

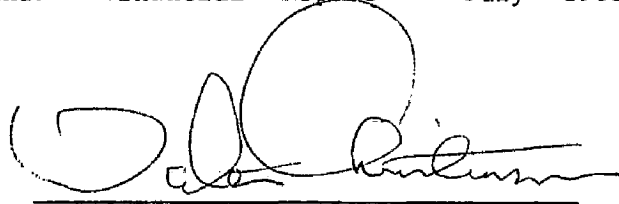
REGULAR MEETING

SACRAMENTO COMMUNITY CENTER AUTHORITY

TUESDAY
MARCH 6, 1984

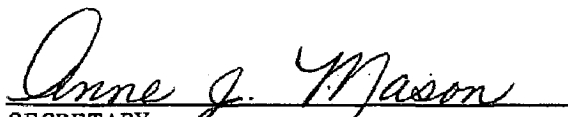
I HEREBY CALL a Regular Meeting of the Sacramento Community Center Authority to be held at the hour of 4:30 p.m., on Tuesday, March 6, 1984, in the Community Center Conference Room, Fourteenth and K Streets, for considering the following subjects:

1. Approval of Minutes, Regular Meeting of March 1, 1983
2. 1982-83 Community Center Authority Annual Report (Burns)
3. Update on Community Center Expansion (Burns)
4. Community Center Authority Annual Financial Report - July 1983 (Crist)



CHAIRMAN

ATTEST:



SECRETARY

MEMORANDUM

TO: SACRAMENTO COMMUNITY CENTER AUTHORITY MEMBERS AND CITY STAFF
FROM: ANNE MASON, SECRETARY
SUBJECT: REVIEW OF BOARD MINUTES
DATE: MAY 14, 1984

Attached for your review are the minutes of the March 6, 1984 meeting of the Governing Board of the Sacramento Community Center Authority.

Please submit any corrections you feel are needed to this office not later than Friday, May 25, 1984.

AM/rr



**SACRAMENTO
COMMUNITY/CONVENTION CENTER**

YEAR 9

ANNUAL REPORT

JULY 1, 1982 - JUNE 30, 1983

Y E A R 9

SACRAMENTO COMMUNITY/CONVENTION CENTER

ANNUAL REPORT

JULY 1, 1982 - JUNE 30, 1983

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CITY OF SACRAMENTO

Mayor: R. Burnett Miller

Council: David Shore
Blaine Fisher
Douglas Pope
Anne Rudin
Joe Serna, Jr.
Eva Salcedo-Garcia
Terry Kastanis
Lynn Robie

City Manager: Walter J. Slipe

Community Center Administration:

General Manager: Sam J. Burns
Assistant Manager: Leonard Zerilli
Events Coordination Supervisor: Michael Stauffer
Facilities Superintendent: Peter Hoover
Box Office Supervisor: David Scott
Booking Coordinator: Toni Ellingson

CITY OF SACRAMENTO

INTRODUCTION

This 1982-83 Annual Report marks the ninth year of operation for the Community/Convention Center. While the trend in bookings and attendance have, in the past, generally been upward, this year the economic recession has been felt. The numbers noted herein are lower than in previous years in most categories reported, but they are not alarming.

