

## **RESOLUTION 2026-0030**

Adopted by the Sacramento City Council

February 10, 2026

### **Fiscal Year 2024/25 Annual Comprehensive Financial Report**

#### **BACKGROUND**

- A. The City's Fiscal Year (FY) 2024/25 Annual Comprehensive Financial Report (ACFR) was prepared to present the City's financial condition and the results of its activities for the fiscal year ended June 30, 2025. The ACFR financial statements were audited, as required by the City Charter, by an independent public accounting firm.
- B. The public accounting firm of Macias Gini & O'Connell LLP audited the City's FY 2024/25 financial statements and rendered its unmodified opinion that the financial statements are fairly presented in accordance with generally accepted accounting principles.
- C. The General Fund's budgetary results and Measure U Fund's budgetary results for the fiscal year ended June 30, 2025, provided \$7.7 million in one-time resources.
- D. The auditor's letter to the City Council reflects no significant audit issues or disagreements with management in connection with this year's audit.

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

##### **SECTION 1.**

The City Council accepts the FY2024/25 Annual Comprehensive Financial Report, attached hereto as Exhibit A.

##### **SECTION 2.**

The City Council accepts the auditor's letter to the City Council dated, December 20, 2025, attached hereto as Exhibit B.

##### **SECTION 3.**

Exhibit A and B are part of this resolution.

**TABLE OF CONTENTS:**

Exhibit A – Annual Comprehensive Financial Report

Exhibit B – Auditor's letter to City Council

Adopted by the City of Sacramento City Council on February 10, 2026, by the following vote:

Ayes: Members Dickinson, Guerra, Jennings, Kaplan, Maple, Pluckebaum, Talamantes, and Vang

Noes: None

Abstain: None

Absent: Mayor McCarty

Attest:  02/13/2026

Mindy Cuppy, City Clerk

*The presence of an electronic signature certifies that the foregoing is a true and correct copy as approved by the Sacramento City Council.*

# Annual Comprehensive Financial Report

FISCAL YEAR ENDED JUNE 30, 2025 | CITY OF SACRAMENTO, CALIFORNIA



*City of*  
**SACRAMENTO**  
Finance Department

**City of Sacramento**  
**California**

# **Annual Comprehensive Financial Report**

**Fiscal Year Ended June 30, 2025**

**Prepared by the Department of Finance,  
Accounting Division**

**Peter Coletto, Finance Director  
Osvaldo Lopez, Finance Manager**

**Supervising Financial Analysts**

**Emily Hsia**

**Jennifer Gilbertson**

**Ray Tang**

**Senior Accountant Auditors**

**Sharina Bali  
Brent Clemens  
Svetlana Donkova**

**Thomas Keegan  
Bilal Malik  
Susan Nazari**

**Heather Pettinari  
Juliana Wong**

# CITY OF SACRAMENTO, CALIFORNIA

## ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

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For the Fiscal Year Ended June 30, 2025

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# CITY OF SACRAMENTO, CALIFORNIA

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For the Fiscal Year Ended June 30, 2025

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# Introductory Section

*Leyne Milstein  
Interim City Manager*

*City Hall  
915 I Street, Fifth Floor  
Sacramento, CA 95814-2604  
916-808-5704*

December 19, 2025

Honorable Mayor and City Council  
Residents of the City of Sacramento  
City of Sacramento, California:

Dear Mayor, Members of the City Council, and Residents of the City of Sacramento:

We are pleased to present the Annual Comprehensive Financial Report (ACFR) for the City of Sacramento, California (City) for the fiscal year ended June 30, 2025. Article IX of the City Charter, federal law, and state law require that the City issue an annual report on its financial position and activity, and that the report be audited by an independent firm of certified public accountants. Macias Gini & O'Connell LLP, a national certified public accounting firm, performed the audit for the fiscal year ended June 30, 2025. Their unmodified ("clean") opinion has been included as the first component of the financial section of the ACFR.

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

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

#### **PROFILE OF THE CITY**

The City of Sacramento, capital of the State of California, was established in 1849. The sixth largest city in California based on population, Sacramento also serves as the seat of Sacramento County government. The State of California Department of Finance estimated the population on January 1, 2025, at 527,979 for the City and 1,604,745 for the County. Encompassing approximately 100 square miles, the City is located in the northern section of California's Central Valley at the confluence of the Sacramento and American rivers.

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

### **REPORTING ENTITY**

This ACFR presents the financial status of the City and its three component units. Component units are separate legal entities included in this report due to significant operational or financial relationships with the City as defined below:

- **Sacramento City Financing Authority (SCFA) and Sacramento Public Financing Authority (SPFA)** are entities created to issue debt to finance City projects. The financial statements for these entities are reported on a blended basis as part of the primary government because the boards are composed of all City Council members.
- **Sacramento City Employees' Retirement System (SCERS)**, a single employer pension plan for certain City employees and retirees, is reported as a fiduciary component unit. The SCERS pension plan was closed to new enrollment of employees in 1977.

### **BUDGET INFORMATION**

The City Charter requires that the City Manager submit a proposed budget to the City Council at least 60 days prior to the start of each fiscal year. Once approved by City Council, the annual budget serves as the foundation for the City's financial planning, control and reporting. Budgetary control is maintained at the department level by fund. Budgetary control for multi-year projects is maintained at the individual project level by fund. The City Manager is authorized to administratively amend department budgets during the year for transactions up to \$250,000 without City Council approval. Additional budgetary information can be found in Note 1 to the financial statements and on the City's website.

### **LOCAL ECONOMY**

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

The regional economy continues to expand, and the City is closely monitoring key economic indicators which form revenue and expense projections. The local labor market remains robust, but unemployment has increased with the June 2025 unemployment rate for the Sacramento metropolitan area increasing to 5.3% compared to 4.8% a year earlier. The City is closely monitoring Federal Reserve policy and federal trade policy due to their impact on the macroeconomy, housing market, and consumer spending which are key drivers of major City revenue sources such as property tax and sales tax. The City's major revenue sources continue to grow, however fluctuations in the real estate market, levels of new construction activity, inflation rate and shifts in consumer behavior can affect that growth. Balancing the City's increased costs of doing business, which is outpacing revenue growth, is a key priority in the coming FYs.

### **BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANNING**

The FY2025/26 Operating, and Capital Improvement Program (CIP) Budgets (Approved Budget) were approved on June 10, 2025. The Approved Budget is a balanced \$1.7 billion spending plan for City programs and services and supports a workforce of almost 5,000 employees. It closed a \$62.2 million funding gap by taking a strategic approach to revenue enhancements and expenditure reductions and reflects the input provided by Council, City department heads, and the public. It maintains funding for key priorities such as reducing homelessness through the operation of 1,350 shelter beds despite the reduction in State homelessness funding, the newly established Transportation Safety Team, Streamline Sacramento initiatives, The Old Sacramento waterfront, the RailYards transformation and New Library facilities.

The CIP Budget totals \$137.3 million and provides funding to projects across the City, including \$15.1 million in the General Funds. The CIP also provides estimates for strategic investments in capital assets over the next five fiscal years. As part of the Budget, the City provides a five-year Operating Budget forecast as a long-term financial planning tool.

The financial forecasts presented in the FY2025/26 Budget are based on in-depth analysis and review of Department revenues and expenses to ensure that the forecast is based on the most current information available.

### **RELEVANT FINANCIAL POLICIES**

The City maintains a General Fund Economic Uncertainty Reserve (EUR) for the purpose of bridging a gap between projected revenue and expenditures during periods of significant revenue declines and/or expenditure growth and to ensure the City has adequate resources in case of emergency or unforeseen events. Pursuant to Council's adopted policy, the City will maintain an EUR at a minimum of 10% of budgeted General Fund revenues and will seek to achieve and maintain a General Fund EUR equal to two months of regular on-going General Fund expenditures, including transfers (i.e., 17% of General Fund expenditures).

On June 12, 2019, the EUR Policy was amended to include Measure U resources in determining the annual set aside amount necessary to maintain a minimum General Fund/Measure U Fund (G/MU) reserve level of 10%. Further, the policy includes a goal of achieving and maintaining the value of two months of regular ongoing G/MU expenditures in the reserve.

The FY2024/25 Approved Budget suspended approximately \$3.3 million of the FY2023/24 EUR contribution and due to the funding gap in FY2024/25, the FY2024/25 EUR transfer to the reserve at year-end was one of the reduction strategies. In lieu of contributing to the EUR in FY2025/26, approximately \$3.7 million will be placed in a Federal Funding reserve to partially help the City if the federal government withholds or rescinds federal revenues.

The current EUR balance is \$75 million, which is over 9% of FY2024/25 G/MU revenues. The EUR is reported in the ACFR as committed fund balance in the General Fund and the Measure U Fund.

On February 11, 2025, Council adopted a new policy regarding the use of one-time savings from the prior FY with a goal of matching one-time revenues with one-time expenditures and creating funding mechanisms to balance projected budget deficits, restore the EUR so that the fund balance meets the minimum required level per City policy, and pay down unfunded liabilities.

Under this new policy, when the City has prior year savings, the first use will be to balance the following year's budget if there is a projected deficit or can be used for strategic one-time investments to grow the City's revenue base. The next use will be to restore the EUR to the minimum required level under City policy if it does not already meet that criterion. Any remaining funds will be split as follows:

- One-third will go to a new fund dedicated to paying down the City's unfunded pension liability;
- One-third will go to a new fund dedicated to meeting the City's unfunded capital and deferred maintenance needs; and
- One-third will be available for discretionary one-time uses.

#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City for its ACFR for the fiscal year ended June 30, 2024. This marks the 37<sup>th</sup> consecutive year the City has received this award. The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

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

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

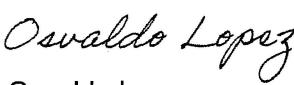
Respectfully submitted,

  
Leyne Milstein (Dec 19, 2025 16:40:45 PST)

Leyne Milstein  
Interim City Manager

  
Peter Coletto

Finance Director

  
Osvaldo Lopez

Osvaldo Lopez  
Finance Manager

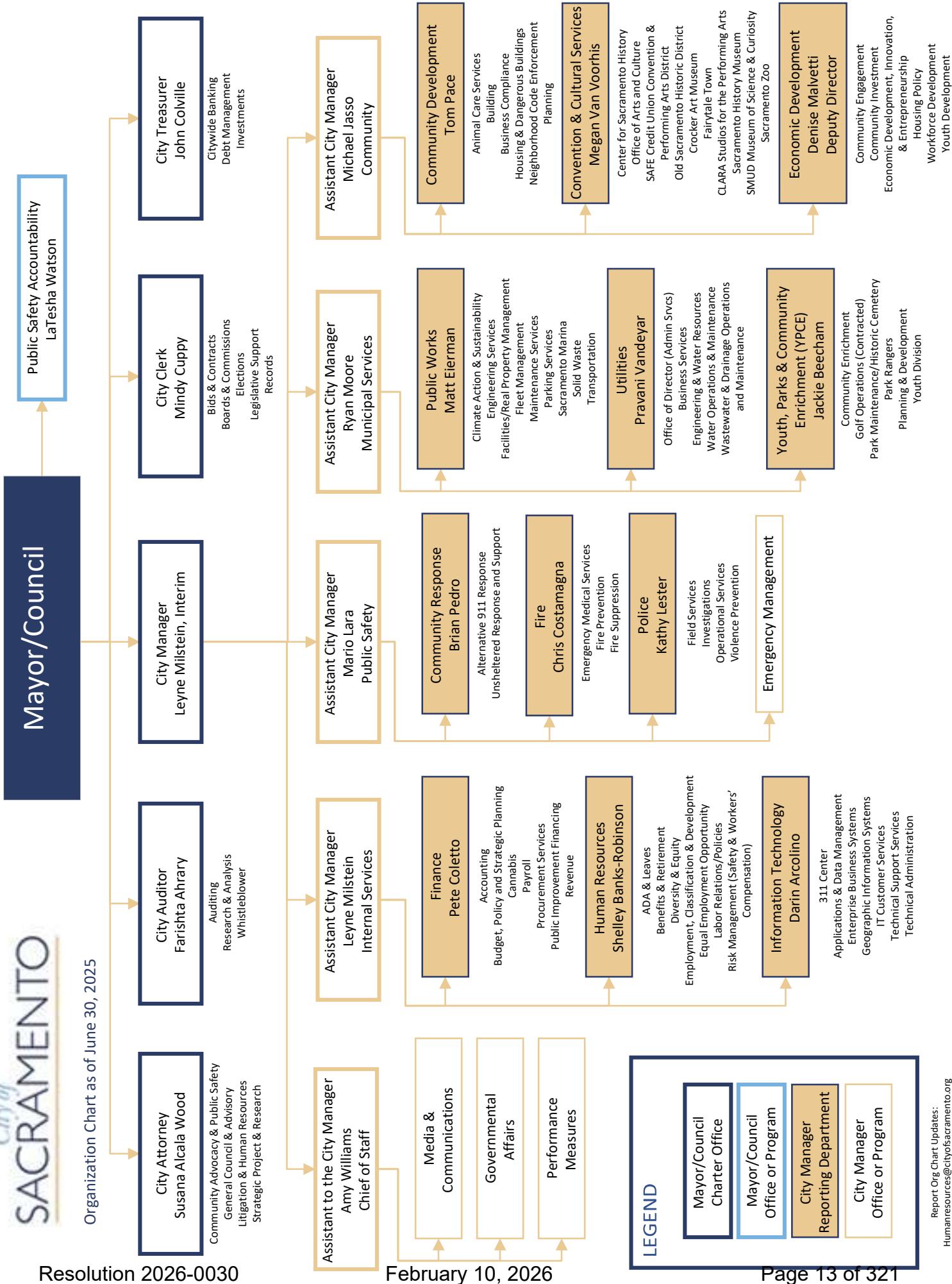
*City of*  
**SACRAMENTO**

Organization Chart as of June 30, 2025

## Resolution 2026-0030

February 10, 2026

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# **City of Sacramento**

## **Directory of City Officials**

### **June 30, 2025**

---

**Kevin McCarty**  
Mayor

**Lisa Kaplan**  
Councilmember, District 1

**Roger Dickinson**  
Councilmember, District 2

**Karina Talamantes**  
Vice Mayor, District 3

**Phil Pluckebaum**  
Councilmember, District 4

**Caity Maple**  
Councilmember, District 5

**Eric Guerra**  
Mayor Pro Tem, District 6

**Rick Jennings, II**  
Councilmember, District 7

**Mai Vang**  
Councilmember, District 8

---

**Leyne Milstein**  
Interim City Manager

**Susana Alcala  
Wood**  
City Attorney

**Farishta Ahrary**  
City Auditor

**Mindy Cuppy**  
City Clerk

**John Colville**  
City Treasurer

---



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Sacramento  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Monell*

Executive Director/CEO

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# Financial Section

## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sacramento, California (City), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund and Measure U Special Revenue Fund for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Emphasis of Matter***

Effective July 1, 2024, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The implementation of GASB Statement No. 101 resulted in the restatement of the beginning net position of \$9.6 million as detailed in Note 18 to the basic financial statements. Our opinions are not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

The City's management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Sacramento, CA 95814

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of changes in net pension liability and related ratios – CalPERS Miscellaneous Plan, the schedule of contributions – CalPERS Miscellaneous Plan, the schedule of changes in net pension liability and related ratios – CalPERS Safety Plan, the schedule of contributions – CalPERS Safety Plan, the schedule of changes in net pension liability (asset) and related ratios – Sacramento City Employees' Retirement System, the schedule of contributions – Sacramento City Employees' Retirement System, the schedule of changes in net OPEB liability and related ratios, and the schedule of contributions – OPEB, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of

financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The combining and individual fund financial statements and schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the combining and individual fund financial statements and schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### ***Other Information***

The City's management is responsible for the other information included in the annual comprehensive financial report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated December 19, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Sacramento, California  
December 19, 2025

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**City of Sacramento**  
**Management's Discussion and Analysis**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2025

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This section of the City's Annual Comprehensive Financial Report presents a narrative overview and analysis of the City's financial activities for the fiscal year ended June 30, 2025. City management recommends this information be read in conjunction with the transmittal letter located in the introductory section, and with the City's financial statements which follow this discussion.

### **FINANCIAL HIGHLIGHTS**

- The City's total government-wide net position increased by \$203 million in fiscal year 2025, a 7.2 percent increase.
- The City's General Fund revenues were \$24 million higher than final budgeted amounts primarily due to Voluntary Rate Range Program and Ground Emergency Medical Transportation Program revenues received by the City's Fire Department and a gain in fair value of investments.
- The City's General Fund budgetary expenditures, which include open encumbrances, were \$114 million lower than final budgeted amounts. Most of the General Fund departments reported favorable operating expenditure budget variances and capital outlay expenditures were less than budgeted amounts by \$47 million due to the multi-year nature of capital projects. Unspent multi-year project budgets are carried over to the subsequent fiscal year.
- On a GAAP basis, the City's General Fund revenue and other financing sources (uses) exceeded expenditures by \$9 million in fiscal year 2025 primarily due to increases in tax revenue and charges for services, offset by increases in labor and pension costs.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

- The government-wide financial statements provide both long-term and short-term information about the City's overall financial status.
- The fund financial statements focus on individual parts of the City government, reporting the City's operations in more detail than the government-wide statements.

The basic financial statements also include notes that provide additional information essential to understanding the data contained in the government-wide and fund financial statements. The statements and notes are followed by the Schedules of Changes in Net Pension Liability and Related Ratios and Schedules of Contributions for the City's pension plans along with the Schedule of Changes in Net Other Postemployment Benefits (OPEB) Liability and Related Ratios and Schedule of Contributions for the City's OPEB plan, which are required supplementary information. In addition to these required elements, we have included combining statements and schedules that provide details about the City's other governmental funds, other enterprise funds, the Water enterprise fund, the Wastewater enterprise fund, the Community Center enterprise fund, internal service funds, and custodial funds, each of which is presented in a column in the basic financial statements.

# **City of Sacramento**

## **Management's Discussion and Analysis (Continued)**

### **(Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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#### **Government-wide Financial Statements**

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

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

- *Governmental activities* - Most of the City's basic services are included here, such as police; fire; public works; community development; youth, parks, and community enrichment; and general government. Taxes and state and federal grants finance most of these activities.
- *Business-type activities* - Certain services provided by the City are funded by customer fees. Among these are the City's utility services, community center, and off-street parking facilities.

#### **Fund Financial Statements**

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

The City has three types of fund financial statements:

- *Governmental funds* - Governmental fund statements tell how general government services such as police, fire, and public works, among others, were financed in the short-term as well as what remains for future spending. Most of the City's basic services are included in governmental funds, which focus on (1) short-term inflows and outflows of spendable resources, and (2) the remaining year-end balances available for spending. Because this information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statements.
- *Proprietary funds* - Services for which customer fees are intended to finance the costs of operations are generally reported in proprietary funds. Proprietary fund statements, like the government-wide statements, provide short-term and long-term financial information about the activities the City operates like businesses, such as utility services, parking facilities, community center, etc.
- *Fiduciary funds* - Fiduciary fund statements provide information about the financial relationships in which the City acts solely as a trustee or custodian for the benefit of others, to whom the resources belong. The City is the trustee, or *fiduciary*, for a closed pension plan. It is also responsible for other assets held for bonded assessment and community facilities districts and investment trust funds, reported as custodial funds. Investment trust funds can only be used for the trust beneficiaries in accordance with trust agreements. The City elected to serve as the successor agency for its former redevelopment agency, which was dissolved by state law. The successor agency activity is accounted for in a private-purpose trust fund. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the City's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. The City excludes these activities from the government-wide financial statements because the City cannot use these resources to finance its operations.

# City of Sacramento

## Management's Discussion and Analysis (Continued) (Required Supplementary Information - Unaudited)

For the Fiscal Year Ended June 30, 2025

### FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

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

| <b>City of Sacramento</b><br><b>Summary of Net Position</b><br>As of June 30, 2025 and 2024 <sup>(1)</sup><br>(in millions) |                         |                        |                          |                        |                          |                        |                      |
|---|-------------------------|------------------------|--------------------------|------------------------|--------------------------|------------------------|----------------------|
|   | Governmental Activities |                        | Business-type Activities |                        | Total Primary Government |                        | Total Percent Change |
|   | 2025                    | 2024                   | 2025                     | 2024                   | 2025                     | 2024                   |                      |
| Current and other assets  | \$ 1,558                | \$ 1,442               | \$ 723                   | \$ 647                 | \$ 2,281                 | \$ 2,089               | 9.2%                 |
| Capital assets  | 1,953                   | 1,921                  | 1,810                    | 1,826                  | 3,763                    | 3,747                  | 0.4%                 |
| Total assets  | <u>3,511</u>            | <u>3,363</u>           | <u>2,533</u>             | <u>2,473</u>           | <u>6,044</u>             | <u>5,836</u>           | 3.6%                 |
| Deferred outflows of resources  | 323                     | 386                    | 40                       | 52                     | 363                      | 438                    | -17.1%               |
| Long-term liabilities   | 2,083                   | 2,101                  | 1,043                    | 1,078                  | 3,126                    | 3,179                  | -1.7%                |
| Other liabilities   | 142                     | 121                    | 43                       | 43                     | 185                      | 164                    | 12.8%                |
| Total liabilities   | <u>2,225</u>            | <u>2,222</u>           | <u>1,086</u>             | <u>1,121</u>           | <u>3,311</u>             | <u>3,343</u>           | -1.0%                |
| Deferred inflows of resources   | 53                      | 78                     | 20                       | 24                     | 73                       | 102                    | -28.4%               |
| Net position  |                         |                        |                          |                        |                          |                        |                      |
| Net investment in capital assets  | 1,460                   | 1,409                  | 986                      | 972                    | 2,446                    | 2,381                  | 2.7%                 |
| Restricted  | 542                     | 483                    | 113                      | 99                     | 655                      | 582                    | 12.5%                |
| Unrestricted  | <u>(446)</u>            | <u>(443)</u>           | <u>368</u>               | <u>309</u>             | <u>(78)</u>              | <u>(134)</u>           | 41.8%                |
| Total net position  | <u><u>\$ 1,556</u></u>  | <u><u>\$ 1,449</u></u> | <u><u>\$ 1,467</u></u>   | <u><u>\$ 1,380</u></u> | <u><u>\$ 3,023</u></u>   | <u><u>\$ 2,829</u></u> | 6.9%                 |

Note (1) FY24 amounts have not been restated for GASB 101 which was implemented in 2025.

#### Analysis of net position

As noted in the financial highlights, total net position of the primary government increased by \$194 million in fiscal year 2025. Total assets increased by \$208 million and total liabilities decreased by \$32 million. Deferred outflows of resources and deferred inflows of resources decreased by \$75 million and \$29 million, respectively.

The following analysis of governmental and business-type activities provides more detailed information for these changes.

#### Governmental activities

Current and other assets increased \$116 million primarily due to increases in cash and receivables and the recognition of a net pension asset. Cash increased by \$58 million due to higher-than-expected tax, intergovernmental, assessment levy, and grant contribution revenues. Receivables increased \$38 million primarily due to increases in economic development loans receivable and financing plans receivables. A net pension asset associated with the Sacramento City Employees' Retirement System (SCERS) was recognized for the first time in fiscal year 2025 for \$13 million.

Capital assets of governmental activities increased \$32 million due to continuing development and improvements offset by current year depreciation. Capital asset additions include the Railyards Rehabilitation project, Florin Rd Pavement Rehab, Auburn Blvd Bridge Replacement, Franklin Blvd Complete Street, and the Dixieanne Clean Green Alleys project. More detailed information about the City's capital assets is presented in Note 4 to the financial statements.

## **City of Sacramento**

### **Management's Discussion and Analysis (Continued)**

#### **(Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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Deferred outflows of resources decreased \$63 million primarily due to a \$56 million decrease in deferred outflows related to pensions. The decrease in deferred outflows related to pensions was mainly driven by a decrease in net differences between projected and actual earnings. More detailed information about pension plans is presented in Note 8 to the financial statements.

Long-term liabilities decreased \$18 million primarily due to \$17 million of payments of existing debt obligations. More detailed information about long-term liabilities is presented in Note 7 to the financial statements.

Other liabilities increased \$21 million primarily due to operating grants and special districts accounts payable and financing plans unearned revenue.

Deferred inflows of resources decreased \$25 million primarily due to a \$24 million decrease in deferred inflows related to OPEB. This decrease was mainly driven by a decrease in deferred inflows for differences between expected and actual experience and changes in assumptions. More detailed information about the OPEB plan is presented in Note 9 to the financial statements.

Restricted net position, representing amounts that must be used in accordance with external restrictions, increased \$59 million primarily due to increases in restrictions for capital projects, public works programs, and operating grants.

#### **Business-type activities**

Current and other assets of business-type activities increased \$76 million primarily due to an increase in cash and receivables provided by operational activities. A net pension asset associated with SCERS was also recognized for the first time in fiscal year 2025 for \$9 million.

Capital assets decreased \$16 million due to depreciation exceeding net additions. Major additions include the Med Center Reservoir Rehab and the Freeport Reservoir Pump Replacement projects. More detailed capital asset information is presented in Note 4 to the financial statements.

Deferred outflows of resources decreased \$12 million due to a \$11 million decrease in deferred outflows related to pensions. This decrease was mainly driven by a decrease in net differences between projected and actual earnings. More detailed information about pension plans is presented in Note 8 to the financial statements.

Long-term liabilities decreased \$35 million primarily due to \$33 million of principal payments on existing debt obligations. More detailed information is presented in Note 7 to the financial statements.

**City of Sacramento**  
**Management's Discussion and Analysis (Continued)**  
**(Required Supplementary Information - Unaudited)**  
For the Fiscal Year Ended June 30, 2025

| <b>City of Sacramento</b><br><b>Changes in Net Position</b>      |                            |                 |                             |                 |                             |                 |      |      |                            |        |
|--|----------------------------|-----------------|-----------------------------|-----------------|-----------------------------|-----------------|------|------|----------------------------|--------|
| For the Fiscal Years Ended June 30, 2025 and 2024 <sup>(1)</sup> |                            |                 |                             |                 |                             |                 |      |      |                            |        |
|  | Governmental<br>Activities |                 | Business-type<br>Activities |                 | Total Primary<br>Government |                 |      |      | Total<br>Percent<br>Change |        |
|  | 2025                       | 2024            | 2025                        | 2024            | 2025                        | 2024            | 2025 | 2024 |                            |        |
| <b>Revenues</b>  |                            |                 |                             |                 |                             |                 |      |      |                            |        |
| Program revenues:  |                            |                 |                             |                 |                             |                 |      |      |                            |        |
| Charges for services   | \$ 259                     | \$ 223          | \$ 400                      | \$ 374          | \$ 659                      | \$ 597          |      |      |                            | 10.4%  |
| Operating grants and contributions                               | 98                         | 90              | 5                           | 5               | 103                         | 95              |      |      |                            | 8.4%   |
| Capital grants and contributions                                 | 180                        | 155             | 19                          | 25              | 199                         | 180             |      |      |                            | 10.6%  |
| General revenues:  |                            |                 |                             |                 |                             |                 |      |      |                            |        |
| Property taxes   | 255                        | 244             | -                           | -               | 255                         | 244             |      |      |                            | 4.5%   |
| Utility users tax  | 70                         | 64              | -                           | -               | 70                          | 64              |      |      |                            | 9.4%   |
| Local sales taxes  | 135                        | 134             | -                           | -               | 135                         | 134             |      |      |                            | 0.7%   |
| Other taxes  | 53                         | 53              | 35                          | 34              | 88                          | 87              |      |      |                            | 1.1%   |
| Unrestricted:  |                            |                 |                             |                 |                             |                 |      |      |                            |        |
| Sales taxes shared state revenue                                 | 113                        | 113             | -                           | -               | 113                         | 113             |      |      |                            | 0.0%   |
| Investment earnings  | 51                         | 44              | 32                          | 28              | 83                          | 72              |      |      |                            | 15.3%  |
| Miscellaneous  | 16                         | 13              | -                           | -               | 16                          | 13              |      |      |                            | 23.1%  |
| <b>Total revenues</b>  | <b>1,230</b>               | <b>1,133</b>    | <b>491</b>                  | <b>466</b>      | <b>1,721</b>                | <b>1,599</b>    |      |      |                            | 7.6%   |
| <b>Expenses</b>  |                            |                 |                             |                 |                             |                 |      |      |                            |        |
| General government   | 200                        | 173             | -                           | -               | 200                         | 173             |      |      |                            | 15.6%  |
| Police   | 292                        | 284             | -                           | -               | 292                         | 284             |      |      |                            | 2.8%   |
| Fire   | 252                        | 230             | -                           | -               | 252                         | 230             |      |      |                            | 9.6%   |
| Public works   | 130                        | 158             | -                           | -               | 130                         | 158             |      |      |                            | -17.7% |
| Convention and cultural services                                 | 29                         | 31              | -                           | -               | 29                          | 31              |      |      |                            | -6.5%  |
| Youth, parks, community enrichment                               | 90                         | 100             | -                           | -               | 90                          | 100             |      |      |                            | -10.0% |
| Community development  | 100                        | 76              | -                           | -               | 100                         | 76              |      |      |                            | 31.6%  |
| Community response   | 22                         | 21              | -                           | -               | 22                          | 21              |      |      |                            | 4.8%   |
| Library  | 25                         | 25              | -                           | -               | 25                          | 25              |      |      |                            | 0.0%   |
| Interest on long-term debt                                       | 19                         | 17              | -                           | -               | 19                          | 17              |      |      |                            | 11.8%  |
| Water  | -                          | -               | 134                         | 124             | 134                         | 124             |      |      |                            | 8.1%   |
| Wastewater   | -                          | -               | 42                          | 42              | 42                          | 42              |      |      |                            | 0.0%   |
| Storm drainage   | -                          | -               | 59                          | 52              | 59                          | 52              |      |      |                            | 13.5%  |
| Solid waste  | -                          | -               | 74                          | 72              | 74                          | 72              |      |      |                            | 2.8%   |
| Community center   | -                          | -               | 41                          | 39              | 41                          | 39              |      |      |                            | 5.1%   |
| Parking  | -                          | -               | 15                          | 14              | 15                          | 14              |      |      |                            | 7.1%   |
| Child development  | -                          | -               | 7                           | 6               | 7                           | 6               |      |      |                            | 16.7%  |
| <b>Total expenses</b>  | <b>1,159</b>               | <b>1,115</b>    | <b>372</b>                  | <b>349</b>      | <b>1,531</b>                | <b>1,464</b>    |      |      |                            | 4.6%   |
| <b>Revenue over (under) expenses</b>                             | <b>71</b>                  | <b>18</b>       | <b>119</b>                  | <b>117</b>      | <b>190</b>                  | <b>135</b>      |      |      |                            | 40.7%  |
| Special items  | -                          | -               | 13                          | -               | 13                          | -               |      |      |                            | -      |
| Transfers  | 43                         | 42              | (43)                        | (42)            | -                           | -               |      |      |                            | -      |
| Change in net position   | 114                        | 60              | 89                          | 75              | 203                         | 135             |      |      |                            | 50.4%  |
| Net position, beginning of year, as previously reported          | 1,449                      | 1,389           | 1,380                       | 1,305           | 2,829                       | 2,694           |      |      |                            | 5.0%   |
| Change in accounting principle (GASB 101)                        | (7)                        | -               | (2)                         | -               | (9)                         | -               |      |      |                            | -      |
| Net position, beginning of year, as restated                     | 1,442                      | 1,389           | 1,378                       | 1,305           | 2,820                       | 2,694           |      |      |                            | 4.7%   |
| Net position, end of year  | <b>\$ 1,556</b>            | <b>\$ 1,449</b> | <b>\$ 1,467</b>             | <b>\$ 1,380</b> | <b>\$ 3,023</b>             | <b>\$ 2,829</b> |      |      |                            | 6.9%   |

Note (1) FY24 amounts have not been restated for GASB 101 which was implemented in 2025.

