated incurred but not reported claims. The total historical cost/actuarially determined claims liability at December 31 is \$322 consisting of \$25 for Automotive Liability, \$197 for General Liability, and \$100 for Property Damage Liability. These claim estimates were made in accordance with the requirements of Governmental Accounting Standards Board Statement No. 30, and include claims incurred but not reported and allocated loss adjustment expenses as of December 31. Changes in the self-insurance fund claims liability during the years ended December 31, 2005 and 2004 were as follows:

	<u>Claims Liability</u> <u>January 1</u>	<u>Current Year</u> <u>Claims and</u> <u>Changes in Estimates</u>	<u>Current Year</u> <u>Claims Payments</u>	<u>Claims Liability</u> <u>December 31</u>
2004	\$646	\$133	(\$161)	\$618
2005	618	(189)	(107)	322

**B. Employee Retirement Plan**

**1. Plan Description**

The Agency contributes to the California Public Employees' Retirement System (CalPERS), an agent multiple-employer public employee retirement system that acts as a common investment and administrative agent for participating public entities within the state of California.

All full-time Agency employees are required to participate in CalPERS. Benefits vest after five years of credited service. Employees who retire at or after age 50 with five years of credited service are entitled to an annual retirement benefit payable monthly for life, in an amount equal to 1.426% to 2.418% of their average salary, during their highest year of employment, for each year of credited service. CalPERS also provides disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. These benefit provisions and all other requirements are established by state statute within the Public Employees' Retirement Law and Agency resolution. CalPERS issues a separate comprehensive annual financial report.

Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office – 400 P Street – Sacramento, CA 95814. A separate report for the Agency's plan is not available.

**2. Funding Policy**

The Agency participated in two plans with CalPERS under the names of the Sacramento Housing Authority (SHA) and the Redevelopment Agency of the City of Sacramento (RACS). The first plan covered employees hired after 1974; the second plan covered employees hired prior to 1974. The plans merged effective July 1, 2001. Agency employees are required to contribute 7.0% of their annual salary to CalPERS, of which the Agency pays 50% to 57% of this amount on the employee's behalf depending on requirements set forth under contractual agreements with employee groups. The Agency is also required to contribute the remaining amounts necessary to fund the benefits for its members, using the actuarial basis recommended by the CalPERS actuaries and actuarial consultants and adopted by the CalPERS Board of Administration. The Agency's required employer contribution rate for the year ended December 31, 2005 was 10.728%. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

**3. Annual Pension Cost**

For the year ended December 31, 2005, the Agency's annual pension cost of \$1,386 was equal to the Agency's required and actual contributions. The required contribution for the year ended 2005 was determined as part of the June 30, 2003 and 2002 actuarial valuations using the entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses); (b) projected salary increases of 3.25% to 14.45% are attributable to inflation, merit, or seniority increases that vary by length of service and no post-retirement increases. Both (a) and (b) include an inflation component of 3.00% and an annual production growth of 0.25%. The actuarial value of the plan's assets was determined using a technique that smoothes the effect of short-term volatility in the market value of investments over a three year period depending on the size of investments gains and/or losses. The amortization period on the unfunded actuarial liability is expected to be 20 years and is a closed period. The amortization method is a level percent of payroll.

**Three-Year Trend Information**

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
12/31/03	--	--	--
12/31/04	\$ 520	100%	--
12/31/05	1,386	100%	--

**C. Post-employment Health Benefits**

The Agency provides allowances for health benefits for all employees who retire from the Agency and for their survivors and dependents. Participants have the choice of enrolling in one of several health plans and one of two dental plans. Post-employment health benefits for the Agency range from \$360 to \$605 (in actual dollars, not thousands) per month per participant, depending on the participant's job classification at the time of retirement. The Agency covered the participant's health and dental benefits under these plans up to the allotted benefit allowance. Benefits are defined by labor agreements approved by the City Council and County Board of Supervisors. Benefit costs are recorded on a pay-as-you-go basis as part of the internal support internal service fund expenses. For the calendar year ended December 31, 2005, the Agency expended \$925 for post-employment health and dental care insurance benefits. Approximately 192 retirees and/or families were covered.

In preparation of GASB Statement No. 45, *Accounting and Financial Reporting by Employers for Post Employment Benefits Other Than Pensions*, the Agency commissioned an actuarial valuation of current post employment medical benefits in 2004. The valuation is critical for the Agency to develop strategies to identify resources to fund the projected costs and/or to identify methods to reduce the potential obligations. The study indicated that the discounted actuarial liability could range from \$22,724 to \$26,302 depending on a discount rate of 3% or 2% respectively. In addition, the study indicated that annual required contribution rates would range from \$1,940 to \$3,904 depending on the discount rate of 3% or 2% and amortization period ranging from 30 to 10 years, respectively. For the 2006 budget, the Agency has appropriated the cost of retiree medical cost based on an amortization period of 30 years and using a discount rate of 3%.

**D. Commitments and Contingencies**

**1. Mortgage Insured Bonds**

The City and the County of Sacramento, between 1980 and 2005, issued single family and multifamily mortgage bonds totaling \$190,921. The bonds were issued to provide funds for the purchase of home mortgages in the Sacramento County area. The Agency was appointed by the City and the County of Sacramento to administer the mortgage program. The bonds do not constitute a liability of the Agency.

**Sacramento Housing and Redevelopment Agency**  
**Notes to the Basic Financial Statements (Continued)**  
**December 31, 2005**

(dollar amounts expressed in thousands)

**2. Litigation**

The Agency is a defendant in various matters of litigation. Of these matters, management and the Agency's legal counsel do not anticipate any material effect to the December 31, 2005 financial statements if there was an unfavorable outcome to the Agency as a result of the litigation. Therefore, in accordance with Financial Accounting Standards Board Statement No. 5, no loss has been accrued.

**3. Contractual Obligations**

The Agency had outstanding unencumbered contractual obligations, primarily for housing project site improvements and structural rehabilitation, at December 31, 2005, as follows:

Special Revenue Funds	\$ 8,379
Capital Project Funds	<u>2,354</u>
	<u>\$10,733</u>

**4. Contingent Liabilities**

The Agency receives funding from a number of federal, state, and local assistance programs, comprised principally of Community Development Block Grants, and Housing and Urban Development Housing Programs. These programs are subject to financial and compliance review by the grantors. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time although the Agency expects such amounts, if any, to be immaterial. Receipt of these federal, state, and local grant revenues is not assured in the future.

Budget problems at the State level have resulted in less tax increment funding available to the Agency. The 2005-06 State of California budget included the Education Revenue Augmentation Fund (ERAF), which took money from redevelopment agencies to decrease the State's funding for schools. For the Agency, ERAF charges will amount to \$3,147 for the 2006 year.

In 2005, the County Assessor's Office reached a settlement on a multi-year property tax appeal that affected the Army Depot redevelopment project area. The successful appeal resulted in a tax increment refund of \$370 from the Agency. The refund will be deducted from Agency tax increment revenues during 2006.

A multi-year appeal of property tax assessments has been made in the Franklin Boulevard redevelopment project area. The status of the appeals or the likelihood of success is unknown at this time, but if successful, the appeals could result in an estimated refund of approximately \$3,362. The loss of tax increment revenues may be offset somewhat by return of property tax rebates the Agency has provided for property taxes paid for the years under dispute.

**E. Subsequent Events**

The Sacramento City Financing Authority's 2006 Tax Allocation Revenue Bonds, Series A and B, in the amount of \$21,210 were authorized and issued in March 2006 on behalf of the Del Paso Heights and Oak Park redevelopment project areas. Payments are due in annual installments of \$475 to \$1735 through December 2032 with interest paid semiannually ranging from 4.5% to 5.75%, for the purpose of refunding a portion of the 1999 Oak Park Loan and funding new projects for the Del Paso Heights project area. For Oak Park, the funding resulted in a net present value savings of \$567 with the percentage savings at 4.73%.

**Sacramento Housing and Redevelopment Agency  
Required Supplementary Information (Unaudited)  
December 31, 2005**

(dollar amounts expressed in thousands)

**Schedules of Funding Progress**

	A	B	C	D	E	F
Actuarial Valuation Date	Actuarial Asset Value	Entry Age Actuarial Accrued Liability	Unfunded (overfunded) Actuarial Accrued Liability [(B) - (A)]	Funded Ratio [(A)/(B)]	Covered Payroll	Unfunded (overfunded) Actuarial Liability as Percentage of Covered Payroll {[(B)-(A)]/(E)}
6/30/02	\$66,477	\$60,800	\$ (5,676)	109.3%	\$15,147	(37.5%)
6/30/03	67,720	69,610	1,890	97.3%	15,875	11.9%
6/30/04	71,573	75,475	3,902	94.8%	16,274	24.0%

*Nonmajor  
Governmental  
Funds*



**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>Special Revenue</b>	<b>Debt Service</b>	<b>Capital Projects</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Assets</b>				
Cash and investments	\$ 10,939	\$ 7,805	\$ 95,578	\$ 114,322
Accounts receivable (net)	1,717	407	92	2,216
Property taxes receivable	2,544	5,473	-	8,017
Due from other funds	1,614	-	113	1,727
Due from other governments	727	18	2,060	2,805
Notes receivable (net)	10,006	7	39,979	49,992
Advances to other funds	2,323	61	1,330	3,714
Advances to component units	7,852	-	455	8,307
Restricted cash and investments	2,616	4,974	795	8,385
<b>Total assets</b>	<b>\$ 40,338</b>	<b>\$ 18,745</b>	<b>\$ 140,402</b>	<b>\$ 199,485</b>
<b>Liabilities</b>				
Accounts payable	\$ 338	\$ 1,315	\$ 1,133	\$ 2,786
Accrued liabilities	27	72	36	135
Due to other funds	682	-	885	1,567
Due to other governments	279	127	-	406
Deferred revenue	9,017	2	-	9,019
Deposit and trust liability	1,351	-	61	1,412
Advances from other funds	1,590	4,188	928	6,706
<b>Total liabilities</b>	<b>13,284</b>	<b>5,704</b>	<b>3,043</b>	<b>22,031</b>
<b>Fund Balances</b>				
Reserved for capital projects	647	-	79,668	80,315
Reserved for encumbrances	95	-	10,812	10,907
Reserved for debt service	2,355	4,974	795	8,124
Reserved for noncurrent assets	17,071	68	41,764	58,903
Unreserved, undesignated	6,886	7,999	4,320	19,205
<b>Total fund balances</b>	<b>27,054</b>	<b>13,041</b>	<b>137,359</b>	<b>177,454</b>
<b>Total liabilities and fund balances</b>	<b>\$ 40,338</b>	<b>\$ 18,745</b>	<b>\$ 140,402</b>	<b>\$ 199,485</b>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Special Revenue</u>	<u>Debt Service</u>	<u>Capital Projects</u>	<u>Total Nonmajor Governmental Funds</u>
<b>Revenues:</b>				
Intergovernmental	\$ 3,424	\$ -	\$ 10,556	\$ 13,980
Property taxes	11,525	21,830	-	33,355
Charges for services	1,179	-	66	1,245
Investment earnings	1,454	1,681	1,171	4,306
Income from assets held for resale	5,613	-	-	5,613
Miscellaneous	37	122	581	740
Total revenues	<u>23,232</u>	<u>23,633</u>	<u>12,374</u>	<u>59,239</u>
<b>Expenditures:</b>				
Current:				
Housing operations	4,605	-	4,599	9,204
Community development	5,185	130	16,117	21,432
Community social services	701	-	1,256	1,957
Capital outlay	181	-	8,380	8,561
Debt service:				
Principal retirement	2,580	3,149	-	5,729
Interest	2,627	4,052	59	6,738
Related charges	-	4,292	-	4,292
Advance refunding escrow	159	952	-	1,111
Bond issuance costs	55	223	586	864
Total expenditures	<u>16,093</u>	<u>12,798</u>	<u>30,997</u>	<u>59,888</u>
Excess (deficiency) of revenues over (under) expenditures	<u>7,139</u>	<u>10,835</u>	<u>(18,623)</u>	<u>(649)</u>
<b>Other financing sources (uses):</b>				
Long-term debt issued	-	3,387	20,699	24,086
Proceeds of refunding bonds	3,651	14,579	-	18,230
Premium on redevelopment bonds	281	1,075	299	1,655
Sale of capital assets	182	220	477	879
Transfers in	2,340	1,910	19,797	24,047
Transfers out	(3,064)	(15,138)	(2,563)	(20,765)
Payment to refunded bond escrow agent	(3,877)	(15,431)	-	(19,308)
Total other financing sources (uses)	<u>(487)</u>	<u>(9,398)</u>	<u>38,709</u>	<u>28,824</u>
Net change in fund balances	6,652	1,437	20,086	28,175
Fund balances, beginning	20,402	11,604	117,273	149,279
Fund balances, ending	<u>\$ 27,054</u>	<u>\$ 13,041</u>	<u>\$ 137,359</u>	<u>\$ 177,454</u>

## *Nonmajor Special Revenue Funds*

Special revenue funds account for specific financial resources (other than for major capital projects) that are legally restricted to expenditure for specific purposes.

- ◆ **Housing funds** are used to account for a variety of federal, state and local housing programs that provide public housing assistance for low and moderate income households within the City and County.
- ◆ **Community Development Funds** are used to account for a variety of specific community programs funded by the federal government.
- ◆ **Tax Increment Funds** are used to account for the low and moderate housing activity associated with the redevelopment project areas.
- ◆ **Local Tax Funds** are used to account for payments in lieu of taxes. Revenues from the City and County Public Housing Funds are used to fund community service activities.

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Housing</u>	<u>Community Development</u>	<u>Tax Increment</u>	<u>Local Tax</u>	<u>Total</u>
<b>Assets</b>					
Cash and investments	\$ 7,108	\$ 537	\$ 3,101	\$ 193	\$ 10,939
Accounts receivable (net)	1,670	47	-	-	1,717
Property taxes receivable	-	-	2,544	-	2,544
Due from other funds	1,409	205	-	-	1,614
Due from other governments	167	560	-	-	727
Notes receivable (net)	6,190	3,816	-	-	10,006
Advances to other funds	2,323	-	-	-	2,323
Advances to component units	6,894	-	958	-	7,852
Restricted cash and investments	261	111	2,244	-	2,616
Total assets	<u>\$ 26,022</u>	<u>\$ 5,276</u>	<u>\$ 8,847</u>	<u>\$ 193</u>	<u>\$ 40,338</u>
<b>Liabilities</b>					
Accounts payable	\$ 317	\$ 19	\$ -	\$ 2	\$ 338
Accrued liabilities	11	3	13	-	27
Due to other funds	477	205	-	-	682
Due to other governments	-	110	158	11	279
Deferred revenue	5,203	3,814	-	-	9,017
Deposit and trust liability	1,346	5	-	-	1,351
Advances from other funds	1,240	61	289	-	1,590
Total liabilities	<u>8,594</u>	<u>4,217</u>	<u>460</u>	<u>13</u>	<u>13,284</u>
<b>Fund Balances</b>					
Reserved for capital projects	641	6	-	-	647
Reserved for encumbrances	89	-	6	-	95
Reserved for debt service	-	111	2,244	-	2,355
Reserved for noncurrent assets	15,407	706	958	-	17,071
Unreserved, undesignated	1,291	236	5,179	180	6,886
Total fund balances	<u>17,428</u>	<u>1,059</u>	<u>8,387</u>	<u>180</u>	<u>27,054</u>
Total liabilities and fund balances	<u>\$ 26,022</u>	<u>\$ 5,276</u>	<u>\$ 8,847</u>	<u>\$ 193</u>	<u>\$ 40,338</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Housing</u>	<u>Community Development</u>	<u>Tax Increment</u>	<u>Local Tax</u>	<u>Total</u>
<b>Revenues:</b>					
Intergovernmental	\$ 743	\$ 2,153	\$ -	\$ 528	\$ 3,424
Property taxes	-	-	11,525	-	11,525
Charges for services	1,152	27	-	-	1,179
Investment earnings	383	19	1,043	9	1,454
Income from assets held for resale	5,613	-	-	-	5,613
Miscellaneous	30	7	-	-	37
Total revenues	<u>7,921</u>	<u>2,206</u>	<u>12,568</u>	<u>537</u>	<u>23,232</u>
<b>Expenditures:</b>					
Current:					
Housing operations	3,972	-	633	-	4,605
Community development	960	2,231	1,994	-	5,185
Community social services	19	-	76	606	701
Capital outlay	181	-	-	-	181
Debt service:					
Principal retirement	-	-	2,580	-	2,580
Interest	-	3	2,624	-	2,627
Advance refunding escrow	-	-	159	-	159
Bond issuance costs	-	-	55	-	55
Total expenditures	<u>5,132</u>	<u>2,234</u>	<u>8,121</u>	<u>606</u>	<u>16,093</u>
Excess (deficiency) of revenues over (under) expenditures	<u>2,789</u>	<u>(28)</u>	<u>4,447</u>	<u>(69)</u>	<u>7,139</u>
<b>Other financing sources (uses):</b>					
Proceeds of refunding bonds	-	-	3,651	-	3,651
Premium on redevelopment bonds	-	-	281	-	281
Sale of capital assets	182	-	-	-	182
Transfers in	194	-	2,146	-	2,340
Transfers out	(832)	-	(2,232)	-	(3,064)
Payment to refunded bond escrow agent	-	-	(3,877)	-	(3,877)
Total other financing sources (uses)	<u>(456)</u>	<u>-</u>	<u>(31)</u>	<u>-</u>	<u>(487)</u>
Net change in fund balances	2,333	(28)	4,416	(69)	6,652
Fund balances, beginning	15,095	1,087	3,971	249	20,402
Fund balances, ending	<u>\$ 17,428</u>	<u>\$ 1,059</u>	<u>\$ 8,387</u>	<u>\$ 180</u>	<u>\$ 27,054</u>

## *Nonmajor Housing Special Revenue Funds*

- ◆ **General Housing Reserve** acts as a clearing account for excess funding to go to housing authority programs requiring additional funding.
- ◆ **Revenue Bond Program** accounts for the revenue from Mortgage Revenue Bonds and Mortgage Credit Certificates.
- ◆ **Local Housing Revenue** accounts for the receipt and use of rebates derived from various energy conservation programs and accounts for activities relating to the Ping Yuen Center.
- ◆ **City Drug Elimination** accounts for receipt and use of U.S. Department of Housing and Urban Development drug elimination grants at various City housing sites.
- ◆ **County Mather Transitional Housing** accounts primarily for County reimbursed maintenance services provided by Agency staff.
- ◆ **City Public Housing Homeownership** accounts for the sale of single-family public housing units to eligible public housing residents in the City of Sacramento.
- ◆ **County Public Housing Homeownership** accounts for the sale of single-family public housing units to eligible public housing residents in the County of Sacramento.
- ◆ **Riverview Plaza Reserve** acts as a clearing account for excess funding to go to Riverview Plaza activities and other housing programs.
- ◆ **Foundation Uniting Needs and Dollars (FUND), Inc.** accounts for the fundraising activities of the Agency.

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Housing Special Revenue Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>General Housing Reserve</b>	<b>Revenue Bond Program</b>	<b>Local Housing Revenue</b>	<b>City Drug Elimination</b>	<b>County Mather Transitional Housing</b>
<b>Assets</b>					
Cash and investments	\$ 1,103	\$ 3,590	\$ 771	\$ -	\$ -
Accounts receivable (net)	-	-	-	-	-
Due from other funds	533	876	-	-	-
Due from other governments	-	-	-	-	167
Notes receivable (net)	-	426	3,000	-	-
Advances to other funds	-	2,323	-	-	-
Advances to component units	-	-	-	-	-
Restricted cash and investments	-	261	-	-	-
<b>Total assets</b>	<b>\$ 1,636</b>	<b>\$ 7,476</b>	<b>\$ 3,771</b>	<b>\$ -</b>	<b>\$ 167</b>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 183	\$ -	\$ 7
Accrued liabilities	-	5	-	-	5
Due to other funds	-	-	-	-	155
Deferred revenue	-	-	-	-	-
Deposit and trust liability	175	1,171	-	-	-
Advances from other funds	-	-	500	-	-
<b>Total liabilities</b>	<b>175</b>	<b>1,176</b>	<b>683</b>	<b>-</b>	<b>167</b>
<b>Fund Balances</b>					
Reserved for capital projects	-	394	247	-	-
Reserved for encumbrances	-	89	-	-	-
Reserved for noncurrent assets	-	2,749	3,000	-	-
Unreserved, undesignated	1,461	3,068	(159)	-	-
<b>Total fund balances</b>	<b>1,461</b>	<b>6,300</b>	<b>3,088</b>	<b>-</b>	<b>-</b>
<b>Total liabilities and fund balances</b>	<b>\$ 1,636</b>	<b>\$ 7,476</b>	<b>\$ 3,771</b>	<b>\$ -</b>	<b>\$ 167</b>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Housing Special Revenue Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>City Public Housing Homeownership</b>	<b>County Public Housing Homeownership</b>	<b>Riverview Plaza Reserve</b>	<b>FUND, Inc.</b>	<b>Total</b>
<b>Assets</b>					
Cash and investments	\$ 1,560	\$ -	\$ 68	\$ 16	\$ 7,108
Accounts receivable (net)	423	1,247	-	-	1,670
Due from other funds	-	-	-	-	1,409
Due from other governments	-	-	-	-	167
Notes receivable (net)	1,419	511	834	-	6,190
Advances to other funds	-	-	-	-	2,323
Advances to component units	-	-	6,894	-	6,894
Restricted cash and investments	-	-	-	-	261
<b>Total assets</b>	<b>\$ 3,402</b>	<b>\$ 1,758</b>	<b>\$ 7,796</b>	<b>\$ 16</b>	<b>\$ 26,022</b>
<b>Liabilities</b>					
Accounts payable	\$ 78	\$ 49	\$ -	\$ -	\$ 317
Accrued liabilities	1	-	-	-	11
Due to other funds	-	322	-	-	477
Deferred revenue	-	-	5,203	-	5,203
Deposit and trust liability	-	-	-	-	1,346
Advances from other funds	740	-	-	-	1,240
<b>Total liabilities</b>	<b>819</b>	<b>371</b>	<b>5,203</b>	<b>-</b>	<b>8,594</b>
<b>Fund Balances</b>					
Reserved for capital projects	-	-	-	-	641
Reserved for encumbrances	-	-	-	-	89
Reserved for noncurrent assets	1,419	511	7,728	-	15,407
Unreserved, undesignated	1,164	876	(5,135)	16	1,291
<b>Total fund balances</b>	<b>2,583</b>	<b>1,387</b>	<b>2,593</b>	<b>16</b>	<b>17,428</b>
<b>Total liabilities and fund balances</b>	<b>\$ 3,402</b>	<b>\$ 1,758</b>	<b>\$ 7,796</b>	<b>\$ 16</b>	<b>\$ 26,022</b>