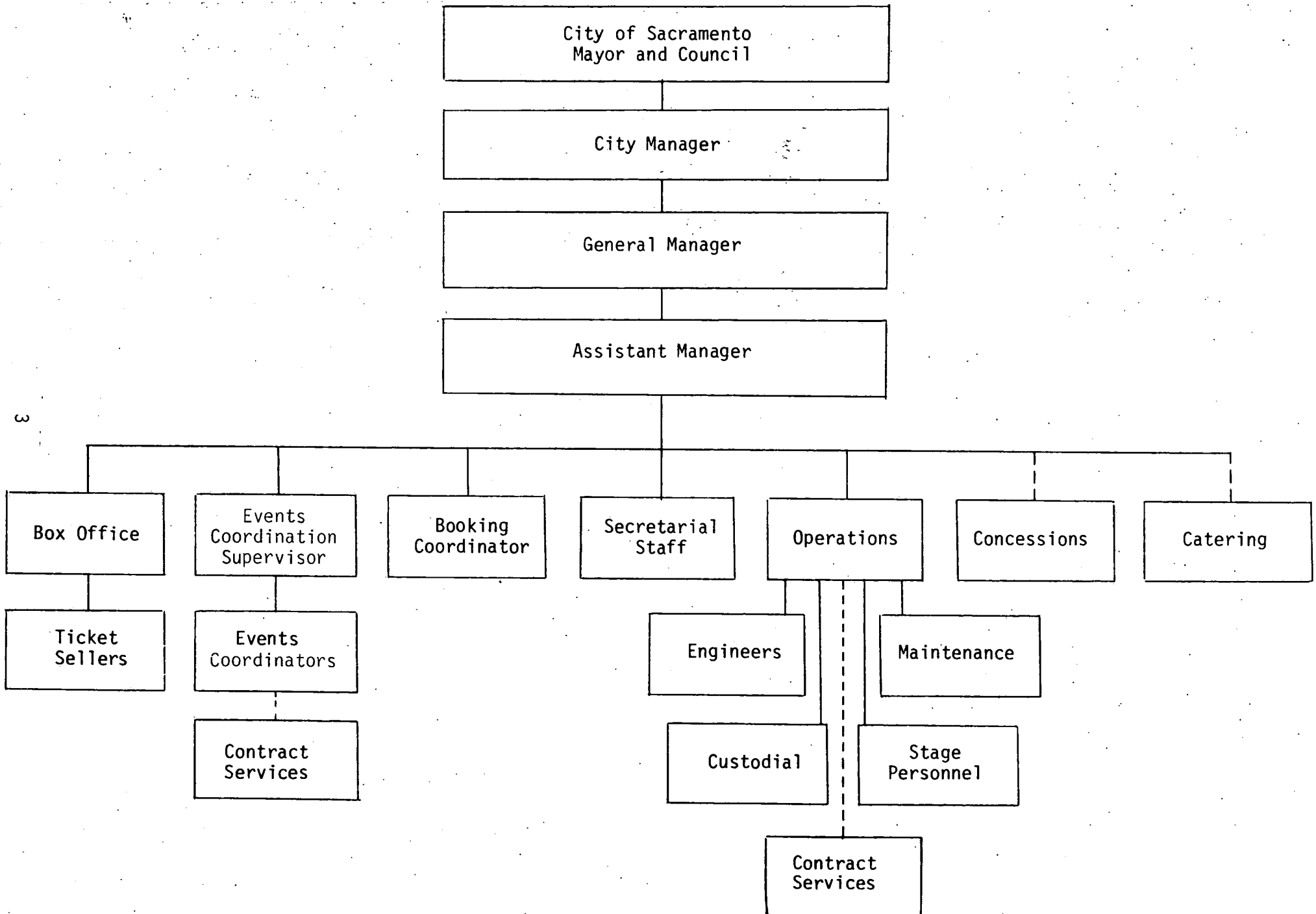
The strategy and attention to management fundamentals served us well. The overall revenue was up 1.4% even though the admission tax formerly credited to our Community Center Fund has been diverted to the City's General Fund. The expenses this year were monitored so as to reduce our spending by a little less than \$250,000.

The most significant reduction in use and related attendance and concession revenues were from the activity in the Memorial Auditorium and the Theater. While classical events were on the rise, contemporary concerts and sporting events were reduced quite a number and rock concert dates remained the same as a year ago.

Concession revenue is a direct correlation to attendance. Food and beverage was down 6.2% and attendance down 6.5%. However, the catering operation for banquet activity increased in revenue by 61.6%.

The economic uncertainty still remains, but the future is bright. The Community Center continues to market its facilities with determination. The prospect of new hotel construction, the study of expanding facilities, and continued association with meeting planners and concert promoters will insure growth.

Sacramento Community/Convention Center
ORGANIZATIONAL CHART



PROFILE

We continue to refine our methods of operation so as to service the public at the most economical cost. The analysis of use versus the costs of set up and maintenance is constantly being evaluated.

During this year, we have continued to increase the use of the Exhibit Hall, up 12.2%, and reduced the need for set up time by 3.1%. This accounts for a 4.9% increase in revenue for this building. The ratio of move-in and move-out days in all buildings was reduced except for the Theater.

The major difference in Theater usage is attributable to the local arts community--the symphony, in particular, increasing its season and rehearsal time. While this trend will continue, the need for more diverse concert events is also evident. Management will undertake the promotion of these.

With only 19 dark days during 1982-83, the Center hosted 1,256 event days in the four buildings. This accounts for 545 contracts, 44 catering permits and 6 decorator permits, issued to those using the facilities. The Center received nearly \$1.2 million in direct revenue and another \$2.99 million in transient occupancy tax during this same period.

Operating Revenue

The plan adopted in 1982 for a redefinition of use of facilities was implemented with some degree of success. What we didn't

anticipate was the effect the economic recession would finally have on our facility.

The most significant reduction in use was in admission events. In particular, the total lack of Broadway shows and tremendous reduction in sporting events affected both attendance and revenue figures. Concert activity was down as an industry, and we felt the effects. Those shows that were touring opted for larger facilities where the gross would be much greater than could be made in the Sacramento venues.

Wrestling, booked at least twice a month during 1981-82, was not scheduled at all this year. This accounts for the reduction of sporting event activity.

Exhibit Hall use was up 12.2%. This is due primarily from the added trade show bookings. Those events booked into the Activity Building, although down in number, were larger in size; thus, the added rental for space used. Also, many more banquets were scheduled, increasing our revenue.

Activities

These are some of the highlights of this year's calendar of events, in addition to those sold out promotions noted in the report. The attendance for the 1,256 events was 845,714.