# **City of Sacramento**

## **Management's Discussion and Analysis (Continued) (Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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### **Analysis of the changes in net position**

Total government-wide revenues of the primary government increased \$122 million, a 7.6 percent increase compared to the prior fiscal year, and total expenses increased \$67 million, a 4.6 percent increase compared to the prior fiscal year. These changes are discussed in more detail below.

#### **Governmental activities**

Total revenues for governmental activities increased \$97 million, an 8.6 percent increase compared to the prior fiscal year. Total expenses increased \$44 million, a 3.9 percent increase compared to the prior fiscal year. Transfers in primarily consist of in-lieu taxes paid by the business-type activities to the General Fund. Transfers out primarily consist of parking program support transferred out from the General Fund and Sacramento Tourism Infrastructure District (STID) assessment revenues transferred out from the Special Districts Special Revenue Fund.

#### **Revenue**

Charges for services revenue increased \$36 million primarily due to increases in fees identified during the budget development process, including building plan check fees; plan review fees; permitting and inspection fees; and street, sidewalk, and curb repair administrative fees. There was an increase in metered parking revenues related to increased rates and enforcement as well as the elimination of free parking on Sundays and holidays. There was also an increase in development fees with the construction commencement of the Kaiser Permanente RailYards Medical Center.

Operating grants and contributions revenue increased \$8 million primarily due to \$12 million of funding the City received from the State of California Department of Housing and Community Development for the Encampment Resolution Funding Program to address the experience of unsheltered homelessness for people residing in encampments. No such funding was received in fiscal year 2024.

Capital grants and contributions increased by \$25 million during fiscal year 2025 compared to fiscal year 2024. This was mainly from contributions received from the issuance of \$31 million in bonds for constructing facilities and infrastructure within Community Facilities District Greenbriar Improvement Area 2.

Property tax revenue increased \$11 million due to continued increases in Sacramento area commercial and residential real estate property assessed valuations.

The increase of \$7 million in investment earnings is mainly attributable to net appreciation in fair value of Pool A investment holdings. The cost of Pool A investment holdings exceeded the fair value by \$10 million as of June 30, 2025, compared to \$47 million as of June 30, 2024. This \$37 million gain was allocated among governmental and business-type activities, with a small portion allocated to non-City Pool A participants as well. In fiscal year 2024, Pool A investment holdings recognized an overall gain of \$30 million.

#### **Expenses**

Total governmental activities expenses increased \$44 million primarily due to increases in department functional expenses. General government, Police, and Fire expenses increased a combined \$57 million mainly due to increased labor costs. Community development expenses increased \$24 million due to reimbursements to developers for constructing facilities and infrastructure in community facilities districts. This was offset by a \$28 million decrease in public works expense, as the City incurred higher than normal costs in fiscal year 2024 with the replacement of traffic signs and signals and unforeseen costs related to severe 2024 winter storms.

# **City of Sacramento**

## **Management's Discussion and Analysis (Continued) (Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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### **Business-type activities**

Total revenues for business-type activities increased \$25 million, an 5.4 percent increase compared to the prior fiscal year. Total expenses for business-type activities increased \$23 million, a 6.6 percent increase. Transfers out primarily consist of in-lieu taxes paid by the business-type activities to the General Fund. Transfers in primarily consist of parking program support received from the General Fund and STID assessment revenues to support Community Center debt service.

### **Revenue**

Charges for services revenue increased \$26 million primarily due to an increase in water, wastewater, storm drainage, and solid waste service accounts with the addition of new development in the current year. There was also a \$7 million settlement awarded in the current fiscal year, to be received through 2033 to fund water testing and treatment.

Capital grants and contributions decreased by \$6 million primarily due to a decrease in water capital contributions.

### **Expenses**

Water expenses increased \$10 million primarily due to a \$5 million increase in labor expense in relation to vacancies filled during the current fiscal year. There was also a \$3 million increase in services and supplies expense associated with inventory purchases and an increase in liability insurance.

Storm Drainage expenses increased \$7 million primarily due to an increase in services and supplies expense in relation to noncapitalized repair and maintenance costs and the decision to spend Storm Drainage Property Fee revenues. The City had previously held off on spending Storm Drainage Property Fee revenues due to pending litigation.

### **Special Item**

A special item was recognized in the current fiscal year for \$13 million in relation to a one-time settlement payout for faulty water meters.

## **FINANCIAL ANALYSIS OF THE FUND STATEMENTS**

Funds are accounting devices the City uses to keep track of specific sources of funding and spending for particular purposes. The fund financial statements focus on individual parts of City government, reporting City operations in more detail than the government-wide statements.

### **Governmental Funds**

The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Total revenues for governmental funds increased \$100 million compared to the prior fiscal year. Total expenditures increased \$53 million compared to the prior fiscal year. Net other financing sources decreased \$21 million compared to the prior fiscal year. These changes are discussed in more detail below.

### **General Fund**

Total General Fund revenue increased \$37 million compared to the prior fiscal year. Tax revenue increased \$16 million primarily due to an increase in the value of the property tax base and an increase in utility users tax. Charges for services increased \$10 million primarily due to increased building plan check fees, street sidewalk and curb repair administrative fees, and parking meter receipts with the increase in base hourly parking rate and elimination of free parking on Sundays and holidays. Intergovernmental revenues increased \$5 million primarily due to an increase in Voluntary Rate Range Program and Public Provider Ground Emergency Medical Transportation Program revenues received by the City's Fire Department. Fines, forfeits, and penalties also increased \$5 million, primarily due to an increase in parking patrols and citations with the addition of enforcement staff.

# **City of Sacramento**

## **Management's Discussion and Analysis (Continued)** **(Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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Total General Fund expenditures increased \$28 million compared to the prior fiscal year. General Government expenditures increased by \$7 million and expenditures in Police and Fire departments increased a combined \$37 million mainly due to an increase in labor and pension costs. Capital outlay expenditures decreased \$22 million. Capital outlay fluctuates from year to year due to timing and the multi-year nature of capital projects. The General Fund's largest capital outlay expenditures during the fiscal year consisted of expenditures for fire apparatuses, ambulances, and gurneys; police safety equipment; Florin Road pavement rehabilitation; VoIP phone and voicemail system; and the issuance of long-term liabilities for new lease and IT subscription agreements.

### **General Fund Budgetary Highlights**

The City Council revised the budget throughout the fiscal year with revenue and appropriation adjustments and the use of committed fund balance after the original budget was adopted.

After accounting for these budget adjustments, General Fund revenues were \$24 million higher than final budgeted amounts. Intergovernmental revenue exceeded budget by \$25 million primarily due to Voluntary Rate Range Program and Public Provider Ground Emergency Medical Transportation Program revenues received by the City's Fire Department. Interest, rents, and concessions revenue exceeded budget by \$14 million primarily due to a gain in fair value related to the General Fund's share of Pool A holdings. Fines, forfeits, and penalties exceeded the budget by \$6 million due to community development and public works compliance and enforcement revenues. Charges for services were less than budgeted by \$24 million primarily due to emergency medical service revenues.

General Fund budgetary expenditures were \$114 million lower than final budgeted amounts. Most of the General Fund departments reported favorable operating expenditure budget variances primarily due to labor savings and labor reimbursements from grants and other funds. Capital outlay expenditures were less than budgeted amounts by \$47 million due to the multi-year nature of capital projects. Unspent multi-year project budgets, as well as other unspent City Council approved program budgets, are carried over to the subsequent fiscal year.

### **Measure U Fund**

Measure U Fund revenues were consistent with the prior fiscal year.

General government expenditures increased by \$5 million mainly due to an increase in labor and pension costs. Community response expenditures increased by \$3 million due to an increase in budgeted spending for citywide cleanup efforts and homeless outreach programs. Capital outlay expenditures increased \$2 million due to timing and the multi-year nature of capital projects. Youth, parks, and community enrichment expenditures decreased \$9 million due to decreased spending for the Sacramento Youth Works program, youth pop up events, and the youth development plan. With the passing of Measure L, the Sacramento's Children Fund was established within the General Fund where these youth focused expenditures will be shifted to.

### **2015 Golden 1 Center Lease Revenue Bond Fund**

2015 Golden 1 Center Lease Revenue Bond Fund revenues and expenditures were consistent with the prior fiscal year.

### **Other Governmental Funds**

Other governmental fund revenues increased by \$63 million primarily due to revenue increases of \$24 million for special revenue funds and \$38 million for capital projects funds. The increase in special revenue funds revenue is primarily due to the following:

- \$13 million increase in charges for services due to plan check fees for new development projects, including the Kaiser Permanente Railyards Medical Center in 2025. Additionally, citywide fees and charges increases were adopted by City Council to align fees for inflation beginning in fiscal year 2025.
- \$8 million increase in intergovernmental revenues from the Emergency Rental Assistance and California Natural Resource Agency grant programs.

# **City of Sacramento**

## **Management's Discussion and Analysis (Continued) (Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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The increase in capital projects funds revenue is primarily due to the following:

- An increase in the Special Districts Fund due to contributions received from the issuance of Delta Shores CFD 2019-01 IA1, Series 2024 bonds and Greenbriar CFD 2018-03 IA2, Series 2024 bonds for \$12 million and \$31 million, respectively. Contributions will be used for the development of the two project areas.
- \$9 million increase in the Financing Plans Fund mainly due to the new Panhandle Development Area fees and a significant increase in commercial and residential permits in the Citywide Low Income Housing Fund.
- \$15 million decrease in the Capital Grants Fund due to the completion of the Del Rio Trail and Broadway Complete Streets projects in fiscal year 2024.

Other governmental fund expenditures increased by \$22 million primarily due to an increase of \$28 million in expenditures for capital projects funds. The increase in capital projects funds expenditures is primarily due a \$31 million increase in the Special Districts Fund due to expenditures associated with the Greenbriar, Delta Shores and Railyards community facilities districts.

\$3 million of financing plan fee credits were issued in fiscal year 2025, in comparison to \$6 million in fiscal year 2024. \$3 million of North Natomas financing plan fee credits were issued in the current year. More detailed fee credit information is presented in Note 7 to the financial statements.

### **Enterprise Funds**

The City's enterprise fund financial statements provide the same type of information as the government-wide financial statements but in greater detail. Total operating revenues increased \$25 million and operating expenses increased \$22 million compared to the prior fiscal year. Net nonoperating revenues (expenses) increased \$4 million and capital contributions decreased \$7 million compared to the prior fiscal year. These changes are discussed in more detail below.

#### **Water Fund**

Water Fund operating revenues increased \$12 million primarily due to a \$7 million settlement awarded in the current fiscal to fund water testing and treatment. Operating expenses increased \$8 million primarily due to a \$5 million increase in labor expense as vacancies were filled in the current year and a \$3 million increase in services and supplies in relation to an increase in liability insurance costs and inventory purchases for meter supplies. Developer fees and capital contributions decreased \$9 million in association with the Florin Reservoir Back Up Engine, Meadowview Road, and Greenbriar Phase 1 projects. A \$13 million special item was recognized in the current fiscal year for a one-time settlement payout for faulty water meters

#### **Wastewater Fund**

Wastewater Fund operating revenues, operating expenses, nonoperating revenues (expenses), and developer fees and capital contributions in the current fiscal year were consistent with the prior fiscal year.

#### **Storm Drainage Fund**

Storm Drainage Fund operating expenses increased \$8 million due to a \$7 million increase in services and supplies expense in relation to noncapitalized repair and maintenance costs such as the Sump 151 Outfall Replacement and River District Sump 111 Improvement projects. The City also received a favorable litigation ruling for Storm Drainage Property Fee revenues and elected to increase spending in the current fiscal year.

#### **Solid Waste Fund**

Solid Waste Fund operating revenues increased \$6 million primarily due to an increase in service agreements, as well as a full fiscal year of rate adjustments effective January 2024.

# **City of Sacramento**

## **Management's Discussion and Analysis (Continued)** **(Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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### **Community Center Fund**

Community Center Fund operating revenues, operating expenses, and nonoperating revenues (expenses) in the current fiscal year were consistent with the prior fiscal year.

### **Other Enterprise Funds**

Other Enterprise Funds consist of the activities of the City's Parking and 4<sup>th</sup> R Child Development Funds. Total operating revenues increased by \$3 million. 4<sup>th</sup> R saw an increase of \$1 million of revenue due to an increase in grant funding from Natomas Unified School District. Parking saw an increase of \$2 million of revenue due to an increase in parking fees to recover operational costs, increased enforcement, and an increase in events in Downtown Sacramento.

# City of Sacramento

## Management's Discussion and Analysis (Continued) (Required Supplementary Information - Unaudited)

For the Fiscal Year Ended June 30, 2025

### CAPITAL ASSET AND DEBT ADMINISTRATION

#### Capital Assets

As of June 30, 2025, the City had invested \$3.8 billion in a broad range of capital assets, including land; buildings; vehicles; parks and park improvements; roads; bridges; and water, wastewater and storm drainage transmission and distribution systems. Current year capital asset additions, net of deletions, of \$163 million were offset by current year depreciation/amortization expense of \$147 million, resulting in a net increase in capital assets of \$16 million.

#### City of Sacramento

#### Capital Assets

As of June 30, 2025 and 2024  
(net of depreciation, in millions)

|                                       | Governmental Activities |          | Business-Type Activities |          | Total Primary Government |          |
|---------------------------------------|-------------------------|----------|--------------------------|----------|--------------------------|----------|
|                                       | 2025                    | 2024     | 2025                     | 2024     | 2025                     | 2024     |
| Capital assets not being depreciated  |                         |          |                          |          |                          |          |
| Land                                  | \$ 230                  | \$ 230   | \$ 50                    | \$ 50    | \$ 280                   | \$ 280   |
| Easements                             | 3                       | 3        | -                        | -        | 3                        | 3        |
| Construction in progress              | 283                     | 297      | 431                      | 459      | 714                      | 756      |
| Depreciable capital assets:           |                         |          |                          |          |                          |          |
| Buildings and improvements            | 453                     | 409      | 261                      | 252      | 714                      | 661      |
| Equipment                             | 11                      | 11       | 102                      | 96       | 113                      | 107      |
| Software                              | 3                       | 1        | 7                        | 7        | 10                       | 8        |
| Vehicles                              | 101                     | 93       | -                        | -        | 101                      | 93       |
| Transmission and distribution system  | 3                       | 4        | 954                      | 958      | 957                      | 962      |
| Roadway network                       | 506                     | 521      | -                        | -        | 506                      | 521      |
| Streetlight network                   | 196                     | 181      | -                        | -        | 196                      | 181      |
| Parks and park improvements           | 149                     | 155      | -                        | -        | 149                      | 155      |
| Lease and IT subscription assets, net | 15                      | 16       | 5                        | 4        | 20                       | 20       |
| Total capital assets                  | \$ 1,953                | \$ 1,921 | \$ 1,810                 | \$ 1,826 | \$ 3,763                 | \$ 3,747 |

This year's major capital asset additions include:

- \$13 million for the Railyards Rehabilitation Project,
- \$6 million for the Florin Rd VZ Pavement Rehabilitation Project,
- \$5 million for the Auburn Blvd Bridge Replacement Project,
- \$4 million for the Franklin Blvd Complete Street Project,
- \$4 million for the Dixieanne Clean Green Alleys Project,
- Other capital project additions in progress include the I Street Bridge Replacement Project, the MLK Library Renovation Project, the Renfree Field Phase 1 Design, and the Med Center Reservoir Rehab Project. Many other capital projects were completed during the year and transferred from construction in progress to the appropriate capital asset categories.

# **City of Sacramento**

## **Management's Discussion and Analysis (Continued)** **(Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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The City has \$121 million in commitments for contracts awarded but not completed as of June 30, 2025. The major contracts outstanding are \$9 million for conceptual design of Sacramento River Water Treatment Plant Expansion Project; \$7 million for Martin Luther King Jr. Library renovation; \$3 million for Freeport pump replacement; \$2 million for rehabilitation of Med Center reservoir; \$2 million for the operation of the southern section of Roseville Road Campus; \$2 million for reducing Franklin Blvd from four to two lanes, add bicycle lanes, and install new landscaping; and \$27 million for the purchase of vehicles, primarily for the replacement of refuse trucks and garbage trucks.

More detailed information about the City's capital assets and lease and IT subscription assets is presented in Notes 4 and 6 to the financial statements.

### **Long-term Debt**

The following table summarizes the City's outstanding debt (excluding other long-term liabilities):

| <b>City of Sacramento</b><br><b>Outstanding Debt</b> |               |  |               |   |                 |   |
|--|---------------|--|---------------|---|-----------------|---|
| As of June 30, 2025 and 2024                         |               |  |               |   |                 |   |
| (in millions)  |               |  |               |   |                 |   |
|  |               | <b>Governmental</b><br><b>Activities</b> |               | <b>Business-Type</b><br><b>Activities</b> |                 | <b>Total Primary</b><br><b>Government</b> |
| <b>2025</b>  | <b>2024</b>   | <b>2025</b>                              | <b>2024</b>   | <b>2025</b>                               | <b>2024</b>     |   |
| Revenue and other bonds, net                         | \$ 409        | \$ 426                                   | \$ 703        | \$ 732                                    | \$ 1,112        | \$ 1,158                                  |
| Notes payable  | 16            | 16                                       | 124           | 131                                       | 140             | 147                                       |
| Total outstanding debt                               | <b>\$ 425</b> | <b>\$ 442</b>                            | <b>\$ 827</b> | <b>\$ 863</b>                             | <b>\$ 1,252</b> | <b>\$ 1,305</b>                           |

Total outstanding debt for governmental activities and business-type activities decreased \$17 million and \$36 million respectively, due to principal payments on existing obligations and amortization of bond premiums.

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

### **Credit rating**

The following table summarizes the City's bonded debt ratings (nr designates not rated) at June 30, 2025, as determined by S&P Global Ratings (S & P), Moody's Ratings (Moody's), and Fitch Ratings (Fitch):

| Bond issues:                                       | <u>S &amp; P</u> | <u>Moody's</u> | <u>Fitch</u> |
|--|------------------|----------------|--------------|
| • 2006 Capital Improvement Revenue Bonds, Series B | AA-              | Aa3            | nr           |
| • 2006 Capital Improvement Revenue Bonds, Series E | AA-              | Aa3            | nr           |
| • 2015 Refunding Revenue Bonds                     | AA-AA            | Aa3            | nr           |
| • 2015 Lease Revenue Bonds - Golden 1 Center       | AA-              | nr             | AA-          |
| • Water Revenue Bonds, Series 2017                 | AA               | nr             | AA           |
| • 2018 TOT Revenue Bonds, Senior Series A&B        | nr               | Aa3            | nr           |
| • 2018 TOT Revenue Bonds, Subordinate Series C     | nr               | A1             | nr           |

# **City of Sacramento**

## **Management's Discussion and Analysis (Continued) (Required Supplementary Information - Unaudited)**

For the Fiscal Year Ended June 30, 2025

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| Bond issues:                                      | <u>S &amp; P</u> | <u>Moody's</u> | <u>Fitch</u> |
|---|------------------|----------------|--------------|
| • Wastewater Revenue Bonds, Series 2019           | AA               | nr             | AA           |
| • 2019 STID Assessment Revenue Bonds              | nr               | A1             | nr           |
| • Water Revenue Refunding Bonds, Series 2020      | AA               | nr             | AA           |
| • Wastewater Revenue Refunding Bonds, Series 2020 | AA               | nr             | AA           |
| • Water Revenue Refunding Bonds, Series 2023      | AA               | nr             | AA           |

The City's issuer credit rating as of June 30, 2025 is AA with a stable outlook from S&P, Aa2 with a stable outlook from Moody's, and AA+ with a stable outlook from Fitch. The issuer credit rating is an assessment of the City's creditworthiness and capacity to meet financial commitments as they come due without regard to the terms of a specific debt instrument. The ratings and stable outlook determination are based on a multitude of factors for each of the rating agencies. Highlights include: the City's large, expanding tax base and diverse regional economy; the City's continued population growth and above-average education attainment levels; a healthy financial reserve and strong liquidity position, supported by robust retail and economic activity; and the City's prudent and comprehensive financial management policies and practices, including proactive steps to address out-year budget gaps and maintain its reserve levels.

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

### **Economic Factors**

The City's budget forecast assumes continued economic growth. However, recent events have increased economic uncertainty. On April 2, 2025, the federal government announced a reciprocal tariff strategy that has evolved unpredictably over time. Potential supply cost increases would have major impacts on the City's budget as it becomes more expensive to maintain current service levels. Additionally, the dollar has fallen while yields on U.S. Treasuries have remained elevated, possibly reflecting the market's expectation of slower economic growth. This is a concerning situation, and the City must continue to monitor this volatile economic climate.

### **Next Year's Budget**

General Fund budget appropriations for fiscal year 2026 are \$712 million, an increase of 3.3 percent compared to the fiscal year 2025 approved budget. The City is facing a structural deficit because of many decisions that the City and voters have made over the past few years. To better serve its residents, especially during the pandemic, the City expanded beyond its traditional core service areas and launched new programs, often with one-time federal funding. New labor contracts and higher prices for supplies, services and insurance have increased operating costs.

The fiscal year 2026 approved budget addresses the City's structural deficit for one year with a combination of one-time and ongoing strategies and does not include the elimination of any filled positions. Due to the budget deficit, the contribution to the Economic Uncertainty Reserve was suspended for fiscal years 2025 and 2026.

## **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

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# Government-wide Financial Statements

# City of Sacramento

## Statement of Net Position

June 30, 2025

(in thousands)

|   | Primary Government      |                          |                     |
|---|-------------------------|--------------------------|---------------------|
|   | Governmental Activities | Business-type Activities | Total               |
| <b>ASSETS</b>   |                         |                          |                     |
| Cash and investments  | \$ 1,042,379            | \$ 525,825               | \$ 1,568,204        |
| Receivables, net  | 446,476                 | 106,583                  | 553,059             |
| Internal balances   | 4,621                   | (4,621)                  | -                   |
| Inventories   | -                       | 2,799                    | 2,799               |
| Prepaid items   | 16,365                  | 195                      | 16,560              |
| Restricted cash and investments                               | 34,732                  | 83,634                   | 118,366             |
| Intangible assets   | -                       | 88                       | 88                  |
| Net pension asset   | 13,017                  | 9,219                    | 22,236              |
| Land and other capital assets not being depreciated/amortized | 515,937                 | 480,996                  | 996,933             |
| Other capital assets, net of depreciation/amortization        | 1,437,535               | 1,328,728                | 2,766,263           |
| Total assets  | <u>3,511,062</u>        | <u>2,533,446</u>         | <u>6,044,508</u>    |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                         |                         |                          |                     |
| Loss on refunding of debt                                     | 1,758                   | 7,446                    | 9,204               |
| Pensions  | 291,054                 | 28,548                   | 319,602             |
| OPEB  | 30,198                  | 3,732                    | 33,930              |
| Total deferred outflows of resources                          | <u>323,010</u>          | <u>39,726</u>            | <u>362,736</u>      |
| <b>LIABILITIES</b>  |                         |                          |                     |
| Payables  | 120,185                 | 37,886                   | 158,071             |
| Unearned revenue  | 21,673                  | 4,631                    | 26,304              |
| Long-term liabilities:  |                         |                          |                     |
| Due within one year   | 102,845                 | 42,196                   | 145,041             |
| Due in more than one year                                     | <u>1,980,268</u>        | <u>1,001,206</u>         | <u>2,981,474</u>    |
| Total liabilities   | <u>2,224,971</u>        | <u>1,085,919</u>         | <u>3,310,890</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                          |                         |                          |                     |
| Service concession arrangement                                | 4,473                   | -                        | 4,473               |
| Gain on refunding of debt                                     | -                       | 3,091                    | 3,091               |
| Pensions  | 7,228                   | 3,543                    | 10,771              |
| OPEB  | 14,581                  | 5,246                    | 19,827              |
| Leases  | <u>26,936</u>           | <u>8,371</u>             | <u>35,307</u>       |
| Total deferred inflows of resources                           | <u>53,218</u>           | <u>20,251</u>            | <u>73,469</u>       |
| <b>NET POSITION</b>   |                         |                          |                     |
| Net investment in capital assets                              | 1,460,079               | 985,382                  | 2,445,461           |
| Restricted for:   |                         |                          |                     |
| Capital projects  | 287,606                 | 62,135                   | 349,741             |
| Debt service  | 1,341                   | -                        | 1,341               |
| Public works programs   | 50,066                  | -                        | 50,066              |
| Economic development programs                                 | 81,352                  | -                        | 81,352              |
| Other programs  | 108,965                 | 51,174                   | 160,139             |
| Trust and endowments:   |                         |                          |                     |
| Expendable  | 11,674                  | -                        | 11,674              |
| Nonexpendable   | 598                     | -                        | 598                 |
| Unrestricted  | <u>(445,798)</u>        | <u>368,311</u>           | <u>(77,487)</u>     |
| Total net position  | <u>\$ 1,555,883</u>     | <u>\$ 1,467,002</u>      | <u>\$ 3,022,885</u> |