**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Housing Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<b>General Housing Reserve</b>	<b>Revenue Bond Program</b>	<b>Local Housing Revenue</b>	<b>City Drug Elimination</b>	<b>County Mather Transitional Housing</b>
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ 7	\$ 736
Charges for services	-	1,152	-	-	-
Investment earnings	59	269	25	-	-
Income from assets held for resale	-	-	-	-	-
Miscellaneous	-	13	-	-	-
Total revenues	<u>59</u>	<u>1,434</u>	<u>25</u>	<u>7</u>	<u>736</u>
<b>Expenditures:</b>					
Current:					
Housing operations	74	-	4	7	736
Community development	-	729	231	-	-
Community social services	-	-	-	-	-
Capital outlay	-	181	-	-	-
Total expenditures	<u>74</u>	<u>910</u>	<u>235</u>	<u>7</u>	<u>736</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(15)</u>	<u>524</u>	<u>(210)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	-	182	-	-	-
Transfers in	91	-	18	-	-
Transfers out	(298)	(534)	-	-	-
Total other financing sources (uses)	<u>(207)</u>	<u>(352)</u>	<u>18</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(222)	172	(192)	-	-
Fund balances, beginning	1,683	6,128	3,280	-	-
Fund balances, ending	<u>\$ 1,461</u>	<u>\$ 6,300</u>	<u>\$ 3,088</u>	<u>\$ -</u>	<u>\$ -</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Housing Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City Public Housing Homeownership	County Public Housing Homeownership	Riverview Plaza Reserve	FUND, Inc.	Total
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 743
Charges for services	-	-	-	-	1,152
Investment earnings	28	-	2	-	383
Income from assets held for resale	3,703	1,910	-	-	5,613
Miscellaneous	-	-	-	17	30
Total revenues	<u>3,731</u>	<u>1,910</u>	<u>2</u>	<u>17</u>	<u>7,921</u>
<b>Expenditures:</b>					
Current:					
Housing operations	2,228	922	1	-	3,972
Community development	-	-	-	-	960
Community social services	-	-	-	19	19
Capital outlay	-	-	-	-	181
Total expenditures	<u>2,228</u>	<u>922</u>	<u>1</u>	<u>19</u>	<u>5,132</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,503</u>	<u>988</u>	<u>1</u>	<u>(2)</u>	<u>2,789</u>
<b>Other financing sources (uses):</b>					
Sale of capital assets	-	-	-	-	182
Transfers in	38	47	-	-	194
Transfers out	-	-	-	-	(832)
Total other financing sources (uses)	<u>38</u>	<u>47</u>	<u>-</u>	<u>-</u>	<u>(456)</u>
Net change in fund balances	1,541	1,035	1	(2)	2,333
Fund balances, beginning	1,042	352	2,592	18	15,095
Fund balances, ending	<u>\$ 2,583</u>	<u>\$ 1,387</u>	<u>\$ 2,593</u>	<u>\$ 16</u>	<u>\$ 17,428</u>

**Sacramento Housing and Redevelopment Agency  
General Housing Reserve Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ 23	\$ 23	\$ 59	\$ 36
Total revenues	<u>23</u>	<u>23</u>	<u>59</u>	<u>36</u>
<b>Expenditures:</b>				
Current:				
Housing operations	378	378	74	304
Total expenditures	<u>378</u>	<u>378</u>	<u>74</u>	<u>304</u>
Deficiency of revenues under expenditures	<u>(355)</u>	<u>(355)</u>	<u>(15)</u>	<u>340</u>
<b>Other financing sources (uses):</b>				
Transfers in	91	91	91	-
Transfers out	(830)	(830)	(298)	(532)
Total other financing sources (uses)	<u>(739)</u>	<u>(739)</u>	<u>(207)</u>	<u>(532)</u>
Net change in fund balance	(1,094)	(1,094)	(222)	(872)
Fund balance, beginning	1,683	1,683	1,683	-
Fund balance, ending	<u>\$ 589</u>	<u>\$ 589</u>	<u>\$ 1,461</u>	<u>\$ (872)</u>

**Sacramento Housing and Redevelopment Agency**  
**Local Housing Revenue Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ 5	\$ 5	\$ 25	\$ 20
Miscellaneous	226	226	-	(226)
Total revenues	<u>231</u>	<u>231</u>	<u>25</u>	<u>(206)</u>
<b>Expenditures:</b>				
Current:				
Housing operations	-	-	4	(4)
Community development	479	479	231	248
Total expenditures	<u>479</u>	<u>479</u>	<u>235</u>	<u>244</u>
Deficiency of revenues under expenditures	(248)	(248)	(210)	38
<b>Other financing sources (uses):</b>				
Transfers in	-	18	18	-
Transfers out	(67)	(67)	-	(67)
Total other financing sources (uses)	<u>(67)</u>	<u>(49)</u>	<u>18</u>	<u>(67)</u>
Net change in fund balance	(315)	(297)	(192)	(105)
Fund balance, beginning	3,280	3,280	3,280	-
Fund balance, ending	<u>\$ 2,965</u>	<u>\$ 2,983</u>	<u>\$ 3,088</u>	<u>\$ (105)</u>

**Sacramento Housing and Redevelopment Agency**  
**County Mather Transitional Housing Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 534	\$ 696	\$ 736	\$ 40
Total revenues	<u>534</u>	<u>696</u>	<u>736</u>	<u>40</u>
<b>Expenditures:</b>				
Current:				
Housing operations	534	696	736	(40)
Total expenditures	<u>534</u>	<u>696</u>	<u>736</u>	<u>(40)</u>
Net change in fund balance	-	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Sacramento Housing and Redevelopment Agency**  
**City Public Housing Homeownership Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ 6	\$ 6	\$ 28	\$ 22
Income from assets held for resale	3,375	4,115	3,703	(412)
Total revenues	<u>3,381</u>	<u>4,121</u>	<u>3,731</u>	<u>(390)</u>
<b>Expenditures:</b>				
Current:				
Housing operations	2,865	3,605	2,228	1,377
Total expenditures	<u>2,865</u>	<u>3,605</u>	<u>2,228</u>	<u>1,377</u>
Excess of revenues over expenditures	<u>516</u>	<u>516</u>	<u>1,503</u>	<u>(987)</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	38	(38)
Transfers out	(1,024)	(1,024)	-	(1,024)
Total other financing sources (uses)	<u>(1,024)</u>	<u>(1,024)</u>	<u>38</u>	<u>(1,062)</u>
Net change in fund balance	(508)	(508)	1,541	(2,049)
Fund balance, beginning	1,042	1,042	1,042	-
Fund balance, ending	<u>\$ 534</u>	<u>\$ 534</u>	<u>\$ 2,583</u>	<u>\$ (2,049)</u>

**Sacramento Housing and Redevelopment Agency**  
**County Public Housing Homeownership Special Revenue Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ 2	\$ 2	\$ -	\$ (2)
Income from assets held for resale	3,375	3,375	1,910	(1,465)
Total revenues	<u>3,377</u>	<u>3,377</u>	<u>1,910</u>	<u>(1,467)</u>
<b>Expenditures:</b>				
Current:				
Housing operations	3,145	3,145	922	2,223
Total expenditures	<u>3,145</u>	<u>3,145</u>	<u>922</u>	<u>2,223</u>
Excess of revenues over expenditures	<u>232</u>	<u>232</u>	<u>988</u>	<u>756</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	47	(47)
Transfers out	(493)	(493)	-	(493)
Total other financing sources (uses)	<u>(493)</u>	<u>(493)</u>	<u>47</u>	<u>(540)</u>
Net change in fund balance	(261)	(261)	1,035	(1,296)
Fund balance, beginning	352	352	352	-
Fund balance, ending	<u>\$ 91</u>	<u>\$ 91</u>	<u>\$ 1,387</u>	<u>\$ (1,296)</u>

**Sacramento Housing and Redevelopment Agency  
Riverview Plaza Reserve Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ 87	\$ 87	\$ 2	\$ (85)
Total revenues	<u>87</u>	<u>87</u>	<u>2</u>	<u>(85)</u>
<b>Expenditures:</b>				
Current:				
Housing operations	167	167	1	166
Total expenditures	<u>167</u>	<u>167</u>	<u>1</u>	<u>166</u>
Net change in fund balance	(80)	(80)	1	81
Fund balance, beginning	2,592	2,592	2,592	-
Fund balance, ending	<u>\$ 2,512</u>	<u>\$ 2,512</u>	<u>\$ 2,593</u>	<u>\$ 81</u>



# *Nonmajor Community Development*

## *Special Revenue Funds*

- ◆ **County Economic Development Activities** accounts for various economic development projects in the County of Sacramento.
- ◆ **City Brownfields Cleanup** accounts for loans for toxic cleanup in the City.
- ◆ **City Miscellaneous Development Grants** accounts for various economic development activities in the City.
- ◆ **County Miscellaneous Development Grants** accounts for various economic development activities in the County.
- ◆ **Shasta Trust** is used to account for funds legally required to be set aside for the Shasta Hotel Investors Partnership.
- ◆ **BEGIN** accounts for loans on behalf of the federal government
- ◆ **City SB966 Loan** accounts for loans on behalf of the state government.
- ◆ **City CalHOME** is a state program that provides loans for low-income housing residents within the City of Sacramento.
- ◆ **County CalHOME** is a state program that provides loans for low-income housing residents within the County of Sacramento.
- ◆ **City American Dream Downpayment Initiative (ADDI)** is a program that provides assistance to low-income, first-time homebuyers which can be used for the downpayment, closing costs, and rehabilitation that is completed in conjunction with a home purchase within the City of Sacramento.
- ◆ **County American Dream Downpayment Initiative (ADDI)** is a program that provides assistance to low-income, first-time homebuyers which can be used for the downpayment, closing costs, and rehabilitation that is completed in conjunction with a home purchase within the County of Sacramento.
- ◆ **City Exterior Access Grant for Renters (EAGR)** is a program that provides grants for exterior modifications to rental properties in order to make the housing accessible to low-income persons with disabilities within the City of Sacramento.
- ◆ **County Exterior Access Grant for Renters (EAGR)** is a program that provides grants for exterior modifications to rental properties in order to make the housing accessible to low-income persons with disabilities within the County of Sacramento.

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Community Development Special Revenue Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>County Economic Development Activities</b>	<b>City Brownfields Cleanup</b>	<b>City Misc Development Grants</b>	<b>County Misc Development Grants</b>	<b>Shasta Trust</b>
<b>Assets</b>					
Cash and investments	\$ 66	\$ 34	\$ 24	\$ 47	\$ 40
Accounts receivable (net)	-	-	-	8	-
Due from other funds	-	-	-	40	-
Due from other governments	-	-	21	135	-
Notes receivable (net)	441	222	28	15	-
Restricted cash and investments	-	-	-	111	-
Total assets	<u>\$ 507</u>	<u>\$ 256</u>	<u>\$ 73</u>	<u>\$ 356</u>	<u>\$ 40</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ 19	\$ -	\$ -
Accrued liabilities	-	-	1	-	-
Due to other funds	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	2	-	-	85	-
Deposit and trust liability	5	-	-	-	-
Advances from other funds	-	-	-	61	-
Total liabilities	<u>7</u>	<u>-</u>	<u>20</u>	<u>146</u>	<u>-</u>
<b>Fund Balances</b>					
Reserved for capital projects	1	-	1	4	-
Reserved for debt service	-	-	-	111	-
Reserved for noncurrent assets	441	222	28	15	-
Unreserved, undesignated	58	34	24	80	40
Total fund balances	<u>500</u>	<u>256</u>	<u>53</u>	<u>210</u>	<u>40</u>
Total liabilities and fund balances	<u>\$ 507</u>	<u>\$ 256</u>	<u>\$ 73</u>	<u>\$ 356</u>	<u>\$ 40</u>

**Sacramento Housing and Redevelopment Agency  
Combining Balance Sheet  
Nonmajor Community Development Special Revenue Funds  
December 31, 2005  
(amounts expressed in thousands)**

	<u>BEGIN</u>	<u>City SB 966 Loan</u>	<u>City CalHOME</u>	<u>County CalHOME</u>	<u>City ADDI</u>
<b>Assets</b>					
Cash and investments	\$ 297	\$ -	\$ -	\$ 29	\$ -
Accounts receivable (net)	-	-	39	-	-
Due from other funds	-	-	-	165	-
Due from other governments	-	-	293	24	37
Notes receivable (net)	39	110	1,370	888	369
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 336</u>	<u>\$ 110</u>	<u>\$ 1,702</u>	<u>\$ 1,106</u>	<u>\$ 406</u>
<b>Liabilities</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	2
Due to other funds	-	-	120	-	35
Due to other governments	-	110	-	-	-
Deferred revenue	336	-	1,582	1,106	369
Deposit and trust liability	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>336</u>	<u>110</u>	<u>1,702</u>	<u>1,106</u>	<u>406</u>
<b>Fund Balances</b>					
Reserved for capital projects	-	-	-	-	-
Reserved for debt service	-	-	-	-	-
Reserved for noncurrent assets	-	-	-	-	-
Unreserved, undesignated	-	-	-	-	-
Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities and fund balances	<u>\$ 336</u>	<u>\$ 110</u>	<u>\$ 1,702</u>	<u>\$ 1,106</u>	<u>\$ 406</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Community Development Special Revenue Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<u>County ADDI</u>	<u>City EAGR</u>	<u>County EAGR</u>	<u>Total</u>
<b>Assets</b>				
Cash and investments	\$ -	\$ -	\$ -	\$ 537
Accounts receivable (net)	-	-	-	47
Due from other funds	-	-	-	205
Due from other governments	10	-	40	560
Notes receivable (net)	334	-	-	3,816
Restricted cash and investments	-	-	-	111
<b>Total assets</b>	<u>\$ 344</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 5,276</u>
<b>Liabilities</b>				
Accounts payable	\$ -	\$ -	\$ -	\$ 19
Accrued liabilities	-	-	-	3
Due to other funds	10	-	40	205
Due to other governments	-	-	-	110
Deferred revenue	334	-	-	3,814
Deposit and trust liability	-	-	-	5
Advances from other funds	-	-	-	61
<b>Total liabilities</b>	<u>344</u>	<u>-</u>	<u>40</u>	<u>4,217</u>
<b>Fund Balances</b>				
Reserved for capital projects	-	-	-	6
Reserved for debt service	-	-	-	111
Reserved for noncurrent assets	-	-	-	706
Unreserved, undesignated	-	-	-	236
<b>Total fund balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,059</u>
<b>Total liabilities and fund balances</b>	<u>\$ 344</u>	<u>\$ -</u>	<u>\$ 40</u>	<u>\$ 5,276</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Community Development Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>County Economic Development Activities</u>	<u>City Brownfields Cleanup</u>	<u>City Misc Development Grants</u>	<u>County Misc Development Grants</u>	<u>Shasta Trust</u>
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ 99	\$ 351	\$ -
Charges for services	1	-	-	26	-
Investment earnings	2	1	-	2	2
Miscellaneous	1	-	-	-	-
Total revenues	<u>4</u>	<u>1</u>	<u>99</u>	<u>379</u>	<u>2</u>
<b>Expenditures:</b>					
Current:					
Community development	-	-	243	246	21
Debt service:					
Interest	-	-	-	3	-
Total expenditures	<u>-</u>	<u>-</u>	<u>243</u>	<u>249</u>	<u>21</u>
Net change in fund balances	4	1	(144)	130	(19)
Fund balances, beginning	496	255	197	80	59
Fund balances, ending	<u>\$ 500</u>	<u>\$ 256</u>	<u>\$ 53</u>	<u>\$ 210</u>	<u>\$ 40</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Community Development Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>BEGIN</u>	<u>City SB 966 Loan</u>	<u>City CalHOME</u>	<u>County CalHOME</u>	<u>City ADDI</u>
<b>Revenues:</b>					
Intergovernmental	\$ -	\$ -	\$ 665	\$ 259	\$ 270
Charges for services	-	-	-	-	-
Investment earnings	-	-	6	6	-
Miscellaneous	-	-	6	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>677</u>	<u>265</u>	<u>270</u>
<b>Expenditures:</b>					
Current:					
Community development	-	-	677	265	270
Debt service:					
Interest	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>677</u>	<u>265</u>	<u>270</u>
Net change in fund balances	-	-	-	-	-
Fund balances, beginning	-	-	-	-	-
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Community Development Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>County ADDI</u>	<u>City EAGR</u>	<u>County EAGR</u>	<u>Total</u>
<b>Revenues:</b>				
Intergovernmental	\$ 273	\$ 163	\$ 73	\$ 2,153
Charges for services	-	-	-	27
Investment earnings	-	-	-	19
Miscellaneous	-	-	-	7
Total revenues	<u>273</u>	<u>163</u>	<u>73</u>	<u>2,206</u>
<b>Expenditures:</b>				
Current:				
Community development	273	163	73	2,231
Debt service:				
Interest	-	-	-	3
Total expenditures	<u>273</u>	<u>163</u>	<u>73</u>	<u>2,234</u>
Net change in fund balances	-	-	-	(28)
Fund balances, beginning	-	-	-	1,087
Fund balances, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,059</u>

## **Nonmajor Tax Increment Special Revenue Funds**

Tax Increment Low and Moderate Income Housing Funds are established pursuant to California Redevelopment Law to provide for the replacement and establishment of low and moderate income housing. The following funds are established for the redevelopment project areas:

- ◆ **City Low/Mod Merged Downtown**
- ◆ **City Low/Mod Del Paso Heights**
- ◆ **City Low/Mod Alkali Flat**
- ◆ **City Low/Mod Oak Park**
- ◆ **City Low/Mod Richards Boulevard**
- ◆ **County Low/Mod Walnut Grove**
- ◆ **City Low/Mod North Sacramento**
- ◆ **City/County Low/Mod Franklin Boulevard**
- ◆ **City/County Low/Mod Stockton Boulevard**
- ◆ **City/County Low/Mod Auburn Boulevard**
- ◆ **County Low/Mod Mather/McClellan Merged**
- ◆ **City Low/Mod Army Depot**
- ◆ **City Low/Mod 65<sup>th</sup> Street/Folsom Boulevard**



**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Tax Increment Low and Moderate Income Housing Special Revenue Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	City Low/Mod Merged Downtown	City Low/Mod Del Paso Heights	City Low/Mod Alkali Flat	City Low/Mod Oak Park	City Low/Mod Richards Boulevard
<b>Assets</b>					
Cash and investments	\$ 1,788	\$ 116	\$ 80	\$ 179	\$ 79
Property taxes receivable	1,093	199	35	210	39
Advances to component units	958	-	-	-	-
Restricted cash and investments	672	351	116	283	2
Total assets	<u>\$ 4,511</u>	<u>\$ 666</u>	<u>\$ 231</u>	<u>\$ 672</u>	<u>\$ 120</u>
<b>Liabilities</b>					
Accrued liabilities	\$ 2	\$ 3	\$ 1	\$ 2	\$ -
Due to other governments	158	-	-	-	-
Advances from other funds	-	-	-	-	-
Total liabilities	<u>160</u>	<u>3</u>	<u>1</u>	<u>2</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>					
Reserved for encumbrances	2	-	-	4	-
Reserved for debt service	672	351	116	283	2
Reserved for noncurrent assets	958	-	-	-	-
Unreserved, undesignated	2,719	312	114	383	118
Total fund balances (deficits)	<u>4,351</u>	<u>663</u>	<u>230</u>	<u>670</u>	<u>120</u>
Total liabilities and fund balances (deficits)	<u>\$ 4,511</u>	<u>\$ 666</u>	<u>\$ 231</u>	<u>\$ 672</u>	<u>\$ 120</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Tax Increment Low and Moderate Income Housing Special Revenue Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	County Low/Mod Walnut Grove	City Low/Mod North Sacramento	City / County Low/Mod Franklin Boulevard	City / County Low/Mod Stockton Boulevard	City / County Low/Mod Auburn Boulevard
<b>Assets</b>					
Cash and investments	\$ 5	\$ 184	\$ 117	\$ 149	\$ 40
Property taxes receivable	-	107	111	117	13
Advances to component units	-	-	-	-	-
Restricted cash and investments	-	93	-	-	-
Total assets	<u>\$ 5</u>	<u>\$ 384</u>	<u>\$ 228</u>	<u>\$ 266</u>	<u>\$ 53</u>
<b>Liabilities</b>					
Accrued liabilities	\$ 2	\$ -	\$ 1	\$ -	\$ -
Due to other governments	-	-	-	-	-
Advances from other funds	-	-	-	-	183
Total liabilities	<u>2</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>183</u>
<b>Fund Balances (Deficits)</b>					
Reserved for encumbrances	-	-	-	-	-
Reserved for debt service	-	93	-	-	-
Reserved for noncurrent assets	-	-	-	-	-
Unreserved, undesignated	3	291	227	266	(130)
Total fund balances (deficits)	<u>3</u>	<u>384</u>	<u>227</u>	<u>266</u>	<u>(130)</u>
Total liabilities and fund balances (deficits)	<u>\$ 5</u>	<u>\$ 384</u>	<u>\$ 228</u>	<u>\$ 266</u>	<u>\$ 53</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Tax Increment Low and Moderate Income Housing Special Revenue Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	County Low/ Mod Mather/ McClellan Merged	City Low/Mod Army Depot	City Low/Mod 65th Street / Folsom Blvd	Total
<b>Assets</b>				
Cash and investments	\$ 127	\$ 175	\$ 62	\$ 3,101
Property taxes receivable	527	65	28	2,544
Advances to component units	-	-	-	958
Restricted cash and investments	727	-	-	2,244
Total assets	<u>\$ 1,381</u>	<u>\$ 240</u>	<u>\$ 90</u>	<u>\$ 8,847</u>
<b>Liabilities</b>				
Accrued liabilities	\$ 2	\$ -	\$ -	\$ 13
Due to other governments	-	-	-	158
Advances from other funds	-	106	-	289
Total liabilities	<u>2</u>	<u>106</u>	<u>-</u>	<u>460</u>
<b>Fund Balances (Deficits)</b>				
Reserved for encumbrances	-	-	-	6
Reserved for debt service	727	-	-	2,244
Reserved for noncurrent assets	-	-	-	958
Unreserved, undesignated	652	134	90	5,179
Total fund balances (deficits)	<u>1,379</u>	<u>134</u>	<u>90</u>	<u>8,387</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,381</u>	<u>\$ 240</u>	<u>\$ 90</u>	<u>\$ 8,847</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Nonmajor Tax Increment Low and Moderate Income Housing Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City Low/Mod Merged Downtown	City Low/Mod Del Paso Heights	City Low/Mod Alkali Flat	City Low/Mod Oak Park	City Low/Mod Richards Boulevard
<b>Revenues:</b>					
Property taxes	\$ 5,712	\$ 853	\$ 205	\$ 936	\$ 284
Investment earnings	590	82	55	46	3
Total revenues	<u>6,302</u>	<u>935</u>	<u>260</u>	<u>982</u>	<u>287</u>
<b>Expenditures:</b>					
Current:					
Housing operations	633	-	-	-	-
Community development	541	303	97	342	34
Community social services	76	-	-	-	-
Debt service:					
Principal retirement	2,097	81	59	171	-
Interest	1,275	262	67	262	62
Advance refunding escrow	-	-	-	-	89
Bond issuance costs	-	24	-	-	18
Total expenditures	<u>4,622</u>	<u>670</u>	<u>223</u>	<u>775</u>	<u>203</u>
Excess of revenues over expenditures	<u>1,680</u>	<u>265</u>	<u>37</u>	<u>207</u>	<u>84</u>
<b>Other financing sources (uses):</b>					
Proceeds of refunding bonds	-	1,606	-	-	1,199
Premium on redevelopment bonds	-	145	-	-	80
Transfers in	2,143	-	-	-	-
Transfers out	(18)	(232)	(15)	(63)	(107)
Payment to refunded bond escrow agent	-	(1,727)	-	-	(1,261)
Total other financing sources (uses)	<u>2,125</u>	<u>(208)</u>	<u>(15)</u>	<u>(63)</u>	<u>(89)</u>
Net change in fund balances	3,805	57	22	144	(5)
Fund balances (deficits), beginning	546	606	208	526	125
Fund balances (deficits), ending	<u>\$ 4,351</u>	<u>\$ 663</u>	<u>\$ 230</u>	<u>\$ 670</u>	<u>\$ 120</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Nonmajor Tax Increment Low and Moderate Income Housing Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	County Low/Mod Walnut Grove	City Low/Mod North Sacramento	City / County Low/Mod Franklin Boulevard	City / County Low/Mod Stockton Boulevard	City / County Low/Mod Auburn Boulevard
<b>Revenues:</b>					
Property taxes	\$ 16	\$ 522	\$ 461	\$ 430	\$ 54
Investment earnings	-	76	9	28	1
Total revenues	<u>16</u>	<u>598</u>	<u>470</u>	<u>458</u>	<u>55</u>
<b>Expenditures:</b>					
Current:					
Housing operations	-	-	-	-	-
Community development	13	131	138	73	1
Community social services	-	-	-	-	-
Debt service:					
Principal retirement	-	15	-	12	-
Interest	-	103	-	31	11
Advance refunding escrow	-	70	-	-	-
Bond issuance costs	-	13	-	-	-
Total expenditures	<u>13</u>	<u>332</u>	<u>138</u>	<u>116</u>	<u>12</u>
Excess of revenues over expenditures	<u>3</u>	<u>266</u>	<u>332</u>	<u>342</u>	<u>43</u>
<b>Other financing sources (uses):</b>					
Proceeds of refunding bonds	-	846	-	-	-
Premium on redevelopment bonds	-	56	-	-	-
Transfers in	-	-	-	-	3
Transfers out	(5)	(238)	(339)	(205)	-
Payment to refunded bond escrow agent	-	(889)	-	-	-
Total other financing sources (uses)	<u>(5)</u>	<u>(225)</u>	<u>(339)</u>	<u>(205)</u>	<u>3</u>
Net change in fund balances	(2)	41	(7)	137	46
Fund balances (deficits), beginning	5	343	234	129	(176)
Fund balances (deficits), ending	<u>\$ 3</u>	<u>\$ 384</u>	<u>\$ 227</u>	<u>\$ 266</u>	<u>\$ (130)</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Nonmajor Tax Increment Low and Moderate Income Housing Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	County Low/ Mod Mather/ McClellan Merged	City Low/Mod Army Depot	City 65th Street / Folsom Blvd	Total
<b>Revenues:</b>				
Property taxes	\$ 1,648	\$ 293	\$ 111	\$ 11,525
Investment earnings	148	5	-	1,043
Total revenues	<u>1,796</u>	<u>298</u>	<u>111</u>	<u>12,568</u>
<b>Expenditures:</b>				
Current:				
Housing operations	-	-	-	633
Community development	260	60	1	1,994
Community social services	-	-	-	76
Debt service:				
Principal retirement	145	-	-	2,580
Interest	542	9	-	2,624
Advance refunding escrow	-	-	-	159
Bond issuance costs	-	-	-	55
Total expenditures	<u>947</u>	<u>69</u>	<u>1</u>	<u>8,121</u>
Excess of revenues over expenditures	<u>849</u>	<u>229</u>	<u>110</u>	<u>4,447</u>
<b>Other financing sources (uses):</b>				
Proceeds of refunding bonds	-	-	-	3,651
Premium on redevelopment bonds	-	-	-	281
Transfers in	-	-	-	2,146
Transfers out	(902)	(88)	(20)	(2,232)
Payment to refunded bond escrow agent	-	-	-	(3,877)
Total other financing sources (uses)	<u>(902)</u>	<u>(88)</u>	<u>(20)</u>	<u>(31)</u>
Net change in fund balances	(53)	141	90	4,416
Fund balances (deficits), beginning	1,432	(7)	-	3,971
Fund balances (deficits), ending	<u>\$ 1,379</u>	<u>\$ 134</u>	<u>\$ 90</u>	<u>\$ 8,387</u>