Conferences/ Conventions:	Most Worshipful Prince Hall Grand Lodge California School Employees Association Kiwanis International
------------------------------	---

Association of Christian Schools International

Mustard Seed Catholic Conference

California Almond Growers Exchange

National Council on Alcoholism

Institute in Basic Youth Seminars

California Manufacturers Association

VICA Leadership Conference

California Cable Television Association

Key Clubs International

Western Conference of Association Executives

Special Attractions: "Rigoletto", Full Length Opera

Arguello vs. Pryor, C.C.T.V. Boxing

Association of Christian Schools International
Mustard Seed Catholic Conference
California Almond Growers Exchange
National Council on Alcoholism
Institute in Basic Youth Seminars
California Manufacturers Association
VICA Leadership Conference
California Cable Television Association
Key Clubs International
Western Conference of Association Executives

Special Attractions: "Rigoletto", Full Length Opera
Arguello vs. Pryor, C.C.T.V. Boxing
Meadowlark Lemon & The Bucketees
Benitez vs. Hearn, C.C.T.V. Boxing
American Renewal Series
Governor's Inaugural Ball
Hal Holbrook in "Mark Twain Tonight"
Ebony Fashion Fair
George Carlin
1982 Golden Bear Senior Amateur Boxing
Tournament

Trade/Exhibit Shows: Oshman's Pre-Season Ski Show & Sale
California Hardware Wholesale Trade Show
Bustamante Antique Show & Sale
Office Products & Systems Show

Mogul Mouse Ski Show & Sale
Holiday Home & Gift Show
Imperial Leather & Sportswear Show & Sale
Antique Gun & Coin Show
Christmas Crafts Festival
Auto '83
Bridal Fair
Travel Fair
Information Systems Expo
Industrial Expo

Concerts:

.38 Special
Pointer Sisters
Glenn Yarbrough & The Limelites
Nazareth
Kool & The Gang
Count Basie & His Orchestra
Carlos Montoya
Barkays/Evelyn Champagne King
Joan Armatrading

Exams:

Registered Nurses
State Contractors
Licensing Exam of Medical Quality Assurance
Licensed Vocational Nurses/
Psychiatric Technicians

Summary

Coming off a year of minimum increases and the uncertainty of the economic conditions, the Center management is confident that activity will rebound in all areas this tenth year. The year will mark a decade of progress and we are optimistic that the economy is on the mend.

With this occurrence, it can only mean more dates in all our facilities. Particular emphasis will again be placed on the bookings of Memorial Auditorium and Theater.

The uncertainty of refurbishing Memorial Auditorium is still present. As the city continues to explore alternative uses for the building, the staff maintains it for operational uses.

The Housing and Redevelopment Agency is proceeding on the Capitol Center hotel site. It would appear that contracts for construction should be consummated this year and the development started. This will certainly enhance the marketing efforts.

The study should also be completed regarding the feasibility of expanding the Community Center to keep pace with industry needs.

As we start this year, we remain enthusiastic about the Center's prospects for long-range growth and our ability to grow on the strengths we have established in the past in providing the finest facilities and service to our guests.

Sacramento Community Center

USAGE PER BUILDING
1982-83

<u>Month</u>	<u>Memorial Auditorium</u>	<u>Theater</u>	<u>Activity Building</u>	<u>Exhibit Hall</u>	<u>Monthly Total</u>
July	11	8	36	17	72
August	4	8	30	28	70
September	28	18	42	28	116
October	8	16	68	18	110
November	9	28	47	34	118
December	16	32	54	21	123
January	2	18	62	31	113
February	4	24	61	17	106
March	6	29	70	14	119
April	12	22	58	22	114
May	13	8	52	29	102
June	8	13	48	24	93
<hr/>					
TOTAL USES PER BUILDING	121	224	628	283	1256
<hr/>					
COMPARISON 1981-82	169	238	682	261	1350

Sacramento Community Center

USAGE BY TYPE OF EVENT
1982-83

"A" Actual Event Day
"B" Move In/Out, Rehearsal

	Exhibit Hall		Activity Bldg.		Theater		Auditorium		Totals	
	A	B	A	B	A	B	A	B	A	B
Banquets/ Receptions	67	5	166	0	5	2	2	0	240	7
Classical: Ballet, Symphony, Etc.	0	0	0	1	87	56	0	0	87	58
Contemporary	0	0	1	0	26	0	2	0	29	0
Conventions	35	8	39	6	15	0	8	0	97	13
Country	0	0	0	0	1	0	1	0	2	0
Family	3	3	8	1	6	0	28	7	45	11
Government	36	4	92	1	1	1	7	0	136	6
Rock	0	0	0	0	0	0	12	0	12	0
Service: Fraternal/ Religious	29	4	303	4	22	2	27	2	381	12
Sports	1	0	0	0	0	0	25	0	26	0
Trade Shows	50	38	6	0	0	0	0	0	56	38
TOTAL	221	62	615	13	163	61	112	9	1111	145
COMPARISON 1981-82	197	64	665	17	188	50	160	9	1210	140