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

# City of Sacramento

## Statement of Activities

For the Fiscal Year Ended June 30, 2025  
(in thousands)

| Functions/Programs                     | Operating Expenses  | Indirect Expenses Allocation | Program Revenues     |                                    |                                  |                       |
|--|---------------------|------------------------------|----------------------|------------------------------------|----------------------------------|-----------------------|
|  |                     |                              | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Net (Expense) Revenue |
| <b>Primary government:</b>             |                     |                              |                      |                                    |                                  |                       |
| Governmental activities:               |                     |                              |                      |                                    |                                  |                       |
| General government                     | \$ 219,007          | \$ (19,400)                  | \$ 30,614            | \$ 44,439                          | \$ 427                           | \$ (124,127)          |
| Police                                 | 292,101             | -                            | 12,262               | 7,786                              | (40)                             | (272,093)             |
| Fire                                   | 252,274             | -                            | 71,617               | 2,174                              | -                                | (178,483)             |
| Public works                           | 130,312             | -                            | 70,948               | 16,927                             | 100,830                          | 58,393                |
| Convention and cultural services       | 29,170              | -                            | 15,808               | 278                                | 948                              | (12,136)              |
| Youth, parks, and community enrichment | 90,092              | -                            | 17,984               | 3,138                              | 12,713                           | (56,257)              |
| Community development                  | 99,966              | -                            | 40,324               | 160                                | 64,831                           | 5,349                 |
| Community response                     | 22,000              | -                            | -                    | 13,744                             | -                                | (8,256)               |
| Library                                | 25,095              | -                            | -                    | 9,888                              | -                                | (15,207)              |
| Interest on long-term debt             | 18,824              | -                            | -                    | -                                  | -                                | (18,824)              |
| Total governmental activities          | <u>1,178,841</u>    | <u>(19,400)</u>              | <u>259,557</u>       | <u>98,534</u>                      | <u>179,709</u>                   | <u>(621,641)</u>      |
| Business-type activities:              |                     |                              |                      |                                    |                                  |                       |
| Water                                  | 126,458             | 7,564                        | 145,408              | 4,265                              | 4,479                            | 20,130                |
| Wastewater                             | 40,255              | 1,465                        | 47,241               | 18                                 | 3,072                            | 8,611                 |
| Storm drainage                         | 57,375              | 2,009                        | 65,121               | 35                                 | 11,055                           | 16,827                |
| Solid waste                            | 69,741              | 4,377                        | 99,126               | 390                                | -                                | 25,398                |
| Community center                       | 39,013              | 2,497                        | 15,066               | -                                  | -                                | (26,444)              |
| Parking                                | 13,245              | 1,488                        | 20,861               | -                                  | -                                | 6,128                 |
| Child development                      | 6,989               | -                            | 6,948                | 349                                | -                                | 308                   |
| Total business-type activities         | <u>353,076</u>      | <u>19,400</u>                | <u>399,771</u>       | <u>5,057</u>                       | <u>18,606</u>                    | <u>50,958</u>         |
| Total primary government               | <u>\$ 1,531,917</u> | <u>\$ -</u>                  | <u>\$ 659,328</u>    | <u>\$ 103,591</u>                  | <u>\$ 198,315</u>                | <u>\$ (570,683)</u>   |

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

# City of Sacramento

## Statement of Activities

For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | Primary Government      |                          |              |
|---|-------------------------|--------------------------|--------------|
|   | Governmental Activities | Business-type Activities | Total        |
| Changes in net position:                                |                         |                          |              |
| Net (expense) revenue                                   | \$ (621,641)            | \$ 50,958                | \$ (570,683) |
| General revenues:                                       |                         |                          |              |
| Taxes:  |                         |                          |              |
| Property taxes  | 255,397                 | -                        | 255,397      |
| Utility user taxes                                      | 70,306                  | -                        | 70,306       |
| Local sales tax   | 134,705                 | -                        | 134,705      |
| Property transfer tax                                   | 11,317                  | -                        | 11,317       |
| Business operations tax                                 | 31,820                  | -                        | 31,820       |
| Transient occupancy tax                                 | 7,023                   | 35,228                   | 42,251       |
| Other taxes   | 2,508                   | -                        | 2,508        |
| Unrestricted sales taxes shared state revenue           | 112,815                 | -                        | 112,815      |
| Unrestricted investment earnings                        | 51,304                  | 32,129                   | 83,433       |
| Unrestricted miscellaneous                              | 15,667                  | -                        | 15,667       |
| Gain on reduction in lease liabilities                  | -                       | 25                       | 25           |
| Special item  | -                       | 13,400                   | 13,400       |
| Transfers   | 42,901                  | (42,901)                 | -            |
| Total general revenues and transfers                    | 735,763                 | 37,881                   | 773,644      |
| Changes in net position                                 | 114,122                 | 88,839                   | 202,961      |
| Net position, beginning of year, as previously reported | 1,449,379               | 1,380,102                | 2,829,481    |
| Change in accounting principle (GASB 101)               | (7,618)                 | (1,939)                  | (9,557)      |
| Net position, beginning of year, as restated            | 1,441,761               | 1,378,163                | 2,819,924    |
| Net position, end of year                               | \$ 1,555,883            | \$ 1,467,002             | \$ 3,022,885 |

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

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# Fund Financial Statements

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# City of Sacramento

## Governmental Funds

### Balance Sheet

June 30, 2025

(in thousands)

|   | General Fund      | Measure U Fund   | 2015 Golden 1 Center Lease Revenue Bond Fund |
|---|-------------------|------------------|--|
| <b>ASSETS</b>   |                   |                  |  |
| Cash and investments held by City   | \$ 319,827        | \$ 60,493        | \$ 8,193                                     |
| Cash and investments held by fiscal agent                                 | 284               | -                | 577  |
| Receivables, net:   |                   |                  |  |
| Taxes   | 36,015            | 22,770           | -  |
| Accounts  | 21,731            | 27               | 2,156  |
| Loans   | 986               | -                | 131,185                                      |
| Intergovernmental   | 8,227             | -                | -  |
| Leases  | 25,648            | -                | -  |
| Interest  | 2,617             | 413              | 31   |
| Prepaid items   | 424               | 1                | -  |
| Restricted assets:  |                   |                  |  |
| Cash and investments held by City   | -                 | -                | -  |
| Cash and investments held by fiscal agent                                 | -                 | -                | 18,289                                       |
| <b>Total assets</b>   | <b>\$ 415,759</b> | <b>\$ 83,704</b> | <b>\$ 160,431</b>                            |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>       |                   |                  |  |
| Liabilities:  |                   |                  |  |
| Accounts payable  | \$ 20,675         | \$ 7,812         | -  |
| Accrued payroll   | 27,683            | 2,758            | -  |
| Matured notes and interest payable  | -                 | -                | -  |
| Due to other funds  | -                 | -                | -  |
| Deposits  | 379               | -                | -  |
| Unearned revenue  | 1,958             | -                | -  |
| Advances from other funds   | 987               | -                | -  |
| <b>Total liabilities</b>  | <b>51,682</b>     | <b>10,570</b>    | <b>-</b>                                     |
| Deferred inflows of resources:  |                   |                  |  |
| Unavailable revenue   | 5,456             | -                | 131,185                                      |
| Leases  | 23,519            | -                | -  |
| <b>Total deferred inflows of resources</b>                                | <b>28,975</b>     | <b>-</b>         | <b>131,185</b>                               |
| Fund balances:  |                   |                  |  |
| Nonspendable:   |                   |                  |  |
| Prepaid items   | 424               | 1                | -  |
| Leases  | 2,129             | -                | -  |
| Permanent fund principal  | -                 | -                | -  |
| Restricted:   |                   |                  |  |
| Capital projects  | -                 | -                | -  |
| Debt service  | -                 | -                | 18,289                                       |
| Public works programs   | -                 | -                | -  |
| Economic development programs   | -                 | -                | -  |
| Other programs  | -                 | -                | -  |
| Committed:  |                   |                  |  |
| Economic uncertainty  | 74,613            | 1,773            | -  |
| Capital projects  | 58,203            | 20,665           | -  |
| Debt service  | -                 | -                | 10,349                                       |
| Fire programs   | 25,088            | -                | -  |
| OPEB  | 7,876             | 620              | -  |
| Set-aside for FY26 Budget   | 26,850            | -                | -  |
| Other programs  | 112,416           | 50,075           | -  |
| Assigned:   |                   |                  |  |
| Debt service  | -                 | -                | 608  |
| Other programs  | -                 | -                | -  |
| Unassigned  | 27,503            | -                | -  |
| <b>Total fund balances</b>  | <b>\$ 335,102</b> | <b>\$ 73,134</b> | <b>\$ 29,246</b>                             |
| <b>Total liabilities, deferred inflows of resources and fund balances</b> | <b>\$ 415,759</b> | <b>\$ 83,704</b> | <b>\$ 160,431</b>                            |

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

# City of Sacramento

## Governmental Funds

### Balance Sheet

June 30, 2025

(in thousands)

|   | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|---|--------------------------------|--------------------------------|
| <b>ASSETS</b>   |                                |                                |
| Cash and investments held by City                                   | \$ 507,728                     | \$ 896,241                     |
| Cash and investments held by fiscal agent                           | 126                            | 987                            |
| Receivables, net:   |                                |                                |
| Taxes   | 7,533                          | 66,318                         |
| Accounts  | 32,764                         | 56,678                         |
| Loans   | 44,954                         | 177,125                        |
| Intergovernmental   | 84,860                         | 93,087                         |
| Leases  | 3,617                          | 29,265                         |
| Interest  | 2,778                          | 5,839                          |
| Prepaid items   | 13                             | 438                            |
| Restricted assets:  |                                |                                |
| Cash and investments held by City                                   | 10,784                         | 10,784                         |
| Cash and investments held by fiscal agent                           | 5,659                          | 23,948                         |
| Total assets  | <u>\$ 700,816</u>              | <u>\$ 1,360,710</u>            |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |                                |                                |
| Liabilities:  |                                |                                |
| Accounts payable  | \$ 48,505                      | \$ 76,992                      |
| Accrued payroll   | 83                             | 30,524                         |
| Matured notes and interest payable                                  | 667                            | 667                            |
| Due to other funds  | 10,909                         | 10,909                         |
| Deposits  | 1,697                          | 2,076                          |
| Unearned revenue  | 19,494                         | 21,452                         |
| Advances from other funds   | 19,278                         | 20,265                         |
| Total liabilities   | <u>100,633</u>                 | <u>162,885</u>                 |
| Deferred inflows of resources:                                      |                                |                                |
| Unavailable revenue   | 84,179                         | 220,820                        |
| Leases  | 3,417                          | 26,936                         |
| Total deferred inflows of resources                                 | <u>87,596</u>                  | <u>247,756</u>                 |
| Fund balances:  |                                |                                |
| Nonspendable:   |                                |                                |
| Prepaid items   | 13                             | 438                            |
| Leases  | 200                            | 2,329                          |
| Permanent fund principal  | 578                            | 578                            |
| Restricted:   |                                |                                |
| Capital projects  | 315,323                        | 315,323                        |
| Debt service  | 5,275                          | 23,564                         |
| Public works programs   | 26,903                         | 26,903                         |
| Economic development programs                                       | 81,352                         | 81,352                         |
| Other programs  | 117,586                        | 117,586                        |
| Committed:  |                                |                                |
| Economic uncertainty  | -                              | 76,386                         |
| Capital projects  | 1,400                          | 80,268                         |
| Debt service  | 733                            | 11,082                         |
| Fire programs   | -                              | 25,088                         |
| OPEB  | 8                              | 8,504                          |
| Set-aside for FY26 Budget   | -                              | 26,850                         |
| Other programs  | 26,458                         | 188,949                        |
| Assigned:   |                                |                                |
| Debt service  | 2,131                          | 2,739                          |
| Other programs  | 508                            | 508                            |
| Unassigned  | <u>(65,881)</u>                | <u>(38,378)</u>                |
| Total fund balances   | <u>512,587</u>                 | <u>950,069</u>                 |
| Total liabilities, deferred inflows of resources and fund balances  | <u>\$ 700,816</u>              | <u>\$ 1,360,710</u>            |

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

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# City of Sacramento

## Governmental Funds

### Reconciliation of the Balance Sheet to the Statement of Net Position

June 30, 2025

(in thousands)

|  |                            |
|--|----------------------------|
| <b>Fund balances - total governmental funds</b>  | <b>\$ 950,069</b>          |
| <p>Amounts reported for governmental activities in the statement of net position are different because:</p>  |                            |
| Revenue and other resources not available to liquidate liabilities of the current period are not recognized in the funds.  | 220,820                    |
| Prepaid bond insurance represents costs associated with the issuance of long-term debt which are amortized over the period the debt is outstanding. The costs are reported as expenditures of the current period in the governmental funds.  | 137                        |
| Net pension asset is dedicated for future pension payments and is not reported in the funds.   | 13,017                     |
| <p>Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds:</p>  |                            |
| Governmental capital assets  | 3,816,417                  |
| Less: accumulated depreciation/amortization  | <u>(1,963,731)</u>         |
|  | 1,852,686                  |
| <p>Certain current liabilities are not due and payable in the current period and therefore, are not reported in the funds. Those liabilities consist of the following:</p>   |                            |
| Interest payable   | (4,866)                    |
| <p>Deferred outflows and inflows of resources are not recognized in the current period and therefore, not reported in the governmental funds.</p>  |                            |
| Deferred outflows related to pensions  | 287,710                    |
| Deferred outflows related to OPEB  | 29,687                     |
| Deferred inflows related to pensions   | (7,221)                    |
| Deferred inflows related to OPEB   | (13,940)                   |
| Loss on refunding of debt  | <u>1,758</u>               |
|  | 297,994                    |
| <p>Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.</p>   |                            |
| Accrued compensated absences   | (59,312)                   |
| Accrued claims and judgments   | (6,628)                    |
| Financing plan fee credits   | (77,036)                   |
| Net pension liability  | (1,161,324)                |
| Net OPEB liability   | (161,582)                  |
| Pollution remediation obligations  | (2,138)                    |
| Revenue and other bonds payable, net   | (408,868)                  |
| Notes payable  | (15,480)                   |
| Lease liabilities  | (3,836)                    |
| IT subscription liabilities  | <u>(9,488)</u>             |
|  | (1,905,692)                |
| <p>Internal service funds are used by management to charge the costs of certain activities, such as insurance and fleet, to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position.</p> |                            |
|  | <u>131,718</u>             |
| <b>Net position of governmental activities</b>   | <b><u>\$ 1,555,883</u></b> |

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

## City of Sacramento

### Governmental Funds

### Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2025

(in thousands)

|   | General Fund      | Measure U Fund   | 2015 Golden 1 Center Lease Revenue Bond Fund |
|---|-------------------|------------------|--|
| <b>Revenues:</b>  |                   |                  |  |
| Taxes   | \$ 473,222        | \$ 134,705       | \$ -   |
| Intergovernmental   | 41,846            | -                | -  |
| Charges for services                                      | 120,550           | -                | -  |
| Fines, forfeits, and penalties                            | 14,976            | -                | -  |
| Interest, rents, and concessions                          | 20,585            | 3,667            | 3,494  |
| Community service fees                                    | -                 | -                | -  |
| Assessment levies   | 671               | -                | -  |
| Contributions and donations                               | 40                | -                | -  |
| Miscellaneous   | 460               | -                | -  |
| <b>Total revenues</b>                                     | <b>672,350</b>    | <b>138,372</b>   | <b>3,494</b>                                 |
| <b>Expenditures:</b>                                      |                   |                  |  |
| Current:  |                   |                  |  |
| General government  | 74,093            | 13,700           | -  |
| Police  | 242,605           | 9,232            | -  |
| Fire  | 220,062           | 9,867            | -  |
| Public works  | 23,654            | 1,923            | -  |
| Convention and cultural services                          | 3,535             | 4,032            | -  |
| Youth, parks, and community enrichment                    | 5,765             | 42,129           | -  |
| Community development                                     | 34,175            | 13,245           | -  |
| Community response  | 2,987             | 15,359           | -  |
| Library   | -                 | 14,272           | -  |
| Utilities   | 71                | 4,980            | -  |
| Citywide and community support                            | 68,367            | 7,629            | -  |
| Capital outlay  | 22,437            | 10,585           | -  |
| Debt service:   |                   |                  |  |
| Principal   | 3,894             | 374              | 4,400  |
| Interest and fiscal charges                               | 199               | 36               | 7,427  |
| <b>Total expenditures</b>                                 | <b>701,844</b>    | <b>147,363</b>   | <b>11,827</b>                                |
| Excess (deficiency) of revenues over (under) expenditures | (29,494)          | (8,991)          | (8,333)                                      |
| Other financing sources (uses):                           |                   |                  |  |
| Transfers in  | 67,163            | 468              | 9,400  |
| Transfers out   | (30,836)          | (984)            | -  |
| Issuance of long-term debt                                | 1,821             | 1,599            | -  |
| <b>Total other financing sources (uses)</b>               | <b>38,148</b>     | <b>1,083</b>     | <b>9,400</b>                                 |
| Changes in fund balances                                  | 8,654             | (7,908)          | 1,067  |
| Fund balances, beginning of year                          | 326,448           | 81,042           | 28,179                                       |
| <b>Fund balances, end of year</b>                         | <b>\$ 335,102</b> | <b>\$ 73,134</b> | <b>\$ 29,246</b>                             |

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

# City of Sacramento

## Governmental Funds

### Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2025

(in thousands)

|  | Other<br>Governmental<br>Funds | Total<br>Governmental<br>Funds |
|--|--------------------------------|--------------------------------|
| <b>Revenues:</b>   |                                |                                |
| Taxes  | \$ 18,682                      | \$ 626,609                     |
| Intergovernmental  | 162,393                        | 204,239                        |
| Charges for services   | 31,964                         | 152,514                        |
| Fines, forfeits, and penalties                                   | 202                            | 15,178                         |
| Interest, rents, and concessions                                 | 22,916                         | 50,662                         |
| Community service fees   | 31,933                         | 31,933                         |
| Assessment levies  | 69,197                         | 69,868                         |
| Contributions and donations                                      | 44,098                         | 44,138                         |
| Miscellaneous  | 94                             | 554                            |
| <br>Total revenues   | <br>381,479                    | <br>1,195,695                  |
| <b>Expenditures:</b>   |                                |                                |
| Current:   |                                |                                |
| General government   | 52,119                         | 139,912                        |
| Police   | 7,631                          | 259,468                        |
| Fire   | 4,307                          | 234,236                        |
| Public works   | 37,906                         | 63,483                         |
| Convention and cultural services                                 | 13,033                         | 20,600                         |
| Youth, parks, and community enrichment                           | 13,573                         | 61,467                         |
| Community development  | 45,365                         | 92,785                         |
| Community response   | 3,048                          | 21,394                         |
| Library  | 9,888                          | 24,160                         |
| Utilities  | 421                            | 5,472                          |
| Citywide and community support                                   | -                              | 75,996                         |
| Capital outlay   | 120,597                        | 153,619                        |
| Debt service:  |                                |                                |
| Principal  | 18,521                         | 27,189                         |
| Interest and fiscal charges                                      | 12,126                         | 19,788                         |
| <br>Total expenditures   | <br>338,535                    | <br>1,199,569                  |
| <br>Excess (deficiency) of revenues over<br>(under) expenditures | <br>42,944                     | <br>(3,874)                    |
| <b>Other financing sources (uses):</b>                           |                                |                                |
| Transfers in   | 28,080                         | 105,111                        |
| Transfers out  | (28,229)                       | (60,049)                       |
| Issuance of long-term debt                                       | 4,369                          | 7,789                          |
| <br>Total other financing sources (uses)                         | <br>4,220                      | <br>52,851                     |
| <br>Changes in fund balances                                     | <br>47,164                     | <br>48,977                     |
| <br>Fund balances, beginning of year                             | <br>465,423                    | <br>901,092                    |
| <br>Fund balances, end of year                                   | <br>\$ 512,587                 | <br>\$ 950,069                 |

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

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## City of Sacramento

### Governmental Funds

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

For the Fiscal Year Ended June 30, 2025

(in thousands)

---

|   |           |
|---|-----------|
| Changes in fund balances - total governmental funds | \$ 48,977 |
|---|-----------|

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

Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense.

|                                   |          |
|-----------------------------------|----------|
| Capital outlay                    | 95,371   |
| Depreciation/amortization expense | (78,825) |
|                                   | <hr/>    |
|                                   | 16,546   |

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds:

|                            |        |
|----------------------------|--------|
| Infrastructure dedications | 10,362 |
|----------------------------|--------|

Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.

|  |         |
|--|---------|
| Issuance of long-term debt             | (7,789) |
| Principal repayments on long-term debt | <hr/>   |
|  | 27,189  |
|  | <hr/>   |
|  | 19,400  |

Revenue and other resources not available to liquidate liabilities of the current period are not recognized in governmental funds. Revenue in the statement of activities is not limited by availability, so certain revenues need to be reduced by the amounts that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues - unavailable revenues at the end of the year were greater than beginning unavailable revenues by this amount.

13,181

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.

|  |          |
|--|----------|
| Accrued compensated absences           | (441)    |
| Accrued claims and judgments           | (987)    |
| Pension expense                        | (35,941) |
| Other postemployment benefits          | 26,396   |
| Pollution remediation                  | (1,118)  |
| Interest                               | 58       |
| Amortization of prepaid bond insurance | (17)     |
| Amortization of bond premium           | 1,136    |
| Amortization of gain/loss on refunding | <hr/>    |
|  | (220)    |
|  | <hr/>    |
|  | (11,134) |

Capital assets transferred from governmental activities to business-type activities are reported as transfers in the statement of activities. The transfers are not reported in the governmental funds as the amount did not involve the transfer of financial resources.

(328)

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

17,118

|   |            |
|---|------------|
| Change in net position of governmental activities | \$ 114,122 |
|---|------------|

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

# City of Sacramento

## General Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual (Non-GAAP Budgetary Basis) with Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2025

(in thousands)

|  | Budgeted Amounts  |                   | Actual<br>Amounts -<br>Budgetary<br>Basis | Variance with<br>Final Budget | Budget<br>to GAAP<br>Reconciliation | Actual<br>Amounts -<br>GAAP<br>Basis |
|--|-------------------|-------------------|---|-------------------------------|-------------------------------------|--------------------------------------|
|  | Original          | Final             |   |                               |                                     |                                      |
| <b>Revenues:</b>   |                   |                   |   |                               |                                     |                                      |
| Taxes  | \$ 466,660        | \$ 470,204        | \$ 473,222                                | \$ 3,018                      | \$ -                                | \$ 473,222                           |
| Intergovernmental  | 13,826            | 16,861            | 41,846                                    | 24,985                        | -                                   | 41,846                               |
| Charges for services   | 138,049           | 144,558           | 120,550                                   | (24,008)                      | -                                   | 120,550                              |
| Fines, forfeits and penalties                                | 9,088             | 9,332             | 14,976                                    | 5,644                         | -                                   | 14,976                               |
| Interest, rents, and concessions                             | 5,133             | 6,960             | 20,585                                    | 13,625                        | -                                   | 20,585                               |
| Assessment levies  | 230               | 230               | 671                                       | 441                           | -                                   | 671                                  |
| Contributions and donations                                  | -                 | -                 | 40  | 40                            | -                                   | 40                                   |
| Miscellaneous  | 242               | 240               | 460                                       | 220                           | -                                   | 460                                  |
| <b>Total revenues</b>  | <b>633,228</b>    | <b>648,385</b>    | <b>672,350</b>                            | <b>23,965</b>                 | <b>-</b>                            | <b>672,350</b>                       |
| <b>Expenditures:</b>   |                   |                   |   |                               |                                     |                                      |
| Current:   |                   |                   |   |                               |                                     |                                      |
| Mayor/Council  | 9,134             | 11,057            | 6,285                                     | 4,772                         | -                                   | 6,285                                |
| City Auditor   | 1,324             | 1,489             | 940                                       | 549                           | -                                   | 940                                  |
| City Manager   | 78,438            | 39,618            | 21,192                                    | 18,426                        | (5,474)                             | 15,718                               |
| City Attorney  | 15,308            | 16,814            | 13,316                                    | 3,498                         | (429)                               | 12,887                               |
| City Clerk   | 3,211             | 3,093             | 2,754                                     | 339                           | 3                                   | 2,757                                |
| City Treasurer   | 1,753             | 1,765             | 1,252                                     | 513                           | -                                   | 1,252                                |
| Finance  | 12,345            | 12,419            | 9,832                                     | 2,587                         | (26)                                | 9,806                                |
| Information technology                                       | 21,406            | 21,545            | 19,254                                    | 2,291                         | (5)                                 | 19,249                               |
| Human resources  | 10,371            | 10,666            | 5,287                                     | 5,379                         | (88)                                | 5,199                                |
| Subtotal - General government                                | 153,290           | 118,466           | 80,112                                    | 38,354                        | (6,019)                             | 74,093                               |
| Police   | 247,226           | 250,553           | 242,586                                   | 7,967                         | 19                                  | 242,605                              |
| Fire   | 210,272           | 220,246           | 220,048                                   | 198                           | 14                                  | 220,062                              |
| Public works   | 28,899            | 29,271            | 23,979                                    | 5,292                         | (325)                               | 23,654                               |
| Convention and cultural services                             | 8,078             | 8,487             | 5,467                                     | 3,020                         | (1,932)                             | 3,535                                |
| Youth, parks, and community enrichment                       | 7,057             | 25,033            | 5,765                                     | 19,268                        | -                                   | 5,765                                |
| Community development  | 40,167            | 41,830            | 34,719                                    | 7,111                         | (544)                               | 34,175                               |
| Community response   | 2,818             | 2,969             | 4,230                                     | (1,261)                       | (1,243)                             | 2,987                                |
| Utilities  | 79                | 79                | 71  | 8                             | -                                   | 71                                   |
| Citywide and community support                               | 62,257            | 55,642            | 68,366                                    | (12,724)                      | 1                                   | 68,367                               |
| Capital outlay   | 61,764            | 74,469            | 27,254                                    | 47,215                        | (4,817)                             | 22,437                               |
| Debt service:  |                   |                   |   |                               |                                     |                                      |
| Principal  | -                 | 3,894             | 3,894                                     | -                             | -                                   | 3,894                                |
| Interest and fiscal charges                                  | -                 | 168               | 168                                       | -                             | 31                                  | 199                                  |
| <b>Total expenditures</b>                                    | <b>821,907</b>    | <b>831,107</b>    | <b>716,659</b>                            | <b>114,448</b>                | <b>(14,815)</b>                     | <b>701,844</b>                       |
| Excess (deficiency) of revenues over<br>(under) expenditures | (188,679)         | (182,722)         | (44,309)                                  | 138,413                       | 14,815                              | (29,494)                             |
| Other financing sources (uses):                              |                   |                   |   |                               |                                     |                                      |
| Transfers in   | 40,438            | 62,958            | 67,163                                    | 4,205                         | -                                   | 67,163                               |
| Transfers out  | (22,181)          | (31,273)          | (30,836)                                  | 437                           | -                                   | (30,836)                             |
| Issuance of long-term debt                                   | -                 | -                 | -   | -                             | 1,821                               | 1,821                                |
| <b>Total other financing sources (uses)</b>                  | <b>18,257</b>     | <b>31,685</b>     | <b>36,327</b>                             | <b>4,642</b>                  | <b>1,821</b>                        | <b>38,148</b>                        |
| Changes in fund balance                                      | (170,422)         | (151,037)         | (7,982)                                   | 143,055                       | 16,636                              | 8,654                                |
| Fund balance, beginning of year                              | 326,448           | 326,448           | 326,448                                   | -                             | -                                   | 326,448                              |
| <b>Fund balance, end of year</b>                             | <b>\$ 156,026</b> | <b>\$ 175,411</b> | <b>\$ 318,466</b>                         | <b>\$ 143,055</b>             | <b>\$ 16,636</b>                    | <b>\$ 335,102</b>                    |