## **Nonmajor Local Tax Special Revenue Funds**

- ◆ **City Local Tax** accounts for the City Public Housing portion of payments in lieu of taxes. The resources are used for community service programs.
- ◆ **County Local Tax** accounts for the County Public Housing portion of payments in lieu of taxes. The resources are used for community service programs.

**Sacramento Housing and Redevelopment Agency  
Combining Balance Sheet  
Nonmajor Local Tax Special Revenue Funds  
December 31, 2005  
(amounts expressed in thousands)**

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	<b>City Local Tax</b>	<b>County Local Tax</b>	<b>Total</b>
<b>Assets</b>			
Cash and investments	\$ 52	\$ 141	\$ 193
<b>Liabilities</b>			
Accounts payable	\$ 2	\$ -	\$ 2
Due to other governments	3	8	11
Total liabilities	5	8	13
<b>Fund Balances</b>			
Unreserved, undesignated	47	133	180
Total liabilities and fund balances	\$ 52	\$ 141	\$ 193



**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Local Tax Special Revenue Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

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	<b>City Local Tax</b>	<b>County Local Tax</b>	<b>Total</b>
<b>Revenues:</b>			
Intergovernmental	\$ 352	\$ 176	\$ 528
Investment earnings	4	5	9
Total revenues	356	181	537
<b>Expenditures:</b>			
Current:			
Community social services	416	190	606
Total expenditures	416	190	606
Net change in fund balances	(60)	(9)	(69)
Fund balances, beginning	107	142	249
Fund balances, ending	\$ 47	\$ 133	\$ 180

**Sacramento Housing and Redevelopment Agency  
City Local Tax Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 333	\$ 333	\$ 352	\$ 19
Investment earnings	5	5	4	(1)
Total revenues	<u>338</u>	<u>338</u>	<u>356</u>	<u>18</u>
<b>Expenditures:</b>				
Current:				
Community social services	417	417	416	1
Total expenditures	<u>417</u>	<u>417</u>	<u>416</u>	<u>1</u>
Net change in fund balance	(79)	(79)	(60)	(19)
Fund balance, beginning	107	107	107	-
Fund balance, ending	<u>\$ 28</u>	<u>\$ 28</u>	<u>\$ 47</u>	<u>\$ (19)</u>

**Sacramento Housing and Redevelopment Agency  
County Local Tax Special Revenue Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Intergovernmental	\$ 196	\$ 196	\$ 176	\$ (20)
Investment earnings	3	3	5	2
Total revenues	<u>199</u>	<u>199</u>	<u>181</u>	<u>(18)</u>
<b>Expenditures:</b>				
Current:				
Community social services	190	190	190	-
Total expenditures	<u>190</u>	<u>190</u>	<u>190</u>	<u>-</u>
Net change in fund balance	9	9	(9)	(18)
Fund balance, beginning	142	142	142	-
Fund balance, ending	<u>\$ 151</u>	<u>\$ 151</u>	<u>\$ 133</u>	<u>\$ (18)</u>

## **Nonmajor Debt Service Funds**

The debt service funds are used to account for the accumulation of resources and payment of long-term debt principal and interest. Enterprise debt is included in the enterprise funds. The following funds account for the accumulation of monies for payment of interest and principal on bonds, notes and loans issued to finance capital improvements and redevelopment within project areas:

- ◆ **City Del Paso Heights**
- ◆ **City Alkali Flat**
- ◆ **City Oak Park**
- ◆ **City Richards Boulevard**
- ◆ **County Walnut Grove**
- ◆ **City North Sacramento**
- ◆ **City/County Franklin Boulevard**
- ◆ **City/County Stockton Boulevard**
- ◆ **City/County Auburn Boulevard**
- ◆ **County Mather/McClellan Merged**
- ◆ **City Army Depot**
- ◆ **City 65<sup>th</sup> Street/Folsom Boulevard**
- ◆ **City CDBG**
- ◆ **County CDBG**
- ◆ **County CHFA HELP**
- ◆ **County Florin Road**

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	City Del Paso Heights	City Alkali Flat	City Oak Park	City Richards Boulevard	County Walnut Grove
<b>Assets</b>					
Cash and investments	\$ 750	\$ 133	\$ 785	\$ 494	\$ 23
Accounts receivable	-	-	-	-	-
Property taxes receivable	465	141	840	155	-
Due from other governments	-	-	-	-	-
Notes receivable (net)	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	843	443	1,137	7	-
Total assets	<u>\$ 2,058</u>	<u>\$ 717</u>	<u>\$ 2,762</u>	<u>\$ 656</u>	<u>\$ 23</u>
<b>Liabilities</b>					
Accounts payable	\$ 57	\$ -	\$ -	\$ 78	\$ -
Accrued liabilities	-	-	-	-	-
Due to other governments	-	-	-	120	7
Deferred revenue	-	-	-	-	-
Advances from other funds	-	-	-	1,160	239
Total liabilities	<u>57</u>	<u>-</u>	<u>-</u>	<u>1,358</u>	<u>246</u>
<b>Fund Balances (Deficits)</b>					
Reserved for debt service	843	443	1,137	7	-
Reserved for noncurrent assets	-	-	-	-	-
Unreserved, undesignated	1,158	274	1,625	(709)	(223)
Total fund balances (deficits)	<u>2,001</u>	<u>717</u>	<u>2,762</u>	<u>(702)</u>	<u>(223)</u>
Total liabilities and fund balances (deficits)	<u>\$ 2,058</u>	<u>\$ 717</u>	<u>\$ 2,762</u>	<u>\$ 656</u>	<u>\$ 23</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	City North Sacramento	City / County Franklin Boulevard	City / County Stockton Boulevard	City / County Auburn Boulevard	County Mather/ McClellan Merged
<b>Assets</b>					
Cash and investments	\$ 744	\$ 572	\$ 594	\$ 47	\$ 661
Accounts receivable	-	-	-	-	407
Property taxes receivable	426	444	468	50	2,109
Due from other governments	-	-	-	-	18
Notes receivable (net)	-	-	-	-	-
Advances to other funds	-	-	-	-	-
Restricted cash and investments	291	-	-	-	2,253
Total assets	<u>\$ 1,461</u>	<u>\$ 1,016</u>	<u>\$ 1,062</u>	<u>\$ 97</u>	<u>\$ 5,448</u>
<b>Liabilities</b>					
Accounts payable	\$ 106	\$ 84	\$ 123	\$ -	\$ 728
Accrued liabilities	-	-	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	2
Advances from other funds	-	407	-	272	-
Total liabilities	<u>106</u>	<u>491</u>	<u>123</u>	<u>272</u>	<u>730</u>
<b>Fund Balances (Deficits)</b>					
Reserved for debt service	291	-	-	-	2,253
Reserved for noncurrent assets	-	-	-	-	-
Unreserved, undesignated	1,064	525	939	(175)	2,465
Total fund balances (deficits)	<u>1,355</u>	<u>525</u>	<u>939</u>	<u>(175)</u>	<u>4,718</u>
Total liabilities and fund balances (deficits)	<u>\$ 1,461</u>	<u>\$ 1,016</u>	<u>\$ 1,062</u>	<u>\$ 97</u>	<u>\$ 5,448</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	City Army Depot	City 65th Street / Folsom Boulevard	City CDBG	County CDBG	County CHFA HELP
<b>Assets</b>					
Cash and investments	\$ 425	\$ 311	\$ -	\$ -	\$ 2,266
Accounts receivable	-	-	-	-	-
Property taxes receivable	262	113	-	-	-
Due from other governments	-	-	-	-	-
Notes receivable (net)	-	-	-	-	7
Advances to other funds	-	-	-	-	61
Restricted cash and investments	-	-	-	-	-
Total assets	<u>\$ 687</u>	<u>\$ 424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,334</u>
<b>Liabilities</b>					
Accounts payable	\$ 139	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	72	-	-	-
Due to other governments	-	-	-	-	-
Deferred revenue	-	-	-	-	-
Advances from other funds	1,145	750	-	-	-
Total liabilities	<u>1,284</u>	<u>822</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances (Deficits)</b>					
Reserved for debt service	-	-	-	-	-
Reserved for noncurrent assets	-	-	-	-	68
Unreserved, undesignated	(597)	(398)	-	-	2,266
Total fund balances (deficits)	<u>(597)</u>	<u>(398)</u>	<u>-</u>	<u>-</u>	<u>2,334</u>
Total liabilities and fund balances (deficits)	<u>\$ 687</u>	<u>\$ 424</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,334</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Debt Service Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>County Florin Road</b>	<b>Total</b>
<b>Assets</b>		
Cash and investments	\$ -	\$ 7,805
Accounts receivable	-	407
Property taxes receivable	-	5,473
Due from other governments	-	18
Notes receivable (net)	-	7
Advances to other funds	-	61
Restricted cash and investments	-	4,974
Total assets	<u>\$ -</u>	<u>\$ 18,745</u>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 1,315
Accrued liabilities	-	72
Due to other governments	-	127
Deferred revenue	-	2
Advances from other funds	215	4,188
Total liabilities	<u>215</u>	<u>5,704</u>
<b>Fund Balances (Deficits)</b>		
Reserved for debt service	-	4,974
Reserved for noncurrent assets	-	68
Unreserved, undesignated	(215)	7,999
Total fund balances (deficits)	<u>(215)</u>	<u>13,041</u>
Total liabilities and fund balances (deficits)	<u>\$ -</u>	<u>\$ 18,745</u>



**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Nonmajor Debt Service Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<b>City Del Paso Heights</b>	<b>City Alkali Flat</b>	<b>City Oak Park</b>	<b>City Richards Boulevard</b>	<b>County Walnut Grove</b>
<b>Revenues:</b>					
Property taxes	\$ 1,991	\$ 820	\$ 3,743	\$ 1,136	\$ 64
Investment earnings	224	183	172	14	-
Miscellaneous	-	-	-	-	-
Total revenues	<u>2,215</u>	<u>1,003</u>	<u>3,915</u>	<u>1,150</u>	<u>64</u>
<b>Expenditures:</b>					
Current:					
Community development	-	-	-	-	-
Debt service:					
Principal retirement	224	236	374	-	-
Interest	399	263	643	200	19
Related charges	380	111	417	252	5
Advance refunding escrow	205	-	129	323	-
Bond issuance costs	91	-	19	59	-
Total expenditures	<u>1,299</u>	<u>610</u>	<u>1,582</u>	<u>834</u>	<u>24</u>
Excess (deficiency) of revenues over (under) expenditures	<u>916</u>	<u>393</u>	<u>2,333</u>	<u>316</u>	<u>40</u>
<b>Other financing sources (uses):</b>					
Long-term debt issued	-	-	-	-	-
Proceeds of refunding bonds	5,954	-	1,235	3,861	-
Premium on redevelopment bonds	503	-	82	256	-
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(601)	(330)	(1,775)	(381)	(3)
Payment to refunded bond escrow agent	(6,366)	-	(1,298)	(4,058)	-
Total other financing sources (uses)	<u>(510)</u>	<u>(330)</u>	<u>(1,756)</u>	<u>(322)</u>	<u>(3)</u>
Net change in fund balances	406	63	577	(6)	37
Fund balances (deficits), beginning	1,595	654	2,185	(696)	(260)
Fund balances (deficits), ending	<u>\$ 2,001</u>	<u>\$ 717</u>	<u>\$ 2,762</u>	<u>\$ (702)</u>	<u>\$ (223)</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Nonmajor Debt Service Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City North Sacramento	City / County Franklin Boulevard	City / County Stockton Boulevard	City / County Auburn Boulevard	County Mather/ McClellan Merged
<b>Revenues:</b>					
Property taxes	\$ 2,088	\$ 1,843	\$ 1,722	\$ 214	\$ 6,593
Investment earnings	210	31	96	2	595
Miscellaneous	-	-	-	-	-
Total revenues	<u>2,298</u>	<u>1,874</u>	<u>1,818</u>	<u>216</u>	<u>7,188</u>
<b>Expenditures:</b>					
Current:					
Community development	-	-	-	-	-
Debt service:					
Principal retirement	45	-	48	-	713
Interest	370	-	122	26	1,509
Related charges	377	625	270	25	1,493
Advance refunding escrow	295	-	-	-	-
Bond issuance costs	54	-	-	-	-
Total expenditures	<u>1,141</u>	<u>625</u>	<u>440</u>	<u>51</u>	<u>3,715</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,157</u>	<u>1,249</u>	<u>1,378</u>	<u>165</u>	<u>3,473</u>
<b>Other financing sources (uses):</b>					
Long-term debt issued	-	-	-	-	3,387
Proceeds of refunding bonds	3,529	-	-	-	-
Premium on redevelopment bonds	234	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	(1,125)	(1,072)	(924)	(45)	(7,378)
Payment to refunded bond escrow agent	(3,709)	-	-	-	-
Total other financing sources (uses)	<u>(1,071)</u>	<u>(1,072)</u>	<u>(924)</u>	<u>(45)</u>	<u>(3,991)</u>
Net change in fund balances	86	177	454	120	(518)
Fund balances (deficits), beginning	1,269	348	485	(295)	5,236
Fund balances (deficits), ending	<u>\$ 1,355</u>	<u>\$ 525</u>	<u>\$ 939</u>	<u>\$ (175)</u>	<u>\$ 4,718</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Nonmajor Debt Service Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City Army Depot	City 65th Street / Folsom Boulevard	City CDBG	County CDBG	County CHFA HELP
<b>Revenues:</b>					
Property taxes	\$ 1,173	\$ 443	\$ -	\$ -	\$ -
Investment earnings	15	-	1	-	138
Miscellaneous	-	-	122	-	-
Total revenues	<u>1,188</u>	<u>443</u>	<u>123</u>	<u>-</u>	<u>138</u>
<b>Expenditures:</b>					
Current:					
Community development	-	-	128	-	2
Debt service:					
Principal retirement	-	-	1,385	124	-
Interest	99	-	375	27	-
Related charges	259	78	-	-	-
Advance refunding escrow	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>358</u>	<u>78</u>	<u>1,888</u>	<u>151</u>	<u>2</u>
Excess (deficiency) of revenues over (under) expenditures	<u>830</u>	<u>365</u>	<u>(1,765)</u>	<u>(151)</u>	<u>136</u>
<b>Other financing sources (uses):</b>					
Long-term debt issued	-	-	-	-	-
Proceeds of refunding bonds	-	-	-	-	-
Premium on redevelopment bonds	-	-	-	-	-
Sale of capital assets	-	-	220	-	-
Transfers in	-	-	1,759	151	-
Transfers out	(991)	(513)	-	-	-
Payment to refunded bond escrow agent	-	-	-	-	-
Total other financing sources (uses)	<u>(991)</u>	<u>(513)</u>	<u>1,979</u>	<u>151</u>	<u>-</u>
Net change in fund balances	(161)	(148)	214	-	136
Fund balances (deficits), beginning	(436)	(250)	(214)	-	2,198
Fund balances (deficits), ending	<u>\$ (597)</u>	<u>\$ (398)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,334</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances (Deficits)**  
**Nonmajor Debt Service Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>County Florin Road</u>	<u>Total</u>
<b>Revenues:</b>		
Property taxes	\$ -	\$ 21,830
Investment earnings	-	1,681
Miscellaneous	-	122
Total revenues	<u>-</u>	<u>23,633</u>
<b>Expenditures:</b>		
Current:		
Community development	-	130
Debt service:		
Principal retirement	-	3,149
Interest	-	4,052
Related charges	-	4,292
Advance refunding escrow	-	952
Bond issuance costs	-	223
Total expenditures	<u>-</u>	<u>12,798</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>10,835</u>
<b>Other financing sources (uses):</b>		
Long-term debt issued	-	3,387
Proceeds of refunding bonds	-	14,579
Premium on redevelopment bonds	-	1,075
Sale of capital assets	-	220
Transfers in	-	1,910
Transfers out	-	(15,138)
Payment to refunded bond escrow agent	-	(15,431)
Total other financing sources (uses)	<u>-</u>	<u>(9,398)</u>
Net change in fund balances	-	1,437
Fund balances (deficits), beginning	(215)	11,604
Fund balances (deficits), ending	<u>\$ (215)</u>	<u>\$ 13,041</u>

**Sacramento Housing and Redevelopment Agency**  
**City Del Paso Heights Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 1,330	\$ 1,330	\$ 1,991	\$ 661
Investment earnings	75	75	224	149
Total revenues	<u>1,405</u>	<u>1,405</u>	<u>2,215</u>	<u>810</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	354	354	224	130
Interest	481	481	399	82
Related charges	304	304	380	(76)
Advance refunding escrow	-	183	205	(22)
Bond issuance costs	-	91	91	-
Total expenditures	<u>1,139</u>	<u>1,413</u>	<u>1,299</u>	<u>114</u>
Excess (deficiency) of revenues over (under) expenditures	<u>266</u>	<u>(8)</u>	<u>916</u>	<u>924</u>
<b>Other financing sources (uses):</b>				
Proceeds of refunding bonds	-	5,954	5,954	-
Premium on redevelopment bonds	-	503	503	-
Transfers out	(601)	(601)	(601)	-
Payment to refunded bond escrow agent	-	(6,366)	(6,366)	-
Total other financing sources (uses)	<u>(601)</u>	<u>(510)</u>	<u>(510)</u>	<u>-</u>
Net change in fund balance	(335)	(518)	406	924
Fund balance, beginning	1,595	1,595	1,595	-
Fund balance, ending	<u>\$ 1,260</u>	<u>\$ 1,077</u>	<u>\$ 2,001</u>	<u>\$ 924</u>

**Sacramento Housing and Redevelopment Agency**  
**City Alkali Flat Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 760	\$ 760	\$ 820	\$ 60
Investment earnings	40	40	183	143
Total revenues	<u>800</u>	<u>800</u>	<u>1,003</u>	<u>203</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	236	236	236	-
Interest	263	263	263	-
Related charges	112	112	111	1
Total expenditures	<u>611</u>	<u>611</u>	<u>610</u>	<u>1</u>
Excess of revenues over expenditures	<u>189</u>	<u>189</u>	<u>393</u>	<u>204</u>
<b>Other financing sources (uses):</b>				
Transfers out	(330)	(330)	(330)	-
Total other financing sources (uses)	<u>(330)</u>	<u>(330)</u>	<u>(330)</u>	<u>-</u>
Net change in fund balance	(141)	(141)	63	204
Fund balance, beginning	654	654	654	-
Fund balance, ending	<u>\$ 513</u>	<u>\$ 513</u>	<u>\$ 717</u>	<u>\$ 204</u>

**Sacramento Housing and Redevelopment Agency**  
**City Oak Park Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 2,560	\$ 2,560	\$ 3,743	\$ 1,183
Investment earnings	30	30	172	142
Total revenues	<u>2,590</u>	<u>2,590</u>	<u>3,915</u>	<u>1,325</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	429	559	374	185
Interest	657	657	643	14
Related charges	408	408	417	(9)
Advance refunding escrow	-	-	129	(129)
Bond issuance costs	-	19	19	-
Total expenditures	<u>1,494</u>	<u>1,643</u>	<u>1,582</u>	<u>61</u>
Excess of revenues over expenditures	<u>1,096</u>	<u>947</u>	<u>2,333</u>	<u>1,386</u>
<b>Other financing sources (uses):</b>				
Proceeds of refunding bonds	-	1,235	1,235	-
Premium on redevelopment bonds	-	82	82	-
Transfers out	(1,775)	(1,775)	(1,775)	-
Payment to refunded bond escrow agent	-	(1,298)	(1,298)	-
Total other financing sources (uses)	<u>(1,775)</u>	<u>(1,756)</u>	<u>(1,756)</u>	<u>-</u>
Net change in fund balance	(679)	(809)	577	1,386
Fund balance, beginning	2,185	2,185	2,185	-
Fund balance, ending	<u>\$ 1,506</u>	<u>\$ 1,376</u>	<u>\$ 2,762</u>	<u>\$ 1,386</u>