Sacramento Community Center

SOLD OUT EVENTS
1982-83

<u>Date</u>	<u>Event</u>	<u>Facility</u>
Jul 24	HEART & JOHN COUGAR	Memorial Auditorium
Aug. 10	ROBIN WILLIAMS	Theater
Aug. 11	MERLE HAGGARD	Theater
Aug. 12	GO GO'S	Memorial Auditorium
Sep. 3	SCORPIONS/IRON MAIDEN	Memorial Auditorium
Oct. 2	CHET ATKINS, SACRAMENTO SYMPHONY	Theater
Oct. 18	GAP BAND	Memorial Auditorium
Nov. 11	ALABAMA	Memorial Auditorium
Dec. 11	CHACON VS. LIMON FEATHERWEIGHT BOXING CHAMPIONSHIP	Memorial Auditorium
Dec. 31	EDDIE MONEY	Memorial Auditorium
Jan. 20	HARLEM GLOBETROTTERS	Memorial Auditorium
Jan. 29	LOLA MONTES, SACRAMENTO SYMPHONY	Theater
Feb. 6	ERIC CLAPTON	Memorial Auditorium
Mar. 9	ITZHAK PERLMAN, SACRAMENTO SYMPHONY	Theater
Mar. 12	BILLY TAYLOR, SACRAMENTO SYMPHONY	Theater

MAJOR ATTRACTIONS WITH S.R.O.

Sep. 8-19	ICE CAPEDES	Memorial Auditorium
Season	SACRAMENTO SYMPHONY	Theater
Oct. 1-3	HARVEST FESTIVAL	Exhibit Hall
Dec. 9-19	THE NUTCRACKER, SACRAMENTO BALLET	Theater
Mar. 3-7	SLEEPING BEAUTY, THEATRE BALLET	Theater
May 18-22	SESAME STREET LIVE	Memorial Auditorium

Sacramento Community Center

SUMMARY OF BUILDING AND EQUIPMENT RENTAL
1982-83

Month	Attendance	Equipment/ Labor	Memorial Auditorium	Theater	Activity Building	Exhibit Hall	Monthly Total
July	41,722	\$ 6,465	\$11,718	\$ 6,698	\$ 8,850	\$ 10,004	\$ 43,735
August	36,553	7,222	6,559	5,953	5,227	16,063	41,024
September	82,860	7,840	36,573	11,070	13,835	19,140	88,458
October	74,619	4,295	10,846	12,205	15,618	16,624	59,588
November	103,802	2,761	13,143	14,541	15,658	24,950	71,053
December	95,597	5,013	25,277	26,994	13,345	18,565	89,194
January	83,250	5,644	4,595	14,962	19,664	23,081	67,946
February	61,485	7,625	8,202	16,017	14,487	17,288	63,619
March	63,747	4,015	4,501	17,935	17,551	7,750	51,752
April	74,613	2,789	14,213	16,840	15,569	13,415	62,826
May	60,983	9,865	14,680	8,185	22,094	21,526	76,350
June	66,483	8,903	9,624	9,050	13,702	21,292	62,571
TOTAL	845,714	\$72,437	\$159,931	\$160,450	\$175,600	\$209,698	\$778,116
COMPARISON 1981-82	904,884	\$69,828	\$187,064	\$154,835	\$152,037	\$200,313	\$764,077

Sacramento Community Center

CATERING, CONCESSIONS, AND MISCELLANEOUS INCOME
1982-83

<u>Month</u>	<u>Concessions</u>	<u>Misc. Concessions</u>	<u>Catering Fees</u>	<u>Misc. Income</u>	<u>Monthly Total</u>
July	\$ 8,649	\$ 2,255	\$ 5,372	\$1,360	\$17,636
August	7,374	1,032	6,273	389	15,068
September	19,080	4,671	3,895	1,015	28,661
October	18,792	1,164	6,974	1,460	28,390
November	9,270	1,784	1,724	1,134	13,912
December	24,038	2,458	12,074	938	39,508
January	16,031	358	11,602	3,356	31,347
February	11,469	734	6,418	598	19,219
March	7,070	0	6,474	974	14,518
April	17,418	32	21,063	656	39,169
May	19,768	1,764	17,332	25	38,889
June	7,405	274	2,653	937	11,269
TOTAL	\$166,364	\$16,526	\$101,854	\$12,842	\$297,586
COMPARISON 1981-82	\$177,324	\$16,024	\$63,040	\$12,021	\$268,409