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

# City of Sacramento

## Measure U Fund

### Statement of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual (Non-GAAP Budgetary Basis)

#### with Budget to GAAP Reconciliation

For the Fiscal Year Ended June 30, 2025

(in thousands)

|   | Budgeted Amounts |                  | Budgetary Basis  | Variance with Final Budget | Budget to GAAP Reconciliation | Actual Amounts - |                |
|---|------------------|------------------|------------------|----------------------------|-------------------------------|------------------|----------------|
|   | Original         | Final            |                  |                            |                               | GAAP             | Basis          |
| <b>Revenues:</b>  |                  |                  |                  |                            |                               |                  |                |
| Taxes   | \$ 139,094       | \$ 133,195       | \$ 134,705       | \$ 1,510                   | \$ -                          | \$ 134,705       |                |
| Interest, rents, and concessions                          | 1,250            | 1,250            | 3,667            | 2,417                      | -                             | -                | 3,667          |
| <b>Total revenues</b>                                     | <b>140,344</b>   | <b>134,445</b>   | <b>138,372</b>   | <b>3,927</b>               | <b>-</b>                      | <b>-</b>         | <b>138,372</b> |
| <b>Expenditures:</b>                                      |                  |                  |                  |                            |                               |                  |                |
| Current:  |                  |                  |                  |                            |                               |                  |                |
| General government  | 19,878           | 17,497           | 17,788           | (291)                      | (4,088)                       | 13,700           |                |
| Police  | 12,222           | 12,355           | 10,854           | 1,501                      | (1,622)                       | 9,232            |                |
| Fire  | 10,355           | 10,949           | 10,030           | 919                        | (163)                         | 9,867            |                |
| Public works  | 2,424            | 2,348            | 1,969            | 379                        | (46)                          | 1,923            |                |
| Convention and cultural services                          | 4,863            | 4,928            | 4,034            | 894                        | (2)                           | 4,032            |                |
| Youth, parks, and community enrichment                    | 45,798           | 45,063           | 42,384           | 2,679                      | (255)                         | 42,129           |                |
| Community development                                     | 18,171           | 17,859           | 13,835           | 4,024                      | (590)                         | 13,245           |                |
| Community response  | 31,433           | 37,180           | 21,080           | 16,100                     | (5,721)                       | 15,359           |                |
| Library   | 14,272           | 14,272           | 14,272           | -                          | -                             | 14,272           |                |
| Utilities   | 5,403            | 5,403            | 4,980            | 423                        | -                             | 4,980            |                |
| Citywide and community support                            | 6,304            | 6,274            | 7,629            | (1,355)                    | -                             | 7,629            |                |
| Capital outlay  | 24,187           | 27,897           | 14,473           | 13,424                     | (3,888)                       | 10,585           |                |
| Debt service:   |                  |                  |                  |                            |                               |                  |                |
| Principal   | -                | 374              | 374              | -                          | -                             | 374              |                |
| Interest and fiscal charges                               | -                | 35               | 35               | -                          | 1                             | 36               |                |
| <b>Total expenditures</b>                                 | <b>195,310</b>   | <b>202,434</b>   | <b>163,737</b>   | <b>38,697</b>              | <b>(16,374)</b>               | <b>147,363</b>   |                |
| Excess (deficiency) of revenues over (under) expenditures | (54,966)         | (67,989)         | (25,365)         | 42,624                     | 16,374                        | (8,991)          |                |
| Other financing sources (uses):                           |                  |                  |                  |                            |                               |                  |                |
| Transfers in  | -                | 388              | 468              | 80                         | -                             | 468              |                |
| Transfers out   | (710)            | (985)            | (985)            | -                          | 1                             | (984)            |                |
| Issuance of long-term debt                                | -                | -                | -                | -                          | 1,599                         | 1,599            |                |
| <b>Total other financing sources (uses)</b>               | <b>(710)</b>     | <b>(597)</b>     | <b>(517)</b>     | <b>80</b>                  | <b>1,600</b>                  | <b>1,083</b>     |                |
| Changes in fund balance                                   | (55,676)         | (68,586)         | (25,882)         | 42,704                     | 17,974                        | (7,908)          |                |
| Fund balance, beginning of year                           | 81,042           | 81,042           | 81,042           | -                          | -                             | 81,042           |                |
| <b>Fund balance, end of year</b>                          | <b>\$ 25,366</b> | <b>\$ 12,456</b> | <b>\$ 55,160</b> | <b>\$ 42,704</b>           | <b>\$ 17,974</b>              | <b>\$ 73,134</b> |                |

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

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Net Position**

June 30, 2025  
 (in thousands)

|   | Business-type Activities - Enterprise Funds |                 |                     |                  |
|---|---|-----------------|---------------------|------------------|
|   | Water Fund                                  | Wastewater Fund | Storm Drainage Fund | Solid Waste Fund |
| <b>ASSETS</b>                               |   |                 |                     |                  |
| Current assets:                             |   |                 |                     |                  |
| Cash and investments held by City           | \$ 234,990                                  | \$ 66,228       | \$ 84,365           | \$ 77,534        |
| Cash and investments held by fiscal agent   | 80  | -               | -                   | -                |
| Receivables, net:                           |   |                 |                     |                  |
| Taxes                                       | -   | -               | -                   | -                |
| Accounts                                    | 24,553                                      | 13,864          | 13,335              | 15,142           |
| Loans                                       | -   | -               | 52                  | -                |
| Intergovernmental                           | 6,023                                       | 1,093           | 734                 | -                |
| Leases                                      | 67  | -               | -                   | 159              |
| Settlement                                  | 4,690                                       | -               | -                   | -                |
| Interest                                    | 2,069                                       | 503             | 591                 | 548              |
| Due from other funds                        | -   | -               | -                   | -                |
| Inventories                                 | 2,327                                       | 78              | 394                 | -                |
| Prepaid items                               | 144   | -               | -                   | -                |
| Intangible asset, current portion           | -   | -               | -                   | -                |
| Total current assets                        | 274,943                                     | 81,766          | 99,471              | 93,383           |
| Noncurrent assets:                          |   |                 |                     |                  |
| Restricted assets:                          |   |                 |                     |                  |
| Cash and investments held by City           | 62,482                                      | 7,586           | 1,528               | 1,081            |
| Cash and investments held by fiscal agent   | 639   | -               | -                   | -                |
| Advances to other funds                     | -   | -               | -                   | -                |
| Leases receivable                           | 692   | -               | -                   | 1,124            |
| Loans receivable                            | 1,000                                       | -               | 770                 | -                |
| Settlement receivable                       | 2,637                                       | -               | -                   | -                |
| Intangible assets                           | -   | -               | -                   | -                |
| Net pension asset                           | 3,015                                       | 241             | 2,303               | 2,961            |
| Capital assets:                             |   |                 |                     |                  |
| Land  | 4,297                                       | 1,138           | 17,885              | 1,133            |
| Buildings and improvements                  | 182,546                                     | 58,703          | 11,849              | 32,153           |
| Machinery and equipment                     | 123,049                                     | 6,360           | 18,999              | 14,590           |
| Vehicles                                    | -   | -               | -                   | -                |
| Transmission and distribution system        | 945,055                                     | 260,004         | 471,944             | -                |
| Construction in progress                    | 48,647                                      | 5,088           | 2,795               | 450              |
| Software                                    | 4,023                                       | 3,464           | 3,764               | 2,801            |
| Easements                                   | 134   | -               | 157                 | -                |
| Intangible right-to-use lease land          | -   | -               | -                   | -                |
| Intangible right-to-use lease buildings     | -   | -               | 177                 | -                |
| Intangible right-to-use lease equipment     | 184   | -               | -                   | -                |
| Intangible right-to-use IT subscriptions    | 1,484                                       | 363             | 194                 | 162              |
| Less: accumulated depreciation/amortization | (461,121)                                   | (114,011)       | (271,079)           | (39,603)         |
| Total noncurrent assets                     | 918,763                                     | 228,936         | 261,286             | 16,852           |
| Total assets                                | 1,193,706                                   | 310,702         | 360,757             | 110,235          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |   |                 |                     |                  |
| Loss on refunding of debt                   | 5,457                                       | 1,989           | -                   | -                |
| Pensions                                    | 12,390                                      | 3,083           | 3,514               | 4,661            |
| OPEB  | 1,304                                       | 390             | 513                 | 880              |
| Total deferred outflows of resources        | 19,151                                      | 5,462           | 4,027               | 5,541            |

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

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Net Position**

June 30, 2025  
 (in thousands)

|   | Business-type Activities - Enterprise Funds |                        |             | Governmental                        |
|---|---|------------------------|-------------|-------------------------------------|
|   | Community Center Fund                       | Other Enterprise Funds | Total       | Activities - Internal Service Funds |
| <b>ASSETS</b>                               |   |                        |             |                                     |
| Current assets:                             |   |                        |             |                                     |
| Cash and investments held by City           | \$ 37,616                                   | \$ 25,012              | \$ 525,745  | \$ 144,335                          |
| Cash and investments held by fiscal agent   | -   | -                      | 80          | 816                                 |
| Receivables, net:                           |   |                        |             |                                     |
| Taxes                                       | 4,792                                       | -                      | 4,792       | -                                   |
| Accounts                                    | 3,513                                       | 857                    | 71,264      | 12,787                              |
| Loans                                       | -   | -                      | 52          | -                                   |
| Intergovernmental                           | -   | -                      | 7,850       | -                                   |
| Leases                                      | -   | 655                    | 881         |                                     |
| Settlement                                  | -   | -                      | 4,690       | -                                   |
| Interest                                    | 308   | 9                      | 4,028       | 904                                 |
| Due from other funds                        | -   | -                      | -           | 11,159                              |
| Inventories                                 | -   | -                      | 2,799       | -                                   |
| Prepaid items                               | 33  | 18                     | 195         | 15,790                              |
| Intangible asset, current portion           | -   | 8                      | 8           | -                                   |
| Total current assets                        | 46,262                                      | 26,559                 | 622,384     | 185,791                             |
| Noncurrent assets:                          |   |                        |             |                                     |
| Restricted assets:                          |   |                        |             |                                     |
| Cash and investments held by City           | 2,829                                       | -                      | 75,506      | -                                   |
| Cash and investments held by fiscal agent   | 7,489                                       | -                      | 8,128       | -                                   |
| Advances to other funds                     | -   | -                      | -           | 24,636                              |
| Leases receivable                           | -   | 6,803                  | 8,619       | -                                   |
| Loans receivable                            | -   | -                      | 1,770       | -                                   |
| Settlement receivable                       | -   | -                      | 2,637       |                                     |
| Intangible assets                           | -   | 80                     | 80          | -                                   |
| Net pension asset                           | 699   | -                      | 9,219       |                                     |
| Capital assets:                             |   |                        |             |                                     |
| Land  | 20,071                                      | 5,825                  | 50,349      | -                                   |
| Buildings and improvements                  | 113,190                                     | 66,842                 | 465,283     | 7,454                               |
| Machinery and equipment                     | 4,913                                       | 10,310                 | 178,221     | 813                                 |
| Vehicles                                    | -   | -                      | -           | 231,585                             |
| Transmission and distribution system        | -   | -                      | 1,677,003   | -                                   |
| Construction in progress                    | 372,645                                     | 731                    | 430,356     | -                                   |
| Software                                    | 59  | 41                     | 14,152      | 256                                 |
| Easements                                   | -   | -                      | 291         | -                                   |
| Intangible right-to-use lease land          | -   | 1,978                  | 1,978       |                                     |
| Intangible right-to-use lease buildings     | 1,599                                       | -                      | 1,776       | 216                                 |
| Intangible right-to-use lease equipment     | -   | -                      | 184         | -                                   |
| Intangible right-to-use IT subscriptions    | 228   | 767                    | 3,198       | 583                                 |
| Less: accumulated depreciation/amortization | (76,740)                                    | (50,513)               | (1,013,067) | (140,121)                           |
| Total noncurrent assets                     | 446,982                                     | 42,864                 | 1,915,683   | 125,422                             |
| Total assets                                | 493,244                                     | 69,423                 | 2,538,067   | 311,213                             |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |   |                        |             |                                     |
| Loss on refunding of debt                   | -   | -                      | 7,446       | -                                   |
| Pensions                                    | 2,609                                       | 2,291                  | 28,548      | 3,344                               |
| OPEB  | 348   | 297                    | 3,732       | 511                                 |
| Total deferred outflows of resources        | 2,957                                       | 2,588                  | 39,726      | 3,855                               |

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

(continued)

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Net Position**

June 30, 2025  
 (in thousands)

|                                      | <b>Business-type Activities - Enterprise Funds</b> |                        |                            |                         |
|--------------------------------------|--|------------------------|----------------------------|-------------------------|
|                                      | <b>Water Fund</b>                                  | <b>Wastewater Fund</b> | <b>Storm Drainage Fund</b> | <b>Solid Waste Fund</b> |
| <b>LIABILITIES</b>                   |  |                        |                            |                         |
| Current liabilities:                 |  |                        |                            |                         |
| Accounts payable                     | 6,390  | 14,231                 | 1,088                      | 1,804                   |
| Due to other funds                   | -  | -                      | -                          | -                       |
| Accrued payroll                      | 1,728  | 457                    | 621                        | 627                     |
| Accrued compensated absences         | 2,408  | 690                    | 959                        | 999                     |
| Interest payable                     | 2,852  | 565                    | 22                         | 27                      |
| Liability for landfill postclosure   | -  | -                      | -                          | 458                     |
| Deposits                             | -  | 20                     | -                          | -                       |
| Unearned revenue                     | 1,771  | -                      | 317                        | -                       |
| Accrued claims and judgments         | 155  | 93                     | 121                        | 300                     |
| Lease liabilities                    | -  | -                      | 37                         | -                       |
| IT subscription liabilities          | 178  | 63                     | 7                          | 24                      |
| Revenue and other bonds payable, net | 16,996   | 2,506                  | -                          | 1,435                   |
| Notes payable                        | 3,649  | -                      | 104                        | -                       |
| Total current liabilities            | 36,127   | 18,625                 | 3,276                      | 5,674                   |
| Noncurrent liabilities:              |  |                        |                            |                         |
| Accrued compensated absences         | 2,792  | 1,013                  | 1,262                      | 1,191                   |
| Advances from other funds            | -  | -                      | -                          | -                       |
| Water fee credits                    | 96   | -                      | -                          | -                       |
| Wastewater fee credits               | -  | 7,527                  | -                          | -                       |
| Net OPEB liability                   | 10,523   | 3,926                  | 4,401                      | 14,975                  |
| Accrued claims and judgments         | -  | -                      | -                          | -                       |
| Liability for landfill postclosure   | -  | -                      | -                          | 5,220                   |
| Lease liabilities                    | -  | -                      | -                          | -                       |
| IT subscription liabilities          | 254  | 16                     | 15                         | 10                      |
| Revenue and other bonds payable, net | 288,074  | 49,288                 | -                          | 6,206                   |
| Notes payable                        | 118,808  | -                      | 1,541                      | -                       |
| Net pension liability                | 53,397   | 15,830                 | 33,997                     | 23,009                  |
| Total noncurrent liabilities         | 473,944  | 77,600                 | 41,216                     | 50,611                  |
| Total liabilities                    | 510,071  | 96,225                 | 44,492                     | 56,285                  |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |                        |                            |                         |
| Gain on refunding of debt            | 2,889  | -                      | -                          | 105                     |
| Pensions                             | 1,062  | 277                    | 708                        | 1,244                   |
| OPEB                                 | 1,630  | 507                    | 864                        | 2,173                   |
| Leases                               | 687  | -                      | -                          | 1,250                   |
| Total deferred inflows of resources  | 6,268  | 784                    | 1,572                      | 4,772                   |
| <b>NET POSITION</b>                  |  |                        |                            |                         |
| Net investment in capital assets     | 421,163  | 163,503                | 254,636                    | 4,064                   |
| Restricted for:                      |  |                        |                            |                         |
| Capital projects                     | 54,863   | 7,272                  | -                          | -                       |
| Other programs                       | -  | 242                    | 49,875                     | 1,057                   |
| Unrestricted                         | 220,492  | 48,138                 | 14,209                     | 49,598                  |
| Total net position                   | \$ 696,518   | \$ 219,155             | \$ 318,720                 | \$ 54,719               |

(continued)

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

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Net Position**

June 30, 2025  
 (in thousands)

|                                      | <b>Business-type Activities - Enterprise Funds</b> |                               |              | <b>Governmental Activities - Internal Service Funds</b> |
|--------------------------------------|--|-------------------------------|--------------|---|
|                                      | <b>Community Center Fund</b>                       | <b>Other Enterprise Funds</b> | <b>Total</b> |   |
| <b>LIABILITIES</b>                   |  |                               |              |   |
| Current liabilities:                 |  |                               |              |   |
| Accounts payable                     | 3,248  | 2,203                         | 28,964       | 4,925   |
| Due to other funds                   | 250  | -                             | 250          | -   |
| Accrued payroll                      | 321  | 372                           | 4,126        | 445   |
| Accrued compensated absences         | 336  | 474                           | 5,866        | 617   |
| Interest payable                     | 1,212  | 29                            | 4,707        | 6   |
| Liability for landfill postclosure   | -  | -                             | 458          | -   |
| Deposits                             | -  | 69                            | 89           | -   |
| Unearned revenue                     | 2,143  | 400                           | 4,631        | 221   |
| Accrued claims and judgments         | 28   | 9                             | 706          | 39,812  |
| Lease liabilities                    | 120  | 117                           | 274          | 42  |
| IT subscription liabilities          | 29   | 50                            | 351          | 71  |
| Revenue and other bonds payable, net | 8,494  | 1,357                         | 30,788       | -   |
| Notes payable                        | -  | -                             | 3,753        | -   |
| Total current liabilities            | 16,181   | 5,080                         | 84,963       | 46,139  |
| Noncurrent liabilities:              |  |                               |              |   |
| Accrued compensated absences         | 531  | 397                           | 7,186        | 814   |
| Advances from other funds            | 4,371  | -                             | 4,371        | -   |
| Water fee credits                    | -  | -                             | 96           | -   |
| Wastewater fee credits               | -  | -                             | 7,527        | -   |
| Net OPEB liability                   | 167  | 1,436                         | 35,428       | 4,820   |
| Accrued claims and judgments         | -  | -                             | -            | 111,652   |
| Liability for landfill postclosure   | -  | -                             | 5,220        | -   |
| Lease liabilities                    | 1,416  | 1,420                         | 2,836        | 108   |
| IT subscription liabilities          | 68   | 568                           | 931          | 271   |
| Revenue and other bonds payable, net | 322,408  | 5,909                         | 671,885      | -   |
| Notes payable                        | -  | -                             | 120,349      | -   |
| Net pension liability                | 10,867   | 12,648                        | 149,748      | 18,898  |
| Total noncurrent liabilities         | 339,828  | 22,378                        | 1,005,577    | 136,563   |
| Total liabilities                    | 356,009  | 27,458                        | 1,090,540    | 182,702   |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |                               |              |   |
| Gain on refunding of debt            | -  | 97                            | 3,091        | -   |
| Pensions                             | 176  | 76                            | 3,543        | 7   |
| OPEB                                 | -  | 72                            | 5,246        | 641   |
| Leases                               | -  | 6,434                         | 8,371        | -   |
| Total deferred inflows of resources  | 176  | 6,679                         | 20,251       | 648   |
| <b>NET POSITION</b>                  |  |                               |              |   |
| Net investment in capital assets     | 115,704  | 26,314                        | 985,384      | 98,022  |
| Restricted for:                      |  |                               |              |   |
| Capital projects                     | -  | -                             | 62,135       | -   |
| Other programs                       | -  | -                             | 51,174       | -   |
| Unrestricted                         | 24,312   | 11,560                        | 368,309      | 33,696  |
| Total net position                   | \$ 140,016   | \$ 37,874                     | \$ 1,467,002 | \$ 131,718  |

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

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Revenues, Expenses**  
**and Changes in Net Position**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | Business-type Activities - Enterprise Funds |                 |                     |                  |
|---|---|-----------------|---------------------|------------------|
|   | Water Fund                                  | Wastewater Fund | Storm Drainage Fund | Solid Waste Fund |
| Operating revenues:   |   |                 |                     |                  |
| Charges for services:   |   |                 |                     |                  |
| User fees and charges   | \$ 137,940                                  | \$ 45,543       | \$ 62,324           | \$ 98,761        |
| Rents and concessions   | 54  | -               | -                   | 187              |
| Charge to other agencies for contract services                | -   | 1,698           | 2,797               | -                |
| Miscellaneous   | 7,414                                       | -               | -                   | 178              |
| Total operating revenues                                      | 145,408                                     | 47,241          | 65,121              | 99,126           |
| Operating expenses:   |   |                 |                     |                  |
| Employee services   | 52,734                                      | 16,441          | 20,132              | 21,739           |
| Services and supplies   | 34,885                                      | 18,139          | 27,884              | 50,656           |
| Depreciation/amortization                                     | 30,939                                      | 5,438           | 11,187              | 1,292            |
| Insurance premiums  | -   | -               | -                   | -                |
| Claims and judgments  | 254   | -               | 126                 | 274              |
| Total operating expenses                                      | 118,812                                     | 40,018          | 59,329              | 73,961           |
| Operating income (loss)                                       | 26,596                                      | 7,223           | 5,792               | 25,165           |
| Nonoperating revenues (expenses):                             |   |                 |                     |                  |
| Interest and investment revenue                               | 16,384                                      | 4,092           | 4,356               | 3,764            |
| Transient occupancy taxes                                     | -   | -               | -                   | -                |
| Revenue from other agencies                                   | 4,265                                       | 18              | 35                  | 390              |
| Insurance and other claim recoveries                          | -   | -               | -                   | -                |
| Interest expense  | (12,840)                                    | (1,523)         | (55)                | (157)            |
| Amortization of bond prepaid insurance                        | (23)  | -               | -                   | -                |
| Gain (loss) on disposition of capital assets                  | (2,347)                                     | (179)           | -                   | -                |
| Gain on lease forgiveness                                     | -   | -               | -                   | -                |
| Total nonoperating revenues (expenses)                        | 5,439                                       | 2,408           | 4,336               | 3,997            |
| Income before capital contributions and transfers             | 32,035                                      | 9,631           | 10,128              | 29,162           |
| Capital contributions   | 4,698                                       | 3,072           | 11,164              | -                |
| Transfers in  | 302   | 101             | 247                 | 258              |
| Transfers out   | (15,251)                                    | (5,132)         | (6,827)             | (10,741)         |
| Special item  | 13,400                                      | -               | -                   | -                |
| Changes in net position                                       | 35,184                                      | 7,672           | 14,712              | 18,679           |
| Total net position, beginning of year, as previously reported | 662,139                                     | 211,772         | 304,296             | 36,369           |
| Change in accounting principle (GASB 101)                     | (805)                                       | (289)           | (288)               | (329)            |
| Total net position, beginning of year, as restated            | 661,334                                     | 211,483         | 304,008             | 36,040           |
| Total net position, end of year                               | \$ 696,518                                  | \$ 219,155      | \$ 318,720          | \$ 54,719        |

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

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Revenues, Expenses**  
**and Changes in Net Position**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | Business-type Activities - Enterprise Funds |                        |              | Governmental Activities - Internal Service Funds |  |
|---|---|------------------------|--------------|--|--|
|   | Community Center Fund                       | Other Enterprise Funds | Total        |  |  |
| Operating revenues:   |   |                        |              |  |  |
| Charges for services:   |   |                        |              |  |  |
| User fees and charges   | \$ 2,804                                    | \$ 26,633              | \$ 374,005   | \$ 135,643                                       |  |
| Rents and concessions   | 12,262                                      | 1,010                  | 13,513       | -  |  |
| Charge to other agencies for contract services                | -   | -                      | 4,495        | -  |  |
| Miscellaneous   | -   | 166                    | 7,758        | 8  |  |
| Total operating revenues                                      | 15,066                                      | 27,809                 | 399,771      | 135,651  |  |
| Operating expenses:   |   |                        |              |  |  |
| Employee services   | 9,524                                       | 10,753                 | 131,323      | 15,014   |  |
| Services and supplies   | 16,833                                      | 8,918                  | 157,315      | 35,171   |  |
| Depreciation/amortization                                     | 1,436                                       | 1,886                  | 52,178       | 17,745   |  |
| Insurance premiums  | -   | -                      | -            | 19,822   |  |
| Claims and judgments  | 72  | 4                      | 730          | 40,757   |  |
| Total operating expenses                                      | 27,865                                      | 21,561                 | 341,546      | 128,509  |  |
| Operating income (loss)                                       | (12,799)                                    | 6,248                  | 58,225       | 7,142  |  |
| Nonoperating revenues (expenses):                             |   |                        |              |  |  |
| Interest and investment revenue                               | 2,823                                       | 710                    | 32,129       | 8,135  |  |
| Transient occupancy taxes                                     | 35,228                                      | -                      | 35,228       | -  |  |
| Revenue from other agencies                                   | -   | 349                    | 5,057        | 32   |  |
| Insurance and other claim recoveries                          | -   | -                      | -            | 3,257  |  |
| Interest expense  | (13,645)                                    | (161)                  | (28,381)     | (10)   |  |
| Amortization of bond prepaid insurance                        | -   | -                      | (23)         | -  |  |
| Gain (loss) on disposition of capital assets                  | -   | -                      | (2,526)      | 395  |  |
| Gain on lease forgiveness                                     | -   | 25                     | 25           | -  |  |
| Total nonoperating revenues (expenses)                        | 24,406                                      | 923                    | 41,509       | 11,809   |  |
| Income before capital contributions and transfers             | 11,607                                      | 7,171                  | 99,734       | 18,951   |  |
| Capital contributions   | -   | -                      | 18,934       | -  |  |
| Transfers in  | 2,690                                       | 5,302                  | 8,900        | 16   |  |
| Transfers out   | (3,795)                                     | (10,383)               | (52,129)     | (1,849)  |  |
| Special item  | -   | -                      | 13,400       | -  |  |
| Changes in net position                                       | 10,502                                      | 2,090                  | 88,839       | 17,118   |  |
| Total net position, beginning of year, as previously reported | 129,633                                     | 35,893                 | 1,380,102    | 114,835  |  |
| Change in accounting principle (GASB 101)                     | (119)                                       | (109)                  | (1,939)      | (235)  |  |
| Total net position, beginning of year, as restated            | 129,514                                     | 35,784                 | 1,378,163    | 114,600  |  |
| Total net position, end of year                               | \$ 140,016                                  | \$ 37,874              | \$ 1,467,002 | \$ 131,718                                       |  |

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

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | Business-type Activities - Enterprise Funds |                 |                     |                  |
|---|---|-----------------|---------------------|------------------|
|   | Water Fund                                  | Wastewater Fund | Storm Drainage Fund | Solid Waste Fund |
| Cash flows from operating activities:                           |   |                 |                     |                  |
| Receipts from customers and users                               | \$ 134,943                                  | \$ 45,780       | \$ 63,864           | \$ 98,013        |
| Receipts from interfund services provided                       | -   | -               | -                   | -                |
| Payments to suppliers   | (21,600)                                    | (17,013)        | (27,951)            | (50,702)         |
| Payments to employees   | (52,469)                                    | (16,428)        | (20,140)            | (23,184)         |
| Claims and judgments paid                                       | (210)                                       | (6)             | (108)               | (245)            |
| Net cash provided by (used for) operating activities            | 60,664                                      | 12,333          | 15,665              | 23,882           |
| Cash flows from noncapital financing activities:                |   |                 |                     |                  |
| Transient occupancy taxes                                       | -   | -               | -                   | -                |
| Transfers in from other funds                                   | 302   | 101             | 247                 | 258              |
| Transfers out to other funds                                    | (15,218)                                    | (5,088)         | (6,827)             | (10,635)         |
| Collections on interfund loans                                  | -   | -               | -                   | -                |
| Loans made to other funds                                       | -   | -               | -                   | -                |
| Interfund loan repayments                                       | -   | -               | -                   | -                |
| Loans made to other agencies                                    | (1,000)                                     | -               | -                   | -                |
| Intergovernmental revenue received                              | 1,259                                       | 18              | 35                  | 390              |
| Net cash provided by (used for) noncapital financing activities | (14,657)                                    | (4,969)         | (6,545)             | (9,987)          |
| Cash flows from capital and related financing activities:       |   |                 |                     |                  |
| Acquisition and construction of capital assets                  | (11,280)                                    | (5,798)         | (2,634)             | (403)            |
| Proceeds from sale of capital assets                            | -   | -               | -                   | -                |
| Principal payments on capital debt                              | (21,466)                                    | (2,145)         | (101)               | (1,220)          |
| Interest payments on capital debt                               | (14,039)                                    | (1,720)         | (61)                | (348)            |
| Principal payments on lease liabilities                         | -   | -               | (36)                | -                |
| Interest payments on lease liabilities                          | -   | -               | -                   | -                |
| Principal payments on IT subscription liabilities               | (492)                                       | (92)            | (40)                | (56)             |
| Interest payments on IT subscription liabilities                | (8)   | (4)             | (1)                 | (1)              |
| Transfers in from other funds                                   | -   | -               | -                   | -                |
| Transfers out to other funds                                    | (33)  | (44)            | -                   | (106)            |
| Capital contributions received                                  | 2,401                                       | 1,336           | 3                   | -                |
| Receipts from leases  | 42  | -               | -                   | 158              |
| Collection of interest from leases                              | 12  | -               | -                   | 19               |
| Loan repayments received  | -   | -               | 51                  | -                |
| Cash reimbursement for fee credits                              | -   | (686)           | -                   | -                |
| Net cash used for capital and related financing activities      | (44,863)                                    | (9,153)         | (2,819)             | (1,957)          |
| Cash flows from investing activities:                           |   |                 |                     |                  |
| Collection of interest and investment revenue                   | 15,603                                      | 3,912           | 4,109               | 3,488            |
| Net increase in cash and cash equivalents                       | 16,747                                      | 2,123           | 10,410              | 15,426           |
| Cash and cash equivalents, beginning of year                    | 281,444                                     | 71,691          | 75,483              | 63,189           |
| Cash and cash equivalents, end of year                          | \$ 298,191                                  | \$ 73,814       | \$ 85,893           | \$ 78,615        |