**Sacramento Housing and Redevelopment Agency**  
**City Richards Boulevard Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 880	\$ 880	\$ 1,136	\$ 256
Investment earnings	8	8	14	6
Total revenues	<u>888</u>	<u>888</u>	<u>1,150</u>	<u>262</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	189	261	-	261
Interest	240	240	200	40
Related charges	320	320	252	68
Advance refunding escrow	-	252	323	(71)
Bond issuance costs	-	59	59	-
Total expenditures	<u>749</u>	<u>1,132</u>	<u>834</u>	<u>298</u>
Excess (deficiency) of revenues over (under) expenditures	<u>139</u>	<u>(244)</u>	<u>316</u>	<u>560</u>
<b>Other financing sources (uses):</b>				
Proceeds of refunding bonds	-	4,011	3,861	(150)
Premium on redevelopment bonds	-	256	256	-
Transfers out	(231)	(381)	(381)	-
Payment to refunded bond escrow agent	-	(4,058)	(4,058)	-
Total other financing sources (uses)	<u>(231)</u>	<u>(172)</u>	<u>(322)</u>	<u>(150)</u>
Net change in fund balance	(92)	(416)	(6)	410
Fund balance (deficit), beginning	(696)	(696)	(696)	-
Fund balance (deficit), ending	<u>\$ (788)</u>	<u>\$ (1,112)</u>	<u>\$ (702)</u>	<u>\$ 410</u>



**Sacramento Housing and Redevelopment Agency  
County Walnut Grove Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 56	\$ 56	\$ 64	\$ 8
Total revenues	<u>56</u>	<u>56</u>	<u>64</u>	<u>8</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	37	37	-	37
Interest	21	21	19	2
Related charges	6	6	5	1
Total expenditures	<u>64</u>	<u>64</u>	<u>24</u>	<u>40</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(8)</u>	<u>(8)</u>	<u>40</u>	<u>48</u>
<b>Other financing sources (uses):</b>				
Transfers out	(3)	(3)	(3)	-
Total other financing sources (uses)	<u>(3)</u>	<u>(3)</u>	<u>(3)</u>	<u>-</u>
Net change in fund balance	(11)	(11)	37	48
Fund balance (deficit), beginning	(260)	(260)	(260)	-
Fund balance (deficit), ending	<u>\$ (271)</u>	<u>\$ (271)</u>	<u>\$ (223)</u>	<u>\$ 48</u>

**Sacramento Housing and Redevelopment Agency**  
**City North Sacramento Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 1,320	\$ 1,320	\$ 2,088	\$ 768
Investment earnings	75	75	210	135
Total revenues	<u>1,395</u>	<u>1,395</u>	<u>2,298</u>	<u>903</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	126	159	45	114
Interest	405	405	370	35
Related charges	337	337	377	(40)
Advance refunding escrow	-	263	295	(32)
Bond issuance costs	-	54	54	-
Total expenditures	<u>868</u>	<u>1,218</u>	<u>1,141</u>	<u>77</u>
Excess (deficiency) of revenues over (under) expenditures	<u>527</u>	<u>177</u>	<u>1,157</u>	<u>980</u>
<b>Other financing sources (uses):</b>				
Proceeds of refunding bonds	-	3,529	3,529	-
Premium on redevelopment bonds	-	234	234	-
Transfers out	(1,125)	(1,125)	(1,125)	-
Payment to refunded bond escrow agent	-	(3,709)	(3,709)	-
Total other financing sources (uses)	<u>(1,125)</u>	<u>(1,071)</u>	<u>(1,071)</u>	<u>-</u>
Net change in fund balance	(598)	(894)	86	980
Fund balance, beginning	1,269	1,269	1,269	-
Fund balance, ending	<u>\$ 671</u>	<u>\$ 375</u>	<u>\$ 1,355</u>	<u>\$ 980</u>

**Sacramento Housing and Redevelopment Agency  
City/County Franklin Boulevard Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 1,120	\$ 1,120	\$ 1,843	\$ 723
Investment earnings	8	8	31	23
Total revenues	<u>1,128</u>	<u>1,128</u>	<u>1,874</u>	<u>746</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	26	26	-	26
Interest	28	28	-	28
Related charges	677	677	625	52
Total expenditures	<u>731</u>	<u>731</u>	<u>625</u>	<u>106</u>
Excess of revenues over expenditures	<u>397</u>	<u>397</u>	<u>1,249</u>	<u>852</u>
<b>Other financing sources (uses):</b>				
Transfers out	(1,072)	(1,072)	(1,072)	-
Total other financing sources (uses)	<u>(1,072)</u>	<u>(1,072)</u>	<u>(1,072)</u>	<u>-</u>
Net change in fund balance	(675)	(675)	177	852
Fund balance, beginning	348	348	348	-
Fund balance, ending	<u>\$ (327)</u>	<u>\$ (327)</u>	<u>\$ 525</u>	<u>\$ 852</u>

**Sacramento Housing and Redevelopment Agency  
City/County Stockton Boulevard Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 800	\$ 800	\$ 1,722	\$ 922
Investment earnings	57	57	96	39
Total revenues	<u>857</u>	<u>857</u>	<u>1,818</u>	<u>961</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	48	48	48	-
Interest	122	122	122	-
Related charges	190	190	270	(80)
Total expenditures	<u>360</u>	<u>360</u>	<u>440</u>	<u>(80)</u>
Excess of revenues over expenditures	<u>497</u>	<u>497</u>	<u>1,378</u>	<u>881</u>
<b>Other financing sources (uses):</b>				
Transfers out	(924)	(924)	(924)	-
Total other financing sources (uses)	<u>(924)</u>	<u>(924)</u>	<u>(924)</u>	<u>-</u>
Net change in fund balance	(427)	(427)	454	881
Fund balance, beginning	485	485	485	-
Fund balance, ending	<u>\$ 58</u>	<u>\$ 58</u>	<u>\$ 939</u>	<u>\$ 881</u>

**Sacramento Housing and Redevelopment Agency  
City/County Auburn Boulevard Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 108	\$ 108	\$ 214	\$ 106
Investment earnings	1	1	2	1
Total revenues	<u>109</u>	<u>109</u>	<u>216</u>	<u>107</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	54	54	-	54
Interest	29	29	26	3
Related charges	26	26	25	1
Total expenditures	<u>109</u>	<u>109</u>	<u>51</u>	<u>58</u>
Excess of revenues over expenditures	<u>-</u>	<u>-</u>	<u>165</u>	<u>165</u>
<b>Other financing sources (uses):</b>				
Transfers out	(45)	(45)	(45)	-
Total other financing sources (uses)	<u>(45)</u>	<u>(45)</u>	<u>(45)</u>	<u>-</u>
Net change in fund balance	(45)	(45)	120	165
Fund balance (deficit), beginning	(295)	(295)	(295)	-
Fund balance (deficit), ending	<u>\$ (340)</u>	<u>\$ (340)</u>	<u>\$ (175)</u>	<u>\$ 165</u>

**Sacramento Housing and Redevelopment Agency  
County Mather/McClellan Merged Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 5,280	\$ 5,280	\$ 6,593	\$ 1,313
Investment earnings	211	211	595	384
Total revenues	<u>5,491</u>	<u>5,491</u>	<u>7,188</u>	<u>1,697</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	713	713	713	-
Interest	1,479	1,479	1,509	(30)
Related charges	1,554	1,554	1,493	61
Total expenditures	<u>3,746</u>	<u>3,746</u>	<u>3,715</u>	<u>31</u>
Excess of revenues over expenditures	<u>1,745</u>	<u>1,745</u>	<u>3,473</u>	<u>1,728</u>
<b>Other financing sources (uses):</b>				
Long-term debt issued	-	-	3,387	3,387
Transfers out	(3,991)	(3,991)	(7,378)	(3,387)
Total other financing sources (uses)	<u>(3,991)</u>	<u>(3,991)</u>	<u>(3,991)</u>	<u>-</u>
Net change in fund balance	(2,246)	(2,246)	(518)	1,728
Fund balance, beginning	5,236	5,236	5,236	-
Fund balance, ending	<u>\$ 2,990</u>	<u>\$ 2,990</u>	<u>\$ 4,718</u>	<u>\$ 1,728</u>

**Sacramento Housing and Redevelopment Agency**  
**City Army Depot Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 520	\$ 520	\$ 1,173	\$ 653
Investment earnings	4	4	15	11
Total revenues	<u>524</u>	<u>524</u>	<u>1,188</u>	<u>664</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	459	459	-	459
Interest	99	99	99	-
Related charges	144	144	259	(115)
Total expenditures	<u>702</u>	<u>702</u>	<u>358</u>	<u>344</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(178)</u>	<u>(178)</u>	<u>830</u>	<u>1,008</u>
<b>Other financing sources (uses):</b>				
Long-term debt issued	800	800	-	(800)
Transfers out	(1,383)	(991)	(991)	-
Total other financing sources (uses)	<u>(583)</u>	<u>(191)</u>	<u>(991)</u>	<u>(800)</u>
Net change in fund balance	(761)	(369)	(161)	208
Fund balance (deficit), beginning	(436)	(436)	(436)	-
Fund balance (deficit), ending	<u>\$ (1,197)</u>	<u>\$ (805)</u>	<u>\$ (597)</u>	<u>\$ 208</u>

**Sacramento Housing and Redevelopment Agency**  
**City 65th Street/Folsom Boulevard Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
(amounts expressed in thousands)

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Property taxes	\$ 80	\$ 80	\$ 443	\$ 363
Total revenues	<u>80</u>	<u>80</u>	<u>443</u>	<u>363</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	28	28	-	28
Interest	17	17	-	17
Related charges	22	22	78	(56)
Total expenditures	<u>67</u>	<u>67</u>	<u>78</u>	<u>(11)</u>
Excess of revenues over expenditures	<u>13</u>	<u>13</u>	<u>365</u>	<u>352</u>
<b>Other financing sources (uses):</b>				
Long-term debt issued	-	500	-	(500)
Transfers out	(13)	(513)	(513)	-
Total other financing sources (uses)	<u>(13)</u>	<u>(13)</u>	<u>(513)</u>	<u>(500)</u>
Net change in fund balances	-	-	(148)	(148)
Fund balance, beginning	(250)	(250)	(250)	-
Fund balance, ending	<u>\$ (250)</u>	<u>\$ (250)</u>	<u>\$ (398)</u>	<u>\$ (148)</u>



**Sacramento Housing and Redevelopment Agency  
City CDBG Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance (Deficit)-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ -	\$ -	\$ 1	\$ 1
Miscellaneous	-	-	122	122
Total revenues	<u>-</u>	<u>-</u>	<u>123</u>	<u>123</u>
<b>Expenditures:</b>				
Current:				
Community development	-	-	128	(128)
Debt service:				
Principal retirement	1,385	1,385	1,385	-
Interest	374	374	375	(1)
Total expenditures	<u>1,759</u>	<u>1,759</u>	<u>1,888</u>	<u>(129)</u>
Deficiency of revenues under expenditures	<u>(1,759)</u>	<u>(1,759)</u>	<u>(1,765)</u>	<u>(6)</u>
<b>Other financing sources (uses):</b>				
Sale of capital assets	-	-	220	220
Transfers in	1,973	1,973	1,759	(214)
Total other financing sources (uses)	<u>1,973</u>	<u>1,973</u>	<u>1,979</u>	<u>6</u>
Net change in fund balance	214	214	214	-
Fund balance, beginning	(214)	(214)	(214)	-
Fund balance, ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Sacramento Housing and Redevelopment Agency  
County CDBG Debt Service Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
For the Year Ended December 31, 2005  
(amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Expenditures:</b>				
Debt service:				
Principal retirement	\$ 194	\$ 124	\$ 124	\$ -
Interest	31	27	27	-
Total expenditures	<u>225</u>	<u>151</u>	<u>151</u>	<u>-</u>
Deficiency of revenues under expenditures	<u>(225)</u>	<u>(151)</u>	<u>(151)</u>	<u>-</u>
<b>Other financing sources (uses):</b>				
Transfers in	151	151	151	-
Total other financing sources (uses)	<u>151</u>	<u>151</u>	<u>151</u>	<u>-</u>
Net change in fund balance	(74)	-	-	-
Fund balance, beginning	-	-	-	-
Fund balance, ending	<u>\$ (74)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**Sacramento Housing and Redevelopment Agency  
 County CHFA HELP Debt Service Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual  
 For the Year Ended December 31, 2005  
 (amounts expressed in thousands)**

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
<b>Revenues:</b>				
Investment earnings	\$ 15	\$ 15	\$ 138	\$ 123
Total revenues	<u>15</u>	<u>15</u>	<u>138</u>	<u>123</u>
<b>Expenditures:</b>				
Current:				
Community development	1,107	1,107	2	1,105
Total expenditures	<u>1,107</u>	<u>1,107</u>	<u>2</u>	<u>1,105</u>
Net change in fund balance	(1,092)	(1,092)	136	1,228
Fund balance, beginning	2,198	2,198	2,198	-
Fund balance, ending	<u>\$ 1,106</u>	<u>\$ 1,106</u>	<u>\$ 2,334</u>	<u>\$ 1,228</u>

**Sacramento Housing and Redevelopment Agency**  
**City Merged Downtown Debt Service Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<b>Budgeted Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget</b>
	<b>Original</b>	<b>Final</b>		
<b>Revenues:</b>				
Property taxes	\$ 16,800	\$ 16,800	\$ 16,818	\$ 18
Investment earnings	475	475	1,058	583
Total revenues	<u>17,275</u>	<u>17,275</u>	<u>17,876</u>	<u>601</u>
<b>Expenditures:</b>				
Debt service:				
Principal retirement	7,664	7,664	7,654	10
Interest	4,800	4,800	4,737	63
Related charges	2,524	2,393	2,333	60
Advance refunding escrow	-	-	-	-
Bond issuance costs	-	135	135	-
Total expenditures	<u>14,988</u>	<u>14,992</u>	<u>14,859</u>	<u>133</u>
Excess of revenues over expenditures	<u>2,287</u>	<u>2,283</u>	<u>3,017</u>	<u>734</u>
<b>Other financing sources (uses):</b>				
Proceeds of refunding bonds	-	8,950	8,950	-
Premium on redevelopment bonds	-	853	853	-
Transfers out	(4,243)	(5,393)	(5,393)	-
Payment to refunded bond escrow agent	-	(9,668)	(9,668)	-
Total other financing sources (uses)	<u>(4,243)</u>	<u>(5,258)</u>	<u>(5,258)</u>	<u>-</u>
Net change in fund balance	(1,956)	(2,975)	(2,241)	734
Fund balance, beginning	3,275	3,275	3,275	-
Fund balance, ending	<u>\$ 1,319</u>	<u>\$ 300</u>	<u>\$ 1,034</u>	<u>\$ 734</u>

## ***Nonmajor Capital Projects Funds***

Capital projects funds are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

- ◆ **City and County Land Bank Funds** account for the accumulation of land acquired for the future development of low-income housing.
- ◆ **City and County Capital Fund Programs and City Development Funds for Modernization** account for the modernization and rehabilitation of Agency operated low-income housing funded by the U.S. Department of Housing and Urban Development.
- ◆ **City and County Housing Trust Funds** accounts for the acquisition, rehabilitation and development of low-income housing funded by local developer fees.

The following funds account for the financing and construction activities of capital improvements in referenced project areas:

- |                                  |   |
|----------------------------------|---|
| ◆ <b>City Del Paso Heights</b>   | ◆ <b>City/County Franklin Boulevard</b>               |
| ◆ <b>City Alkali Flat</b>        | ◆ <b>City/County Stockton Boulevard</b>               |
| ◆ <b>City Oak Park</b>           | ◆ <b>City/County Auburn Boulevard</b>                 |
| ◆ <b>City Richards Boulevard</b> | ◆ <b>County Mather/McClellan Merged</b>               |
| ◆ <b>County Walnut Grove</b>     | ◆ <b>City Army Depot</b>                              |
| ◆ <b>City North Sacramento</b>   | ◆ <b>City 65<sup>th</sup> Street/Folsom Boulevard</b> |
|                                  | ◆ <b>County Florin Road</b>                           |

The following funds account for the financing and construction activities of low- and moderate-housing capital improvements in referenced project areas:

- |  |   |
|--|---|
| ◆ <b>City Low/Mod Del Paso Heights</b>   | ◆ <b>City/County Low/Mod Franklin Boulevard</b>               |
| ◆ <b>City Low/Mod Alkali Flat</b>        | ◆ <b>City/County Low/Mod Stockton Boulevard</b>               |
| ◆ <b>City Low/Mod Oak Park</b>           | ◆ <b>City/County Low/Mod Auburn Boulevard</b>                 |
| ◆ <b>City Low/Mod Richards Boulevard</b> | ◆ <b>County Low/Mod Mather/McClellan Merged</b>               |
| ◆ <b>County Low/Mod Walnut Grove</b>     | ◆ <b>City Low/Mod Army Depot</b>                              |
| ◆ <b>City Low/Mod North Sacramento</b>   | ◆ <b>City Low/Mod 65<sup>th</sup> Street/Folsom Boulevard</b> |
- ◆ **Community Social Service Complex** accounts for the financing and construction activities of the complex.
  - ◆ **City and County Section 108 Programs** account for the acquisition of land, buildings, rehabilitation of public housing and various redevelopment activities. These funds are collateralized by and payable from future CDBG entitlements.
  - ◆ **County Affordable Housing Program** accounts for in-lieu and affordability fees paid by developers. Sacramento County's Affordable Housing Ordinance requires new residential projects of five or more dwelling units to provide an affordable housing component of not less than 15 percent of the development project's dwelling units. Depending on such project parameters as size, a developer is given various options to meet the affordable housing obligation.

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	City Land Bank	County Land Bank	City Capital Fund	County Capital Fund	City Development funds for Modernization	City Housing Trust
<b>Assets</b>						
Cash and investments	\$ 59	\$ 217	\$ -	\$ -	\$ -	\$ 4,534
Accounts receivable (net)	-	-	-	-	90	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	463	523	-	697
Notes receivable (net)	-	-	-	-	-	12,354
Advances to other funds	-	-	-	-	-	590
Advances to component units	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Total assets	<u>\$ 59</u>	<u>\$ 217</u>	<u>\$ 463</u>	<u>\$ 523</u>	<u>\$ 90</u>	<u>\$ 18,175</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ 84	\$ 115	\$ 6	\$ 1
Accrued liabilities	-	-	14	9	-	-
Due to other funds	-	-	365	399	84	-
Deposit and trust liability	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>463</u>	<u>523</u>	<u>90</u>	<u>1</u>
<b>Fund Balances</b>						
Reserved for capital projects	-	-	-	-	-	2,866
Reserved for encumbrances	-	-	-	-	-	461
Reserved for debt service	-	-	-	-	-	-
Reserved for noncurrent assets	-	-	-	-	-	12,944
Unreserved, undesignated	59	217	-	-	-	1,903
Total fund balances	<u>59</u>	<u>217</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,174</u>
Total liabilities and fund balances	<u>\$ 59</u>	<u>\$ 217</u>	<u>\$ 463</u>	<u>\$ 523</u>	<u>\$ 90</u>	<u>\$ 18,175</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>County Housing Trust</b>	<b>City Del Paso Heights</b>	<b>City Low/Mod Del Paso Heights</b>	<b>City Alkali Flat</b>	<b>City Low/Mod Alkali Flat</b>
<b>Assets</b>					
Cash and investments	\$ 5,562	\$ 5,198	\$ 390	\$ 3,156	\$ 1,854
Accounts receivable (net)	-	-	-	-	-
Due from other funds	-	-	-	-	-
Due from other governments	310	-	-	-	-
Notes receivable (net)	13,346	1,425	862	3,000	1,131
Advances to other funds	-	740	-	-	-
Advances to component units	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-
<b>Total assets</b>	<b>\$ 19,218</b>	<b>\$ 7,363</b>	<b>\$ 1,252</b>	<b>\$ 6,156</b>	<b>\$ 2,985</b>
<b>Liabilities</b>					
Accounts payable	\$ 5	\$ 9	\$ -	\$ 1	\$ -
Accrued liabilities	-	1	-	2	-
Due to other funds	-	-	-	-	-
Deposit and trust liability	-	23	10	-	-
Advances from other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>5</b>	<b>33</b>	<b>10</b>	<b>3</b>	<b>-</b>
<b>Fund Balances</b>					
Reserved for capital projects	4,177	5,010	235	2,360	1,221
Reserved for encumbrances	711	118	4	733	325
Reserved for debt service	-	-	-	-	-
Reserved for noncurrent assets	13,346	2,165	862	3,000	1,131
Unreserved, undesignated	979	37	141	60	308
<b>Total fund balances</b>	<b>19,213</b>	<b>7,330</b>	<b>1,242</b>	<b>6,153</b>	<b>2,985</b>
<b>Total liabilities and fund balances</b>	<b>\$ 19,218</b>	<b>\$ 7,363</b>	<b>\$ 1,252</b>	<b>\$ 6,156</b>	<b>\$ 2,985</b>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	City Oak Park	City Low/Mod Oak Park	City Richards Boulevard	City Low/Mod Richards Boulevard	County Walnut Grove	County Low/Mod Walnut Grove
<b>Assets</b>						
Cash and investments	\$ 23,526	\$ 4,927	\$ 497	\$ 450	\$ 16	\$ 97
Accounts receivable (net)	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Notes receivable (net)	3,102	1,414	909	-	119	12
Advances to other funds	-	-	-	-	-	-
Advances to component units	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Total assets	<u>\$ 26,628</u>	<u>\$ 6,341</u>	<u>\$ 1,406</u>	<u>\$ 450</u>	<u>\$ 135</u>	<u>\$ 109</u>
<b>Liabilities</b>						
Accounts payable	\$ 77	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	3	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposit and trust liability	23	-	-	-	-	-
Advances from other funds	-	-	928	-	-	-
Total liabilities	<u>103</u>	<u>-</u>	<u>928</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Fund Balances</b>						
Reserved for capital projects	22,171	4,515	209	338	16	96
Reserved for encumbrances	1,072	146	226	-	-	-
Reserved for debt service	-	-	-	-	-	-
Reserved for noncurrent assets	3,102	1,414	909	-	119	12
Unreserved, undesignated	180	266	(866)	112	-	1
Total fund balances	<u>26,525</u>	<u>6,341</u>	<u>478</u>	<u>450</u>	<u>135</u>	<u>109</u>
Total liabilities and fund balances	<u>\$ 26,628</u>	<u>\$ 6,341</u>	<u>\$ 1,406</u>	<u>\$ 450</u>	<u>\$ 135</u>	<u>\$ 109</u>



**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	City North Sacramento	City Low/Mod North Sacramento	City / County Franklin Boulevard	City / County Low / Mod Franklin Boulevard	City / County Stockton Boulevard	City / County Low / Mod Stockton Boulevard
<b>Assets</b>						
Cash and investments	\$ 5,616	\$ 2,384	\$ 1,063	\$ 822	\$ 3,163	\$ 1,057
Accounts receivable (net)	-	-	-	-	-	-
Due from other funds	-	-	37	-	-	-
Due from other governments	-	-	-	-	-	-
Notes receivable (net)	710	493	-	28	-	-
Advances to other funds	-	-	-	-	-	-
Advances to component units	-	-	-	455	-	-
Restricted cash and investments	-	-	-	-	-	-
Total assets	<u>\$ 6,326</u>	<u>\$ 2,877</u>	<u>\$ 1,100</u>	<u>\$ 1,305</u>	<u>\$ 3,163</u>	<u>\$ 1,057</u>
<b>Liabilities</b>						
Accounts payable	\$ 789	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	1	-	1	-	1	-
Due to other funds	-	-	-	-	-	-
Deposit and trust liability	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>790</u>	<u>-</u>	<u>1</u>	<u>-</u>	<u>1</u>	<u>-</u>
<b>Fund Balances</b>						
Reserved for capital projects	3,142	1,977	1,061	706	3,084	1,043
Reserved for encumbrances	1,465	281	17	30	32	-
Reserved for debt service	-	-	-	-	-	-
Reserved for noncurrent assets	710	493	-	483	-	-
Unreserved, undesignated	219	126	21	86	46	14
Total fund balances	<u>5,536</u>	<u>2,877</u>	<u>1,099</u>	<u>1,305</u>	<u>3,162</u>	<u>1,057</u>
Total liabilities and fund balances	<u>\$ 6,326</u>	<u>\$ 2,877</u>	<u>\$ 1,100</u>	<u>\$ 1,305</u>	<u>\$ 3,163</u>	<u>\$ 1,057</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2005**  
(amounts expressed in thousands)