Sacramento Community Center

CATERING AND CONCESSION EVENT DAYS
1982-83

Month	Concessions	Miscellaneous Concessions	Catering	Total Catering Revenue	Dorman's Catering	Kato's Katering	Volume Service Catering	Volume Service Coffee
July	21	5	10	\$ 5,372	0	0	8	2
August	19	1	13	6,273	1	2	9	1
September	42	4	31	3,895	2	0	19	10
October	41	5	27	6,974	2	4	15	6
November	33	5	16	1,724	2	2	8	4
December	47	4	25	12,074	2	5	18	0
January	40	3	40	11,602	2	6	21	11
February	36	2	26	6,418	2	4	17	3
March	38	0	36	6,499	1	4	24	7
April	45	2	33	21,063	4	1	26	2
May	42	4	36	17,332	4	4	22	6
June	22	2	16	2,653	1	3	6	6
TOTAL	426	37	309	101,879	23	35	193	58
COMPARISON 1981-82	460	36	284	\$63,040	8	8	186	82

Sacramento Community Center

BOX OFFICE REPORT
1982-83

<u>Month</u>	<u>Ticket Gross Income</u>	<u>Box Office (Net)</u>	<u>Taxes</u>	<u>Number of Shows</u>
July	\$191,810	\$11,051	\$ 7,821	15
August	134,155	6,143	6,388	7
September	398,783	15,639	18,839	24
October	269,825	13,494	9,333	16
November	154,439	5,802	7,138	10
December	542,536	26,289	14,831	42
January	84,437	4,435	3,533	16
February	404,998	7,093	5,879	19
March	74,176	4,967	1,905	17
April	125,891	6,381	4,807	29
May	191,606	6,073	7,162	21
June	91,062	4,836	4,291	10
<hr/>				
TOTAL	\$2,663,718	\$112,203	\$91,927	226
<hr/>				
COMPARISON 1981-82	\$3,730,745	\$142,818	\$137,791	308

Sacramento Community Center

FISCAL SUMMARY
1982-83

Month	Building/ Equipment Rental	Concessions, Catering, Misc. Income	Box Office (Net)	Admission Tax *	Event Days	Attendance
July	\$ 43,735	\$ 17,636	\$11,051	\$ 7,821	72	41,722
August	41,024	15,068	6,143	6,388	70	36,553
September	88,458	28,661	15,639	18,839	116	82,860
October	59,588	28,390	13,494	9,333	110	74,619
November	71,053	13,912	5,802	7,138	118	103,802
December	89,194	39,508	26,289	14,831	123	95,597
January	67,946	31,347	4,435	3,533	113	83,250
February	63,619	19,219	7,093	5,879	106	61,485
March	51,752	14,518	4,967	1,905	119	63,747
April	62,826	39,169	6,381	4,807	114	74,613
May	76,350	38,889	6,073	7,162	102	60,983
June	62,571	11,269	4,836	4,291	93	66,483
TOTAL	\$778,116	\$297,586	\$112,203	\$91,927	1,256	845,714
COMPARISON 1981-82	\$764,077	\$268,409	\$142,818	\$137,791	1,350	904,884

*Deposited to General Fund.

Sacramento Community Center

REVENUE SUMMARY

	<u>1981-82</u>	<u>1982-83</u>
Rental, Buildings, and Equipment	\$764,077	\$778,116
Concessions	177,324	166,364
Catering	63,040	101,854
Miscellaneous Concessions	16,024	16,526
Miscellaneous Income	12,021	12,842
Box Office	142,818	112,203
Admission Tax	137,791	*
<hr/>		
TOTAL	\$1,313,095	\$1,187,905
<hr/>		
Transient Occupancy Tax	2,805,620	2,990,184
<hr/>		
TOTAL REVENUE	<u>\$4,118,715</u>	<u>\$4,178,089</u>

*Admission Tax deposited to General Fund

Sacramento Community Center

PRELIMINARY EXPENDITURES SUMMARY

	<u>1981-82</u>	<u>1982-83</u>	
	<u>Actual Expenditures</u>	<u>Budget</u>	<u>June 30 Expenditures</u>
Employee Services	\$1,231,201	\$1,287,564	\$1,242,539
Other Services, Supplies	2,745,165	2,945,862	2,782,910
Equipment	1,028	40,338	13,989
<hr/>			
OPERATING TOTAL	\$3,977,394	\$4,273,764	\$4,039,438
<hr/>			
Rental, Real Property	\$1,391,250	\$1,370,250	\$1,370,250

DRAFT

**SACRAMENTO
COMMUNITY
CENTER
AUTHORITY**

Annual Financial Report

1983-84

(P)

**SACRAMENTO COMMUNITY CENTER AUTHORITY
ANNUAL FINANCIAL REPORT
FOR THE FIFTY-TWO WEEKS ENDED JULY 1, 1983
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COMMUNITY CENTER
AUTHORITY
INTRODUCTORY

Annual Financial Report



CITY OF SACRAMENTO

DEPARTMENT OF FINANCE
915 I STREET
ROOM 112
SACRAMENTO, CALIFORNIA 95814
TELEPHONE (916) 449-3738

JACK R. CRIST
DIRECTOR OF FINANCE
ROBERT C. LELAND
ASSISTANT DIRECTOR

February 23, 1984

Sacramento Community Center Authority
Sacramento, California

Honorable Members in Session:

In accordance with Section 6.05 of Community Center Authority Resolution No. 10-71, transmitted herewith is the Annual Financial Report of the Community Center Authority for the fifty-two weeks ended July 1, 1983.