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

**City of Sacramento**  
**Proprietary Funds**  
**Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | Business-type Activities - Enterprise Funds |                        |            | Governmental Activities - Internal Service Funds |
|---|---|------------------------|------------|--|
|   | Community Center Fund                       | Other Enterprise Funds | Total      |  |
| Cash flows from operating activities:                           |   |                        |            |  |
| Receipts from customers and users                               | \$ 14,390                                   | \$ 27,375              | \$ 384,365 | \$ -   |
| Receipts from interfund services provided                       | -   | -                      | -          | 225,134  |
| Payments to suppliers   | (17,451)                                    | (8,898)                | (143,615)  | (144,845)  |
| Payments to employees   | (9,360)                                     | (10,601)               | (132,182)  | (15,711)   |
| Claims and judgments paid                                       | (58)  | (6)                    | (633)      | (36,844)   |
| Net cash provided by (used for) operating activities            | (12,479)                                    | 7,870                  | 107,935    | 27,734   |
| Cash flows from noncapital financing activities:                |   |                        |            |  |
| Transient occupancy taxes                                       | 34,828                                      | -                      | 34,828     | -  |
| Transfers in from other funds                                   | -   | 5,302                  | 6,210      | 16   |
| Transfers out to other funds                                    | (2,695)                                     | (2,083)                | (42,546)   | (1,804)  |
| Collections on interfund loans                                  | -   | -                      | -          | 9,134  |
| Loans made to other funds                                       | -   | -                      | -          | (10,909)   |
| Interfund loan repayments                                       | (250)                                       | -                      | (250)      | -  |
| Loans made to other agencies                                    | -   | -                      | (1,000)    | -  |
| Intergovernmental revenue received                              | -   | 349                    | 2,051      | 32   |
| Net cash provided by (used for) noncapital financing activities | 31,883                                      | 3,568                  | (707)      | (3,531)  |
| Cash flows from capital and related financing activities:       |   |                        |            |  |
| Acquisition and construction of capital assets                  | (651)                                       | (753)                  | (21,519)   | (29,765)   |
| Proceeds from sale of capital assets                            | -   | -                      | -          | 1,211  |
| Principal payments on capital debt                              | (6,935)                                     | (1,150)                | (33,017)   | -  |
| Interest payments on capital debt                               | (14,776)                                    | (330)                  | (31,274)   | -  |
| Principal payments on lease liabilities                         | (63)  | (89)                   | (188)      | (32)   |
| Interest payments on lease liabilities                          | (20)  | (2)                    | (22)       | -  |
| Principal payments on IT subscription liabilities               | (52)  | (51)                   | (783)      | (131)  |
| Interest payments on IT subscription liabilities                | (4)   | (8)                    | (26)       | (5)  |
| Transfers in from other funds                                   | 2,690                                       | -                      | 2,690      | -  |
| Transfers out to other funds                                    | (1,100)                                     | (8,300)                | (9,583)    | (45)   |
| Capital contributions received                                  | -   | -                      | 3,740      | -  |
| Receipts from leases  | -   | 340                    | 540        | -  |
| Collection of interest from leases                              | -   | 223                    | 254        | -  |
| Loan repayments received  | -   | -                      | 51         | -  |
| Cash reimbursement for fee credits                              | -   | -                      | (686)      | -  |
| Net cash used for capital and related financing activities      | (20,911)                                    | (10,120)               | (89,823)   | (28,767)   |
| Cash flows from investing activities:                           |   |                        |            |  |
| Collection of interest and investment revenue                   | 2,726                                       | 591                    | 30,429     | 7,818  |
| Net increase in cash and cash equivalents                       | 1,219                                       | 1,909                  | 47,834     | 3,254  |
| Cash and cash equivalents, beginning of year                    | 46,715                                      | 23,103                 | 561,625    | 141,897  |
| Cash and cash equivalents, end of year                          | \$ 47,934                                   | \$ 25,012              | \$ 609,459 | \$ 145,151                                       |

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

(continued)

# City of Sacramento

## Proprietary Funds

### Statement of Cash Flows

For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | Business-type Activities - Enterprise Funds |                  |                     |                  |
|---|---|------------------|---------------------|------------------|
|   | Water Fund                                  | Wastewater Fund  | Storm Drainage Fund | Solid Waste Fund |
| Reconciliation of cash and cash equivalents to the Statement of Net Position:                             |   |                  |                     |                  |
| Cash and investments held by City   | \$ 234,990                                  | \$ 66,228        | \$ 84,365           | \$ 77,534        |
| Cash and investments held by fiscal agent   | 80  | -                | -                   | -                |
| Restricted cash and investments held by City  | 62,482                                      | 7,586            | 1,528               | 1,081            |
| Restricted cash and investments held by fiscal agent  | 639   | -                | -                   | -                |
| <b>Total cash and cash equivalents, end of year</b>   | <b>\$ 298,191</b>                           | <b>\$ 73,814</b> | <b>\$ 85,893</b>    | <b>\$ 78,615</b> |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:        |   |                  |                     |                  |
| Operating income (loss)   | \$ 26,596                                   | \$ 7,223         | \$ 5,792            | \$ 25,165        |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |   |                  |                     |                  |
| Depreciation/amortization expense   | 30,324                                      | 5,143            | 10,898              | 1,057            |
| Amortization of intangible assets   | 615   | 295              | 289                 | 235              |
| Nonoperating claims and judgments   | -   | -                | -                   | -                |
| Special item  | 13,400                                      | -                | -                   | -                |
| Changes in assets, liabilities, and deferred outflows and inflows of resources:                           |   |                  |                     |                  |
| Accounts receivable, net  | (3,209)                                     | (1,481)          | (1,035)             | (950)            |
| Intergovernmental receivables   | -   | -                | 470                 | -                |
| Settlement receivable   | (7,327)                                     | -                | -                   | -                |
| Inventories   | (530)                                       | 20               | -                   | -                |
| Prepaid items   | 343   | -                | -                   | -                |
| Accounts payable  | 72  | 1,106            | (67)                | 412              |
| Accrued payroll   | 320   | 61               | 49                  | 82               |
| Accrued compensated absences  | 152   | 30               | (6)                 | 134              |
| Accrued claims and judgments  | 44  | (19)             | 18                  | 29               |
| Liability for landfill closure  | -   | -                | -                   | (458)            |
| Deposits  | (1)   | 20               | -                   | -                |
| Unearned revenue  | 126   | -                | (692)               | -                |
| Net pension liability and related deferred outflows/inflows of resources                                  | 873   | 223              | 373                 | (890)            |
| Net OPEB liability and related deferred outflows/inflows of resources                                     | (1,080)                                     | (288)            | (424)               | (771)            |
| Deferred inflows related to leases  | (54)  | -                | -                   | (163)            |
| <b>Net cash provided by (used for) operating activities</b>   | <b>\$ 60,664</b>                            | <b>\$ 12,333</b> | <b>\$ 15,665</b>    | <b>\$ 23,882</b> |
| Noncash investing, capital and financing activities:  |   |                  |                     |                  |
| Contributions of capital assets   | \$ 2,355                                    | \$ 1,964         | \$ 11,161           | \$ -             |
| Amortization of bond premium and discount   | 1,246                                       | 296              | -                   | 161              |
| Amortization of bond loss on refunding  | (493)                                       | (116)            | -                   | -                |
| Amortization of bond gain on refunding  | 169   | -                | -                   | 26               |
| Amortization of bond prepaid insurance  | (23)  | -                | -                   | -                |
| Decrease in prepaid items for capital assets  | -   | -                | -                   | -                |
| Capital asset acquisitions on accounts payable  | 3,982                                       | 467              | 345                 | 31               |
| Loss on disposition of capital assets   | 2,347                                       | 179              | -                   | -                |
| Right-to-use lease assets obtained in exchange for liabilities  | -   | -                | -                   | -                |
| Right-to-use IT subscription assets obtained in exchange for liabilities                                  | 603   | -                | -                   | 30               |
| Forgiven lease liability  | -   | -                | -                   | -                |
| Fee credit reimbursement accounts payable   | -   | 237              | -                   | -                |

(continued)

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

# City of Sacramento

## Proprietary Funds

### Statement of Cash Flows

For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | Business-type Activities - Enterprise Funds |                        |                   | Governmental Activities - Internal Service Funds |  |
|---|---|------------------------|-------------------|--|--|
|   | Community Center Fund                       | Other Enterprise Funds | Total             |  |  |
|   |   |                        |                   |  |  |
| Reconciliation of cash and cash equivalents to the Statement of Net Position:                             |   |                        |                   |  |  |
| Cash and investments held by City   | \$ 37,616                                   | \$ 25,012              | \$ 525,745        | \$ 144,335                                       |  |
| Cash and investments held by fiscal agent   | -   | -                      | 80                | 80   |  |
| Restricted cash and investments held by City  | 2,829                                       | -                      | 75,506            | -  |  |
| Restricted cash and investments held by fiscal agent  | 7,489                                       | -                      | 8,128             | -  |  |
| Total cash and cash equivalents, end of year  | <u>\$ 47,934</u>                            | <u>\$ 25,012</u>       | <u>\$ 609,459</u> | <u>\$ 145,151</u>                                |  |
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:        |   |                        |                   |  |  |
| Operating income (loss)   | \$ (12,799)                                 | \$ 6,248               | \$ 58,225         | \$ 7,142   |  |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |   |                        |                   |  |  |
| Depreciation/amortization expense   | 1,436                                       | 1,878                  | 50,736            | 17,679   |  |
| Amortization of intangible assets   | -   | 8                      | 1,442             | 66   |  |
| Nonoperating claims and judgments   | -   | -                      | -                 | (5,034)  |  |
| Special item  | -   | -                      | 13,400            | -  |  |
| Changes in assets, liabilities, and deferred outflows and inflows of resources                            |   |                        |                   |  |  |
| Accounts receivable, net  | (1,227)                                     | 11                     | (7,891)           | -  |  |
| Intergovernmental receivables   | -   | -                      | 470               | -  |  |
| Settlement receivable   | -   | -                      | (7,327)           | -  |  |
| Inventories   | -   | -                      | (510)             | -  |  |
| Prepaid items   | (33)  | (18)                   | 292               | -  |  |
| Accounts payable  | (585)                                       | 38                     | 976               | (1,363)  |  |
| Accrued payroll   | 82  | 55                     | 649               | 39   |  |
| Accrued compensated absences  | 88  | 93                     | 491               | (55)   |  |
| Accrued claims and judgments  | 14  | (2)                    | 84                | 8,947  |  |
| Liability for landfill closure  | -   | -                      | (458)             | -  |  |
| Deposits  | -   | 22                     | 41                | -  |  |
| Unearned revenue  | 551   | 50                     | 35                | 17   |  |
| Net pension liability and related deferred outflows/inflows of resources                                  | 76  | 267                    | 922               | 762  |  |
| Net OPEB liability and related deferred outflows/inflows of resources                                     | (82)  | (263)                  | (2,908)           | (466)  |  |
| Deferred inflows related to leases  | -   | (517)                  | (734)             | -  |  |
| Net cash provided by (used for) operating activities  | <u>\$ (12,479)</u>                          | <u>\$ 7,870</u>        | <u>\$ 107,935</u> | <u>\$ 27,734</u>                                 |  |
| Noncash investing, capital and financing activities:  |   |                        |                   |  |  |
| Contributions of capital assets   | \$ -  | \$ -                   | \$ 15,480         | \$ -   |  |
| Amortization of bond premium and discount   | 1,260                                       | 151                    | 3,114             | -  |  |
| Amortization of bond loss on refunding  | -   | -                      | (609)             | -  |  |
| Amortization of bond gain on refunding  | -   | 24                     | 219               | -  |  |
| Amortization of bond prepaid insurance  | -   | -                      | (23)              | -  |  |
| Decrease in prepaid items for capital assets  | -   | -                      | -                 | 1,441  |  |
| Capital asset acquisitions on accounts payable  | 260   | 149                    | 5,234             | 2,272  |  |
| Loss on disposition of capital assets   | -   | -                      | 2,526             | -  |  |
| Right-to-use lease assets obtained in exchange for liabilities  | 1,599                                       | -                      | 1,599             | 77   |  |
| Right-to-use IT subscription assets obtained in exchange for liabilities                                  | -   | -                      | 633               | 418  |  |
| Forgiven lease liability  | -   | 25                     | 25                | -  |  |
| Fee credit reimbursement accounts payable   | -   | -                      | 237               | -  |  |

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

**City of Sacramento**  
**Fiduciary Funds**  
**Statement of Fiduciary Net Position**

June 30, 2025

(in thousands)

|   | Pension<br>Trust<br>Fund | Private-Purpose<br>Trust<br>Fund | Investment Pool<br>Custodial<br>Fund | Other<br>Custodial<br>Funds |
|---|--------------------------|----------------------------------|--------------------------------------|-----------------------------|
| <b>ASSETS</b>                                     |                          |                                  |                                      |                             |
| Cash and investments held by City                 | \$ 2,626                 | \$ 11,719                        | \$ 122,777                           | \$ 124,523                  |
| Cash and investments held by fiscal agent         | -                        | 21,422                           | -                                    | 7,132                       |
| Prepaid items                                     | -                        | 96                               | -                                    | -                           |
| Receivables, net:                                 |                          |                                  |                                      |                             |
| Accounts  | -                        | -                                | -                                    | 9                           |
| Interest and dividends                            | 1,116                    | -                                | 669                                  | 452                         |
| Special assessments                               | -                        | -                                | -                                    | 353                         |
| Investments, at fair value:                       |                          |                                  |                                      |                             |
| Corporate bonds/notes                             | 67,855                   | -                                | -                                    | -                           |
| Equities  | 15,175                   | -                                | -                                    | -                           |
| Exchange traded funds                             | 137,454                  | -                                | -                                    | -                           |
| Investment Trust of California (CalTRUST)         | -                        | -                                | -                                    | -                           |
| Money market mutual funds                         | 395                      | -                                | -                                    | -                           |
| Municipal bonds/notes                             | 22,313                   | -                                | -                                    | -                           |
| U.S. agencies                                     | 4,590                    | -                                | -                                    | -                           |
| U.S. Treasury bonds                               | 3,952                    | -                                | -                                    | -                           |
| Restricted assets:                                |                          |                                  |                                      |                             |
| Cash and investments held by City                 | -                        | -                                | -                                    | 4,807                       |
| Cash and investments held by fiscal agent         | -                        | -                                | -                                    | 22,468                      |
| Loans receivable                                  | -                        | 2,868                            | -                                    | -                           |
| Capital assets:                                   |                          |                                  |                                      |                             |
| Land  | -                        | 3,343                            | -                                    | -                           |
| Buildings and improvements                        | -                        | 102                              | -                                    | -                           |
| Less: accumulated depreciation                    | -                        | (41)                             | -                                    | -                           |
| Total assets                                      | 255,476                  | 39,509                           | 123,446                              | 159,744                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                          |                                  |                                      |                             |
| Loss on refunding of debt                         | -                        | 638                              | -                                    | -                           |
| <b>LIABILITIES</b>                                |                          |                                  |                                      |                             |
| Accounts payable                                  | 3                        | 1                                | -                                    | -                           |
| Benefits payable                                  | 2,119                    | -                                | -                                    | -                           |
| Due to bondholders                                | -                        | -                                | -                                    | 49,067                      |
| Interest payable                                  | -                        | 184                              | -                                    | -                           |
| Contracts payable                                 | -                        | 17,906                           | -                                    | -                           |
| Bonds payable                                     | -                        | 24,217                           | -                                    | -                           |
| Notes payable                                     | -                        | 127,800                          | -                                    | -                           |
| Total liabilities                                 | 2,122                    | 170,108                          | -                                    | 49,067                      |
| <b>NET POSITION</b>                               |                          |                                  |                                      |                             |
| Restricted for:                                   |                          |                                  |                                      |                             |
| Pensions  | 253,354                  | -                                | -                                    | -                           |
| Redevelopment dissolution                         | -                        | (129,961)                        | -                                    | -                           |
| Individuals, organizations, and other governments | -                        | -                                | 123,446                              | 110,677                     |
| Total net position (deficit)                      | \$ 253,354               | \$ (129,961)                     | \$ 123,446                           | \$ 110,677                  |

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

**City of Sacramento**  
**Fiduciary Funds**  
**Statement of Changes in Fiduciary Net Position**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | Pension<br>Trust<br>Fund | Private-Purpose<br>Trust<br>Fund | Investment Pool<br>Custodial<br>Fund | Other<br>Custodial<br>Funds |
|---|--------------------------|----------------------------------|--------------------------------------|-----------------------------|
| <b>Additions:</b>                             |                          |                                  |                                      |                             |
| Deposits                                      | \$ -                     | \$ -                             | \$ 96,361                            | \$ 2,292                    |
| Property taxes                                | -                        | 27,416                           | -                                    | -                           |
| Special assessments                           | -                        | -                                | -                                    | 18,556                      |
| Capital contributions                         | -                        | -                                | -                                    | 10,467                      |
| Other income                                  | -                        | 11                               | -                                    | -                           |
| <b>Contributions:</b>                         |                          |                                  |                                      |                             |
| Employer                                      | 1,362                    | -                                | -                                    | -                           |
| Employees                                     | 1                        | -                                | -                                    | -                           |
| <b>Investment income:</b>                     |                          |                                  |                                      |                             |
| From investment activities:                   |                          |                                  |                                      |                             |
| Net appreciation in fair value of investments | 19,356                   | -                                | 2,748                                | 3,355                       |
| Interest                                      | 3,935                    | 1,179                            | 3,363                                | 4,889                       |
| Dividends                                     | 2,648                    | -                                | -                                    | -                           |
| Total investment income                       | 25,939                   | 1,179                            | 6,111                                | 8,244                       |
| <b>Investment expenses:</b>                   |                          |                                  |                                      |                             |
| Banking, interest, and fiscal agent expenses  | 35                       | -                                | 280                                  | -                           |
| Professional services                         | 1,015                    | -                                | -                                    | -                           |
| Total investment expenses                     | 1,050                    | -                                | 280                                  | -                           |
| Net income from investment activities         | 24,889                   | 1,179                            | 5,831                                | 8,244                       |
| <b>Total additions</b>                        | <b>26,252</b>            | <b>28,606</b>                    | <b>102,192</b>                       | <b>39,563</b>               |
| <b>Deductions:</b>                            |                          |                                  |                                      |                             |
| Benefit payments                              | 26,395                   | -                                | -                                    | -                           |
| Withdrawals                                   | -                        | -                                | 106,254                              | 45,033                      |
| Interest expense                              | -                        | 7,742                            | -                                    | -                           |
| Other enforceable obligation payments         | -                        | 3,752                            | -                                    | -                           |
| Loan forgiveness                              | -                        | 40                               | -                                    | -                           |
| Paid to bondholders                           | -                        | -                                | -                                    | 27,750                      |
| Administrative expenses                       | -                        | -                                | -                                    | 2,978                       |
| Loss on disposal of capital asset             | -                        | -                                | -                                    | -                           |
| Depreciation expense                          | -                        | 2                                | -                                    | -                           |
| Total deductions                              | 26,395                   | 11,536                           | 106,254                              | 75,761                      |
| Changes in net position                       | (143)                    | 17,070                           | (4,062)                              | (36,198)                    |
| Net position (deficit), beginning of year     | 253,497                  | (147,031)                        | 127,508                              | 146,875                     |
| Net position (deficit), end of year           | <b>\$ 253,354</b>        | <b>\$ (129,961)</b>              | <b>\$ 123,446</b>                    | <b>\$ 110,677</b>           |

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

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# Notes to the Basic Financial Statements

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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

#### **DEFINITION OF REPORTING ENTITY**

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

These basic financial statements present the financial status of the City and its component units, which are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

#### **Blended Component Units**

The Sacramento City Financing Authority (SCFA) is a joint exercise of powers entity created by the City and the former Redevelopment Agency of the City of Sacramento to facilitate the financing and refinancing of public capital facilities. Most of the debt of the SCFA is backed by the City's General Fund. The SCFA is governed by the City Council.

The Sacramento Public Financing Authority (SPFA) is a joint exercise of powers entity created by the City and the Housing Authority of the City of Sacramento (Housing Authority) to facilitate the financing and refinancing of public capital facilities. The debt of the SPFA is backed by the City's General Fund. The SPFA is governed by the City Council.

The Stadium Area EIFD Public Financing Authority is a City-controlled financing authority established to finance public infrastructure improvements within the Stadium Area EIFD. The Authority is governed by City-appointed officials and is financially dependent on the City.

The Aggie Square EIFD Public Financing Authority is a City-controlled financing authority established to finance public infrastructure improvements supporting the Aggie Square development. The Authority is governed by City-appointed officials and is financially dependent on the City.

#### **Fiduciary Component Unit**

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

#### **ACCOUNTING POLICIES**

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

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Governmental Accounting Standards Implemented During the Fiscal Year Ended June 30, 2025**

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The provisions in Statement 101 are effective for fiscal years beginning after December 15, 2023. The new standard requires a liability to be recognized for both: 1) Leave that has not been used which applies to leave attributable to services already rendered, that accumulates, and is more likely than not to be used for time off or otherwise paid in cash or non-cash means; and 2) Leave that has been used, but not yet paid or settled. The applicable provisions were implemented July 1, 2024 and as a result, the City has restated beginning net position. As part of the adoption of GASB Statement No. 101, the City's note disclosure presentation reports the net change in liability, as opposed to the net gross increases and decreases. See Note 18.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is a lack of diversity related to a significant inflow or outflow of resources. A constraint is an externally or internally imposed limitation on a government's ability to acquire resources or control spending. The applicable provisions were implemented July 1, 2024 and did not have a material impact to the financial statements.

**Upcoming Governmental Accounting Standards Implementation**

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

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. The provisions in Statement 103 are effective for fiscal years beginning after June 15, 2025. The City has not determined the effect of implementing this statement.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. The objective of this statement is to provide users of government financial statements with essential information about certain types of capital assets. The provisions in Statement 104 are effective for fiscal years beginning after June 15, 2025. The City has not determined the effect of implementing this statement.

**Government-wide and Fund Financial Statements**

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

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

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Government-wide and Fund Financial Statements (Continued)**

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

**Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary 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 have been met.

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

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

The City reports the following major governmental funds:

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

The Measure U Fund was established to account for the temporary half-cent sales tax approved by voters on November 6, 2012. On November 6, 2018, Sacramento voters approved a new version of the City's Measure U sales and use tax eliminating the sunset provision and raising it from half-cent to one cent. The one cent sales and use tax was effective April 1, 2019.

The 2015 Golden 1 Center Lease Revenue Bond Fund accounts for debt service activities related to financing a portion of construction costs of a multi-purpose entertainment and sports complex located in the downtown area of Sacramento.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

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

The City reports the following major enterprise funds:

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

The Wastewater Fund accounts for the operation and maintenance of the City's wastewater system.

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

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

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

Additionally, the City reports the following fund types:

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

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

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

Custodial Funds account for assets held by the City as a custodian for individuals, private organizations, and other governments. The City's Custodial Funds include assets held for bonded assessment and community facilities districts and for external participants. External participants invested in the City-sponsored investment pool are reported in the Investment Pool Custodial Fund, while individual investment accounts not invested in the pool are reported in Other Custodial Funds.

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

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

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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

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

When both restricted and unrestricted net position are available for use, it is the City's practice to use restricted resources first followed by unrestricted resources as they are needed. When all fund balance types are available, it is the City's practice to use restricted resources first, followed by committed, assigned, and unassigned resources as they are needed.

Permanent funds, commonly referred to as endowment funds, are governmental funds used to report resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support City programs. The City has received endowments for various programs, a list of which can be found in the Permanent Funds section of the Combining and Individual Fund Financial Statements and Schedules. The investments of donor-restricted endowments have \$7,236 of net appreciation that is available for authorization for expenditures by the governing board. The corpus of permanent funds is reported as Nonspendable Fund Balance and investment earnings available for expenditure are reported as Restricted Fund Balance in the fund level financial statements, and as Restricted for Nonexpendable Trust and Endowments in the statement of net position. Funds are spent in accordance with legal trust agreements and the City budget, subject to State law governing the spending of endowment fund investment earnings in California Probate Code Section 18504.

#### **Budget Information**

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

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

Budgets are modified throughout the year when the tax base changes, fees are modified, new revenue sources are identified, or programs are changed. The City Manager is authorized to administratively amend department budgets during the year for transactions up to \$250 without City Council approval. All other appropriation adjustments during the year require City Council approval. Unencumbered annual budget appropriations lapse at fiscal year-end. The City honors contracts represented by year-end encumbrances and the appropriations carried over provide authority to complete these transactions in future years. Multi-year project-length budget appropriations are automatically carried over into the next fiscal year.

#### **Financial Statements Elements**

**Fair Value Measurement** – The City categorizes the fair value measurements of its investments based on the hierarchy established by GAAP. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset or liability's fair value: Level 1 inputs are quoted prices in active markets for identical assets, Level 2 inputs are significant other observable inputs, and Level 3 inputs are significant unobservable inputs.

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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

#### **Financial Statements Elements (Continued)**

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

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

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

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

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

Long-term loans receivable reported in the governmental fund statements are recorded with offsetting unavailable revenue because the amounts will not be received within 60 days after fiscal year-end. Long-term loans receivable reported in the proprietary fund statements, as well as long-term loans reported in the government-wide statements, are not offset by unavailable revenue. Unbilled utility revenue earned is recognized as revenue and accounts receivable in the enterprise funds.

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

**Inventories and Prepaid Items** - Inventories in the proprietary funds are stated at cost and consist of expendable materials and supplies. Inventories are expensed when consumed using the first-in, first-out (FIFO) method.

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

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Financial Statements Elements (Continued)**

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

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

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

|                                      |                           |
|--------------------------------------|---------------------------|
| Building and improvements            | Primarily 15 to 70 years  |
| Transmission and distribution system | Primarily 15 to 100 years |
| Machinery, vehicles and equipment    | Primarily 5 to 30 years   |
| Software                             | Primarily 5 to 20 years   |
| Roadway network                      | Primarily 20 to 70 years  |
| Streetlight network                  | Primarily 40 to 50 years  |
| Park and park improvements           | Primarily 15 to 30 years  |

It is the policy of the City to capitalize all land, buildings and improvements, equipment, and infrastructure assets, except assets costing less than \$20, unless a federal funding source is utilized. All capital assets in excess of \$5 financed by a federal funding source are capitalized. If equipment using federal funding was purchased after October 1, 2024, threshold has been increased to \$10. The City also capitalizes all intangible capital assets, primarily easements and software, except assets costing less than \$100, unless a federal funding source is utilized. Costs of capital assets sold or retired (and related amounts of accumulated depreciation/amortization) are eliminated from the accounts in the year of sale or retirement and the resulting gain or loss is included in the operating statement of the related proprietary fund, governmental activities, and business-type activities. In governmental funds, the sale of general capital assets is included in the statement of revenues, expenditures and changes in fund balances as proceeds from sale.

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

The intangible right-to-use lease and IT subscription assets are also reported as capital assets. Refer to the Lease and IT subscription section of Note 1 for further information.

**Deferred Outflows/Inflows of Resources** - In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net assets that applies to future periods and will not be recognized as an expense/expenditure until then. The City has three items, deferred outflows related to loss on refunding of debt, pensions, and OPEB, which qualify for reporting in this category.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net assets that applies to future periods and will not be recognized as revenue until then. The City has five items recognized in the statement of net position: deferred inflows related to gain on refunding of debt, service concession arrangement revenue, pensions, OPEB, and leases. In addition, there is one item recognized in the governmental funds, unavailable revenue, which qualifies for reporting in this category.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Financial Statements Elements (Continued)**

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

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

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

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

**Unearned Revenue** - Unearned revenue in accrual-based statements arises when resources are received by the City before it has a legal claim to them (e.g., when grant monies are received prior to incurring qualified expenditures).

**Long-term Obligations** - In the government-wide and proprietary and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Gains and losses on debt refunding are deferred and amortized over the shorter of the remaining life of the old debt or the life of the new debt using the straight-line method. Bonds payable are reported net of bond premium or discount. Bond issuance costs, except prepaid bond insurance which is deferred and amortized, are reported as expenditures/expenses when incurred.

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

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Financial Statements Elements (Continued)**

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

The City's Economic Uncertainty Reserve (Reserve) is a stabilization arrangement in the General Fund and Measure U Fund reported as committed fund balance. The adopted Reserve goal is to achieve a reserve equal to 10% of annual General Fund and Measure U revenues and a target reserve equal to two months of regular ongoing General Fund and Measure U expenditures, including transfers. The City Manager may recommend a release from the Reserve when the gap between projected revenue and expenditures is greater than \$1,000 in the proposed budget. Additions and releases from the Reserve must be approved by City Council by resolution.

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

**Use of Estimates** - The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Actual results could differ from those estimates.

**Pensions** - For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City's California Public Employees' Retirement System (CalPERS) and Sacramento City Employees' Retirement System (SCERS) Plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and SCERS, respectively. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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

#### **Financial Statements Elements (Continued)**

**Other Postemployment Benefits (OPEB)** - For purposes of measuring the net OPEB liability and deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's CalPERS Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**Leases, City as a Lessee, and IT Software Subscriptions** - The City is a lessee in various noncancellable leases of land, buildings, and equipment. The City also has noncancellable subscription arrangements for the right-to-use information technology software (IT subscriptions). For leases and IT subscriptions with a maximum possible term of 12 months or less at commencement, the City recognizes expenses/expenditures based on the provisions of the agreements. For all other leases and IT subscriptions, the City recognizes a lease or IT subscription liability and an intangible right-to-use lease or IT subscription asset in the statement of net position.