	City / County Auburn Boulevard	City / County Low / Mod Auburn Boulevard	County Mather/ McClellan Merged Capital Projects	County Low/ Mod Mather/ McClellan Merged	City Army Depot	City Low/Mod Army Depot
<b>Assets</b>						
Cash and investments	\$ 42	\$ 220	\$ 19,203	\$ 8,947	\$ 1,766	\$ 246
Accounts receivable (net)	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Notes receivable (net)	-	-	270	82	-	50
Advances to other funds	-	-	-	-	-	-
Advances to component units	-	-	-	-	-	-
Restricted cash and investments	-	-	-	-	-	-
Total assets	<u>\$ 42</u>	<u>\$ 220</u>	<u>\$ 19,473</u>	<u>\$ 9,029</u>	<u>\$ 1,766</u>	<u>\$ 296</u>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ 8	\$ 37	\$ -	\$ 1	\$ -
Accrued liabilities	-	-	3	-	1	-
Due to other funds	-	-	-	-	-	-
Deposit and trust liability	5	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
Total liabilities	<u>5</u>	<u>8</u>	<u>40</u>	<u>-</u>	<u>2</u>	<u>-</u>
<b>Fund Balances</b>						
Reserved for capital projects	25	166	14,034	8,775	1,665	231
Reserved for encumbrances	-	-	4,901	161	77	-
Reserved for debt service	-	-	-	-	-	-
Reserved for noncurrent assets	-	-	270	82	-	50
Unreserved, undesignated	12	46	228	11	22	15
Total fund balances	<u>37</u>	<u>212</u>	<u>19,433</u>	<u>9,029</u>	<u>1,764</u>	<u>296</u>
Total liabilities and fund balances	<u>\$ 42</u>	<u>\$ 220</u>	<u>\$ 19,473</u>	<u>\$ 9,029</u>	<u>\$ 1,766</u>	<u>\$ 296</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	City 65th Street / Folsom Boulevard	City Low/Mod 65th Street / Folsom Blvd	Community Social Service Complex	City Section 108	County Section 108	County Florin Road
<b>Assets</b>						
Cash and investments	\$ 515	\$ 20	\$ -	\$ 12	\$ 8	\$ 11
Accounts receivable (net)	-	-	-	2	-	-
Due from other funds	-	-	76	-	-	-
Due from other governments	-	-	-	-	-	-
Notes receivable (net)	-	-	-	462	210	-
Advances to other funds	-	-	-	-	-	-
Advances to component units	-	-	-	-	-	-
Restricted cash and investments	-	-	-	547	248	-
<b>Total assets</b>	<b>\$ 515</b>	<b>\$ 20</b>	<b>\$ 76</b>	<b>\$ 1,023</b>	<b>\$ 466</b>	<b>\$ 11</b>
<b>Liabilities</b>						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Accrued liabilities	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Deposit and trust liability	-	-	-	-	-	-
Advances from other funds	-	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances</b>						
Reserved for capital projects	467	-	75	-	-	3
Reserved for encumbrances	43	-	1	-	-	8
Reserved for debt service	-	-	-	547	248	-
Reserved for noncurrent assets	-	-	-	462	210	-
Unreserved, undesignated	5	20	-	14	8	-
<b>Total fund balances</b>	<b>515</b>	<b>20</b>	<b>76</b>	<b>1,023</b>	<b>466</b>	<b>11</b>
<b>Total liabilities and fund balances</b>	<b>\$ 515</b>	<b>\$ 20</b>	<b>\$ 76</b>	<b>\$ 1,023</b>	<b>\$ 466</b>	<b>\$ 11</b>

**Sacramento Housing and Redevelopment Agency**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<b>County Affordable Housing</b>	<b>Total</b>
<b>Assets</b>		
Cash and investments	\$ -	\$ 95,578
Accounts receivable (net)	-	92
Due from other funds	-	113
Due from other governments	67	2,060
Notes receivable (net)	-	39,979
Advances to other funds	-	1,330
Advances to component units	-	455
Restricted cash and investments	-	795
<b>Total assets</b>	<b>\$ 67</b>	<b>\$ 140,402</b>
<b>Liabilities</b>		
Accounts payable	\$ -	\$ 1,133
Accrued liabilities	-	36
Due to other funds	37	885
Deposit and trust liability	-	61
Advances from other funds	-	928
<b>Total liabilities</b>	<b>37</b>	<b>3,043</b>
<b>Fund Balances</b>		
Reserved for capital projects	-	79,668
Reserved for encumbrances	-	10,812
Reserved for debt service	-	795
Reserved for noncurrent assets	-	41,764
Unreserved, undesignated	30	4,320
<b>Total fund balances</b>	<b>30</b>	<b>137,359</b>
<b>Total liabilities and fund balances</b>	<b>\$ 67</b>	<b>\$ 140,402</b>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City Land Bank	County Land Bank	City Capital Fund	County Capital Fund	City Development funds for Modernization	City Housing Trust
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ 4,307	\$ 3,047	\$ 240	\$ 1,567
Charges for services	-	-	-	-	-	-
Investment earnings	2	8	-	-	-	179
Miscellaneous	-	-	-	-	-	4
Total revenues	<u>2</u>	<u>8</u>	<u>4,307</u>	<u>3,047</u>	<u>240</u>	<u>1,750</u>
<b>Expenditures:</b>						
Current:						
Housing operations	12	-	2,142	1,233	240	-
Community development	-	-	-	-	-	382
Community social services	-	-	-	-	-	-
Capital outlay	-	-	2,165	1,814	-	214
Debt service:						
Interest	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>12</u>	<u>-</u>	<u>4,307</u>	<u>3,047</u>	<u>240</u>	<u>596</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(10)</u>	<u>8</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,154</u>
<b>Other financing sources (uses):</b>						
Long-term debt issued	-	-	-	-	-	-
Premium on redevelopment bonds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(10)	8	-	-	-	1,154
Fund balances, beginning	69	209	-	-	-	17,020
Fund balances, ending	<u>\$ 59</u>	<u>\$ 217</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 18,174</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	County Housing Trust	City Del Paso Heights	City Low/Mod Del Paso Heights	City Alkali Flat	City Low/Mod Alkali Flat
<b>Revenues:</b>					
Intergovernmental	\$ 1,395	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-
Investment earnings	215	59	8	81	86
Miscellaneous	4	164	67	-	-
Total revenues	<u>1,614</u>	<u>223</u>	<u>75</u>	<u>81</u>	<u>86</u>
<b>Expenditures:</b>					
Current:					
Housing operations	-	-	-	-	110
Community development	837	1,113	468	1,375	15
Community social services	-	-	-	-	-
Capital outlay	-	140	2,880	328	-
Debt service:					
Interest	-	-	-	-	-
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>837</u>	<u>1,253</u>	<u>3,348</u>	<u>1,703</u>	<u>125</u>
Excess (deficiency) of revenues over (under) expenditures	<u>777</u>	<u>(1,030)</u>	<u>(3,273)</u>	<u>(1,622)</u>	<u>(39)</u>
<b>Other financing sources (uses):</b>					
Long-term debt issued	-	-	-	-	-
Premium on redevelopment bonds	-	-	-	-	-
Sale of capital assets	-	-	-	-	-
Transfers in	-	989	232	330	15
Transfers out	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>989</u>	<u>232</u>	<u>330</u>	<u>15</u>
Net change in fund balances	777	(41)	(3,041)	(1,292)	(24)
Fund balances, beginning	18,436	7,371	4,283	7,445	3,009
Fund balances, ending	<u>\$ 19,213</u>	<u>\$ 7,330</u>	<u>\$ 1,242</u>	<u>\$ 6,153</u>	<u>\$ 2,985</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City Oak Park	City Low/Mod Oak Park	City Richards Boulevard	City Low/Mod Richards Boulevard	County Walnut Grove	County Low/Mod Walnut Grove
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Investment earnings	131	49	63	12	-	2
Miscellaneous	1	9	-	-	-	-
Total revenues	<u>132</u>	<u>58</u>	<u>63</u>	<u>12</u>	<u>-</u>	<u>2</u>
<b>Expenditures:</b>						
Current:						
Housing operations	42	-	-	-	-	-
Community development	857	396	207	112	51	1
Community social services	1,256	-	-	-	-	-
Capital outlay	162	-	-	-	-	-
Debt service:						
Interest	-	-	59	-	-	-
Bond issuance costs	508	78	-	-	-	-
Total expenditures	<u>2,825</u>	<u>474</u>	<u>266</u>	<u>112</u>	<u>51</u>	<u>1</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,693)</u>	<u>(416)</u>	<u>(203)</u>	<u>(100)</u>	<u>(51)</u>	<u>1</u>
<b>Other financing sources (uses):</b>						
Long-term debt issued	17,969	2,730	-	-	-	-
Premium on redevelopment bonds	299	-	-	-	-	-
Sale of capital assets	-	107	-	-	-	-
Transfers in	1,789	63	381	107	3	5
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>20,057</u>	<u>2,900</u>	<u>381</u>	<u>107</u>	<u>3</u>	<u>5</u>
Net change in fund balances	17,364	2,484	178	7	(48)	6
Fund balances, beginning	9,161	3,857	300	443	183	103
Fund balances, ending	<u>\$ 26,525</u>	<u>\$ 6,341</u>	<u>\$ 478</u>	<u>\$ 450</u>	<u>\$ 135</u>	<u>\$ 109</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City North Sacramento	City Low/Mod North Sacramento	City / County Franklin Boulevard	City / County Low / Mod Franklin Boulevard	City / County Stockton Boulevard	City / County Low / Mod Stockton Boulevard
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Investment earnings	25	20	4	20	11	8
Miscellaneous	32	62	-	-	-	-
Total revenues	<u>57</u>	<u>82</u>	<u>4</u>	<u>20</u>	<u>11</u>	<u>8</u>
<b>Expenditures:</b>						
Current:						
Housing operations	-	-	-	110	-	110
Community development	1,487	113	176	30	439	1
Community social services	-	-	-	-	-	-
Capital outlay	677	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>2,164</u>	<u>113</u>	<u>176</u>	<u>140</u>	<u>439</u>	<u>111</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(2,107)</u>	<u>(31)</u>	<u>(172)</u>	<u>(120)</u>	<u>(428)</u>	<u>(103)</u>
<b>Other financing sources (uses):</b>						
Long-term debt issued	-	-	-	-	-	-
Premium on redevelopment bonds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	1,168	238	1,072	339	924	205
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>1,168</u>	<u>238</u>	<u>1,072</u>	<u>339</u>	<u>924</u>	<u>205</u>
Net change in fund balances	(939)	207	900	219	496	102
Fund balances, beginning	6,475	2,670	199	1,086	2,666	955
Fund balances, ending	<u>\$ 5,536</u>	<u>\$ 2,877</u>	<u>\$ 1,099</u>	<u>\$ 1,305</u>	<u>\$ 3,162</u>	<u>\$ 1,057</u>



**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City / County Auburn Boulevard	City / County Low / Mod Auburn Boulevard	County Mather/ McClellan Merged Capital Projects	County Low/ Mod Mather/ McClellan Merged	City Army Depot	City Low/Mod Army Depot
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Investment earnings	1	9	17	27	44	6
Miscellaneous	-	-	-	65	-	-
Total revenues	<u>1</u>	<u>9</u>	<u>17</u>	<u>92</u>	<u>44</u>	<u>6</u>
<b>Expenditures:</b>						
Current:						
Housing operations	-	-	-	600	-	-
Community development	23	-	7,552	16	155	10
Community social services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>23</u>	<u>-</u>	<u>7,552</u>	<u>616</u>	<u>155</u>	<u>10</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(22)</u>	<u>9</u>	<u>(7,535)</u>	<u>(524)</u>	<u>(111)</u>	<u>(4)</u>
<b>Other financing sources (uses):</b>						
Long-term debt issued	-	-	-	-	-	-
Premium on redevelopment bonds	-	-	-	-	-	-
Sale of capital assets	-	-	-	-	-	-
Transfers in	45	-	9,378	902	991	88
Transfers out	-	(3)	(2,000)	-	-	-
Total other financing sources (uses)	<u>45</u>	<u>(3)</u>	<u>7,378</u>	<u>902</u>	<u>991</u>	<u>88</u>
Net change in fund balances	23	6	(157)	378	880	84
Fund balances, beginning	14	206	19,590	8,651	884	212
Fund balances, ending	<u>\$ 37</u>	<u>\$ 212</u>	<u>\$ 19,433</u>	<u>\$ 9,029</u>	<u>\$ 1,764</u>	<u>\$ 296</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	City 65th Street / Folsom Boulevard	City Low/Mod 65th Street / Folsom Blvd	Community Social Service Complex	City Section 108	County Section 108	County Florin Road
<b>Revenues:</b>						
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Charges for services	-	-	-	-	-	-
Investment earnings	5	-	-	49	30	-
Miscellaneous	-	-	-	170	3	-
Total revenues	<u>5</u>	<u>-</u>	<u>-</u>	<u>219</u>	<u>33</u>	<u>-</u>
<b>Expenditures:</b>						
Current:						
Housing operations	-	-	-	-	-	-
Community development	66	-	8	9	-	182
Community social services	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Debt service:						
Interest	-	-	-	-	-	-
Bond issuance costs	-	-	-	-	-	-
Total expenditures	<u>66</u>	<u>-</u>	<u>8</u>	<u>9</u>	<u>-</u>	<u>182</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(61)</u>	<u>-</u>	<u>(8)</u>	<u>210</u>	<u>33</u>	<u>(182)</u>
<b>Other financing sources (uses):</b>						
Long-term debt issued	-	-	-	-	-	-
Premium on redevelopment bonds	-	-	-	-	-	-
Sale of capital assets	-	-	-	370	-	-
Transfers in	513	20	-	-	-	-
Transfers out	-	-	-	(492)	(68)	-
Total other financing sources (uses)	<u>513</u>	<u>20</u>	<u>-</u>	<u>(122)</u>	<u>(68)</u>	<u>-</u>
Net change in fund balances	452	20	(8)	88	(35)	(182)
Fund balances, beginning	63	-	84	935	501	193
Fund balances, ending	<u>\$ 515</u>	<u>\$ 20</u>	<u>\$ 76</u>	<u>\$ 1,023</u>	<u>\$ 466</u>	<u>\$ 11</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Nonmajor Capital Projects Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<b>County Affordable Housing</b>	<b>Total</b>
<b>Revenues:</b>		
Intergovernmental	\$ -	\$ 10,556
Charges for services	66	66
Investment earnings	-	1,171
Miscellaneous	-	581
Total revenues	<u>66</u>	<u>12,374</u>
<b>Expenditures:</b>		
Current:		
Housing operations	-	4,599
Community development	36	16,117
Community social services	-	1,256
Capital outlay	-	8,380
Debt service:		
Interest	-	59
Bond issuance costs	-	586
Total expenditures	<u>36</u>	<u>30,997</u>
Excess (deficiency) of revenues over (under) expenditures	<u>30</u>	<u>(18,623)</u>
<b>Other financing sources (uses):</b>		
Long-term debt issued	-	20,699
Premium on redevelopment bonds	-	299
Sale of capital assets	-	477
Transfers in	-	19,797
Transfers out	-	(2,563)
Total other financing sources (uses)	<u>-</u>	<u>38,709</u>
Net change in fund balances	30	20,086
Fund balances, beginning	-	117,273
Fund balances, ending	<u>\$ 30</u>	<u>\$ 137,359</u>

## **Nonmajor Enterprise Funds**

Enterprise funds are used to account for operations that are financed and operated in a manner similar to private business enterprises; where the intent of the Agency is that the costs of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or where the Agency has decided that periodic determination of net income is appropriate for measurement and accountability purposes.

All of these funds are low-income housing projects owned and/or operated by the Agency.

- ◆ **San Jose/Broadway**
- ◆ **Scattered Sites**
- ◆ **Larchmont/Wildflower**
- ◆ **Locally Funded Projects**
- ◆ **Riverview Plaza Commercial**
- ◆ **Pioneer Hall**
- ◆ **Nova House**
- ◆ **San Carlos Shelter Plus Care**
- ◆ **Greenfair**
- ◆ **Phoenix Park**
- ◆ **City Mod Rehab**
- ◆ **Security Deposit Revolving Loan**

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	San Jose/ Broadway	Scattered Sites	Larchmont/ Wildflower	Locally Funded Projects	Riverview Plaza Commercial	Pioneer Hall
<b>Assets</b>						
Current assets:						
Cash and investments	\$ -	\$ -	\$ -	\$ 726	\$ 63	\$ 60
Restricted cash and investments	6	3	2	11	18	2
Accounts receivable (net)	4	-	7	1	-	-
Due from component units	-	-	-	318	-	-
Due from other governments	-	-	-	-	-	-
Deferred charges and prepaid items	7	-	-	-	7	-
Total current assets	<u>17</u>	<u>3</u>	<u>9</u>	<u>1,056</u>	<u>88</u>	<u>62</u>
Noncurrent assets:						
Restricted cash and investments	86	-	28	-	-	-
Notes receivable	-	-	-	-	-	-
Advances to component units	-	-	-	-	-	-
	<u>86</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>-</u>
Capital assets:						
Land	67	44	116	210	198	-
Buildings and improvements	1,195	170	344	2,753	5,552	-
Less accumulated depreciation	(785)	(123)	(228)	(1,665)	(2,352)	-
Total capital assets (net of accumulated depreciation)	<u>477</u>	<u>91</u>	<u>232</u>	<u>1,298</u>	<u>3,398</u>	<u>-</u>
Total noncurrent assets	<u>563</u>	<u>91</u>	<u>260</u>	<u>1,298</u>	<u>3,398</u>	<u>-</u>
Total assets	<u>580</u>	<u>94</u>	<u>269</u>	<u>2,354</u>	<u>3,486</u>	<u>62</u>
<b>Liabilities</b>						
Current liabilities:						
Accounts payable	4	1	1	5	3	-
Accrued liabilities	-	-	-	1	1	-
Due to other funds	1	35	30	-	-	-
Due to other governments	-	-	-	-	-	-
Deferred revenue	14	-	-	-	-	-
Current portion of long-term debt	22	-	30	-	-	-
Current liabilities payable from restricted assets:						
Deposit and trust liability	6	3	2	11	18	2
Total current liabilities	<u>47</u>	<u>39</u>	<u>63</u>	<u>17</u>	<u>22</u>	<u>2</u>
Noncurrent liabilities:						
Mortgage notes payable	551	-	77	-	-	-
Advances from other funds	-	-	-	-	-	-
Total noncurrent liabilities	<u>551</u>	<u>-</u>	<u>77</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>598</u>	<u>39</u>	<u>140</u>	<u>17</u>	<u>22</u>	<u>2</u>
<b>Net Assets (Deficit)</b>						
Invested in capital assets, net of related debt	(96)	91	125	1,298	3,398	-
Restricted for housing operations	86	-	28	-	-	-
Unrestricted	(8)	(36)	(24)	1,039	66	60
Total net assets (deficit)	<u>\$ (18)</u>	<u>\$ 55</u>	<u>\$ 129</u>	<u>\$ 2,337</u>	<u>\$ 3,464</u>	<u>\$ 60</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Net Assets**  
**Nonmajor Enterprise Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	Nova House	San Carlos Shelter Plus Care	Greenfair	Phoenix Park	City Mod Rehab	Security Deposit Revolving Loan	Total
<b>Assets</b>							
Current assets:							
Cash and investments	\$ 79	\$ 93	\$ -	\$ 149	\$ 1	\$ 51	\$ 1,222
Restricted cash and investments	-	4	-	1	-	-	47
Accounts receivable (net)	-	-	-	150	-	-	162
Due from component units	-	-	-	-	-	-	318
Due from other governments	-	1	-	-	18	-	19
Deferred charges and prepaid items	-	-	-	-	-	-	14
Total current assets	<u>79</u>	<u>98</u>	<u>-</u>	<u>300</u>	<u>19</u>	<u>51</u>	<u>1,782</u>
Noncurrent assets:							
Restricted cash and investments	-	-	-	-	-	-	114
Notes receivable	-	-	-	299	-	59	358
Advances to component units	-	-	-	18,000	-	-	18,000
	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,299</u>	<u>-</u>	<u>59</u>	<u>18,472</u>
Capital assets:							
Land	-	55	275	276	-	-	1,241
Buildings and improvements	-	832	627	2,653	-	-	14,126
Less accumulated depreciation	-	(176)	(7)	(318)	-	-	(5,654)
Total capital assets (net of accumulated depreciation)	<u>-</u>	<u>711</u>	<u>895</u>	<u>2,611</u>	<u>-</u>	<u>-</u>	<u>9,713</u>
Total noncurrent assets	<u>-</u>	<u>711</u>	<u>895</u>	<u>20,910</u>	<u>-</u>	<u>59</u>	<u>28,185</u>
Total assets	<u>79</u>	<u>809</u>	<u>895</u>	<u>21,210</u>	<u>19</u>	<u>110</u>	<u>29,967</u>
<b>Liabilities</b>							
Current liabilities:							
Accounts payable	-	-	2	224	-	-	240
Accrued liabilities	-	-	-	51	-	-	53
Due to other funds	-	-	-	-	18	-	84
Due to other governments	-	-	-	-	1	-	1
Deferred revenue	-	-	-	-	-	-	14
Current portion of long-term debt	-	-	-	-	-	-	52
Current liabilities payable from restricted assets:							
Deposit and trust liability	-	4	-	1	-	-	47
Total current liabilities	<u>-</u>	<u>4</u>	<u>2</u>	<u>276</u>	<u>19</u>	<u>-</u>	<u>491</u>
Noncurrent liabilities:							
Mortgage notes payable	-	-	-	-	-	-	628
Advances from other funds	-	-	1,356	320	-	-	1,676
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>1,356</u>	<u>320</u>	<u>-</u>	<u>-</u>	<u>2,304</u>
Total liabilities	<u>-</u>	<u>4</u>	<u>1,358</u>	<u>596</u>	<u>19</u>	<u>-</u>	<u>2,795</u>
<b>Net Assets (Deficit)</b>							
Invested in capital assets, net of related debt	-	711	895	2,611	-	-	9,033
Restricted for housing operations	-	-	-	-	-	-	114
Unrestricted	79	94	(1,358)	18,003	-	110	18,025
Total net assets (deficit)	<u>\$ 79</u>	<u>\$ 805</u>	<u>\$ (463)</u>	<u>\$ 20,614</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 27,172</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>San Jose/ Broadway</u>	<u>Scattered Sites</u>	<u>Larchmont/ Wildflower</u>	<u>Locally Funded Projects</u>	<u>Riverview Plaza Commercial</u>	<u>Pioneer Hall</u>
Operating revenues:						
Charges for services	\$ 52	\$ 24	\$ 27	\$ 166	\$ 369	\$ 58
Miscellaneous	1	-	-	427	-	-
Total operating revenues	<u>53</u>	<u>24</u>	<u>27</u>	<u>593</u>	<u>369</u>	<u>58</u>
Operating expenses:						
Employee services	33	45	7	31	61	1
Administrative services	12	4	5	38	80	-
Services and supplies	71	27	29	223	193	20
Utilities	19	6	7	40	64	16
Depreciation/amortization	32	4	9	68	140	-
Housing Assistance Payments	-	-	-	-	-	-
Total operating expenses	<u>167</u>	<u>86</u>	<u>57</u>	<u>400</u>	<u>538</u>	<u>37</u>
Operating income (loss)	<u>(114)</u>	<u>(62)</u>	<u>(30)</u>	<u>193</u>	<u>(169)</u>	<u>21</u>
Nonoperating revenues (expenses):						
Intergovernmental	158	27	73	271	-	-
Investment earnings	1	-	1	12	6	-
Interest expense	(49)	-	(11)	-	-	-
Gain on disposal of fixed assets	-	-	-	-	-	-
Total nonoperating revenues (expenses)	<u>110</u>	<u>27</u>	<u>63</u>	<u>283</u>	<u>6</u>	<u>-</u>
Income (loss) before transfers	(4)	(35)	33	476	(163)	21
Transfers in	68	-	31	-	-	-
Transfers out	-	-	-	(99)	-	-
Change in net assets	<u>64</u>	<u>(35)</u>	<u>64</u>	<u>377</u>	<u>(163)</u>	<u>21</u>
Total net assets (deficit), beginning	<u>(82)</u>	<u>90</u>	<u>65</u>	<u>1,960</u>	<u>3,627</u>	<u>39</u>
Total net assets (deficit), ending	<u>\$ (18)</u>	<u>\$ 55</u>	<u>\$ 129</u>	<u>\$ 2,337</u>	<u>\$ 3,464</u>	<u>\$ 60</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	Nova House	San Carlos Shelter Plus Care	Greenfair	Phoenix Park	City Mod Rehab	Security Deposit Revolving Loan	Total
Operating revenues:							
Charges for services	\$ -	\$ 62	\$ -	\$ 127	\$ -	\$ -	\$ 885
Miscellaneous	-	-	-	132	-	1	561
Total operating revenues	<u>-</u>	<u>62</u>	<u>-</u>	<u>259</u>	<u>-</u>	<u>1</u>	<u>1,446</u>
Operating expenses:							
Employee services	-	4	-	311	-	-	493
Administrative services	-	11	388	-	-	-	538
Services and supplies	2	44	-	1,104	-	-	1,713
Utilities	-	30	2	56	-	-	240
Depreciation/amortization	-	22	7	64	-	-	346
Housing Assistance Payments	-	-	-	-	126	-	126
Total operating expenses	<u>2</u>	<u>111</u>	<u>397</u>	<u>1,535</u>	<u>126</u>	<u>-</u>	<u>3,456</u>
Operating income (loss)	<u>(2)</u>	<u>(49)</u>	<u>(397)</u>	<u>(1,276)</u>	<u>(126)</u>	<u>1</u>	<u>(2,010)</u>
Nonoperating revenues (expenses):							
Intergovernmental	-	56	-	699	146	-	1,430
Investment earnings	3	-	-	3	-	-	26
Interest expense	-	-	-	-	-	-	(60)
Gain on disposal of fixed assets	-	-	-	29	-	-	29
Total nonoperating revenues (expenses)	<u>3</u>	<u>56</u>	<u>-</u>	<u>731</u>	<u>146</u>	<u>-</u>	<u>1,425</u>
Income (loss) before transfers	1	7	(397)	(545)	20	1	(585)
Transfers in	-	-	-	534	-	-	633
Transfers out	-	-	-	-	(20)	(91)	(210)
Change in net assets	<u>1</u>	<u>7</u>	<u>(397)</u>	<u>(11)</u>	<u>-</u>	<u>(90)</u>	<u>(162)</u>
Total net assets (deficit), beginning	<u>78</u>	<u>798</u>	<u>(66)</u>	<u>20,625</u>	<u>-</u>	<u>200</u>	<u>27,334</u>
Total net assets (deficit), ending	<u>\$ 79</u>	<u>\$ 805</u>	<u>\$ (463)</u>	<u>\$ 20,614</u>	<u>\$ -</u>	<u>\$ 110</u>	<u>\$ 27,172</u>