Terms of the Authority Bond Covenants were complied with during the fiscal year. In addition, the financial statements of the Authority have been audited by external auditors, whose report is also included herein.

Respectfully submitted,

JACK R. CRIST
Director of Finance

cc: Trustee - Security Pacific National Bank
City Treasurer

GOVERNING BOARD OF SACRAMENTO COMMUNITY CENTER AUTHORITY

Walter Christensen

E. A. Combatalade

Linda Tochterman

John P. Jones

Satoshi Matsuda

Thomas Kenny



COMMUNITY CENTER
AUTHORITY
FINANCIAL SECTION

Annual Financial Report

SACRAMENTO COMMUNITY CENTER AUTHORITY

**BALANCE SHEET
(UNAUDITED)**

	July 1, 1983	July 2, 1982
Assets		
Current assets:		
Cash and investments	\$ 1,063,441	\$ 840,425
Accrued interest	<u>10,322</u>	<u>13,882</u>
Total current assets	<u>1,073,763</u>	<u>854,307</u>
Restricted assets:-		
Cash and Investments:		
Revenue bond principal	300,174	315,053
Revenue bond interest	535,125	534,289
Insurance	1,301,541	1,135,657
Accrued interest	<u>88,592</u>	<u>63,083</u>
Total restricted assets	<u>2,225,432</u>	<u>2,048,082</u>
Net investment in direct financing lease:		
Current	325,000	300,000
Non-current	<u>16,625,000</u>	<u>16,950,000</u>
Total net investment in direct financing lease	<u>16,950,000</u>	<u>17,250,000</u>
Total assets	\$20,249,195 =====	\$20,152,389 =====
Liabilities and Retained Earnings		
Current liabilities (payable from restricted assets):		
Accrued interest payable	\$ 455,938	\$ 454,687
Revenue bond payable due within one year	<u>300,000</u>	<u>300,000</u>
Total current liabilities (payable from restricted assets)	<u>745,938</u>	<u>754,687</u>
Long-term debt:		
Revenue bonds payable	16,950,000	17,250,000
Total liabilities	<u>17,695,938</u>	<u>18,004,687</u>
Retained earnings:		
Restricted	1,670,804	1,293,395
Unrestricted	<u>882,453</u>	<u>854,307</u>
Total retained earnings	<u>2,553,257</u>	<u>2,147,702</u>
Total liabilities and retained earnings	\$20,249,195 =====	\$20,152,389 =====

See accompanying notes to financial statements

SACRAMENTO COMMUNITY CENTER AUTHORITY
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN RETAINED EARNINGS
(UNAUDITED)

	Fifty-two Weeks Ended July 1, 1983 -----	Fifty-Two Weeks Ended July 2, 1982 -----
Revenues:		
Lease receipts	\$ 1,370,250	\$ 1,391,250
Less portion applied against principal	<u>(300,000)</u>	<u>(300,000)</u>
	1,070,250	1,091,250
Interest on investments	<u>435,822</u>	<u>369,667</u>
Total revenues	<u>1,506,072</u>	<u>1,460,917</u>
Expenses:		
Interest expense	1,072,000	1,092,854
Miscellaneous	<u>28,517</u>	<u>7,250</u>
Total expenses	<u>1,100,517</u>	<u>1,100,104</u>
Excess of revenues over expenses	405,555	360,813
Retained earnings, beginning	2,147,702	1,786,889
Retained earnings, ending	\$2,553,257 =====	\$2,147,702 =====

See accompanying notes to financial statements

SACRAMENTO COMMUNITY CENTER AUTHORITY
STATEMENT OF CHANGES IN FINANCIAL POSITION
(UNAUDITED)

	<u>Fifty-Two Weeks Ended July 1, 1983</u>	<u>Fifty-Two Weeks Ended July 2, 1982</u>
Cash was provided by:		
Excess of revenues over expenses	\$405,555	\$360,813
Add (deduct) items not affecting unrestricted cash during the period:		
Decrease in net investment in direct financing lease	300,000	300,000
Decrease (increase in accrued interest receivable)	(21,949)	58,940
Decrease in accrued interest payable	(8,750)	(8,021)
	-----	-----
Cash provided by operations	674,856	711,732
Cash was used for increase in restricted assets	(151,841)	(195,874)
	-----	-----
Increase in cash and investments before financing activities	523,015	515,858
Financing activities - principal reduction in long-term debt	(300,000)	(275,000)
	-----	-----
Increase in unrestricted cash and investments	\$223,015	\$240,858
	=====	=====

See accompanying notes to financial statements.