At lease or IT subscription commencement, the City measures the lease or IT subscription liability at the present value of fixed payments expected to be made during the lease or subscription term. Subsequently, lease and IT subscription liabilities are reduced by the principal portion of payments made. The lease or IT subscription asset is initially measured at the initial amount of the lease or IT subscription liability, plus any initial direct costs ancillary to placing the underlying asset into service and payments made at or before the lease or IT subscription commencement date, less any incentives received. Subsequently, lease and IT subscription assets are amortized into depreciation and amortization expense on a straight-line basis over the shorter of the lease or subscription term or the useful life of the underlying asset. If the City is reasonably certain of exercising a purchase option contained in a lease or IT subscription agreement, the lease or IT subscription asset will be amortized over the useful life of the underlying asset. It is the policy of the City to capitalize all intangible right-to-use lease land, buildings, and equipment, except those with less than \$20 of fixed payments expected to be made during the lease term, unless a federal funding source is utilized. The City also capitalizes all intangible right-to-use IT subscription assets, except those with less than \$100 of fixed payments expected to be made during the IT subscription term, unless a federal funding source is utilized. All lease and IT subscription assets in excess of \$5 financed by a federal funding source are capitalized. These same thresholds are used in the recognition of lease and IT subscription liabilities.

**Leases, City as a Lessor** - The City is a lessor in various noncancellable leases of land, buildings, and equipment. For leases with a maximum possible term of 12 months or less at commencement, the City recognizes revenues based on the provisions of the lease agreement. For all other leases, the City recognizes a lease receivable and a deferred inflow of resources related to leases in the statement of net position and governmental fund balance sheet.

At lease commencement, the City measures the lease receivable at the present value of fixed payments expected to be received during the lease term. Subsequently, lease receivables are reduced by the principal portion of lease payments received. The deferred inflow of resources related to leases is initially measured at the initial amount of the lease receivable. Subsequently, the deferred inflow of resources related to leases is amortized into lease revenue on a straight-line basis over the term of the agreement. It is the policy of the City to recognize lease receivables and deferred inflow of resources related to leases for all leased out land, buildings, and equipment, except leases with less than \$20 of fixed payments expected to be received during the lease term.

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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

#### **Financial Statements Elements (Continued)**

**Other Lease and IT Software Subscription Considerations** - Key estimates and judgments include the City's determination of the discount rate used to calculate the present value of the lease or IT subscription, lease or IT subscription terms, lease or IT subscription payments, and lease receipts. The City generally uses its estimated incremental borrowing rate as the discount rate for leases and IT subscriptions unless the rate charged is explicitly stated or known. The City's incremental borrowing rate for leases and IT subscriptions is based on the estimate of interest rates that the City would be charged for borrowing lease and IT subscription amounts during the term of the agreement. The City uses an incremental borrowing rate of between 0.316% and 3.16%. The agreement term includes noncancelable periods of lease and IT subscription arrangements, plus any additional periods covered by an option to extend for which it is reasonably certain to be exercised or an option to terminate for which it is reasonably certain to not be exercised. Periods in which both parties to the agreement have a unilateral option to terminate (or if both parties must agree to extend) are excluded from the lease and IT subscription term. Receipts and payments are evaluated by the City to determine if they should be included in the measurement of lease receivables and lease or IT subscription liabilities, including receipts and payments that require a determination of whether they are reasonably certain of being made, such as residual value guarantees, purchase options, termination penalties, and other receipts and payments.

The City monitors changes in circumstances that may require remeasurement of lease and IT subscription agreements. When certain changes occur that are expected to significantly affect the value of the lease or IT subscription, the amounts are remeasured and adjusted.

### **NOTE 2 – CASH AND INVESTMENTS**

The following is a summary of cash and investments at June 30, 2025:

|                                 | Government-wide<br>Statement of<br>Net Position | Fiduciary Funds<br>Statement of Fiduciary<br>Net Position | Total               |
|---------------------------------|---|---|---------------------|
|                                 |   |   |                     |
| Cash and investments            | \$ 1,568,204                                    | \$ 541,933  | \$ 2,110,137        |
| Restricted cash and investments | 118,366   | 27,275  | 145,641             |
| <b>Total</b>                    | <b>\$ 1,686,570</b>                             | <b>\$ 569,208</b>   | <b>\$ 2,255,778</b> |

Under the authority of the Sacramento City Charter, the Sacramento City Council, by Resolution 2025-0026, has delegated its investment authority to the City Treasurer. The City Treasurer manages the City's investments in accordance with the City's investment policy, which was last reaffirmed by the City Council on August 12, 2025. The City's investment policy requires compliance with the California Government Code for investments of public funds. The City's investment policy also provides limits on rate anticipation, arbitrage, and other swap investments.

SCERS pension trust fund investments are managed by the SCERS Board pursuant to an investment policy adopted by the SCERS Board and approved by the City Council by Resolution 2025-0215. Investment standards adopted by the SCERS Board were last approved by the City Council on August 12, 2025. The investment policy allows the SCERS Board to invest in fixed income and equity securities deemed prudent. Pursuant to the investment policy, the SCERS Board annually allocates the funds to different investment groups. For fiscal year 2025, the asset allocations consisted of the following: 37.5% Fixed Income/Real Estate securities, 30.0% Large Cap Growth stocks, 30.0% Equity Income stocks and 2.5% International stocks. The investment policy allows for up to 5% variance from these approved allocation levels to provide flexibility to investment activities without altering the risk profile of the SCERS portfolio.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

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

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

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

The table above does not address the investments held by the SCERS pension trust fund. The SCERS Board was established by the City Charter to maintain and manage investments of this system, including but not limited to the adoption of investment standards and the administration and investment of the funds. The statutory authority for the SCERS Board is created in Sacramento City Charter Section 383. Allowable investments are governed by the SCERS investment policy and are different than those prescribed by the City's investment policy.

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

The table above also does not address investments of equities held by permanent funds that are governed by the provisions of the trust agreements.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

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

Information about the sensitivity of the fair values of the City's and SCERS' investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following tables that show the distribution of the investments by maturity. The remaining maturity of the City's and SCERS' investments included in the tables below are based on the stated maturity dates of the individual investments, except in the case of variable rate investments where the maturity date is the next reset date. Variable rate securities are investments with terms that provide for the adjustment of interest rates on specified dates based on predefined mathematical formulas. The fair value of such investments can reasonably be expected to be affected at each interest rate reset date.

The City's cash and investments by maturities as of June 30, 2025 are as follows:

| Cash and Investment Type                  | No Maturity   | Remaining Maturity in Years |                |              | Total            |
|---|---------------|-----------------------------|----------------|--------------|------------------|
|   |               | Under 1                     | 1-5            | Over 5       |                  |
| Bank deposits                             | \$ 79,540     | \$ -                        | \$ -           | \$ -         | \$ 79,540        |
| Commercial paper                          | -             | 200,337                     | -              | -            | 200,337          |
| Corporate bonds/notes                     | -             | 238,729                     | 355,555        | 407          | 594,691          |
| Equities                                  | 5,990         | -                           | -              | -            | 5,990            |
| Exchange traded funds                     | 2,416         | -                           | -              | -            | 2,416            |
| Investment Trust of California (CalTRUST) | -             | 116,149                     | 63,206         | -            | 179,355          |
| Local Agency Investment Fund (LAIF)       | -             | 35,758                      | -              | -            | 35,758           |
| Municipal bonds/notes                     | -             | 62,939                      | -              | 1,431        | 64,370           |
| Money market mutual funds                 | -             | 74,981                      | -              | -            | 74,981           |
| Negotiable certificates of deposit        | -             | 30,631                      | 10,047         | -            | 40,678           |
| Supranational securities                  | -             | -                           | 54,676         | -            | 54,676           |
| U.S. agency securities                    | -             | 377,513                     | 256,770        | 1,003        | 635,286          |
| U.S. Treasury bills                       | -             | 13,810                      | -              | -            | 13,810           |
| U.S. Treasury notes                       | -             | 19,530                      | -              | -            | 19,530           |
| <br>Total Cash and Investments            | <br>\$ 87,946 | <br>\$ 1,170,377            | <br>\$ 740,254 | <br>\$ 2,841 | <br>\$ 2,001,418 |

The \$407 of corporate bonds/notes, \$1,431 of municipal bonds/notes, and \$1,003 of U.S. agency securities with remaining maturities longer than five years are held by other trust funds. The \$5,990 of equities and \$2,416 of exchange traded funds are also held by other trust funds. Allowable investments of these other trust funds are not governed by the City's investment policy. Investment discretion is given to the City Treasurer and funds are invested to meet objectives based on the agreements in place for these other trust funds.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Interest Rate Risk (Continued)**

SCERS' cash and investments by maturities as of June 30, 2025 are as follows:

| Cash and Investment Type           | No Maturity    | Remaining Maturity in Years |               |               | Total          |
|------------------------------------|----------------|-----------------------------|---------------|---------------|----------------|
|                                    |                | Under 1                     | 1-5           | Over 5        |                |
| City of Sacramento Investment Pool | \$ -           | \$ 2,626                    | \$ -          | \$ -          | \$ 2,626       |
| Corporate bonds/notes              | -              | 3,697                       | 31,175        | 32,983        | 67,855         |
| Equities                           | 15,175         | -                           | -             | -             | 15,175         |
| Exchange traded funds              | 137,454        | -                           | -             | -             | 137,454        |
| Money market mutual funds          | 395            | -                           | -             | -             | 395            |
| Municipal bonds/notes              | -              | 504                         | 8,050         | 13,759        | 22,313         |
| U.S. agency securities             | -              | -                           | 1,254         | 3,336         | 4,590          |
| U.S. Treasury bonds                | -              | 1,803                       | 773           | 1,376         | 3,952          |
| <br>Total Cash and Investments     | <br>\$ 153,024 | <br>\$ 8,630                | <br>\$ 41,252 | <br>\$ 51,454 | <br>\$ 254,360 |

Investments in callable securities are investments that, although having clearly defined maturities, allow for the issuer to redeem or call such securities earlier than their respective maturity dates. The investor must then replace the called securities with investments that may have lower yields than the original securities. The fair values of the callable securities held by the City and SCERS at June 30, 2025, by investment type, are as follows:

| Investment Type                    | City           | SCERS         |
|------------------------------------|----------------|---------------|
| Corporate bonds/notes              | \$ 92,569      | \$ 9,598      |
| Municipal bonds/notes              | -              | 3,318         |
| Negotiable certificates of deposit | 16,106         | -             |
| Supranational securities           | 34,405         | -             |
| U.S. agency securities             | 585,440        | 3,136         |
| <br>Total                          | <br>\$ 728,520 | <br>\$ 16,052 |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The City's investment policy limits credit risk by requiring compliance with the California Government Code for the purchase of investments with public funds, as described in detail above. Obligations of the U.S. Government are not considered to have credit risk and do not require disclosure of credit quality. The S & P Global Ratings (S & P) credit ratings of the City and SCERS investments subject to credit risk as of June 30, 2025 are as follows:

| Investment Type                           | S & P        | City      | SCERS    |
|---|--------------|-----------|----------|
| City of Sacramento Investment Pool        | not rated    | \$ -      | \$ 2,626 |
| Commercial paper                          | A            | 200,337   | -        |
| Corporate bonds/notes                     | A            | 508,985   | 22,768   |
|   | AA           | 80,996    | 5,770    |
|   | AAA          | 3,974     | -        |
|   | BBB          | 736       | 39,316   |
|   | not rated    | -         | 1        |
| Investment Trust of California (CalTRUST) | not rated    | 179,355   | -        |
| Local Agency Investment Fund (LAIF)       | not rated    | 35,758    | -        |
| Municipal bonds/notes                     | A            | 3,551     | 2,579    |
|   | AA           | 56,494    | 12,611   |
|   | AAA          | 2,413     | 508      |
|   | not rated    | 1,912     | 6,615    |
| Money market mutual funds                 | A            | 150       | -        |
|   | AAA          | 74,831    | 395      |
| Negotiable certificates of deposit        | A            | 5,012     | -        |
|   | BB           | 10,727    | -        |
|   | not rated    | 24,939    | -        |
| Supranational securities                  | AAA          | 54,676    | -        |
| U.S. agency securities                    | AA           | 607,568   | 4,370    |
|   | not rated    | 27,718    | -        |
| Total                                     | \$ 1,880,132 | \$ 97,559 |          |

The \$736 in corporate bonds/notes rated BBB are held by other trust funds.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Concentration of Credit Risk**

The investment policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2025, the City and SCERS did not hold investments in an individual issuer exceeding 5% of total investments (other than U.S. Treasury securities, mutual funds, and external investment pools). In addition, SCERS did not hold investments in an individual issuer exceeding 5% of net position.

**Custodial Credit Risk**

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

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

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Fair Value Measurement and Application**

The City and SCERS categorize fair value measurements within the fair value hierarchy established by GAAP. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the City and SCERS have the ability to access.

Level 2 – Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability; and
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 – Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the City's and SCERS' own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the City's and SCERS' own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used, need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by management. City and SCERS management consider observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to City and SCERS management's perceived risk of that investment.

In instances where inputs used to measure fair value fall into different levels in the above fair value hierarchy, fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. Assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The money market mutual funds held by the City pool and outside the City pool are at \$1 net asset value per share. The total net asset value of these at June 30, 2025 was \$36,245 and \$38,736, respectively, with \$0 unfunded commitments. At June 30, 2025 SCERS held money market mutual funds with a net asset value of \$395, with \$0 unfunded commitments. The redemption frequency is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government agency securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities).

Deposits and withdrawals in governmental investment pools, such as LAIF and CalTRUST for the City and the City of Sacramento Investment Pool for SCERS, are made on the basis of \$1 and not fair value. Accordingly, the City's measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 inputs.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Fair Value Measurement and Application (Continued)**

The City's treasury pools' asset market prices are derived from closing bid prices as of the end of business day as supplied by ICE Data Services, Inc. Where prices are not available from generally recognized sources, the securities are priced using a yield-based matrix system to arrive at an estimated fair value. Prices that fall between data points are interpolated. Nonnegotiable FDIC-insured bank certificates of deposit are priced at par.

The following is a description of the valuation methods and assumptions used by the City and SCERS to estimate the fair value of its investments:

- When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy.
- For investments classified within Level 2 of the fair value hierarchy, the City's and SCERS' custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others.

There have been no changes in the methods and assumptions used at June 30, 2025. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. City and SCERS management believe its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
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(dollar amounts expressed in thousands)

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

**Fair Value Measurement and Application (Continued)**

The City has the following recurring fair value measurements as of June 30, 2025:

| Investments by Fair Value Level   | Balance at June 30, 2025 | Fair Value Measurements on a Recurring Basis Using             |   |   |
|---|--------------------------|--|---|---|
|   |                          | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Commercial paper  | \$ 200,337               | \$ -   | \$ 200,337                                    | \$ -                                      |
| Corporate bonds/notes   | 565,888                  | -  | 565,888                                       | -   |
| Equities  | 5,990                    | 5,990  | -   | -   |
| Exchange traded funds   | 2,416                    | 2,416  | -   | -   |
| Municipal bonds/notes   | 64,370                   | -  | 64,370  | -   |
| Negotiable certificates of deposit                                      | 26,153                   | -  | 26,153  | -   |
| Supranational securities  | 54,676                   | -  | 54,676  | -   |
| U.S. agency securities  | 635,286                  | -  | 635,286                                       | -   |
| U.S. Treasury bills   | 19,530                   | 19,530   | -   | -   |
| U.S. Treasury notes   | 13,810                   | 13,810   | -   | -   |
| <b>Total Investments by Fair Value Level</b>                            | <b>1,588,456</b>         | <b>\$ 41,746</b>   | <b>\$ 1,546,710</b>                           | <b>\$ -</b>                               |
| <br><b>Investments Measured at Net Asset Value</b>                      |                          |  |   |   |
| Money market mutual funds   | 36,245                   |  |   |   |
| <br><b>Investments Uncategorized</b>                                    |                          |  |   |   |
| Investment Trust of California (CalTRUST)                               | 179,355                  |  |   |   |
| Local Agency Investment Fund (LAIF)                                     | 35,758                   |  |   |   |
| <b>Total Investments Uncategorized</b>                                  | <b>215,113</b>           |  |   |   |
| <br><b>Total Investments Held by City</b>                               | <b>1,839,814</b>         |  |   |   |
| <br><b>Investments Held by Fiscal Agent by Fair Value Level</b>         |                          |  |   |   |
| Corporate bonds/notes   | 28,803                   | \$ -   | \$ 28,803                                     | \$ -                                      |
| Negotiable certificates of deposit                                      | 14,525                   | -  | 14,525  | -   |
| <b>Total Investments Held by Fiscal Agent by Fair Value Level</b>       | <b>43,328</b>            | <b>\$ -</b>  | <b>\$ 43,328</b>                              | <b>\$ -</b>                               |
| <br><b>Investments Held by Fiscal Agent Measured at Net Asset Value</b> |                          |  |   |   |
| Money market mutual funds   | 38,736                   |  |   |   |
| <b>Total Investments Held by Fiscal Agent</b>                           | <b>82,064</b>            |  |   |   |
| <br><b>Total Investments</b>  | <b>1,921,878</b>         |  |   |   |
| <br><b>Total Bank Deposits</b>  | <b>79,540</b>            |  |   |   |
| <br><b>Total Cash and Investments</b>                                   | <b>\$ 2,001,418</b>      |  |   |   |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Fair Value Measurement and Application (Continued)**

SCERS has the following recurring fair value measurements as of June 30, 2025:

| Investments by Fair Value Level  | Balance at June 30, 2025 | Fair Value Measurements on a Recurring Basis Using             |   |   |
|--|--------------------------|--|---|---|
|  |                          | Quoted Prices in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Corporate bonds/notes  | \$ 67,855                | \$ -   | \$ 67,855                                     | \$ -                                      |
| Equities   | 15,175                   | 15,175   | -   | -   |
| Exchange traded funds  | 137,454                  | 137,454  | -   | -   |
| Municipal bonds/notes  | 22,313                   | -  | 22,313  | -   |
| U.S. agency securities   | 4,590                    | -  | 4,590   | -   |
| U.S. Treasury bonds  | 3,952                    | 3,952  | -   | -   |
| Total Investments by Fair Value Level                                    | <u>251,339</u>           | <u>\$ 156,581</u>  | <u>\$ 94,758</u>                              | <u>\$ -</u>                               |
| <br><b>Investments Measured at Net Asset Value</b>                       |                          |  |   |   |
| Money market mutual funds  | <u>395</u>               |  |   |   |
| <br><b>Investments at Fair Value not Subject to Fair Value Hierarchy</b> |                          |  |   |   |
| City of Sacramento Investment Pool                                       | <u>2,626</u>             |  |   |   |
| Total Cash and Investments   | <u>\$ 254,360</u>        |  |   |   |

**City Sponsored Investment Pool**

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

The fair value of investments is determined monthly. Participants' shares sold and redeemed are determined by the daily cash balance deposited in the pool (the value of its pool shares). The value of the pool shares is based upon amortized cost in day-to-day operations but is adjusted to the fair value at year-end. The investments are reported at fair value. The value of the shares is supported by the value of the underlying investments. External participants, including various joint powers agencies, comprise 6.84% of pool participation. The City Sponsored Investment Pool excludes activities of the pension trust fund, the Sacramento Housing and Redevelopment Agency (SHRA), and funds held by fiscal agents.

The City Treasurer also manages external individual investment accounts for SHRA and the Sacramento Public Library Authority Hurst Trust.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**City Sponsored Investment Pool (Continued)**

The following represents a condensed statement of net position and changes in net position for the City Sponsored Investment Pool and external individual investment accounts as of June 30, 2025:

|  | Fair Value       | Adjusted Cost    | Interest Rates | Maturity Dates |
|--|------------------|------------------|----------------|----------------|
| Commercial paper   | \$ 200,337       | \$ 200,400       | 4.02-4.47%     | 07/25-01/26    |
| Corporate bonds/notes  | 563,569          | 566,973          | 0.55-5.38%     | 07/25-06/30    |
| Deposits   | 77,683           | 77,682           | 3.76-4.27%     | N/A            |
| Investment Trust of California (CalTRUST)  | 179,355          | 179,355          | 4.02-4.37%     | N/A            |
| Local Agency Investment Fund (LAIF)  | 35,758           | 35,758           | 4.27%          | N/A            |
| Municipal bonds/notes  | 64,370           | 64,565           | 0.63-5.52%     | 07/25-02/55    |
| Money market mutual funds  | 36,245           | 36,245           | 0.01-3.90%     | N/A            |
| Negotiable certificates of deposit   | 26,153           | 26,500           | 0.60-4.25%     | 01/26-06/28    |
| Supranational securities   | 54,676           | 55,069           | 0.37-5.17%     | 07/25-02/30    |
| U.S. agency securities   | 635,286          | 642,279          | 0.37-6.00%     | 07/25-06/45    |
| U.S. Treasury bills/notes  | 33,340           | 33,780           | 0.37-4.22%     | 09/25-02/26    |
| <br>Total cash and investments in City sponsored investment pool and external individual investment accounts | <br>\$ 1,906,772 | <br>\$ 1,918,606 |                |                |

A summary of cash and investments as of June 30, 2025 is as follows:

|  | City Sponsored Investment Pool | External Individual Investment Accounts |                     | Total |
|--|--------------------------------|---|---------------------|-------|
|  |                                |   |                     |       |
| <b>Statement of Net Position:</b>              |                                |   |                     |       |
| Cash and investments at fair value             | \$ 1,796,486                   | \$ 110,286                              | \$ 1,906,772        |       |
| Interest receivables                           | 9,780                          | 391                                     | 10,171              |       |
| Net position                                   | <u>\$ 1,806,266</u>            | <u>\$ 110,677</u>                       | <u>\$ 1,916,943</u> |       |
| <br>Equity of internal pool participants       | <br>\$ 1,682,820               | <br>\$ -                                | <br>\$ 1,682,820    |       |
| Equity of external pool participants           | 123,446                        | 110,677                                 | 234,123             |       |
| Total equity                                   | <u>\$ 1,806,266</u>            | <u>\$ 110,677</u>                       | <u>\$ 1,916,943</u> |       |
| <b>Statement of Changes in Net Position:</b>   |                                |   |                     |       |
| Net position at July 1, 2024                   | \$ 1,696,979                   | \$ 146,875                              | \$ 1,843,854        |       |
| Net change in investments by pool participants | 109,287                        | (36,198)                                | 73,089              |       |
| Net position at June 30, 2025                  | <u>\$ 1,806,266</u>            | <u>\$ 110,677</u>                       | <u>\$ 1,916,943</u> |       |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Participation in External Investment Pools**

The City is a voluntary participant in the California Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Local Investment Advisory Board (Board). The Board consists of five members as designated by state statute. The balance available for withdrawal is based on the accounting records maintained by the LAIF, which are recorded on an amortized cost basis, which is different from the fair value of the City's position in the LAIF pool. As of June 30, 2025, the City's investment in LAIF is \$35,758. The total amount invested by all public agencies in LAIF at that date is \$24,486,667. LAIF is part of the California Pooled Money Investment Account (PMIA), which at June 30, 2025 had a balance of \$179,153,321. Of that amount, 96.19% is invested in non-derivative financial products, and 3.81% is invested in derivative financial products.

The City is also a voluntary participant in the Investment Trust of California (CalTRUST), which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. As of June 30, 2025, the City's investment in CalTRUST is \$179,355, of which \$63,375 was invested in the Liquidity funds pool, \$52,774 in the Short-term pool, and \$63,206 in the Medium-term pool. Amounts that may be withdrawn from CalTRUST are based upon the fund's assets valued using the amortized cost method. Amounts that may be withdrawn from the Short-term and Medium-term pools are based on the net asset value per share and the number of shares held by participants in each pool.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
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(dollar amounts expressed in thousands)

**NOTE 3 – RECEIVABLES**

Net receivables as of June 30, 2025, were as follows:

|   | Taxes            | Accounts         | Loans             | Inter-governmental | Leases           | Settlement      | Interest        | Total             |
|---|------------------|------------------|-------------------|--------------------|------------------|-----------------|-----------------|-------------------|
| <b>Governmental activities</b>                                  |                  |                  |                   |                    |                  |                 |                 |                   |
| General Fund  | \$ 36,015        | \$ 21,731        | \$ 986            | \$ 8,227           | \$ 25,648        | \$ -            | \$ 2,617        | \$ 95,224         |
| Measure U Fund  | 22,770           | 27               | -                 | -                  | -                | -               | 413             | 23,210            |
| 2015 Golden 1 Center  |                  |                  |                   |                    |                  |                 |                 |                   |
| Lease Revenue Bond Fund   | -                | 2,156            | 131,185           | -                  | -                | -               | 31              | 133,372           |
| Other governmental funds  | 7,533            | 32,764           | 49,427            | 84,860             | 3,617            | -               | 2,778           | 180,979           |
| Internal service funds  | -                | 12,787           | -                 | -                  | -                | -               | 904             | 13,691            |
|   | <b>\$ 66,318</b> | <b>\$ 69,465</b> | <b>\$ 181,598</b> | <b>\$ 93,087</b>   | <b>\$ 29,265</b> | <b>\$ -</b>     | <b>\$ 6,743</b> | <b>\$ 446,476</b> |
| Amounts not scheduled for collection during the subsequent year |                  |                  |                   |                    |                  |                 |                 |                   |
|   | <b>\$ -</b>      | <b>\$ -</b>      | <b>\$ 173,789</b> | <b>\$ 9,139</b>    | <b>\$ 26,547</b> | <b>\$ -</b>     | <b>\$ -</b>     | <b>\$ 209,475</b> |
| <b>Business-type activities</b>                                 |                  |                  |                   |                    |                  |                 |                 |                   |
| Water Fund  | \$ -             | \$ 24,553        | \$ 1,000          | \$ 6,023           | \$ 759           | \$ 7,327        | \$ 2,069        | \$ 41,731         |
| Wastewater Fund   | -                | 13,864           | -                 | 1,093              | -                | -               | 503             | 15,460            |
| Storm Drainage Fund   | -                | 13,335           | 822               | 734                | -                | -               | 591             | 15,482            |
| Solid Waste Fund  | -                | 15,142           | -                 | -                  | 1,283            | -               | 548             | 16,973            |
| Community Center Fund   | 4,792            | 3,513            | -                 | -                  | -                | -               | 308             | 8,613             |
| Other enterprise funds  | -                | 857              | -                 | -                  | 7,458            | -               | 9               | 8,324             |
|   | <b>\$ 4,792</b>  | <b>\$ 71,264</b> | <b>\$ 1,822</b>   | <b>\$ 7,850</b>    | <b>\$ 9,500</b>  | <b>\$ 7,327</b> | <b>\$ 4,028</b> | <b>\$ 106,583</b> |

Included in the Accounts Receivable amounts above are allowances for doubtful accounts of \$22,077 in governmental activities and \$1,951 in business-type activities.

Included in the Loans Receivable amount related to other governmental funds above is the present value of the installment payments under the golf service concession arrangement of \$4,473, reported with the associated deferred inflow in the government-wide statement of net position.

The Golden 1 Center was sold to the Sacramento Kings under the terms of the Arena Management, Operations and Lease Agreement during the fiscal year ended June 30, 2017. The agreed-upon minimum lease payments to be received from the Kings was \$389,414 over 35 years. Total minimum lease payments have since gone up to \$406,204 over 35 years in accordance with the agreement's annual fee escalation tied to the Consumer Price Index. The present value of these minimum lease payments discounted at 5.674% is \$146,190 and the current loan receivable balance as of June 30, 2025 is \$131,185. Payments from the Sacramento Kings will be used to fund the payment of debt service related to the Golden 1 Center 2015 lease revenue bonds.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 4 – CAPITAL ASSETS**

**Summary**

The following is a summary of capital assets as of June 30, 2025:

|  | Governmental Activities | Business-type Activities | Total               |
|--|-------------------------|--------------------------|---------------------|
| Capital assets not being depreciated/amortized       |                         |                          |                     |
| Land   | \$ 229,725              | \$ 50,349                | \$ 280,074          |
| Easements  | 2,738                   | 291                      | 3,029               |
| Construction in progress                             | 283,474                 | 430,356                  | 713,830             |
| Total capital assets not being depreciated/amortized | <u>515,937</u>          | <u>480,996</u>           | <u>996,933</u>      |
| Depreciable/amortizable capital assets               |                         |                          |                     |
| Buildings and improvements                           | 800,541                 | 465,283                  | 1,265,824           |
| Equipment  | 85,371                  | 178,221                  | 263,592             |
| Software   | 9,043                   | 14,152                   | 23,195              |
| Vehicles   | 234,650                 | -                        | 234,650             |
| Transmission and distribution system                 | 4,777                   | 1,677,003                | 1,681,780           |
| Roadway network                                      | 1,774,410               | -                        | 1,774,410           |
| Streetlight network                                  | 332,161                 | -                        | 332,161             |
| Parks and park improvements                          | 271,966                 | -                        | 271,966             |
| Total depreciable/amortizable capital assets         | <u>3,512,919</u>        | <u>2,334,659</u>         | <u>5,847,578</u>    |
| Less accumulated depreciation/amortization for:      |                         |                          |                     |
| Buildings and improvements                           | (347,098)               | (204,653)                | (551,751)           |
| Equipment  | (74,514)                | (76,132)                 | (150,646)           |
| Software   | (6,523)                 | (7,391)                  | (13,914)            |
| Vehicles   | (134,148)               | -                        | (134,148)           |
| Transmission and distribution system                 | (1,532)                 | (722,580)                | (724,112)           |
| Roadway network                                      | (1,268,569)             | -                        | (1,268,569)         |
| Streetlight network                                  | (135,902)               | -                        | (135,902)           |
| Parks and park improvements                          | (122,473)               | -                        | (122,473)           |
| Total accumulated depreciation/amortization          | <u>(2,090,759)</u>      | <u>(1,010,756)</u>       | <u>(3,101,515)</u>  |
| Depreciable/amortizable capital assets, net          | <u>1,422,160</u>        | <u>1,323,903</u>         | <u>2,746,063</u>    |
| Lease and IT subscription assets, net (Note 6)       | <u>15,375</u>           | <u>4,825</u>             | <u>20,200</u>       |
| Total capital assets, net                            | <u>\$ 1,953,472</u>     | <u>\$ 1,809,724</u>      | <u>\$ 3,763,196</u> |

Refer to Note 6 for more detailed information on lease and IT subscription asset activity and amortization expense by function.