**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	San Jose/ Broadway	Scattered Sites	Larchmont/ Wildflower	Locally Funded Projects	Riverview Plaza Commercial	Pioneer Hall
Cash flows from operating activities:						
Cash receipts from tenants	\$ 62	\$ 24	\$ 23	\$ 597	\$ 369	\$ 58
Cash received from (refunded to) tenants	-	1	(1)	(4)	-	-
Cash paid to suppliers for goods and services	(91)	(32)	(36)	(258)	(271)	(36)
Cash paid to employees for services	(45)	(49)	(12)	(69)	(141)	(1)
Cash paid for housing assistant payment	-	-	-	-	-	-
Net cash provided by (used in) operating activities	<u>(74)</u>	<u>(56)</u>	<u>(26)</u>	<u>266</u>	<u>(43)</u>	<u>21</u>
Cash flows from noncapital financing activities:						
Transfers in	68	-	31	-	-	-
Transfers out	-	-	-	(99)	-	-
Intergovernmental revenue received	158	27	73	271	-	-
Change in assets and liabilities:						
Due to other fund	(91)	30	(36)	-	-	-
Due from component unit	-	-	-	(11)	-	-
Due to component unit	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Due from other governments	-	-	-	-	-	-
Due to other governments	-	-	-	-	-	-
Net cash provided by (used in) noncapital financing activities	<u>135</u>	<u>57</u>	<u>68</u>	<u>161</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:						
Purchase of capital assets	-	-	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-	-	-
Payments on long-term liabilities	(20)	-	(27)	-	-	-
Interest paid	(49)	-	(11)	-	-	-
Net cash provided by (used in) capital and related financing activities	<u>(69)</u>	<u>-</u>	<u>(38)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash flows from investing activities:						
Change in notes receivable	-	-	-	-	-	-
Interest received	1	-	1	12	6	-
Net cash provided by (used in) investing activities	<u>1</u>	<u>-</u>	<u>1</u>	<u>12</u>	<u>6</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	(7)	1	5	439	(37)	21
Cash and cash equivalents, beginning	<u>99</u>	<u>2</u>	<u>25</u>	<u>298</u>	<u>118</u>	<u>41</u>
Cash and cash equivalents, ending	<u>\$ 92</u>	<u>\$ 3</u>	<u>\$ 30</u>	<u>\$ 737</u>	<u>\$ 81</u>	<u>\$ 62</u>
Reconciliation of cash and cash equivalents to the statement of net assets:						
Cash and cash equivalents in cash and investments	\$ -	\$ -	\$ -	\$ 726	\$ 63	\$ 60
Cash and cash equivalents in restricted cash and investments	<u>92</u>	<u>3</u>	<u>30</u>	<u>11</u>	<u>18</u>	<u>2</u>
Total	<u>\$ 92</u>	<u>\$ 3</u>	<u>\$ 30</u>	<u>\$ 737</u>	<u>\$ 81</u>	<u>\$ 62</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:						
Operating Income (loss)	\$ (114)	\$ (62)	\$ (30)	\$ 193	\$ (169)	\$ 21
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation/amortization	32	4	9	68	140	-
Change in assets and liabilities:						
Accounts receivable	2	-	(4)	4	-	-
Deferred charges and prepaid items	-	-	-	-	(7)	-
Accounts payable	(1)	1	-	4	(7)	-
Accrued liabilities	-	-	-	1	-	-
Deferred revenue	7	-	-	-	-	-
Deposit and trust liability	-	1	(1)	(4)	-	-
Total adjustments	<u>40</u>	<u>6</u>	<u>4</u>	<u>73</u>	<u>126</u>	<u>-</u>
Net cash provided by (used in) operating activities	<u>\$ (74)</u>	<u>\$ (56)</u>	<u>\$ (26)</u>	<u>\$ 266</u>	<u>\$ (43)</u>	<u>\$ 21</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	Nova House	San Carlos Shelter Plus Care	Greenfair	Phoenix Park	City Mod Rehab	Security Deposit Revolving Loan	Total
<b>Cash flows from operating activities:</b>							
Cash receipts from tenants	\$ -	\$ 62	\$ -	\$ 278	\$ -	\$ 1	\$ 1,474
Cash received from (refunded to) tenants	-	-	-	(13)	-	-	(17)
Cash paid to suppliers for goods and services	(2)	(80)	-	(1,041)	-	-	(1,847)
Cash paid to employees for services	-	(15)	(388)	(311)	-	-	(1,031)
Cash paid for housing assistant payment	-	-	-	-	(126)	-	(126)
Net cash provided by (used in) operating activities	(2)	(33)	(388)	(1,087)	(126)	1	(1,547)
<b>Cash flows from noncapital financing activities:</b>							
Transfers in	-	-	-	534	-	-	633
Transfers out	-	-	-	-	(20)	(91)	(210)
Intergovernmental revenue received	-	56	-	699	146	-	1,430
<b>Change in assets and liabilities:</b>							
Due to other fund	-	-	-	(124)	18	-	(203)
Due from component unit	-	-	-	204	-	-	193
Due to component unit	-	-	-	(244)	-	-	(244)
Advance from other funds	-	-	1,156	320	-	-	1,476
Due from other governments	-	1	-	-	15	-	16
Due to other governments	-	-	-	-	(32)	-	(32)
Net cash provided by (used in) noncapital financing activities	-	57	1,156	1,389	127	(91)	3,059
<b>Cash flows from capital and related financing activities:</b>							
Purchase of capital assets	-	-	(896)	-	-	-	(896)
Proceeds from sale of capital assets	-	-	-	45	-	-	45
Payments on long-term liabilities	-	-	-	-	-	-	(47)
Interest paid	-	-	-	-	-	-	(60)
Net cash provided by (used in) capital and related financing activities	-	-	(896)	45	-	-	(958)
<b>Cash flows from investing activities:</b>							
Change in notes receivable	-	-	-	(269)	-	36	(233)
Interest received	3	-	-	3	-	-	26
Net cash provided by (used in) investing activities	3	-	-	(266)	-	36	(207)
Net increase (decrease) in cash and cash equivalents	1	24	(128)	81	1	(54)	347
Cash and cash equivalents, beginning	78	73	128	69	-	105	1,036
Cash and cash equivalents, ending	\$ 79	\$ 97	\$ -	\$ 150	\$ 1	\$ 51	\$ 1,383
<b>Reconciliation of cash and cash equivalents to the statement of net assets:</b>							
Cash and cash equivalents in cash and investments	\$ 79	\$ 93	\$ -	\$ 149	\$ 1	\$ 51	\$ 1,222
Cash and cash equivalents in restricted cash and investments	-	4	-	1	-	-	161
Total	\$ 79	\$ 97	\$ -	\$ 150	\$ 1	\$ 51	\$ 1,383
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>							
Operating Income (loss)	\$ (2)	\$ (49)	\$ (397)	\$ (1,276)	\$ (126)	\$ 1	\$ (2,010)
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>							
Depreciation/amortization	-	22	7	64	-	-	346
<b>Change in assets and liabilities:</b>							
Accounts receivable	-	-	-	19	-	-	21
Deferred charges and prepaid items	-	-	-	-	-	-	(7)
Accounts payable	-	(6)	2	133	-	-	126
Accrued liabilities	-	-	-	(14)	-	-	(13)
Deferred revenue	-	-	-	-	-	-	7
Deposit and trust liability	-	-	-	(13)	-	-	(17)
Total adjustments	-	16	9	189	-	-	463
Net cash provided by (used in) operating activities	\$ (2)	\$ (33)	\$ (388)	\$ (1,087)	\$ (126)	\$ 1	\$ (1,547)

## **Internal Service Funds**

Internal service funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis. Since the services and commodities are supplied exclusively to departments of a governmental jurisdiction, they are distinguishable from those public services rendered to the public in general and which are accounted for in Special Revenue, Enterprise or Fiduciary Funds.

- ◆ **Internal Support Fund** is used to account for the accumulation and allocation of costs associated with central support organizations of the Agency as well as the accumulation of funds to pay for compensated absences earned by employees.
- ◆ **Self Insurance Fund** is used to account for the costs of insurance (i.e. premiums and estimated claims liabilities) and accumulate funds for catastrophic events.

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Net Assets**  
**Internal Service Funds**  
**December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Total</u>
<b>Assets</b>			
Current assets:			
Cash and investments	\$ 29,609	\$ 2,180	\$ 31,789
Accounts receivable (net)	10	-	10
Due from other governments	21	-	21
Deferred charges and prepaid items	42	-	42
Total current assets	<u>29,682</u>	<u>2,180</u>	<u>31,862</u>
Noncurrent assets:			
Restricted cash and investments	513	-	513
Advances to other funds	-	679	679
Total noncurrent assets	<u>513</u>	<u>679</u>	<u>1,192</u>
Capital assets:			
Property and equipment	1,008	20	1,028
Less accumulated depreciation	(917)	(13)	(930)
Total capital assets (net of accumulated depreciation)	<u>91</u>	<u>7</u>	<u>98</u>
Total noncurrent assets	<u>604</u>	<u>686</u>	<u>1,290</u>
Total assets	<u>30,286</u>	<u>2,866</u>	<u>33,152</u>
<b>Liabilities</b>			
Current liabilities:			
Securities lending obligations	19,450	-	19,450
Accounts payable	115	-	115
Accrued liabilities	351	322	673
Compensated absences	1,944	-	1,944
Due to other governments	563	-	563
Total current liabilities	<u>22,423</u>	<u>322</u>	<u>22,745</u>
Noncurrent liabilities:			
Compensated absences	1,146	-	1,146
Advances from component units	1,000	-	1,000
Total noncurrent liabilities	<u>2,146</u>	<u>-</u>	<u>2,146</u>
Total liabilities	<u>24,569</u>	<u>322</u>	<u>24,891</u>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	91	7	98
Restricted for community development	513	-	513
Unrestricted	5,113	2,537	7,650
Total net assets	<u>\$ 5,717</u>	<u>\$ 2,544</u>	<u>\$ 8,261</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Internal Service Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<u>Internal Support</u>	<u>Self Insurance</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 6,801	\$ 1,358	\$ 8,159
Miscellaneous	3	25	28
Total operating revenues	<u>6,804</u>	<u>1,383</u>	<u>8,187</u>
Operating expenses:			
Employee services	3,798	123	3,921
Services and supplies	1,330	542	1,872
Claims and judgements	-	107	107
Depreciation	31	2	33
Total operating expenses	<u>5,159</u>	<u>774</u>	<u>5,933</u>
Operating income	<u>1,645</u>	<u>609</u>	<u>2,254</u>
Nonoperating revenues (expenses):			
Investment earnings	352	90	442
Total nonoperating revenues (expenses)	<u>352</u>	<u>90</u>	<u>442</u>
Change in net assets	1,997	699	2,696
Total net assets, beginning	<u>3,720</u>	<u>1,845</u>	<u>5,565</u>
Total net assets, ending	<u>\$ 5,717</u>	<u>\$ 2,544</u>	<u>\$ 8,261</u>

**Sacramento Housing and Redevelopment Agency**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

	<b>Internal Support</b>	<b>Self- Insurance</b>	<b>Total</b>
<b>Cash flows from operating activities:</b>			
Cash receipts from interfund services provided	\$ 6,824	\$ 1,383	\$ 8,207
Cash paid to suppliers for goods and services	(2,526)	(838)	(3,364)
Cash paid to employees for services	(3,669)	(123)	(3,792)
Cash paid for claims and judgements	-	(107)	(107)
Net cash provided by operating activities	<u>629</u>	<u>315</u>	<u>944</u>
<b>Cash flows from noncapital financing activities:</b>			
<b>Change in assets and liabilities:</b>			
Due to other governments	563	-	563
Advances to other funds	107	56	163
Securities lending obligations	3,809	-	3,809
Due from other governments	56	-	56
Net cash provided by (used in) noncapital financing activities	<u>4,535</u>	<u>56</u>	<u>4,591</u>
<b>Cash flows from investing activities:</b>			
Interest received	<u>352</u>	<u>90</u>	<u>442</u>
Net cash provided by investing activities	<u>352</u>	<u>90</u>	<u>442</u>
Net (decrease) in cash and cash equivalents	5,516	461	5,977
Cash and cash equivalents, beginning	<u>24,606</u>	<u>1,719</u>	<u>26,325</u>
Cash and cash equivalents, ending	<u>\$ 30,122</u>	<u>\$ 2,180</u>	<u>\$ 32,302</u>
<b>Reconciliation of cash and cash equivalents to the statement of net assets:</b>			
Cash and cash equivalents in cash and investments	\$ 29,609	\$ 2,180	\$ 31,789
Cash and cash equivalents in restricted cash and investments	<u>513</u>	<u>-</u>	<u>513</u>
Total	<u>\$ 30,122</u>	<u>\$ 2,180</u>	<u>\$ 32,302</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating Income	\$ 1,645	\$ 609	\$ 2,254
<b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b>			
Depreciation/amortization	31	2	33
<b>Change in assets and liabilities:</b>			
Accounts receivable	20	-	20
Deferred charges and prepaid items	5	-	5
Accounts payable	(951)	-	(951)
Accrued liabilities	(250)	(296)	(546)
Compensated absences	129	-	129
Total adjustments	<u>(1,016)</u>	<u>(294)</u>	<u>(1,310)</u>
Net cash provided by operating activities	<u>\$ 629</u>	<u>\$ 315</u>	<u>\$ 944</u>

## *Agency Funds*

Agency funds are used to account for assets held by the government as an agent for individuals or private organizations.

- ◆ **Neighborhood Housing Services Fund** is used to invest funds on behalf of Neighborhood Housing Services.

**Sacramento Housing and Redevelopment Agency**  
**Statement of Changes in Assets and Liabilities**  
**Neighborhood Housing Services Agency Fund**  
**For the Year Ended December 31, 2005**  
**(amounts expressed in thousands)**

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	Balance at January 1, 2005	Additions	Deletions	Balance at December 31, 2005
<b>Assets</b>				
Cash and investments	\$ 10	\$ -	\$ -	\$ 10
<b>Liabilities</b>				
Deposit and trust liability	\$ 10	\$ -	\$ -	\$ 10



# *Statistical Section*

This part of the Agency'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 Agency's overall financial health.

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

- Net Assets by Component
- Changes in Net Assets
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

**Revenue Capacity**-These schedules contain information to help the reader assess the Agency's most significant local revenue source, the property tax.

- Assessed Value of Taxable Property
- Property Tax Levies and Collections
- Principal Property Taxpayers

**Debt Capacity**-This schedule presents information to help the reader assess the affordability of the Agency's current levels of outstanding debt and the Agency's ability to issue additional debt in the future.

- Ratios of Outstanding Debt by Type

**Demographic and Economic Information**-This schedule offers demographic and economic indicators to help the reader understand the environment within which the Agency's financial activities take place.

- Demographic and Economic Statistics

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

- Full-time Equivalent Agency Employees by Function/Program
- Operating Indicators by Function

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Net Assets by Component  
For the Five Years Ended December 31, 2005  
(amounts expressed in thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
<b>Governmental Activities:</b>					
Invested in capital assets, net of related debt	\$ 51,380	\$ 50,939	\$ 56,118	\$ 47,646	\$ 49,081
Restricted	173,365	193,743	284,663	284,011	420,634
Unrestricted	(142,958)	(151,899)	(239,957)	(226,134)	(344,057)
Total governmental activities net assets	<u>\$ 81,787</u>	<u>\$ 92,783</u>	<u>\$ 100,824</u>	<u>\$ 105,523</u>	<u>\$ 125,658</u>
<b>Business-type Activities:</b>					
Invested in capital assets, net of related debt	\$ 174,070	\$ 179,088	\$ 173,326	\$ 168,910	\$ 173,114
Restricted	2,916	2,808	2,842	1,776	8,954
Unrestricted	419	829	2,086	19,842	18,951
Total business-type activities, net assets	<u>\$ 177,405</u>	<u>\$ 182,725</u>	<u>\$ 178,254</u>	<u>\$ 190,528</u>	<u>\$ 201,019</u>
<b>Primary Government:</b>					
Invested in capital asstes, net of related debt	\$ 225,450	\$ 230,027	\$ 229,444	\$ 216,556	\$ 222,195
Restricted	176,281	196,551	287,505	285,787	429,588
Unrestricted	(142,539)	(151,070)	(237,871)	(206,292)	(325,106)
Total primary government net assets	<u>\$ 259,192</u>	<u>\$ 275,508</u>	<u>\$ 279,078</u>	<u>\$ 296,051</u>	<u>\$ 326,677</u>

Note: The negative unrestricted net assets are mainly the result of redevelopment debt that does not produce capital assets.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Changes In Net Assets  
For The Five Years Ended December 31, 2005  
(amounts expressed in thousands)

	2001	2002	2003	2004	2005
<b>Expenses:</b>					
Governmental activities:					
Housing operations	\$ 6,355	\$ 6,307	\$ 5,591	\$ 5,836	\$ 7,017
Community development	47,896	62,182	38,535	53,774	64,151
Community social services	2,881	3,738	2,648	4,408	3,231
Interest expense	-	-	11,606	12,233	11,737
Total governmental activities expenses	<u>57,132</u>	<u>72,227</u>	<u>58,380</u>	<u>76,251</u>	<u>86,136</u>
Business-type activities:					
Local housing	2,672	3,613	9,826	4,599	3,516
Public housing	19,423	19,937	22,086	21,687	21,605
Housing choice vouchers	48,436	61,352	88,693	104,228	93,425
Total business-type activities expenses	<u>70,531</u>	<u>84,902</u>	<u>120,605</u>	<u>130,514</u>	<u>118,546</u>
Total primary government expenses	<u>127,663</u>	<u>157,129</u>	<u>178,985</u>	<u>206,765</u>	<u>204,682</u>
<b>Program Revenues:</b>					
Governmental activities:					
Charges for services:					
Housing operations	1,182	1,420	1,357	1,222	1,152
Community development	-	20	32	89	117
Community social services	-	500	-	-	-
Operating grants and contributions:					
Housing operations	2,213	1,231	907	559	743
Community development	27,927	33,070	23,001	27,925	39,296
Community social services	1,333	701	1,795	1,805	1,802
Capital grants and contributions:					
Housing operations	7,133	7,510	3,706	9,251	7,594
Community development	63	11,000	-	-	-
Total governmental activities program revenues	<u>39,851</u>	<u>55,452</u>	<u>30,798</u>	<u>40,851</u>	<u>50,704</u>
Business-type activities:					
Charges for services:					
Local housing	1,122	1,809	1,738	958	885
Public housing	6,121	6,997	7,169	7,224	7,268
Housing choice vouchers	-	-	173	3,527	2,439
Operating grants and contributions:					
Local housing	797	1,167	1,489	1,420	1,430
Public housing	7,732	7,449	7,092	8,070	7,770
Housing choice vouchers	49,575	61,784	89,588	100,600	98,589
Total business-type activities program revenues	<u>65,347</u>	<u>79,206</u>	<u>107,249</u>	<u>121,799</u>	<u>118,381</u>
Total primary government program revenues	<u>105,198</u>	<u>134,658</u>	<u>138,047</u>	<u>162,650</u>	<u>169,085</u>
<b>Net (Expenses) Revenue:</b>					
Governmental activities	(17,281)	(16,775)	(27,582)	(35,400)	(35,432)
Business-type activities	(5,184)	(5,696)	(13,356)	(8,715)	(165)
Total primary government net expense	<u>(22,465)</u>	<u>(22,471)</u>	<u>(40,938)</u>	<u>(44,115)</u>	<u>(35,597)</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
 Changes In Net Assets  
 For The Five Years Ended December 31, 2005  
 (amounts expressed in thousands)