SACRAMENTO COMMUNITY CENTER AUTHORITY

NOTES TO FINANCIAL STATEMENTS

FOR THE FIFTY-TWO WEEKS ENDED JULY 1, 1983

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

General

The Sacramento Community Center Authority was established by the Joint Powers Agreement between the County of Sacramento and the City of Sacramento on November 25, 1969. The agreement provided for the acquisition of land for, and the financing, constructing, operating and leasing of the Sacramento Community Center. The fiscal records of the Authority are maintained by the City of Sacramento on the accrual basis of accounting.

Net Investment in Direct Financing Lease

The Authority leases all of its property, plant and equipment to the City (Community Center Fund) under a long-term direct financing lease. The amount of the net investment in direct financing lease represents the present value of the total lease contract.

NOTE B - LEASE OF THE COMMUNITY CENTER FACILITIES

Under the lease agreement, a base rental ranging from \$1,374,250 in 1984 to \$1,467,188 in 2004, and a final payment of \$1,460,938 in 2005, is due annually from the City on August 15. The City is also required to pay all operating costs and insurance premiums. Upon termination or expiration of the lease, title to the Authority's assets will vest in the City. The net investment in direct financing lease is as follows:

	July 1, 1983	July 2, 1982
Minimum lease payments receivable	\$32,544,675	\$33,914,925
Less - Amount representing interest	15,594,675	16,664,925
Net investment in direct financing	\$16,950,000	\$17,250,000
	=====	=====

NOTE C - REVENUE BONDS PAYABLE

The Sacramento Community Center Authority 1971 Bonds are as follows:

	<u>July 1, 1983</u>	<u>July 2, 1982</u>
Serial bonds, maturing in increasing annual amounts ranging from 275,000 to a final payment of \$525,000 in 1991, interest rates from 5.7% to 7%.	\$ 3,625,000	\$ 3,925,000
Term bonds, maturing in 2006, interest rate 6.25%	13,625,000	13,625,000
	17,250,000	17,550,000
Less amounts due within one year	<u>300,000</u>	<u>300,000</u>
Revenue bonds payable after one year	\$16,950,000 =====	\$17,250,000 =====

The serial and term bonds are callable from any source of available funds. A specified premium not to exceed 4% of face value of the outstanding bonds is to be paid at the call date.

The lease agreement (Note B) with the Community Center Fund is to provide funds to the Authority sufficient to service the interest and principal payments due.

NOTE D - INSURANCE COVERAGE

Insurance coverage for the Authority is maintained by the City of Sacramento, as follows:

- | | | |
|--|---|-------------------|
| 1. All risk including flood and earthquake | \$23,035,175 - all property less deductible of \$100,000 on all perils and 5% on earthquake, \$1,480,000 rental income, \$1,000 deductible. | July 1, 1984 |
| 2. Primary liability | \$1 million per occurrence self-insured. | Not applicable |
| 3. Excess liability | \$50 million excess of \$1 million self-insured comprehensive auto and general liability public entity broad form coverage. | September 7, 1984 |
| 4. Workers compensation | As required by law, legally self-insured as of August 1, 1977. | Not applicable |
| | Excess policy \$10,000,000 in excess of \$1,000,000 self insured retention | November 4, 1984 |

- | | | | |
|----|---------------------------------|--|--|
| 5. | Public official bonds | \$200,000 coverage for faithful performance of duties - treasurer, Assistant Treasurer, and two Deputies. \$100,000 coverage on each employee of the City. | August 1, 1986 |
| 6. | Community Center officers bond | \$100,000 coverage on each of the following, Chairman, Director of Finance and Treasurer. | Chairman -
April 15, 1985
Director of Finance
Sept. 1, 1985
Treasurer
January 1, 1985 |
| 7. | Boiler and pressure vessel. | \$2 million per accident with expediting coverage to \$25,000. | April 30, 1985 |
| 8. | Broad form money and securities | Self-insured as of August 1, 1977. | Not applicable |

NOTE E - COMMITMENT OF REVENUES

All revenues received by the Authority are to be transferred to a trustee to be allocated, disbursed and applied solely for the uses and purposes set forth in the resolution authorizing the issuance of the Community Center Authority's bonds. Generally, this resolution requires the funds to be used to provide for the payment of principal and interest on the serial bonds when due and to provide annually, commencing in 1991, amounts sufficient to retire the term bonds. All monies remaining are to be applied to specified accounts as directed by the authority within the limits expressly stated within the resolution.

NOTE F - INSURANCE RESERVE FUND

Utilizing a \$500,000 contribution from the City, an insurance reserve fund has been established and must be maintained with the trustee in accordance with the terms of the bond resolutions. In order of priority, the funds are to be disbursed to cover: (1) any uninsured losses sustained by accident or destruction of any structure; (2) any uninsured loss of rental income; and (3) final retirement of bonds outstanding. After all the bonds are redeemed, all remaining insurance reserve funds revert to the City. Accrued interest had increased the insurance reserve fund to \$1,301,541 at July 1, 1983.