**City of Sacramento**  
**Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Governmental Activities**

Governmental capital asset activity for the fiscal year ended June 30, 2025 was as follows:

|   | Beginning<br>Balance | Increases  | Decreases    | Transfers<br>In/Out | Ending<br>Balance |
|---|----------------------|------------|--------------|---------------------|-------------------|
| Capital assets not being depreciated/amortized  |                      |            |              |                     |                   |
| Land  | \$ 229,725           | \$ -       | \$ -         | \$ -                | \$ 229,725        |
| Easements   | 2,501                | 237        | -            | -                   | 2,738             |
| Construction in progress  | 297,288              | 89,432     | (103,246)    | -                   | 283,474           |
| Total capital assets not being<br>depreciated/amortized   | 529,514              | 89,669     | (103,246)    | -                   | 515,937           |
| Depreciable/amortizable capital assets  |                      |            |              |                     |                   |
| Buildings and improvements  | 741,128              | 59,413     | -            | -                   | 800,541           |
| Equipment   | 83,316               | 2,055      | -            | -                   | 85,371            |
| Software  | 7,117                | 1,926      | -            | -                   | 9,043             |
| Vehicles  | 219,274              | 24,973     | (9,597)      | -                   | 234,650           |
| Transmission and distribution system  | 4,777                | 328        | -            | (328)               | 4,777             |
| Roadway network   | 1,759,319            | 23,040     | (7,949)      | -                   | 1,774,410         |
| Streetlight network   | 309,533              | 22,628     | -            | -                   | 332,161           |
| Parks and park improvements   | 267,563              | 4,403      | -            | -                   | 271,966           |
| Total depreciable/amortizable capital assets  | 3,392,027            | 138,766    | (17,546)     | (328)               | 3,512,919         |
| Less accumulated depreciation/amortization for:   |                      |            |              |                     |                   |
| Buildings and improvements  | (332,009)            | (15,089)   | -            | -                   | (347,098)         |
| Equipment   | (72,404)             | (2,110)    | -            | -                   | (74,514)          |
| Software  | (5,952)              | (571)      | -            | -                   | (6,523)           |
| Vehicles  | (125,423)            | (17,608)   | 8,883        | -                   | (134,148)         |
| Transmission and distribution system  | (1,445)              | (87)       | -            | -                   | (1,532)           |
| Roadway network   | (1,238,079)          | (38,439)   | 7,949        | -                   | (1,268,569)       |
| Streetlight network   | (128,421)            | (7,481)    | -            | -                   | (135,902)         |
| Parks and park improvements   | (113,224)            | (9,249)    | -            | -                   | (122,473)         |
| Total accumulated depreciation/amortization   | (2,016,957)          | (90,634)   | 16,832       | -                   | (2,090,759)       |
| Depreciable/amortizable capital assets, net   | 1,375,070            | 48,132     | (714)        | (328)               | 1,422,160         |
| Lease and IT subscription assets, net (Note 6)  | 15,817               | (442)      | -            | -                   | 15,375            |
| Governmental activities capital assets, net   | \$ 1,920,401         | \$ 137,359 | \$ (103,960) | \$ (328)            | \$ 1,953,472      |
| Depreciation/amortization expense was charged to functions as follows:  |                      |            |              |                     |                   |
| General government  | \$ 5,062             |            |              |                     |                   |
| Police  | 877                  |            |              |                     |                   |
| Fire  | 823                  |            |              |                     |                   |
| Public works  | 49,790               |            |              |                     |                   |
| Convention and cultural services  | 3,774                |            |              |                     |                   |
| Youth, parks, and community enrichment  | 11,768               |            |              |                     |                   |
| Community development   | 3                    |            |              |                     |                   |
| Library   | 935                  |            |              |                     |                   |
| Capital assets held by the City's internal service funds are<br>charged to the functions based on their usage of assets | 17,602               |            |              |                     |                   |
| Total governmental activities depreciation/amortization expense   | \$ 90,634            |            |              |                     |                   |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Business-type Activities**

Business-type capital asset activity for the fiscal year ended June 30, 2025 was as follows:

|  | Beginning<br>Balance | Increases         | Decreases   | Transfers<br>In/Out | Ending<br>Balance |
|--|----------------------|-------------------|-------------|---------------------|-------------------|
| Capital assets not being depreciated/amortized                         |                      |                   |             |                     |                   |
| Land   | \$ 49,689            | \$ 660            | \$ -        | \$ -                | \$ 50,349         |
| Easements  | 291                  | -                 | -           | -                   | 291               |
| Construction in progress   | 459,190              | 17,630            | (46,464)    | -                   | 430,356           |
| Total capital assets not being<br>depreciated/amortized                | 509,170              | 18,290            | (46,464)    | -                   | 480,996           |
| Depreciable/amortizable capital assets                                 |                      |                   |             |                     |                   |
| Buildings and improvements   | 448,612              | 16,671            | -           | -                   | 465,283           |
| Equipment  | 165,426              | 12,795            | -           | -                   | 178,221           |
| Software   | 13,670               | 482               | -           | -                   | 14,152            |
| Transmission and distribution system                                   | 1,645,422            | 31,253            | -           | 328                 | 1,677,003         |
| Total depreciable/amortizable capital assets                           | 2,273,130            | 61,201            | -           | 328                 | 2,334,659         |
| Less accumulated depreciation/amortization for:                        |                      |                   |             |                     |                   |
| Buildings and improvements   | (196,438)            | (8,215)           | -           | -                   | (204,653)         |
| Equipment  | (69,403)             | (6,729)           | -           | -                   | (76,132)          |
| Software   | (6,565)              | (826)             | -           | -                   | (7,391)           |
| Transmission and distribution system                                   | (687,106)            | (35,474)          | -           | -                   | (722,580)         |
| Total accumulated depreciation/amortization                            | (959,512)            | (51,244)          | -           | -                   | (1,010,756)       |
| Depreciable/amortizable capital assets, net                            | 1,313,618            | 9,957             | -           | 328                 | 1,323,903         |
| Lease and IT subscription assets, net (Note 6)                         | 3,520                | 1,305             | -           | -                   | 4,825             |
| Business-type activities capital assets, net                           | \$ 1,826,308         | \$ 29,552         | \$ (46,464) | \$ 328              | \$ 1,809,724      |
| Depreciation/amortization expense was charged to functions as follows: |                      |                   |             |                     |                   |
| Water  |                      | \$ 30,543         |             |                     |                   |
| Wastewater   |                      | 5,344             |             |                     |                   |
| Storm drainage   |                      | 11,112            |             |                     |                   |
| Solid waste  |                      | 1,243             |             |                     |                   |
| Community center   |                      | 1,300             |             |                     |                   |
| Parking  |                      | 1,671             |             |                     |                   |
| Child development  |                      | 31 <sup>(1)</sup> |             |                     |                   |
| Total business-type activities depreciation/amortization expense       |                      | \$ 51,244         |             |                     |                   |

(1) \$8 of depreciation/amortization expense reported in the Other Enterprise Funds is related to the amortization of the Regency Park joint-use agreement and is not recognized within this note or Note 6.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
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(dollar amounts expressed in thousands)

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**NOTE 5 – PAYABLES**

Payables as of June 30, 2025, were as follows:

|                                | <u>Vendors</u>   | <u>Employees</u> | <u>Interest</u> | <u>Deposits</u> | <u>Total</u>      |
|--------------------------------|------------------|------------------|-----------------|-----------------|-------------------|
| Governmental activities        |                  |                  |                 |                 |                   |
| General Fund                   | \$ 20,675        | \$ 27,683        | \$ 79           | \$ 379          | \$ 48,816         |
| Measure U Fund                 | 7,812            | 2,758            | 5               | -               | 10,575            |
| 2015 Golden 1 Center Lease     |                  |                  |                 |                 |                   |
| Revenue Bond Fund              | -                | -                | 3,410           | -               | 3,410             |
| Other governmental funds       | 48,505           | 83               | 1,723           | 1,697           | 52,008            |
| Internal service funds         | 4,925            | 445              | 6               | -               | 5,376             |
| Total governmental activities  | <u>\$ 81,917</u> | <u>\$ 30,969</u> | <u>\$ 5,223</u> | <u>\$ 2,076</u> | <u>\$ 120,185</u> |
| Business-type activities       |                  |                  |                 |                 |                   |
| Water Fund                     | \$ 6,390         | \$ 1,728         | \$ 2,852        | \$ -            | \$ 10,970         |
| Wastewater Fund                | 14,231           | 457              | 565             | 20              | 15,273            |
| Storm Drainage Fund            | 1,088            | 621              | 22              | -               | 1,731             |
| Solid Waste Fund               | 1,804            | 627              | 27              | -               | 2,458             |
| Community Center Fund          | 3,248            | 321              | 1,212           | -               | 4,781             |
| Other enterprise funds         | 2,203            | 372              | 29              | 69              | 2,673             |
| Total business-type activities | <u>\$ 28,964</u> | <u>\$ 4,126</u>  | <u>\$ 4,707</u> | <u>\$ 89</u>    | <u>\$ 37,886</u>  |

Included in the Interest Payable amount related to 2015 Golden 1 Center Lease Revenue Bond Fund above is the interest payable accrual of \$3,410, reported in the government-wide statement of net position.

Included in the Interest Payable amount related to other governmental funds above is the interest payable accrual for other debt service funds of \$1,294, reported in the government-wide statement of net position.

Included in the Interest Payable amount related to the General Fund, Measure U Fund, and Other Governmental Funds above is the interest payable associated with lease and IT subscription liabilities of \$162, reported in the government-wide statement of net position.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
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(dollar amounts expressed in thousands)

**NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS**

**City as a Lessee and IT Software Subscriber**

As discussed in Note 1, the City is a lessee for various noncancellable leases of land, buildings, and equipment. The City also has noncancellable subscription arrangements for the right-to-use information technology software (IT subscriptions). Leases of land have initial terms of 10 to 50 years, and contain one or more renewal provisions, generally in 5 or 10-year periods. Leases of buildings and equipment have initial terms of 2 to 10 years, and contain one or more renewal provisions, generally in 1 or 5-year periods. IT subscription arrangements have initial terms of 1 to 5 years, and contain one or more renewal provisions, generally in 1 to 5-year periods. The City's lease and IT subscription arrangements generally do not include termination options reasonably certain to be exercised by either party to the arrangement or restrictive financial or other covenants. The City's lease and IT subscription arrangements do not contain any material residual value guarantees.

A summary of lease and IT subscription asset activity for the fiscal year ended June 30, 2025 is as follows:

|  | Beginning<br>Balance | Increases       | Decreases    | Ending<br>Balance |
|--|----------------------|-----------------|--------------|-------------------|
| <b>Governmental activities</b>   |                      |                 |              |                   |
| Intangible right-to-use lease assets:  |                      |                 |              |                   |
| Land   | \$ 234               | \$ -            | \$ -         | \$ 234            |
| Buildings  | 1,949                | 3,254           | (152)        | 5,051             |
| Equipment  | 95                   | -               | -            | 95                |
| Total intangible right-to-use lease assets   | <u>2,278</u>         | <u>3,254</u>    | <u>(152)</u> | <u>5,380</u>      |
| Less accumulated amortization for:   |                      |                 |              |                   |
| Right-to-use lease assets:   |                      |                 |              |                   |
| Land   | (20)                 | (11)            | -            | (31)              |
| Buildings  | (1,068)              | (475)           | 152          | (1,391)           |
| Equipment  | (18)                 | (20)            | -            | (38)              |
| Total accumulated amortization   | <u>(1,106)</u>       | <u>(506)</u>    | <u>152</u>   | <u>(1,460)</u>    |
| Intangible right-to-use lease assets, net  | <u>1,172</u>         | <u>2,748</u>    | -            | <u>3,920</u>      |
| Intangible right-to-use IT subscription assets   | 21,307               | 2,239           | (457)        | 23,089            |
| Less accumulated amortization  | <u>(6,662)</u>       | <u>(5,429)</u>  | <u>457</u>   | <u>(11,634)</u>   |
| Intangible right-to-use IT subscription assets, net                                    | <u>14,645</u>        | <u>(3,190)</u>  | -            | <u>11,455</u>     |
| Governmental activities intangible right-to-use lease and IT subscription assets, net  | <u>\$ 15,817</u>     | <u>\$ (442)</u> | <u>\$ -</u>  | <u>\$ 15,375</u>  |
| <b>Business-type activities</b>  |                      |                 |              |                   |
| Intangible right-to-use lease assets:  |                      |                 |              |                   |
| Land   | \$ 1,978             | \$ -            | \$ -         | \$ 1,978          |
| Buildings  | 177                  | 1,599           | -            | 1,776             |
| Equipment  | 184                  | -               | -            | 184               |
| Total intangible right-to-use lease assets   | <u>2,339</u>         | <u>1,599</u>    | -            | <u>3,938</u>      |
| Less accumulated amortization for:   |                      |                 |              |                   |
| Right-to-use lease assets:   |                      |                 |              |                   |
| Land   | (368)                | (123)           | -            | (491)             |
| Buildings  | (105)                | (115)           | -            | (220)             |
| Equipment  | (166)                | (18)            | -            | (184)             |
| Total accumulated amortization   | <u>(639)</u>         | <u>(256)</u>    | -            | <u>(895)</u>      |
| Intangible right-to-use lease assets, net  | <u>1,700</u>         | <u>1,343</u>    | -            | <u>3,043</u>      |
| Intangible right-to-use IT subscription assets   | 2,801                | 633             | (236)        | 3,198             |
| Less accumulated amortization  | <u>(981)</u>         | <u>(671)</u>    | <u>236</u>   | <u>(1,416)</u>    |
| Intangible right-to-use IT subscription assets, net                                    | <u>1,820</u>         | <u>(38)</u>     | -            | <u>1,782</u>      |
| Business-type activities intangible right-to-use lease and IT subscription assets, net | <u>\$ 3,520</u>      | <u>\$ 1,305</u> | <u>\$ -</u>  | <u>\$ 4,825</u>   |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

**NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS (Continued)**

**City as a Lessee and IT Software Subscriber (Continued)**

Amortization expense for right-to-use lease and IT subscription assets was charged to functions as follows:

|  | Governmental Activities |          |                        |  |  |
|--|-------------------------|----------|------------------------|--|--|
|  | Right-to-use            |          | IT Subscription Assets |  |  |
|  | Lease Assets            | Total    |                        |  |  |
| General Government                     | \$ 94                   | \$ 1,680 | \$ 1,774               |  |  |
| Police                                 | 75                      | 2,227    | 2,302                  |  |  |
| Fire                                   | 152                     | 277      | 429                    |  |  |
| Public works                           | 61                      | 273      | 334                    |  |  |
| Convention and cultural services       | 80                      | 84       | 164                    |  |  |
| Youth, parks, and community enrichment | 44                      | 135      | 179                    |  |  |
| Community development                  | -                       | 746      | 746                    |  |  |
| Community response                     | -                       | 7        | 7                      |  |  |
| Total amortization expense             | \$ 506                  | \$ 5,429 | \$ 5,935               |  |  |

|                            | Business-type Activities |        |                        |  |  |
|----------------------------|--------------------------|--------|------------------------|--|--|
|                            | Right-to-use             |        | IT Subscription Assets |  |  |
|                            | Lease Assets             | Total  |                        |  |  |
| Water                      | \$ 18                    | \$ 378 | \$ 396                 |  |  |
| Wastewater                 | -                        | 94     | 94                     |  |  |
| Storm Drainage             | 35                       | 40     | 75                     |  |  |
| Solid waste                | -                        | 50     | 50                     |  |  |
| Community Center           | 80                       | 56     | 136                    |  |  |
| Parking                    | 123                      | 53     | 176                    |  |  |
| Total amortization expense | \$ 256                   | \$ 671 | \$ 927                 |  |  |

A summary of changes in the related lease and IT subscription liabilities for the fiscal year ended June 30, 2025 is as follows:

|                             | Beginning | Increases | Decreases  | Ending    | Due Within<br>One Year |
|-----------------------------|-----------|-----------|------------|-----------|------------------------|
|                             | Balance   |           |            | Balance   |                        |
| Governmental activities     |           |           |            |           |                        |
| Lease liabilities           | \$ 1,191  | \$ 3,254  | \$ (459)   | \$ 3,986  | \$ 520                 |
| IT subscription liabilities | 12,882    | 2,239     | (5,291)    | 9,830     | 3,306                  |
| Total                       | \$ 14,073 | \$ 5,493  | \$ (5,750) | \$ 13,816 | \$ 3,826               |
| Business-type activities    |           |           |            |           |                        |
| Lease liabilities           | \$ 1,724  | \$ 1,599  | \$ (213)   | \$ 3,110  | \$ 274                 |
| IT subscription liabilities | 1,432     | 633       | (783)      | 1,282     | 351                    |
| Total                       | \$ 3,156  | \$ 2,232  | \$ (996)   | \$ 4,392  | \$ 625                 |

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

### NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS (Continued)

#### City as a Lessee and IT Software Subscriber (Continued)

Future minimum lease and IT subscription payments are as follows:

| Fiscal Year<br>Ending June 30, | Governmental Activities |          |                          |          |           |          |
|--------------------------------|-------------------------|----------|--------------------------|----------|-----------|----------|
|                                | Lease Payments          |          | IT Subscription Payments |          |           |          |
|                                | Principal               | Interest | Principal                | Interest | Principal | Interest |
| 2026                           | \$ 520                  | \$ 106   | \$ 3,306                 | \$ 250   |           |          |
| 2027                           | 386                     | 95       | 2,339                    | 175      |           |          |
| 2028                           | 384                     | 84       | 2,152                    | 110      |           |          |
| 2029                           | 366                     | 73       | 1,432                    | 50       |           |          |
| 2030                           | 367                     | 62       | 456                      | 11       |           |          |
| 2031 - 2035                    | 1,847                   | 136      | 145                      | 1        |           |          |
| 2036 - 2040                    | 30                      | 9        | -                        | -        |           |          |
| 2041 - 2045                    | 33                      | 6        | -                        | -        |           |          |
| 2046 - 2050                    | 37                      | 3        | -                        | -        |           |          |
| 2051 - 2055                    | 16                      | -        | -                        | -        |           |          |
| Totals                         | \$ 3,986                | \$ 574   | \$ 9,830                 | \$ 597   |           |          |

| Fiscal Year<br>Ending June 30, | Business-type Activities |          |                          |          |           |          |
|--------------------------------|--------------------------|----------|--------------------------|----------|-----------|----------|
|                                | Lease Payments           |          | IT Subscription Payments |          |           |          |
|                                | Principal                | Interest | Principal                | Interest | Principal | Interest |
| 2026                           | \$ 274                   | \$ 69    | \$ 351                   | \$ 26    |           |          |
| 2027                           | 249                      | 64       | 205                      | 18       |           |          |
| 2028                           | 181                      | 59       | 190                      | 13       |           |          |
| 2029                           | 175                      | 54       | 121                      | 8        |           |          |
| 2030                           | 185                      | 49       | 53                       | 5        |           |          |
| 2031 - 2035                    | 990                      | 161      | 275                      | 15       |           |          |
| 2036 - 2040                    | 160                      | 87       | 87                       | 1        |           |          |
| 2041 - 2045                    | 175                      | 72       | -                        | -        |           |          |
| 2046 - 2050                    | 191                      | 56       | -                        | -        |           |          |
| 2051 - 2055                    | 210                      | 38       | -                        | -        |           |          |
| 2056 - 2060                    | 230                      | 18       | -                        | -        |           |          |
| 2061 - 2065                    | 90                       | 2        | -                        | -        |           |          |
| Totals                         | \$ 3,110                 | \$ 729   | \$ 1,282                 | \$ 86    |           |          |

Variable lease and IT subscription payments - Variable lease and IT subscription payments, other than those that are fixed in substance, are excluded from the measurement of the lease and IT subscription liability. Such amounts are recognized as expense/expenditures in the period in which the obligation for those payments is incurred.

Certain land leases require the City to make variable lease payments based on a percentage of gross revenue. These amounts are generally determined quarterly or annually. The amount recognized as expense/expenditures for variable lease payments not included in the measurement of lease liabilities was \$462 during the fiscal year ended June 30, 2025. The City also leases land from the State Lands Commission and subleases this land to various lessees. Each year, the City pays a percentage of gross revenues to the State Lands Commission. The City recognized \$110 of expense associated with the right-to-use lease land from the State Lands Commission during the fiscal year ended June 30, 2025.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS (Continued)**

**City as a Lessee and IT Software Subscriber (Continued)**

Certain vehicle leases require the City to make variable lease payments based on usage. These amounts are generally determined monthly. The amount recognized as expense/expenditures for variable lease payments not included in the measurement of lease liabilities was \$441 during the fiscal year ended June 30, 2025.

Certain IT subscription arrangements require the City to make variable subscription payments based on the number of user licenses or transactions processed. The amount recognized as expense/expenditures for variable subscription payments not included in the measurement of IT subscription liabilities was \$2,927 during the fiscal year ended June 30, 2025. \$907 was associated with variable IT subscription arrangements based on the number of user licenses and \$2,020 was associated with IT variable subscription arrangements based on the number of transactions processed.

**City as a Lessor**

As discussed in Note 1, the City is a lessor for various non-cancellable leases of land, buildings, and equipment. Leases of land have initial terms of 5 to 50 years, and contain one or more renewal provisions, generally in 5 or 10-year periods. Leases of buildings and equipment have initial terms of 2 to 45 years, and contain one or more renewal provisions, generally in 1 or 5-year periods. The City's lease arrangements do not contain any material residual value guarantees.

Future minimum lease payments receivable are as follows:

| Fiscal Year<br>Ending June 30, | Governmental Activities |                 | Business-type Activities |                 |
|--------------------------------|-------------------------|-----------------|--------------------------|-----------------|
|                                | Principal               | Interest        | Principal                | Interest        |
| 2026                           | \$ 2,718                | \$ 494          | \$ 881                   | \$ 146          |
| 2027                           | 2,341                   | 409             | 699                      | 133             |
| 2028                           | 2,347                   | 373             | 706                      | 124             |
| 2029                           | 2,372                   | 335             | 661                      | 114             |
| 2030                           | 2,425                   | 298             | 571                      | 105             |
| 2031 - 2035                    | 9,360                   | 989             | 2,256                    | 408             |
| 2036 - 2040                    | 5,131                   | 417             | 1,634                    | 256             |
| 2041 - 2045                    | 936                     | 177             | 1,607                    | 109             |
| 2046 - 2050                    | 483                     | 126             | 485                      | 12              |
| 2051 - 2055                    | 624                     | 76              | -                        | -               |
| 2056 - 2060                    | 528                     | 19              | -                        | -               |
| Totals                         | <u>\$ 29,265</u>        | <u>\$ 3,713</u> | <u>\$ 9,500</u>          | <u>\$ 1,407</u> |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 6 – LEASES AND IT SUBSCRIPTION ARRANGEMENTS (Continued)**

**City as a Lessor (Continued)**

Lease related revenue recognized during the fiscal year ended June 30, 2025, excluding variable lease receipts, is as follows:

|                  | Governmental<br>Activities | Business-type<br>Activities |
|------------------|----------------------------|-----------------------------|
| Lease revenue    | \$ 2,932                   | \$ 734                      |
| Interest revenue | 449                        | 150                         |

Variable lease receipts - Variable lease receipts, other than those that are fixed in substance, are excluded from the measurement of the lease receivable. Such amounts are recognized as lease revenue in the period in which it is earned.

Certain leases require the lessee to make variable lease payments based on a percentage of gross receipts. These amounts are determined monthly, quarterly, or annually as noted in the lease arrangement. The amount recognized as revenue for variable lease receipts not included in the measurement of lease receivables was \$5,339 during the fiscal year ended June 30, 2025.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 7 – LONG-TERM LIABILITIES**

**Activity**

The following is a summary of changes in long-term liabilities at June 30, 2025. Certain long-term liabilities provide financing to both governmental and business-type activities.