	2001	2002	2003	2004	2005
<b>General revenues, transfers and changes in net assets:</b>					
Governmental activities:					
Tax increment	\$ 27,751	\$ 29,300	\$ 35,314	\$ 40,676	\$ 50,173
Investment earnings	8,206	4,338	5,710	5,918	7,464
Gain/(loss) on disposal of capital assets	1,865	-	177	3,437	(364)
Income from assets held for resale					5,613
Miscellaneous	2,981	5,025	2,450	3,305	2,201
Transfers	(106)	(10,892)	(8,110)	(13,237)	(9,520)
Total governmental activities	<u>40,697</u>	<u>27,771</u>	<u>35,541</u>	<u>40,099</u>	<u>55,567</u>
Business-type activities:					
Investment earnings	236	124	132	83	112
Gain on sale of capital assets	-	-	49	6,833	29
Miscellaneous	307	-	676	836	995
Transfers	106	10,892	8,110	13,237	9,520
Total business-type activities	<u>649</u>	<u>11,016</u>	<u>8,967</u>	<u>20,989</u>	<u>10,656</u>
Total primary government	<u>41,346</u>	<u>38,787</u>	<u>44,508</u>	<u>61,088</u>	<u>66,223</u>
<b>Change in net assets:</b>					
Governmental activities	23,416	10,996	7,959	4,699	20,135
Business-type activities	(4,535)	5,320	(4,389)	12,274	10,491
Total primary government	<u>\$ 18,881</u>	<u>\$ 16,316</u>	<u>\$ 3,570</u>	<u>\$ 16,973</u>	<u>\$ 30,626</u>

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Fund Balances of Governmental Funds  
For the Five Years Ended December 31, 2005  
(amounts expressed in thousands)

	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Major funds:					
Reserved	\$ 109,061	\$ 83,622	\$ 100,921	\$ 91,572	\$ 176,196
Unreserved, reported in:					
Debt service funds	87	3,084	(660)	2,531	282
Capital projects funds		233	2,159	1,819	1,035
Total major funds	<u>\$ 109,148</u>	<u>\$ 86,939</u>	<u>\$ 102,420</u>	<u>\$ 95,922</u>	<u>\$ 177,513</u>
Other governmental funds:					
Reserved	\$ 3	\$ 91,667	\$ 114,252	\$ 113,201	\$ 158,249
Unreserved, reported in:					
Special revenue funds	7,724	7,852	10,409	7,133	6,886
Debt service funds	(1,615)	(2,575)	1,997	4,732	7,999
Capital projects funds	10,377	2,978	2,690	4,623	4,320
Total other governmental funds	<u>\$ 16,489</u>	<u>\$ 99,922</u>	<u>\$ 129,348</u>	<u>\$ 129,689</u>	<u>\$ 177,454</u>
Total governmental Funds	<u>\$ 125,637</u>	<u>\$ 186,861</u>	<u>\$ 231,768</u>	<u>\$ 225,611</u>	<u>\$ 354,967</u>

Note: The governmental fund balances do not include long-term debt or capital assets.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
 Changes in Fund Balances of Governmental Funds  
 For the Ten Years Ended December 31, 2005  
 (amounts expressed in thousands)

	1996	1997	1998	1999	2000
<b>Revenues:</b>					
Intergovernmental	\$ 80,224	\$ 84,336	\$ 78,195	\$ 89,591	\$ 85,081
Property taxes	19,484	18,558	20,327	19,679	22,537
Charges for services	5,523	6,221	5,955	5,995	6,269
Investment earnings	3,826	4,242	5,004	5,300	6,896
Income from assets held for resale	-	-	-	-	-
Miscellaneous	3,410	2,536	10,344	4,896	10,331
Total revenues	<u>112,467</u>	<u>115,893</u>	<u>119,825</u>	<u>125,461</u>	<u>131,114</u>
<b>Expenditures:</b>					
Current:					
Housing operations	19,535	24,317	23,118	20,896	21,357
Community development	18,763	15,989	13,911	17,336	19,337
Community services	3,321	3,808	3,104	4,225	3,970
Capital outlay	31,804	27,334	22,121	37,611	36,564
Housing assistance payments (1)	28,361	29,833	31,042	34,470	33,208
Debt service:					
Principal retirement	6,552	7,308	9,993	9,407	6,845
Interest and related charges	11,704	12,272	13,171	14,140	9,678
Advance refunding escrow	-	-	-	1,986	2,583
Total expenditures	<u>120,040</u>	<u>120,861</u>	<u>116,460</u>	<u>140,071</u>	<u>133,542</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(7,573)</u>	<u>(4,968)</u>	<u>3,365</u>	<u>(14,610)</u>	<u>(2,428)</u>
<b>Other Financing Sources(Uses):</b>					
Long-term debt issued	8,125	2,498	70,932	43,549	22,363
Sale of capital assets	-	-	-	-	114
Transfers in	12,437	22,252	23,912	43,919	13,196
Transfers out	(12,437)	(22,334)	(24,126)	(43,884)	(14,801)
Transfers to component units	(658)	(658)	(658)	(658)	(658)
Payment to escrow agent	-	-	(49,110)	(6,261)	(21,839)
Total other financing sources (uses)	<u>7,467</u>	<u>1,758</u>	<u>20,950</u>	<u>36,665</u>	<u>(1,625)</u>
Net change in fund balances	<u>\$ (106)</u>	<u>\$ (3,210)</u>	<u>\$ 24,315</u>	<u>\$ 22,055</u>	<u>\$ (4,053)</u>
<b>Debt service as a percentage of non-capital expenditures</b>	21%	21%	25%	25%	20%

Note: This statement includes all Special Revenue, Debt Service and Capital Projects Funds.

(1) Reclassified as Enterprise Funds in 2001

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
 Changes in Fund Balances of Governmental Funds  
 For the Ten Years Ended December 31, 2005  
 (amounts expressed in thousands)

	2001	2002	2003	2004	2005
<b>Revenues:</b>					
Intergovernmental	\$ 37,304	\$ 41,340	\$ 32,134	\$ 34,151	\$ 38,838
Property taxes	27,751	29,300	35,314	40,676	50,173
Charges for services	8	26	-	1,311	1,269
Investment earnings	7,459	4,302	5,482	5,312	7,150
Income from assets held for resale	-	-	-	-	5,613
Miscellaneous	3,801	6,012	-	3,293	2,173
Total revenues	<u>76,323</u>	<u>80,980</u>	<u>72,930</u>	<u>84,743</u>	<u>105,216</u>
<b>Expenditures:</b>					
Current:					
Housing operations	5,298	4,685	4,103	4,903	9,212
Community development	42,650	45,227	40,480	49,088	57,262
Community services	2,881	3,738	2,648	4,408	3,231
Capital outlay	7,747	15,361	12,678	10,229	16,786
Housing assistance payments (1)	-	-	-	-	-
Debt service:					
Principal retirement	8,460	9,910	12,504	13,031	13,383
Interest and related charges	10,932	13,177	14,782	16,382	23,598
Advance refunding escrow	-	-	-	-	1,111
Total expenditures	<u>77,968</u>	<u>92,098</u>	<u>87,195</u>	<u>98,041</u>	<u>124,583</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,645)</u>	<u>(11,118)</u>	<u>(14,265)</u>	<u>(13,298)</u>	<u>(19,367)</u>
<b>Other Financing Sources(Uses):</b>					
Long-term debt issued	5,283	61,316	56,855	2,772	172,558
Sale of capital assets	1,865	11,920	6,427	5,286	5,797
Transfers in	17,995	17,393	22,176	14,370	27,960
Transfers out	(17,596)	(18,287)	(23,046)	(15,287)	(28,616)
Transfers to component units	(658)	-	-	-	-
Payment to escrow agent	-	-	(2,712)	-	(28,976)
Total other financing sources (uses)	<u>6,889</u>	<u>72,342</u>	<u>59,700</u>	<u>7,141</u>	<u>148,723</u>
Net change in fund balances	<u>\$ 5,244</u>	<u>\$ 61,224</u>	<u>\$ 45,435</u>	<u>\$ (6,157)</u>	<u>\$ 129,356</u>
<b>Debt service as a percentage of non-capital expenditures</b>	28%	30%	37%	33%	35%

Note: This statement includes all Special Revenue, Debt Service and Capital Projects Funds.

(1) Reclassified as Enterprise Funds in 2001

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Assessed Value of Taxable Property  
For the Ten Years Ended December 31, 2005  
(amounts expressed in thousands)

PROJECT AREA	1996	1997	1998	1999	2000
Merged Downtown					
Secured	\$ 1,218,540	\$ 1,239,615	\$ 1,237,027	\$ 1,245,959	\$ 1,438,165
Unsecured	131,138	168,572	124,500	123,763	146,213
Utility	5,323	5,332	5,572	5,420	4,992
Total	<u>\$ 1,355,001</u>	<u>\$ 1,413,519</u>	<u>\$ 1,367,099</u>	<u>\$ 1,375,142</u>	<u>\$ 1,589,370</u>
Del Paso Heights					
Secured	\$ 126,355	\$ 124,077	\$ 127,596	\$ 134,617	\$ 139,231
Unsecured	8,782	8,775	9,686	9,879	10,112
Total	<u>\$ 135,137</u>	<u>\$ 132,852</u>	<u>\$ 137,282</u>	<u>\$ 144,496</u>	<u>\$ 149,343</u>
Alkali Flat					
Secured	\$ 82,162	\$ 80,493	\$ 85,495	\$ 86,993	\$ 91,332
Unsecured	5,931	5,677	5,288	4,936	4,645
Utility	3	3	30	30	30
Total	<u>\$ 88,096</u>	<u>\$ 86,173</u>	<u>\$ 90,813</u>	<u>\$ 91,959</u>	<u>\$ 96,007</u>
Oak Park					
Secured	\$ 213,542	\$ 229,419	\$ 216,119	\$ 226,696	\$ 229,697
Unsecured	5,814	5,802	5,564	7,500	9,280
Total	<u>\$ 219,356</u>	<u>\$ 235,221</u>	<u>\$ 221,683</u>	<u>\$ 234,196</u>	<u>\$ 238,977</u>
Walnut Grove					
Secured	\$ 3,564	\$ 3,755	\$ 4,067	\$ 4,112	\$ 4,854
Unsecured	126	98	813	817	39
Total	<u>\$ 3,690</u>	<u>\$ 3,853</u>	<u>\$ 4,880</u>	<u>\$ 4,929</u>	<u>\$ 4,893</u>
Richards Boulevard					
Secured	\$ 234,776	\$ 286,208	\$ 285,473	\$ 291,358	\$ 304,907
Unsecured	38,476	37,631	40,454	38,815	32,648
Utility	30,737	31,096	32,725	32,065	31,183
Total	<u>\$ 303,989</u>	<u>\$ 354,935</u>	<u>\$ 358,652</u>	<u>\$ 362,238</u>	<u>\$ 368,738</u>
North Sacramento					
Secured	\$ 264,485	\$ 280,040	\$ 285,557	\$ 292,547	\$ 321,866
Unsecured	31,162	28,574	33,832	34,125	34,762
Total	<u>\$ 295,647</u>	<u>\$ 308,614</u>	<u>\$ 319,389</u>	<u>\$ 326,672</u>	<u>\$ 356,628</u>

Source: Sacramento County Tax Assessor

Note: 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%.

One percent is the maximum tax rate by state law.



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
 Assessed Value of Taxable Property  
 For the Ten Years Ended December 31, 2005  
 (amounts expressed in thousands)

PROJECT AREA	2001	2002	2003	2004	2005
Merged Downtown					
Secured	\$ 1,536,550	\$ 1,662,872	\$ 1,787,577	\$ 1,890,836	\$ 1,961,343
Unsecured	144,454	138,319	119,926	129,736	136,059
Utility	4,994	5,777	5,781	5,781	5,280
Total	<u>\$ 1,685,998</u>	<u>\$ 1,806,968</u>	<u>\$ 1,913,284</u>	<u>\$ 2,026,353</u>	<u>\$ 2,102,682</u>
Del Paso Heights					
Secured	\$ 152,742	\$ 155,517	\$ 184,193	\$ 204,909	\$ 260,127
Unsecured	9,708	10,203	11,086	11,417	10,364
Total	<u>\$ 162,450</u>	<u>\$ 165,720</u>	<u>\$ 195,279</u>	<u>\$ 216,326</u>	<u>\$ 270,491</u>
Alkali Flat					
Secured	\$ 93,984	\$ 92,296	\$ 85,041	\$ 91,849	\$ 96,749
Unsecured	4,152	3,958	14,870	12,784	13,802
Utility	30	37	37	-	37
Total	<u>\$ 98,166</u>	<u>\$ 96,291</u>	<u>\$ 99,948</u>	<u>\$ 104,633</u>	<u>\$ 110,588</u>
Oak Park					
Secured	\$ 243,473	\$ 289,494	\$ 309,414	\$ 358,427	\$ 441,020
Unsecured	9,392	12,618	21,900	11,306	10,644
Total	<u>\$ 252,865</u>	<u>\$ 302,112</u>	<u>\$ 331,314</u>	<u>\$ 369,733</u>	<u>\$ 451,664</u>
Walnut Grove					
Secured	\$ 5,372	\$ 5,832	\$ 6,289	\$ 7,578	\$ 8,638
Unsecured	42	73	64	36	105
Total	<u>\$ 5,414</u>	<u>\$ 5,905</u>	<u>\$ 6,353</u>	<u>\$ 7,614</u>	<u>\$ 8,743</u>
Richards Boulevard					
Secured	\$ 311,595	\$ 340,759	\$ 350,075	\$ 373,031	\$ 383,756
Unsecured	31,515	33,542	31,661	29,292	30,896
Utility	30,848	38,018	38,382	-	37,533
Total	<u>\$ 373,958</u>	<u>\$ 412,319</u>	<u>\$ 420,118</u>	<u>\$ 402,323</u>	<u>\$ 452,185</u>
North Sacramento					
Secured	\$ 350,981	\$ 368,299	\$ 393,724	\$ 428,628	\$ 469,556
Unsecured	32,534	27,070	28,063	34,934	36,278
Total	<u>\$ 383,515</u>	<u>\$ 395,369</u>	<u>\$ 421,787</u>	<u>\$ 463,562</u>	<u>\$ 505,834</u>

Source: Sacramento County Tax Assessor

Note: 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%.

One percent is the maximum tax rate by state law.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Assessed Value of Taxable Property  
For the Ten Years Ended December 31, 2005  
(amounts expressed in thousands)

PROJECT AREA	1996	1997	1998	1999	2000
Franklin Boulevard					
Secured	\$ 402,107	\$ 422,053	\$ 385,798	\$ 388,052	\$ 373,251
Unsecured	17,808	16,992	17,618	26,258	39,322
Utility	88	124	153	-	-
Total	<u>\$ 420,003</u>	<u>\$ 439,169</u>	<u>\$ 403,569</u>	<u>\$ 414,310</u>	<u>\$ 412,573</u>
Auburn Boulevard					
Secured	\$ 50,228	\$ 49,925	\$ 49,300	\$ 49,400	\$ 50,252
Unsecured	9,350	10,021	11,328	11,273	8,182
Total	<u>\$ 59,578</u>	<u>\$ 59,946</u>	<u>\$ 60,628</u>	<u>\$ 60,673</u>	<u>\$ 58,434</u>
Stockton Boulevard					
Secured	\$ 205,885	\$ 203,979	\$ 203,777	\$ 211,920	\$ 223,877
Unsecured	13,305	13,249	12,941	12,735	12,231
Total	<u>\$ 219,190</u>	<u>\$ 217,228</u>	<u>\$ 216,718</u>	<u>\$ 224,655</u>	<u>\$ 236,108</u>
Mather/McClellan Merged (1)					
Secured	\$ -	\$ 11	\$ 12	\$ 20	\$ 28,694
Unsecured	-	12,571	24,255	24,490	35,528
Utility	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ 12,582</u>	<u>\$ 24,267</u>	<u>\$ 24,510</u>	<u>\$ 64,222</u>
Army Depot					
Secured	\$ -	\$ 198,699	\$ 191,340	\$ 213,120	\$ 140,412
Unsecured	-	135,109	134,212	115,800	83,187
Utility	-	889	1,016	928	826
Total	<u>\$ -</u>	<u>\$ 334,697</u>	<u>\$ 326,568</u>	<u>\$ 329,848</u>	<u>\$ 224,425</u>
65th Street					
Secured	\$ -	\$ -	\$ -	\$ -	\$ -
Unsecured	-	-	-	-	-
Utility	-	-	-	-	-
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Source: Sacramento County Tax Assessor

Note: 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%.

One percent is the maximum tax rate by state law.

(1) The Mather and McClellan redevelopment areas were merged in 2002

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
 Assessed Value of Taxable Property  
 For the Ten Years Ended December 31, 2005  
 (amounts expressed in thousands)

PROJECT AREA	2001	2002	2003	2004	2005
Franklin Boulevard					
Secured	\$ 378,147	\$ 395,790	\$ 441,918	\$ 457,001	\$ 507,056
Unsecured	43,634	44,211	44,090	43,519	44,426
Utility	-	-	-	-	-
Total	<u>\$ 421,781</u>	<u>\$ 440,001</u>	<u>\$ 486,008</u>	<u>\$ 500,520</u>	<u>\$ 551,482</u>
Auburn Boulevard					
Secured	\$ 54,146	\$ 58,237	\$ 61,180	\$ 65,054	\$ 67,069
Unsecured	9,234	8,980	10,664	6,934	29,003
Total	<u>\$ 63,380</u>	<u>\$ 67,217</u>	<u>\$ 71,844</u>	<u>\$ 71,988</u>	<u>\$ 96,072</u>
Stockton Boulevard					
Secured	\$ 238,367	\$ 252,639	\$ 279,615	\$ 312,491	\$ 370,130
Unsecured	12,057	12,060	14,516	13,282	13,381
Total	<u>\$ 250,424</u>	<u>\$ 264,699</u>	<u>\$ 294,131</u>	<u>\$ 325,773</u>	<u>\$ 383,511</u>
Mather/McClellan Merged (1)					
Secured	\$ 74,131	\$ 361,436	\$ 476,864	\$ 698,155	\$ 761,873
Unsecured	49,709	100,898	251,145	184,640	238,020
Utility	-	336	279	-	274
Total	<u>\$ 123,840</u>	<u>\$ 462,670</u>	<u>\$ 728,288</u>	<u>\$ 882,795</u>	<u>\$ 1,000,167</u>
Army Depot					
Secured	\$ 153,957	\$ 163,048	\$ 159,897	\$ 161,285	\$ 402,960
Unsecured	47,834	52,180	94,488	94,651	88,155
Utility	788	774	824	-	922
Total	<u>\$ 202,579</u>	<u>\$ 216,002</u>	<u>\$ 255,209</u>	<u>\$ 255,936</u>	<u>\$ 492,037</u>
65th Street					
Secured	\$ -	\$ -	\$ -	\$ -	\$ 203,524
Unsecured	-	-	-	-	165
Utility	-	-	-	-	739
Total	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 204,428</u>

Source: Sacramento County Tax Assessor

Note: 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%.

One percent is the maximum tax rate by state law.

(1) The Mather and McClellan redevelopment areas were merged in 2002

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Property Tax Levies and Collections  
for All Redevelopment Areas Combined  
For the Ten Years Ended December 31, 2005  
(amounts expressed in thousands)

Fiscal Year Ended December 31	Tax Increment Levied for the Fiscal Year	Collected within the Fiscal Year	
		Amount Received	Percentage (1)
1996	\$ 19,484	\$ 19,484	100%
1997	18,558	18,558	100%
1998	20,327	20,327	100%
1999	19,679	19,679	100%
2000	22,537	22,537	100%
2001	27,751	27,751	100%
2002	29,300	29,300	100%
2003	35,314	35,314	100%
2004	40,676	40,676	100%
2005	50,173	50,173	100%

Source: County of Sacramento Compilation by Auditor Controller's Office

(1) Under the terms of its Teeter Plan the County guarantees pass through of the full amount due to the Redevelopment Agency regardless of amount collected.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers ( Merged Downtown)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
Teachers Insurance/Annuity Assn of America	\$ 191,129,082	1	9.94%	\$ -		
EOP-400 Capital Mall LLC	146,210,215	2	7.61%	-		
VV Usa City LP	88,046,666	3	4.58%	79,860,535	3	4.75%
RT Sacramento Funding Company Inc	68,437,512	4	3.56%	-		
Rubicon NGP Sacramento CA LLP	67,320,000	5	3.50%	-		
Sacramento Hotel Corporation	65,322,415	6	3.40%	-		
Calif Assn Hosp/Hlth Sym (Tsakopoulos Family)	40,679,127	7	2.12%	-		
Health Property Associates	39,954,672	8	2.08%	29,891,025	9	1.78%
Downtown Plaza Towers Assoc	39,295,170	9	2.04%	-		
Mart Family LLC/Senator Building LLC/ETA	34,629,000	10	1.80%	-		
400 Capitol Mall Venture	-			130,729,948	1	7.78%
Downtown Plaza	-			86,364,633	2	5.14%
980 9th Street LLC	-			77,591,838	4	4.61%
Alpine Realty Sacramento	-			61,991,196	5	3.69%
Sacramento Renaissance Tower	-			52,122,000	6	3.10%
Capitol Regency LLC	-			48,263,459	7	2.87%
California Hospital Association	-			30,969,000	8	1.84%
Capitol Place Inc.	-			29,793,096	10	1.77%
Sub Total	781,023,859		40.64%	627,576,730		37.33%
All Other Taxpayers	1,141,002,988		59.36%	1,053,799,100		62.67%
Total (Merged Downtown)	\$ 1,922,026,847		100.00%	\$ 1,681,375,830		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$1,922,026,847

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers ( Del Paso Heights)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
Northland Village Associates	\$ 6,296,256	1	1.67%	\$ -		
Research Properties	4,744,274	2	1.26%	3,598,388	3	2.14%
Woodhaven Senior Residence	3,996,319	3	1.06%	-		
Lundblom Family Trust	3,985,451	4	1.06%	-		
US Rentals inc	3,383,483	5	0.90%	1,818,686	5	1.08%
Harry & Mariann Brix 1993 Family Trust	2,498,246	6	0.66%	1,127,848	6	6.70%
John A / Leta K Nichols 1994 Rev Trust	2,490,583	7	0.66%	-		
Maki Stephen	1,923,414	8	0.51%	-		
1980 Tyler Family Trust	1,547,263	9	0.41%	1,000,000	8	0.60%
Northland Village Associates	1,425,960	10	0.38%	-		
Greater Sacramento Urban League	-			4,863,200	1	2.90%
Village Park Housing Association	-			4,560,176	2	2.72%
Anderson Family Trust	-			2,354,000	4	1.40%
Terkensha Associates	-			1,110,064	7	0.66%
Ben Ali Temple	-			979,055	9	0.58%
Donald K. Hansen	-			858,094	10	0.51%
Sub Total	24,569,033		6.52%	22,269,511		13.26%
All Other Taxpayers	352,513,100		93.48%	145,674,712		86.74%
Total (Del Paso Heights)	<u>\$ 377,082,133</u>		<u>100.00%</u>	<u>\$ 167,944,223</u>		<u>100.00%</u>