NOTE G - BOND RATINGS

The Standard and Poor's Corporation has rated the Community Center Authority 1971 Revenue Bonds as "A" quality. An "A" rating is an Upper Medium Grade defined as follows:

"Principal and interest on bonds in this category are regarded as safe. This rating describes the third lowest probability of default. It differs from the two higher ratings because there is some weakness: (1) either in the local economic base, (2)

in debt burden, (3) in the balance between revenues and expenditures, or (4) in quality of management. Under certain adverse circumstances, any one such weakness might impair the ability of the issuer to meet debt obligations at some future date."

According to Standard and Poor's Corporation, said rating is subject to continued annual external audits and may be changed, suspended, or withdrawn as a result of changes in, or unavailability of information.

Moody's Corporation has rated the Community Center Authority 1971 Revenue Bonds as "Aa". An "Aa" rating is an upper grade rating defined as follows:

Aa -- Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in the Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present which make the long term risks appear somewhat larger than in Aaa securities.



COMMUNITY CENTER
AUTHORITY
STATISTICAL SECTION

Annual Financial Report

SACRAMENTO COMMUNITY CENTER AUTHORITY
 SCHEDULE OF COMMUNITY CENTER REVENUE BOND COVERAGE
 LAST TEN FISCAL YEARS

Fiscal Year	Operating Revenue	Operating Expenses	Net Operating Revenue Available for Debt Service*	Total Debt Service Requirements	Coverage
1972-73				\$1,199,750	
1973-74				1,199,750	
1974-75				1,199,750	
1975-76	\$1,499,335	\$ 758,184	\$ 741,151	1,368,625	0.54:1
1976-77	2,177,119	1,113,826	1,063,293	1,380,500	0.77:1
1977-78	2,244,301	1,156,240	668,061	1,360,667	0.49:1
1978-79	2,942,040	1,387,300	1,554,740	1,376,625	1.13:1
1979-80	3,128,814	1,285,273	1,843,541	1,360,875	1.35:1
1980-81	3,431,729	1,592,250	1,839,479	1,369,250	1.34:1
1981-82	4,179,584	2,273,456	1,906,128	1,375,875	1.39:1
1982-83	4,169,980	2,345,791	1,824,189	1,380,750	1.32:1

*Represents net revenue of Community Center Enterprise Fund which is responsible for making annual lease payment to Community Center Authority for lease facilities

SACRAMENTO COMMUNITY CENTER AUTHORITY

DEBT SERVICE REQUIREMENTS TO MATURITY

REVENUE BONDS

Amount authorized: \$19,100,000

Amount issued: \$19,100,000

Authorization Resolution #10-71, dated 7/28/71

Maturity: 35 years

Fiscal Year	Memorandum Minimum Sinking Fund Payments	Principal Due	Interest Rate	Interest Due August 1	Interest Due February 1	Annual Service	Outstanding July 1
1983-84		\$ 300,000	7.00	\$ 535,125.00	\$ 524,625.00	\$ 1,359,750.00	\$16,950,000
1984-85		325,000	6.25	524,625.00	514,468.75	1,364,093.75	16,625,000
1985-86		350,000	5.70	514,468.75	504,493.75	1,368,962.50	16,275,000
1986-87		375,000	5.80	504,493.75	493,618.75	1,373,112.50	15,900,000
1987-88		400,000	5.90	493,618.75	481,818.75	1,375,437.50	15,500,000
1988-89		425,000	5.90	481,818.75	469,281.25	1,376,100.00	15,075,000
1989-90		450,000	6.00	469,281.25	455,781.25	1,375,062.50	15,075,000
1990-91		475,000	6.00	455,781.25	441,531.25	1,372,312.50	14,150,000
1991-92		525,000	6.00	441,531.25	425,781.25	1,392,312.50	13,625,000
1992-93	\$ 550,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
1993-94	600,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
1994-95	625,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
1995-96	675,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
1996-97	725,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
1997-98	775,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
1998-99	825,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
1999-00	875,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
2000-01	925,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
2001-02	1,000,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
2002-03	1,050,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
2003-04	1,125,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
2004-05	1,200,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
2005-06	1,300,000		6.00	425,781.25	425,781.25	851,562.50	13,625,000
2006-07	<u>1,375,000</u>	<u>13,625,000</u>	6.25	<u>425,781.25</u>	<u>-0-</u>	<u>14,050,781.25</u>	<u>-0-</u>
Total	\$13,625,000 =====	\$17,250,000(1) =====		\$10,807,462.50 =====	\$10,272,340.50 =====	\$38,329,800.00 =====	

Principal payable on the 1st day of August
Interest payable on the 1st day of August and February.

NOTE: 1) \$5,475,000 Serial Bonds (8/1/75-8/1/91, incl.); \$13,625,000 Term bonds (8/1/2000)

2) Sinking Fund Payments not included in Annual Services.