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$377,082,133

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Alkali Flat)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
Hearst-Argyle Stations	\$ 20,309,405	1	15.64%	\$ 22,078,259	1	22.43%
Crystal Cream/Butter Co.	12,265,308	2	9.44%	9,574,518	2	9.70%
Realty Advisors	9,270,713	3	7.14%	5,876,267	3	5.97%
US Housing Partners II LP	3,709,245	4	2.86%	-		
520 Ninth Street	1,952,769	5	1.50%	1,762,850	5	1.79%
700 E Street Building Partner	1,870,027	6	1.44%	1,624,861	6	1.65%
John Dailey Trust	1,757,485	7	1.35%	1,593,892	7	1.62%
Miller Mary/Simone A/James O/ Fitzgerald/ETAL	1,737,403	8	1.34%	-		
James Fortino Trust/Court on G Inc.	1,657,500	9	1.28%	-		
Washington Square III	1,594,909	10	1.23%	1,446,449	8	1.47%
Bridge-Governor's Village	-			3,363,972	4	3.42%
Court on G Street	-			1,288,000	9	1.31%
Samuel Tarpin	-			1,203,902	10	1.22%
Sub Total	56,124,764		43.21%	49,785,970		50.57%
All Other Taxpayers	73,765,727		56.79%	48,656,535		49.43%
Total (Alkali Flat)	<u>\$ 129,890,491</u>		<u>100.00%</u>	<u>\$ 98,442,505</u>		<u>100</u>

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$129,890,491

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Oak Park)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
University of the Pacific	\$ 21,013,971	1	2.46%	\$ -		
Rainbow Baking	19,312,282	2	2.26%	17,388,275	1	6.63%
Glassrock Partnership	18,592,413	3	2.18%	-		
Regents of UC (V A Rodden Inc.)	11,078,947	4	1.30%	-		
St. Paul Baptist Church of Sacramento Corp	9,168,148	5	1.07%	-		
Stockton/Broadway Partners	5,661,617	6	0.66%	4,053,328	2	1.55%
Ticon III L P	5,441,368	7	0.64%	-		
Sac Properties LLC	4,737,452	8	0.56%	-		
Crestwood Medical Center	4,003,020	9	0.47%	2,514,912	4	9.60%
Edmar Invs LLC (Walgreens)	3,330,871	10	0.39%	-		
Security Public Storage	-			2,982,772	3	1.14%
Campbell Taggart Baking Company	-			1,803,351	5	0.69%
Equilon Enterprises LLC	-			1,365,038	6	0.52%
Robert Tarsio	-			1,295,400	7	0.49%
David Taylor/Natalie Rector	-			1,043,386	8	0.40%
East Lawn Mortuary	-			1,023,372	9	0.39%
4554 8th Avenue Joint Venture	-			922,844	10	0.35%
Sub Total	102,340,089		12.00%	34,392,678		13.12%
All Other Taxpayers	750,810,682		88.00%	227,812,232		86.88%
Total (Oak Park)	\$ 853,150,771		100.00%	\$ 262,204,910		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$853,150,771

(3) Earliest year for which information is available for individual Redevelopment Areas



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Richards Boulevard)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
California Almond Growers	\$ 56,965,267	1	12.94%	\$ -		
Grove Investment Company	27,975,008	2	6.36%	6,233,991	5	1.67%
Sunstone OP Properties LLC	18,675,556	3	4.24%	14,764,708	2	3.95%
Richards Blvd. Partners	17,666,076	4	4.01%			
CCAA Partners LLC / Bruce W Bell/ et al	14,195,179	5	3.23%			
Ice Bear Inc. (Sequoia Pacific)	10,573,804	6	2.40%	9,589,528	4	2.56%
LaQuinta Development Partner	10,207,517	7	2.32%	4,308,504	10	1.15%
CTF4-American River LLC	9,815,792	8	2.23%			
Capitol Station 65 LLC	8,819,266	9	2.00%	4,508,694	9	1.21%
Grove Investment Company	6,873,849	10	1.56%			
Continental Plaza LLC	-			19,104,027	1	5.11%
L K L Properties	-			9,974,744	3	2.67%
Andrew Alan Lewis Revocable	-			5,752,370	6	1.54%
Riverpark Business Center LLC	-			5,201,999	7	1.39%
Detmer Family Limited Partnership	-			4,695,737	8	1.26%
Sub Total	181,767,314		41.30%	84,134,302		22.49%
All Other Taxpayers	258,347,183		58.70%	289,960,607		77.51%
Total (Richards Boulevard)	<u>\$ 440,114,497</u>		<u>100.00%</u>	<u>\$ 374,094,909</u>		<u>100%</u>

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$440,114,497

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Walnut Grove)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
Troy & Sarah Brandau	\$ 746,107	1	6.38%	\$ -		
Fonseca Armand J Jr	586,500	2	5.02%	-		
SVOC Affordable Homes Inc.	460,943	3	3.94%	-		
Garcia/Roman 2005 Revocable Living Trust	408,748	4	3.50%	-		
Larry Hamilton	402,634	5	3.45%	278,042	1	4.98%
Pineda Ericka J	352,049	6	3.01%	-		
Vionnet Alfredo R / Cristina	346,800	7	2.97%	-		
Heffernan, Eric M/Maisha Romano/ Margaret H. Homes	300,000	8	2.57%	-		
Manzo Arturo Jr/Cara McAdam	284,750	9	2.44%	-		
Boley Chris/Teresa	271,000	10	2.32%	-		
Victor N/Joan Savale Revocable Trust	-			186,800	2	3.35%
McCabe J R/Antonia Carrillo	-			163,914	3	2.94%
Stanley Martin	-			146,507	4	2.63%
Cano Jesus/Irene/Rosa Maria	-			141,556	5	2.54%
Manzo Valentine	-			138,021	6	2.47%
Graciela Perez	-			137,482	7	2.46%
Lance Fukuman	-			135,169	8	2.42%
Norman Rolf	-			130,295	9	2.34%
Juan Bacerra	-			124,508	10	2.23%
Sub Total	4,159,531		35.59%	1,582,294		28.37%
All Other Taxpayers	7,527,077		64.41%	3,995,665		71.63%
Total (Walnut Grove)	\$ 11,686,608		100.00%	\$ 5,577,959		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$11,686,608

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (North Sacramento)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
PD Hotel Associates LLC	\$ 28,400,646	1	4.68%	\$ 32,894,140	1	8.49%
JB Management LP	27,181,501	2	4.48%	20,502,770	3	5.29%
Seven-up Bottling Company	19,543,521	3	3.22%	16,401,542	4	4.23%
Price Company	17,150,635	4	2.83%	16,073,661	5	4.15%
North Sacramento Land Company	15,803,557	5	2.61%	2,624,650	10	0.68%
Calvary Christian Church Center	21,220,435	6	3.50%	-		
SVN Sacramento I LLC	10,716,753	7	1.77%	-		
McCuen Acoma Street Investors	10,640,631	8	1.75%	-		
Carl P Schalansky Revocable Trust	6,976,824	9	1.15%	-		
Tcherkoyan Family Trust	6,623,900	10	1.09%	-		
Merliz Inc	-			21,091,181	2	5.44%
Recreational Equipment Inc.	-			5,118,160	6	1.32%
Panattoni Investments	-			4,580,500	7	1.18%
Radiological Associates	-			3,717,052	8	0.96%
Dos Robles Limited Partnership	-			2,651,582	9	0.68%
Sub Total	164,258,403		27.08%	125,655,238		32.43%
All Other Taxpayers	442,369,550		72.92%	261,794,428		67.57%
Total (North Sacramento)	\$ 606,627,953		100.00%	\$ 387,449,666		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$606,627,953

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Franklin Boulevard)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
Campbell Soup	\$ 145,817,953	1	22.51%	\$ 114,164,181	1	26.68%
United States Cold Storage	8,623,480	2	1.33%	8,037,409	2	1.88%
Preservation Southpointe LP	7,547,252	3	1.17%	-		
Rosedown Apartments I LLC	6,856,734	4	1.06%	-		
Con-Way Western Express Inc.	3,786,721	5	0.58%	2,661,703	6	0.62%
Bowling Green Associates	3,655,250	6	0.56%	-		
MH Southgate Investors	3,599,210	7	0.56%	-		
Tesco Controls Inc	3,215,225	8	0.50%	-		
Chateau Lang Apartments LLC	2,864,231	9	0.44%	2,597,612	7	0.61%
Sei/PSP Vi Joint Ventures	2,607,725	10	0.40%	2,679,789	5	0.63%
Adair Irrevocable Joint Living Trust	-			4,221,174	3	0.99%
John Raleigh/David Yancey	-			3,315,000	4	0.77%
E J Williams	-			2,244,000	8	0.52%
Jeon Family Trust	-			2,170,630	9	0.51%
Hampton Park	-			2,104,951	10	0.49%
Sub Total	188,573,781		29.11%	144,196,449		33.69%
All Other Taxpayers	459,249,641		70.89%	283,784,423		66.31%
Total (Franklin Boulevard)	\$ 647,823,422		100.00%	\$ 427,980,872		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$647,823,422

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Stockton Boulevard)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
Azure Park Apartments LLC	\$ 11,492,731	1	2.28%	\$ -		
Western Investment Real Estate	9,421,369	2	1.87%	6,610,000	1	2.58%
Gonzalez Jaime / Gloria	8,670,000	3	1.72%	-		
CCI Stockridge SAC LLC	8,484,192	4	1.68%	-		
John/Nancy Kehriotis Trust	6,796,810	5	1.35%	6,287,405	2	2.45%
Preferred Properties LLC	6,641,486	6	1.32%	3,809,542	6	1.49%
Mulleian Enterprises LLC	6,128,623	7	1.22%	3,826,477	5	1.49%
Ralphs Grocery Co	5,602,379	8	1.11%	4,531,463	3	1.77%
ESS Prisa II LLC	5,250,961	9	1.04%	-		
Brittany Arms LLC	5,202,000	10	1.03%	-		
Charles/Phyllis McMulle	-			4,125,033	4	1.61%
Lemon Hill Plaza	-			2,880,000	7	1.12%
Shiloh Arms LTD.	-			2,550,091	8	1.00%
Northern California Cement	-			2,413,564	9	0.94%
Pep Boys	-			2,092,047	10	0.82%
Sub Total	35,622,259		7.07%	39,125,622		15.27%
All Other Taxpayers	468,118,282		92.93%	217,099,507		84.73%
Total (Stockton Boulevard)	\$ 503,740,541		100.00%	\$ 256,225,129		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$503,740,541

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Auburn Boulevard)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
Massie/Co/Ricky	\$ 35,643,115	1	22.04%	\$ -		
Vincent Maita	8,020,932	2	4.96%	7,266,795	2	11.46%
Maita, Vincent L/Steven V/ Melinda K/etal	6,594,764	3	4.08%	-		
VMN PARKMONT LLC	5,908,738	4	3.65%	-		
ARS Hospitality Inc	5,495,291	5	3.40%	-		
Mary Lou Anderson Living Trust	4,385,307	6	2.71%	2,763,633	3	4.36%
Ortiz, Raoul / Eve	3,500,000	7	2.16%	-		
Niello Investments	2,939,314	8	1.82%	-		
Auburn-Watt Storage Partners	2,797,700	9	1.73%	2,537,275	4	4.00%
Patel, Dilip Ram / Jayaben D	2,225,000	10	1.38%	-		
Greater Sacramento Medical	-			9,941,037	1	15.68%
Central Vision LLC	-			2,006,505	5	3.16%
Ronald Yates	-			1,432,669	6	2.26%
Beale Family Partnership	-			1,654,496	7	2.61%
Marshall/Nancy Fiddymont	-			1,362,907	8	2.15%
Paul Family Trust	-			1,354,741	9	2.14%
John Nichols	-			1,307,640	10	2.06%
Sub Total	77,510,161		47.93%	31,627,698		49.87%
All Other Taxpayers	84,201,064		52.07%	31,789,132		50.13%
Total (Auburn Boulevard)	\$ 161,711,225		100.00%	\$ 63,416,830		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$161,711,225

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Mather/McClellan Merged)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
USA MP-200 LLC	\$ 88,940,213	1	8.50%	\$ -		
Watt North Highlands LP (Raleys)	19,558,714	2	1.87%	-		
Placerville Equities LLC	16,823,737	3	1.61%	-		
Mather Development Partners II LP	13,668,000	4	1.31%	-		
Meyer Crest Limited	13,081,500	5	1.25%	-		
Heritage House Exchange LLC	11,424,000	6	1.09%	-		
Plant Bros Corp	11,247,057	7	1.07%	-		
USA County of Sacramento McClellan Business Park	10,980,762	8	1.05%	-		
Shiva Inc.	10,880,838	9	1.04%	831,400	7	0.67%
SSP Investments LLC/etal	8,353,978	10	0.80%	-		
JPI XXI Limited Partnership	-			11,268,290	1	9.05%
Plant Bros Corporation	-			6,758,520	2	5.43%
Friedman Family LLC	-			3,193,620	3	2.57%
Security National Offices LLC	-			2,218,806	4	1.78%
McCuen Properties LLC	-			1,441,570	5	1.16%
Mather Housing Company LLC	-			839,602	6	0.67%
Wallace Alexander	-			658,573	8	0.53%
Kbone Inc	-			628,728	9	0.51%
Enrique Sandoval	-			334,951	10	0.27%
Sub Total	204,958,799		19.59%	28,174,060		22.64%
All Other Taxpayers	841,360,076		80.41%	96,285,237		77.36%
Total (Mather/McClellan Merged)	\$ 1,046,318,875		100.00%	\$ 124,459,297		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$1,046,318,875

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Army Depot)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05			2001-02		
	Taxable Value (1)	Rank	% of Total Value (2)	Taxable Value (3)	Rank	% of Total Value
Proctor/Gamble Mnf. Co.	\$ 64,908,477	1	5.55%	\$ -		
Crystal Cream/Butter Co.	36,601,205	2	3%	-		
Fedex Ground Package System Inc.	18,340,000	3	2%	-		
R/G Hawyard LLC	11,897,862	4	1%	-		
W H Q	10,841,411	5	0.93%	2,722,705	7	1.34%
Elder Creek Transfer/Recovery Inc.	10,313,125	6	0.88%	-		
C/S Logistics Sacramento/TRA	9,233,100	7	0.79%	-		
Marvin L. Oates Trust	7,842,391	8	0.67%	-		
Sperber Steven A/Todd R/etal	6,070,031	9	0.52%	-		
Engineered Polymer Solutions	4,972,520	10	0.43%	4,484,085	4	2.21%
Prentiss/Copley Investment	-			10,373,400	1	5.12%
Air Products/Chemicals Inc	-			9,617,278	2	4.75%
United Grocers LTD (Fleming Co.)	-			9,078,301	3	4.48%
Inland Empire Investments	-			3,609,567	5	1.78%
Vivion Shops LLC	-			3,080,483	6	1.52%
Warehouse Way Associates	-			2,675,000	8	1.32%
Teichert Land Co	-			2,648,133	9	1.31%
Thunderbird Partners	-			2,295,000	10	1.13%
Sub Total	116,111,645		9.93%	50,583,952		24.97%
All Other Taxpayers	1,052,650,028		90.07%	152,002,082		75.03%
Total (Army Depot)	\$ 1,168,761,673		100.00%	\$ 202,586,034		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal years ended June 30, 2002 and 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$1,168,731,673

(3) Earliest year for which information is available for individual Redevelopment Areas



SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (65th Street/Folsom Boulevard)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05		
	Taxable Value (1, 3)	Rank	% of Total Value (2)
Jefferson Commons-Sacramento L P	\$ 52,514,877	1	18.10%
Target Corporation	22,180,731	2	7.64%
HOME Depot USA Inc.	14,506,048	3	5.00%
KCMC Properties, LP/ Paul E Fong	13,034,001	4	4.49%
American River Self Storage L P	8,531,280	5	2.94%
Kenneth/Susan Cathchot Family 2005 Revocable Trust	5,567,048	6	1.92%
Commercial Net Lease Realty	5,094,731	7	1.76%
2800 Pico Associates LLC	4,877,610	8	1.68%
Gonzales Kimmel Enterprises	4,523,932	9	1.56%
John/Claudine Jackson Family Revocable Trust	4,459,186	10	1.54%
Sub Total	130,830,258		45.08%
All Other Taxpayers	159,386,479		54.92%
Total (65th St/Folsom Blvd)	\$ 290,216,737		100.00%

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal year ended June 30, 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$290,216,737

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Principal Property Taxpayers (Florin Road)  
For the Fiscal Year Ended June 30, 2005

Assessee	2004-05		% of Total Value (2)
	Taxable Value (1, 3)	Rank	
Oates Florin Mall LLC/BOD Florin Mall LLC/et al	\$ 27,110,940	1	9.66%
Chinatown LLC	12,859,788	2	4.58%
Azure Park Apartments LLC	11,492,731	3	4.09%
Anerson Marital Trust/Anderson Tax Deferral	9,889,566	4	3.52%
Orchard Supply Hardware Corp	8,969,328	5	3.19%
Burlington Coat Factory Realty of Florin Inc	8,942,332	6	3.19%
Simvest Real Estate I LLC	6,823,800	7	2.43%
El Dorado MHP Investors	5,349,900	8	1.91%
Vuc Corporation	4,942,027	9	1.76%
Florin 99 Storage LLC	4,700,318	10	1.67%
Sub Total	101,080,730		36.00%
All Other Taxpayers	179,664,093		64.00%
Total (Florin Road)	<u>\$ 280,744,823</u>		<u>100.00%</u>

Source: Sacramento County Assessor.

Note: Based on the Sacramento County fiscal year ended June 30, 2005

(1) Based on ownership of locally-assessed secured and unsecured property

(2) Based on total adjusted 2004-05 Project Area total taxable value of \$280,744,823

(3) Earliest year for which information is available for individual Redevelopment Areas

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Ratios of Outstanding Debt by Type  
For the Ten Years Ended December 31, 2005  
(amounts expressed in thousands)

Fiscal Year	Governmental Activities		Business-Type Activities	Total Primary Government	Percentage of Actual Taxable Value of Property
	Notes Payable	Tax Allocation Bonds	Mortgage Notes Payable		
1996	\$ 63,576	\$ 124,363	\$ 2,821	\$ 190,760	5.98%
1997	64,369	118,938	2,057	185,364	5.56%
1998	61,925	136,824	1,319	200,068	6.41%
1999	59,315	166,205	918	226,438	4.52%
2000	10,161	151,280	885	162,326	4.22%
2001	30,165	129,347	850	160,362	5.22%
2002	59,831	149,526	813	210,170	4.53%
2003	58,092	194,837	6,772	259,701	4.97%
2004	57,186	185,484	727	243,397	4.33%
2005	56,715	314,621	680	372,016	5.61%

Source: Agency Comprehensive Annual Financial Reports

Note: Details regarding the Agency's outstanding debt can be found in the notes to the financial statements

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Demographic and Economic Statistics  
For the Ten Years Ended December 31, 2005  
(amounts expressed in thousands)

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	1996	1997	1998	1999	2000
City population (1)	385	389	393	396	406
City assessed value (1)	\$ 16,579,034	\$ 16,597,287	\$ 16,764,999	\$ 17,387,355	\$ 18,136,304
County population (2)	1,123	1,141	1,160	1,178	1,210
County assessed value (2)	\$ 54,056,086	\$ 54,158,275	\$ 54,810,113	\$ 57,181,929	\$ 60,640,474
City public housing authority low income housing units (3)	2,078	2,102	2,067	2,128	2,036
County public housing authority low income housing units (3)	1,111	1,093	1,101	1,108	1,085
City housing choice vouchers (3)	3,104	2,740	3,483	4,590	4,395
County housing choice vouchers (3)	2,812	2,699	3,088	3,015	4,853

## Sources:

- (1) City of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30
- (2) County of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30
- (3) These statistics have been provided to assist in the analysis of the Agency's financial position. Demographic information specific to the City and County can be found in their annual reports. Amounts not in thousands.
- (4) The City and County Housing Choice Voucher programs were combined into a single County program during 2005.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
Demographic and Economic Statistics  
For the Ten Years Ended December 31, 2005  
(amounts expressed in thousands)

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	2001	2002	2003	2004	2005
City population (1)	419	426	433	441	453
City assessed value (1)	\$ 19,197,237	\$ 20,490,965	\$ 22,600,736	\$ 24,599,695	\$ 27,911,260
County population (2)	1,259	1,280	1,310	1,335	1,370
County assessed value (2)	\$ 65,228,760	\$ 70,700,747	\$ 77,715,716	\$ 82,831,026	\$ 93,089,961
City public housing authority low income housing units (3)	2,043	2,048	1,901	2,089	2,076
County public housing authority low income housing units (3)	1,086	1,085	1,030	1,103	1,098
City housing choice vouchers (3)	5,486	5,572	5,598	5,713	-
County housing choice vouchers (3) (4)	5,178	5,059	6,087	5,135	10,783

## Sources:

- (1) City of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30
- (2) County of Sacramento Comprehensive Annual Financial Report, Fiscal Year Ended June 30
- (3) These statistics have been provided to assist in the analysis of the Agency's financial position. Demographic information specific to the City and County can be found in their annual reports. Amounts not in thousands.
- (4) The City and County Housing Choice Voucher programs were combined into a single County program during 2005.

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
 Full-time Equivalent Agency Employees by Function/Program  
 For The Ten Years Ended December 31, 2005

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<u>Function/Program:</u>	<u>1996</u>	<u>1997</u>	<u>1998</u>	<u>1999</u>	<u>2000</u>
Administration	61.50	60.50	57.50	49.00	52.43
Housing	152.13	162.13	156.13	157.61	158.80
Community Development	92.10	55.60	78.60	83.60	80.76
Affiliated Organizations	<u>37.44</u>	<u>33.44</u>	<u>32.44</u>	<u>27.44</u>	<u>24.12</u>
Total agency	<u><u>343.17</u></u>	<u><u>311.67</u></u>	<u><u>324.67</u></u>	<u><u>317.65</u></u>	<u><u>316.11</u></u>

Source: Agency Annual Budgets

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
 Full-time Equivalent Agency Employees by Function/Program  
 For The Ten Years Ended December 31, 2005

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<u>Function/Program:</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>
Administration	54.43	53.76	55.76	55.76	47.50
Housing	165.50	176.50	175.50	186.50	186.50
Community Development	82.26	80.93	79.93	75.73	83.30
Affiliated Organizations	<u>21.63</u>	<u>15.13</u>	<u>13.13</u>	<u>10.13</u>	<u>8.13</u>
Total agency	<u><u>323.82</u></u>	<u><u>326.32</u></u>	<u><u>324.32</u></u>	<u><u>328.12</u></u>	<u><u>325.43</u></u>

Source: Agency Annual Budgets

SACRAMENTO HOUSING AND REDEVELOPMENT AGENCY  
 Operating Indicators by Function  
 For the Six Years Ending December 31, 2005

	2000	2001	2002	2003	2004	2005
Affordable Housing (1):						
Public housing units occupied	3,423	3,394	3,514	3,271	3,127	3,023
Housing choice vouchers utilized	7,702	8,813	10,086	11,682	10,800	10,800
Multi-family housing units assisted (2)	216	1,244	406	890	1,692	353
Homeownership assistance (3)	1,267	1,295	1,035	911	545	180
Neighborhood Development:						
Planning activities	data	6	11	17	21	-
Infrastructure projects (4)	not	12	25	29	44	17
Community facilities (5)	available	73	58	36	15	8
Economic Development:						
Commercial loans	34	38	46	53	54	18
Jobs created (6)	260	1,041	927	3,197	311	308

Source: Agency annual budgets and CAPERS

- (1) Includes units encumbered by regulatory restrictions to maintain affordability
- (2) Includes both new and rehabilitated units
- (3) Includes developer assistance to build or rehabilitate affordable units, and direct assistance to homebuyers
- (4) Typical projects are traffic improvements to increase safety
- (5) Typical projects are community centers and parks
- (6) Jobs created as a result of base closure and conversion activities and Enterprise Zone outreach (EZ only in 2004)





**Sacramento  
Housing &  
Redevelopment  
Agency**