|   | Beginning<br>Balance,<br>As Restated | Additions  | Reductions   | Ending<br>Balance | Due Within<br>One Year |
|---|--------------------------------------|------------|--------------|-------------------|------------------------|
| <b>GOVERNMENTAL ACTIVITIES:</b>                     |                                      |            |              |                   |                        |
| Revenue and Other Bonds, Direct Placements:         |                                      |            |              |                   |                        |
| 2016 Lease Financing                                | \$ 5,045                             | \$ -       | \$ (535)     | \$ 4,510          | \$ 545                 |
| Revenue and Other Bonds, Public Offerings:          |                                      |            |              |                   |                        |
| 2006 Capital Improvement Revenue Bonds, Series B    | 35,365                               | -          | (1,875)      | 33,490            | 1,985                  |
| 2006 Capital Improvement Revenue Bonds, Series E    | 67,138                               | -          | (5,571)      | 61,567            | 5,897                  |
| 2015 Refunding Revenue Bonds                        | 60,355                               | -          | (4,125)      | 56,230            | 4,320                  |
| 2015 Lease Revenue Bonds - Golden 1 Center          | 246,395                              | -          | (4,400)      | 241,995           | 4,645                  |
| Subtotal, revenue and other bonds, public offerings | 409,253                              | -          | (15,971)     | 393,282           | 16,847                 |
| Direct Borrowing Notes Payable:                     |                                      |            |              |                   |                        |
| 1985 Marina Phase I                                 | 1,048                                | -          | (68)         | 980               | 71                     |
| 1985 Marina Phase II                                | 1,710                                | -          | (90)         | 1,620             | 94                     |
| 2008 Sacramento Marina South Basin                  | 13,196                               | -          | -            | 13,196            | 698                    |
| Subtotal, direct borrowing notes payable            | 15,954                               | -          | (158)        | 15,796            | 863                    |
| Plus deferred amounts:                              |                                      |            |              |                   |                        |
| Issuance premiums                                   | 12,212                               | -          | (1,136)      | 11,076            | 1,136                  |
| Subtotal, debt governmental activities              | 442,464                              | -          | (17,800)     | 424,664           | 19,391                 |
| Other Long-term Liabilities:                        |                                      |            |              |                   |                        |
| Accrued claims and judgments                        | 148,158                              | 41,664     | (31,730)     | 158,092           | 46,440                 |
| Accrued compensated absences                        | 60,357                               | 386        | -            | 60,743            | 28,319                 |
| Lease liabilities                                   | 1,191                                | 3,254      | (459)        | 3,986             | 520                    |
| IT subscription liabilities                         | 12,882                               | 2,239      | (5,291)      | 9,830             | 3,306                  |
| Net OPEB liability                                  | 175,102                              | 11,728     | (20,428)     | 166,402           | -                      |
| Net pension liability                               | 1,187,737                            | 121,846    | (129,361)    | 1,180,222         | -                      |
| Pollution remediation obligations                   | 1,020                                | 1,183      | (65)         | 2,138             | 50                     |
| Financing plan fee credits:                         |                                      |            |              |                   |                        |
| Delta Shores  | 45,321                               | -          | (1,326)      | 43,995            | -                      |
| Jacinto Creek                                       | 1,173                                | 7          | -            | 1,180             | 25                     |
| North Natomas                                       | 30,847                               | 2,783      | (3,296)      | 30,334            | 4,393                  |
| Park Development                                    | 1,526                                | 1          | -            | 1,527             | 401                    |
| Subtotal, other long-term liabilities               | 1,665,314                            | 185,091    | (191,956)    | 1,658,449         | 83,454                 |
| Total governmental activities                       | \$ 2,107,778                         | \$ 185,091 | \$ (209,756) | \$ 2,083,113      | \$ 102,845             |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Activity (Continued)**

| <b>BUSINESS-TYPE ACTIVITIES:</b>                                 | <b>Beginning</b>                |                   |                     | <b>Ending</b>       | <b>Due Within</b> | <b>One Year</b> |
|--|---------------------------------|-------------------|---------------------|---------------------|-------------------|-----------------|
|  | <b>Balance,<br/>As Restated</b> | <b>Additions</b>  | <b>Reductions</b>   |                     |                   |                 |
| Revenue and Other Bonds, Public Offerings:                       |                                 |                   |                     |                     |                   |                 |
| 2006 Capital Improvement Revenue Bonds, Series E                 | \$ 79,115                       | \$ -              | \$ (7,104)          | \$ 72,011           | \$ 7,478          |                 |
| Water Revenue Bonds, Series 2013                                 | 5,580                           | -                 | (5,580)             | -                   | -                 |                 |
| Water Revenue Bonds, Series 2017                                 | 47,245                          | -                 | (1,060)             | 46,185              | 1,115             |                 |
| Water Revenue Refunding Bonds, Series 2020                       | 151,545                         | -                 | (1,050)             | 150,495             | 4,995             |                 |
| Water Revenue Refunding Bonds, Series 2023                       | 20,985                          | -                 | -                   | 20,985              | 2,290             |                 |
| Wastewater Revenue Bonds, Series 2019                            | 23,315                          | -                 | (975)               | 22,340              | 1,025             |                 |
| Wastewater Revenue Refunding Bonds, Series 2020                  | 26,430                          | -                 | (1,170)             | 25,260              | 1,185             |                 |
| 2015 Refunding Revenue Bonds                                     | 16,030                          | -                 | (2,370)             | 13,660              | 2,480             |                 |
| 2018 TOT Revenue Bonds, Senior Series A                          | 195,815                         | -                 | (510)               | 195,305             | 4,715             |                 |
| 2018 TOT Revenue Bonds, Senior Series B                          | 4,025                           | -                 | (4,025)             | -                   | -                 |                 |
| 2018 TOT Revenue Bonds, Subordinate Series C                     | 61,950                          | -                 | (1,390)             | 60,560              | 1,460             |                 |
| 2019 STID Assessment Revenue Bonds                               | 46,865                          | -                 | (1,010)             | 45,855              | 1,060             |                 |
| Subtotal, revenue and other bonds, public offerings              | <u>678,900</u>                  | <u>-</u>          | <u>(26,244)</u>     | <u>652,656</u>      | <u>27,803</u>     |                 |
| Direct Borrowing Notes Payable:                                  |                                 |                   |                     |                     |                   |                 |
| California Department of Public Health                           | 4,862                           | -                 | (520)               | 4,342               | 533               |                 |
| California Infrastructure and Economic Development Bank (I-Bank) | 1,746                           | -                 | (101)               | 1,645               | 104               |                 |
| Drinking Water State Revolving Fund                              | 124,267                         | -                 | (6,152)             | 118,115             | 3,116             |                 |
| Subtotal, direct borrowing notes payable                         | <u>130,875</u>                  | <u>-</u>          | <u>(6,773)</u>      | <u>124,102</u>      | <u>3,753</u>      |                 |
| Less deferred amounts:   |                                 |                   |                     |                     |                   |                 |
| Issuance premiums  | <u>53,131</u>                   | <u>-</u>          | <u>(3,114)</u>      | <u>50,017</u>       | <u>2,985</u>      |                 |
| Subtotal, debt, business type activities                         | <u>862,906</u>                  | <u>-</u>          | <u>(36,131)</u>     | <u>826,775</u>      | <u>34,541</u>     |                 |
| Other Long-term Liabilities:                                     |                                 |                   |                     |                     |                   |                 |
| Accrued compensated absences                                     | 12,561                          | 491               | -                   | 13,052              | 5,866             |                 |
| Lease liabilities  | 1,724                           | 1,599             | (213)               | 3,110               | 274               |                 |
| IT subscription liabilities                                      | 1,432                           | 633               | (783)               | 1,282               | 351               |                 |
| Net OPEB liability   | 36,773                          | 1,411             | (2,756)             | 35,428              | -                 |                 |
| Net pension liability  | 150,543                         | 15,570            | (16,365)            | 149,748             | -                 |                 |
| Accrued claims and judgments                                     | 622                             | 84                | -                   | 706                 | 706               |                 |
| Water fee credits  | 96                              | -                 | -                   | 96                  | -                 |                 |
| Wastewater fee credits   | 7,764                           | -                 | (237)               | 7,527               | -                 |                 |
| Liability for landfill postclosure                               | 6,136                           | -                 | (458)               | 5,678               | 458               |                 |
| Subtotal, other long-term liabilities                            | <u>217,651</u>                  | <u>19,788</u>     | <u>(20,812)</u>     | <u>216,627</u>      | <u>7,655</u>      |                 |
| Total business-type activities                                   | <u>1,080,557</u>                | <u>19,788</u>     | <u>(56,943)</u>     | <u>1,043,402</u>    | <u>42,196</u>     |                 |
| Total long-term liabilities                                      | <u>\$ 3,188,335</u>             | <u>\$ 204,879</u> | <u>\$ (266,699)</u> | <u>\$ 3,126,515</u> | <u>\$ 145,041</u> |                 |

The June 30, 2024 beginning balance of governmental activities and business-type activities have been restated to reflect accrued compensated absences in accordance with GASB Statement No. 101, in the amounts of \$7,618 and \$1,939, respectively.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

The following is a list of long-term debt issues outstanding at June 30, 2025, including the amount of original debt issuance, a description of the debt issue, and disclosure of pledged revenue.

**Revenue and Other Bonds**

Issued Amount

|           |  |
|-----------|--|
| \$55,235  | 2006 Capital Improvement Revenue Bonds, Series B (Taxable)<br>Authorized and issued June 15, 2006, due in annual installments of \$2,776 to \$3,974 through December 1, 2036, bearing interest rates of 5.4% to 5.8%. Net proceeds of \$50,692 are being utilized for the purpose of financing certain public capital improvements and redevelopment projects including an arts rehearsal building, Pocket Area Library and other capital projects within the City of Sacramento. The debt is secured by collateral of real property situated in the City of Sacramento, the indenture contains a provision that in the event of a default and upon written request of the bond holders, the outstanding principal and any accrued interest may be due and payable immediately.  |
| \$186,950 | 2006 Capital Improvement Revenue Bonds, Series E (Refunding)<br>Authorized and issued December 12, 2006, due in annual installments of \$3,633 to \$20,589 through December 1, 2033, bearing interest rates of 4% to 5.25%. Net proceeds of \$216,661 plus cash of \$13,441 have been utilized for the purpose of establishing an irrevocable escrow to defease \$218,000 principal amount of the outstanding 2001 Capital Improvement Revenue Bonds and a portion of the outstanding 2002 and 2003 Capital Improvement Revenue Bonds, and the associated liabilities have been removed from the governmental and business-type activities columns of the statement of net position. The debt is secured by collateral of real property situated in the City of Sacramento, the indenture contains a provision that in the event of a default and upon written request of the bond holders, the outstanding principal and any accrued interest may be due and payable immediately.   |
| \$183,380 | 2015 Refunding Revenue Bonds<br>Authorized and issued October 1, 2015, due in annual installments of \$5,120 to \$24,773 through December 1, 2037, bearing interest rates of 3% to 5%. Net proceeds of \$205,778 plus cash of \$28,165, together with certain proceeds of the Tax Allocation Bonds, were utilized to establish an irrevocable escrow to defease \$257,630 principal amount of outstanding 2002 Capital Improvement Revenue Bonds, 2003 Capital Improvement Revenue Bonds, 2005 Refunding Revenue Bonds, 2006 Capital Improvement Revenue Bonds, Series A, 2006 Capital Improvement Revenue Bonds, Series C, and pay costs of issuance. The refunded liabilities have been removed from the associated fund and government-wide financial statements. The debt is secured by collateral of real property situated in the City of Sacramento. The indenture contains a provision that in the event of a default and upon written request of the bond holders, the outstanding principal and any accrued interest may be due and payable immediately. |
| \$272,870 | 2015 Lease Revenue Bonds – Golden 1 Center<br>The bonds were originally issued on August 13, 2015, in the aggregate principal amount of \$299,995, to pay for a portion of the acquisition and construction of the multi-purpose entertainment and sports center (the Golden 1 Center) in downtown Sacramento. On the fixed rate conversion date, October 6, 2015, \$27,125 principal amount of the bonds were cancelled. The bonds are due in annual installments of \$7,229 to \$18,379 through fiscal year 2050, bearing interest of 2.5% to 5.6%. The debt is secured by collateral of the Golden 1 Center and other improvements made to the associated parcel of land.   |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Revenue and Other Bonds (Continued)**

Issued Amount

|           |  |
|-----------|--|
| \$9,115   | 2016 Lease Financing – H Street Theater Complex (Direct Placement)<br>The City delivered its 2016 Lease Financing on January 26, 2016, due in annual installments of \$668 to \$1,010 through fiscal year 2033, bearing interest at 2.8%. Bond proceeds of \$9,115, together with cash of \$3,471 were utilized to establish a prepayment fund to refund \$12,010 aggregate principal, plus interest, and pay the costs of issuance of the outstanding Sacramento Regional Arts Facilities 2002 Certificates of Participation. The debt is secured by lease rental payments from the California Musical Theatre.   |
| \$52,610  | 2017 Water Revenue Bonds<br>Authorized and issued June 2017, due in annual installments of \$1,805 to \$3,379 through fiscal year 2048, bearing interest rate of 4% to 5%, for the purpose of financing the costs of improvements to the City's municipal water system. The debt is secured by the pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$77,668 as of June 30, 2025. Current year principal and interest paid was \$3,376 and water fee revenue was \$145,408.  |
| \$195,815 | 2018 Transient Occupancy Tax (TOT) Revenue Bonds, Senior Series A<br>Authorized September 2018, issued November 2018, due in annual installments of \$5,711 to \$14,482 through fiscal year 2048, bearing an interest rate of 5%, for the purpose of financing the costs of renovating the City's Convention Center, Community Center Theater, and Memorial Auditorium, as well as other projects eligible for TOT funding. The debt is secured by the pledge of, and payable solely from, TOT revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$333,027 as of June 30, 2025. Current year principal and interest paid was \$10,301 and TOT revenue was \$35,228.    |
| \$66,890  | 2018 Transient Occupancy Tax (TOT) Revenue Bonds, Subordinate Series C<br>Authorized September 2018, issued November 2018, due in annual installments of \$1,951 to \$4,495 through fiscal year 2048, bearing an interest rate of 5%, for the purpose of financing the costs of renovating the City's Convention Center, Community Center Theater, and Memorial Auditorium, as well as other projects eligible for TOT funding. The debt is secured by the pledge of, and payable solely from, TOT revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$103,261 as of June 30, 2025. Current year principal and interest paid was \$4,488 and TOT revenue was \$35,228. |
| \$25,960  | 2019 Wastewater Revenue Bonds<br>Authorized March 2019, issued April 2019, due in annual installments of \$1,157 to \$2,119 through fiscal year 2040, bearing an interest rate of 5%, for the purpose of financing the costs of improvements to the City's wastewater system. The debt is secured by a pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$31,751 as of June 30, 2025. Current year principal and interest paid was \$2,116 and wastewater fee revenue was \$47,241.  |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Revenue and Other Bonds (Continued)**

Issued Amount

|           |   |
|-----------|---|
| \$50,465  | 2019 Sacramento Tourism Infrastructure District (STID) Assessment Revenue Bonds<br>Authorized July 2019, issued August 2019, due in annual installments of \$1,469 to \$2,744 through fiscal year 2050, bearing interest rates of 4% to 5%, for the purpose of financing an additional Ballroom in the Sacramento Convention Center and other capital improvement projects. The debt is secured by the pledge of, and payable solely from, STID revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$68,522 as of June 30, 2025. Current year principal and interest paid was \$2,742 and STID fee revenue was \$4,117.  |
| \$188,390 | 2020 Water Refunding Revenue Bonds<br>Authorized April 2020, issued May 2020, due in annual installments of \$6,976 to \$12,701 through fiscal year 2043, bearing interest rates of 1% to 3%. Net proceeds of \$188,390, together with City contribution of \$1,005 and bond reserve fund release of \$4,248, were utilized to establish an irrevocable escrow to defease \$166,405 principal amount of outstanding 2013 Water Revenue Bonds and pay costs of issuance. The refunded liabilities were removed from the Water Fund and government-wide financial statements and redeemed September 2023. In December 2023, the City issued 2023 Water Refunding Revenue Bonds to refund \$27,810 of the outstanding 2020 Water Refunding Revenue Bonds. Remaining amount due in annual installments of \$5,200 to \$12,280 through fiscal year 2043, bearing interest rate of 1% to 3%. The debt is secured by the pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$195,039 as of June 30, 2025. Current year principal and interest paid was \$5,200 and water fee revenue was \$145,408. |
| \$27,970  | 2020 Wastewater Refunding Revenue Bonds<br>Authorized April 2020, issued July 2020, due in annual installments of \$925 to \$1,752 through fiscal year 2043, bearing interest rates of 0.5% to 2.5%. Net proceeds of \$27,970, together with City contribution of \$401 and bond reserve fund release of \$580, were utilized to establish an irrevocable escrow to defease \$24,835 principal amount of outstanding 2013 Wastewater Revenue Bonds and pay costs of issuance. The refunded liabilities have been removed from the Wastewater Fund and government-wide financial statements and were redeemed September 1, 2023. The debt is secured by the pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$31,460 as of June 30, 2025. Current year principal and interest paid was \$1,749 and wastewater fee revenue was \$47,241.   |
| \$20,985  | 2023 Water Refunding Revenue Bonds<br>Authorized November 2023, issued December 2023, due in annual installments of \$560 to \$4,645 through fiscal year 2043, bearing an interest rate of 5%. Bond proceeds of \$24,091 and City contribution of \$616 were utilized to refund \$27,810 principal amount of outstanding 2020 Water Refunding Revenue Bonds and pay costs of issuance. The target 2020 Water Refunding Revenue Bonds were purchased and cancelled, and liabilities have been removed from the Water Fund and government-wide financial statements. The net carrying value of the old debt exceeded the purchase price by \$3,157. The 2023 Refunding reduced total debt service payments by \$3,990 and resulted in an economic gain of \$2,529. The debt is secured by the pledge of, and payable solely from, the Trust Estate, which consists primarily of all system net revenues and trustee accounts held under the indenture. Total principal and interest remaining to be paid on the bonds is \$30,200 as of June 30, 2025. Current year interest paid was \$1,259 and water fee revenue was \$145,408. Principal payments begin September 2025.   |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Notes Payable**

Issued Amount

|           |   |
|-----------|---|
| \$2,220   | 1985 Sacramento Marina Note Payable, Phase I<br>Authorized July 1985, issued November 1985, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of \$20 to \$82 through August 2030, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The debt is secured by collateral of the Sacramento Marina.   |
| \$3,229   | 1985 Sacramento Marina Note Payable, Phase II<br>Authorized July 1985, issued September 1987, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of \$27 to \$150 through August 2037, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The debt is secured by collateral of the Sacramento Marina.  |
| \$10,477  | 2008 Sacramento Marina Note Payable, South Basin<br>Authorized February 2005, the City had made loan draws of \$9,000 plus accrued interest of \$1,477 through June 30, 2013, from the California Department of Boating and Waterways (DB&W), for the purpose of constructing the South Basin Improvements at the Sacramento Marina. Principal and interest was due in 30 annual installments of \$204 to \$662, through August 2041, bearing an interest rate of 4.6%. The City had made no principal payments and only a portion of interest payments on this loan since 2013 and had been working with the DB&W on a loan restructure. Effective August 2019, the DB&W and the City executed a formal agreement to restructure this loan which added accrued interest to the loan balance. After restructuring, the maturity dates of previously matured principal and interest amounts were extended. The note still bears an interest rate of 4.6% and principal and interest are due in annual installments of \$500 to \$1,698, through August 2041. The debt is secured by collateral of the Sacramento Marina. |
| \$10,000  | California Department of Public Health<br>Authorized September 2009 for the installation of approximately 13,000 water meters. The note, with a 2.5% interest rate, will be repaid over 20 years, through 2033, with annual installments of approximately \$639. The City pledged future Water Enterprise Fund revenue to repay the note. Current year water fee revenue was \$145,408.   |
| \$2,975   | California Infrastructure and Economic Development (I-Bank)<br>Authorized in December 2007, due in annual installments from \$163 to \$155 through August 2038, bearing an interest rate of 3.17%, for the purpose of financing the purchase and construction of the Basin 31 Detention Basin. The City pledged future storm drainage fee revenue to repay the note. The note is payable solely from the storm drainage fee revenue through August 2038. Total principal and interest remaining to be paid on the note is \$2,043. Current year principal and interest paid was \$160 and storm drainage fee revenue was \$65,121. The loan agreement contains a provision that in the event of a default, the principal of the loan and accrued interest on all unpaid installments would be due immediately.  |
| \$139,170 | Drinking Water State Revolving Fund (DWSRF)<br>Authorized in May 2017, the DWSRF has agreed to fund the City's Accelerated Meter Installation and Pipe Replacement Program. Under the agreement, the City is to pay for project costs upfront and the DWSRF is to reimburse the City with loan amounts not to exceed \$173,142. Construction began in October 2017 and ended June 2022. The total amount claimed by the City and reimbursed by DWSRF was \$139,170. The note will be repaid over a 20-year period beginning July 2022, bearing an interest rate of 1.7%. Annual installments will be approximately \$8,240. The City has pledged future water fee revenues and the restricted reserve fund to repay the note. Current year water fee revenues were \$145,408.   |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Other Long-term Liabilities**

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

Lease and IT subscription liabilities – The City has entered into various agreements for the intangible right-to-use lease and IT subscription assets. Lease and IT subscription liabilities are recorded at the present value of future fixed payments for the remaining term of the agreements. Refer to Note 1 and Note 6 for more detailed information.

Compensated absences – Estimated amounts due to employees for earned, but unused, compensated absence accounts, including leave balances for vacation, sick, holiday and compensated time off.

Net OPEB liability (other postemployment benefits) – The net OPEB liability is \$166,402 and \$35,428 for governmental activities and business-type activities, respectively, at June 30, 2025. The net liability is liquidated by the fund that has recorded the liability. Governmental activities net OPEB liability is liquidated primarily by the General Fund and business-type activities net OPEB liability is liquidated by the respective enterprise fund. Refer to Note 9 for more detailed information.

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

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

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

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

Liability for landfill closure – Estimated postclosure maintenance and monitoring costs for the closed landfill sites.

Net pension liability – The net pension liability is \$1,180,222 and \$149,748 for governmental activities and business-type activities, respectively, at June 30, 2025. The net liability is liquidated by the fund that has recorded the liability. Governmental activities net pension liability is liquidated primarily by the General Fund and business-type activities net pension liability is liquidated by the respective enterprise fund. Refer to Note 8 for more detailed information.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Future Debt Service Requirements**

The following tables disclose the annual debt service requirements for the City's long-term debt outstanding as of June 30, 2025.

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

| Fiscal Year<br>Ending June 30,    | Revenue and Other Bonds,<br>Direct Placements |                 | Revenue and Other Bonds,<br>Public Offerings |                   |
|-----------------------------------|---|-----------------|--|-------------------|
|                                   | Principal                                     | Interest        | Principal                                    | Interest          |
| 2026                              | \$ 545  | \$ 124          | \$ 16,847                                    | \$ 21,203         |
| 2027                              | 565   | 109             | 17,784                                       | 20,279            |
| 2028                              | 580   | 92              | 18,751                                       | 19,318            |
| 2029                              | 595   | 76              | 19,878                                       | 18,301            |
| 2030                              | 615   | 59              | 20,941                                       | 17,253            |
| 2031-2035                         | 1,610   | 69              | 100,143                                      | 69,463            |
| 2036-2040                         | -   | -               | 62,085                                       | 47,317            |
| 2041-2045                         | -   | -               | 59,115                                       | 32,272            |
| 2046-2050                         | -   | -               | 77,738                                       | 13,626            |
| Subtotals                         | 4,510   | 529             | 393,282                                      | 259,032           |
| Plus: Issuance premiums           | -   | -               | 11,076                                       | -                 |
| <b>Totals</b>                     | <b>\$ 4,510</b>                               | <b>\$ 529</b>   | <b>\$ 404,358</b>                            | <b>\$ 259,032</b> |
| Direct Borrowing<br>Notes Payable |   |                 |  |                   |
| Fiscal Year<br>Ending June 30,    | Principal                                     | Interest        |  |                   |
| 2026                              | \$ 863  | \$ 1,061        |  |                   |
| 2027                              | 572   | 685             |  |                   |
| 2028                              | 599   | 659             |  |                   |
| 2029                              | 649   | 633             |  |                   |
| 2030                              | 681   | 602             |  |                   |
| 2031-2035                         | 3,898   | 2,513           |  |                   |
| 2036-2040                         | 5,451   | 1,507           |  |                   |
| 2041-2042                         | 3,083   | 217             |  |                   |
| <b>Totals</b>                     | <b>\$ 15,796</b>                              | <b>\$ 7,877</b> |  |                   |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Future Debt Service Requirements (Continued)**

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

| Fiscal Year<br>Ending June 30, | Revenue and Other Bonds,<br>Public Offerings |                   | Direct Borrowing<br>Notes Payable |                  |
|--------------------------------|--|-------------------|-----------------------------------|------------------|
|                                | Principal                                    | Interest          | Principal                         | Interest         |
| 2026                           | \$ 27,803                                    | \$ 27,624         | \$ 3,753                          | \$ 1,165         |
| 2027                           | 29,001                                       | 26,411            | 6,965                             | 2,072            |
| 2028                           | 30,249                                       | 25,162            | 7,090                             | 1,947            |
| 2029                           | 32,082                                       | 23,860            | 7,218                             | 1,819            |
| 2030                           | 32,909                                       | 22,508            | 7,347                             | 1,689            |
| 2031-2035                      | 148,557                                      | 92,376            | 37,127                            | 6,451            |
| 2036-2040                      | 143,700                                      | 63,545            | 38,467                            | 3,196            |
| 2041-2045                      | 134,780                                      | 32,945            | 16,135                            | 344              |
| 2046-2050                      | 73,575                                       | 7,156             | -                                 | -                |
| Subtotals                      | 652,656                                      | 321,587           | 124,102                           | 18,683           |
| Plus: Issuance premiums        | 50,017                                       | -                 | -                                 | -                |
| <b>Totals</b>                  | <b>\$ 702,673</b>                            | <b>\$ 321,587</b> | <b>\$ 124,102</b>                 | <b>\$ 18,683</b> |

**Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions with respect to the issuance of tax-exempt bonds after August 31, 1986. Arbitrage regulations deal with the investment of all tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the U.S. Department of Treasury at least every five years. During the current year, the City performed calculations of excess investment earnings on various bonds and determined the liability to be zero at June 30, 2025.

**Special Assessment Debt**

Total matured and unmatured bonds outstanding related to special assessment and special tax districts are \$259,874 at June 30, 2025. The City acts as an agent for the property owners in collecting special assessments, forwarding the collections to bondholders and initiating foreclosure proceedings, when appropriate. The City is not liable for repayment of the special district bonds, and accordingly, they are not reflected in the accompanying basic financial statements. Cash held on deposit and corresponding amounts payable for the districts are reported in the Custodial Funds.

**Conduit Debt**

Outstanding obligations related to redevelopment agency revenue bonds total \$106,732 at June 30, 2025. The redevelopment agency bonds were issued by the Sacramento City Financing Authority to finance redevelopment activities and to refund certain other obligations of the redevelopment agency. The City has a limited commitment and is not liable for repayment of these bonds, and accordingly, they are not reflected in the accompanying basic financial statements.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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### NOTE 8 – PENSION PLANS

#### Defined Benefit Plan Description

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

As of June 30, 2025, the City reported total net pension liability, deferred outflows of resources and deferred inflows of resources for the CalPERS (Miscellaneous and Safety Plans) and SCERS plans as follows:

|                    | Net Pension<br>Liability (Asset) | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|--------------------|----------------------------------|-----------------------------------|----------------------------------|
| Miscellaneous Plan | \$ 480,936                       | \$ 100,139                        | \$ -                             |
| Safety Plan        | 848,947                          | 219,463                           | -                                |
| SCERS              | (22,149)                         | -                                 | 10,771                           |
| Total              | <u>\$ 1,307,734</u>              | <u>\$ 319,602</u>                 | <u>\$ 10,771</u>                 |

For the fiscal year ended June 30, 2025, the City recognized total pension expense of \$200,062 for CalPERS and SCERS plans.

#### CalPERS

All full-time and certain part-time City employees hired after January 28, 1977 and City safety employees, regardless of date of hire, are eligible to participate in CalPERS. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and their beneficiaries. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office at 400 Q Street, Sacramento, CA 95814. A separate report for the City's plan within CalPERS is not available.

#### General Information about the Pension Plan

**Plan Description** – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Safety and Miscellaneous Plans (the Plans) are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at <http://www.calpers.ca.gov>.

**Benefits Provided** – CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 or 52, depending on the plan, with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 8 – PENSION PLANS (Continued)**

**General Information about the Pension Plan (Continued)**

The Plans' provisions and benefits in effect at June 30, 2025, are summarized as follows:

|   | Miscellaneous                      |                                       |
|---|------------------------------------|---------------------------------------|
|   | Classic                            | PEPRA                                 |
| Hire Date                                 | Prior to<br><u>January 1, 2013</u> | On or after<br><u>January 1, 2013</u> |
| Formula                                   | 2% @ 55                            | 2% @ 62                               |
| Benefit vesting schedule                  | 5 years of service                 | 5 years of service                    |
| Benefit payments                          | monthly for life                   | monthly for life                      |
| Retirement age                            | 50-63                              | 52-67                                 |
| Monthly benefits, as a % of annual salary | 1.4% to 2.4%                       | 1.0% to 2.5%                          |
| Required employee contribution rates      | 7.42%                              | 8.00%                                 |
| Required employer contribution rates      | 28.21%                             | 28.21%                                |

|   | Safety                             |                                       |
|---|------------------------------------|---------------------------------------|
|   | Classic                            | PEPRA                                 |
| Hire Date                                 | Prior to<br><u>January 1, 2013</u> | On or after<br><u>January 1, 2013</u> |
| Formula                                   | 3% @ 50                            | 2.7% @ 57                             |
| Benefit vesting schedule                  | 5 years of service                 | 5 years of service                    |
| Benefit payments                          | monthly for life                   | monthly for life                      |
| Retirement age                            | 50                                 | 50-57                                 |
| Monthly benefits, as a % of annual salary | 3.0%                               | 2.0% to 2.7%                          |
| Required employee contribution rates      | 10.59%                             | 13.00%                                |
| Required employer contribution rates      | 58.63%                             | 58.63%                                |

**Employees Covered** – At June 30, 2023, the most recent valuation date, the following employees were covered by the benefit terms for each Plan:

|  | Miscellaneous | Safety       |
|--|---------------|--------------|
| Inactive employees or beneficiaries currently receiving benefits | 3,657         | 1,538        |
| Inactive employees entitled to but not yet receiving benefits    | 4,653         | 522          |
| Active employees   | 2,711         | 1,271        |
| <b>Total</b>   | <b>11,021</b> | <b>3,331</b> |

**Contributions** – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of a change in rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rates of employees. For the fiscal year ended June 30, 2025, the contributions for the miscellaneous and safety plans were \$65,053 and \$98,605, respectively.

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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### **NOTE 8 – PENSION PLANS (Continued)**

#### **Net Pension Liability**

The City's net pension liability for each Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024 using update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

|                               | <b>Miscellaneous</b>             | <b>Safety</b>                    |
|-------------------------------|----------------------------------|----------------------------------|
| Valuation Date                | June 30, 2023                    | June 30, 2023                    |
| Measurement Date              | June 30, 2024                    | June 30, 2024                    |
| Actuarial Cost Method         | Entry-Age Normal<br>Cost Method  | Entry-Age Normal<br>Cost Method  |
| <b>Actuarial Assumptions:</b> |                                  |                                  |
| Discount Rate                 | 6.90%                            | 6.90%                            |
| Inflation                     | 2.30%                            | 2.30%                            |
| Payroll Growth                | 2.80%                            | 2.80%                            |
| Projected Salary Increase     | 3.3% - 14.2% <sup>(1)</sup>      | 3.3% - 14.2% <sup>(1)</sup>      |
| Investment Rate of Return     | 6.80% <sup>(2)</sup>             | 6.80% <sup>(2)</sup>             |
| Mortality                     | 2021 CalPERS<br>Experience Study | 2021 CalPERS<br>Experience Study |

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2023 valuation were based on the results of the 2021 CalPERS Experience Study. Further details of the Experience Study can be found on the CalPERS website at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2021.pdf>.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability (Continued)**

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90% for each Plan. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at current member contribution rates and contributions from employers will be made at statutorily required rates. Based on those assumptions, each pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

The table below reflects expected real rates of return by asset class.

| Asset Class                      | Assumed Asset Allocation | Real Return <sup>(1,2)</sup> |
|----------------------------------|--------------------------|------------------------------|
| Global Equity - Cap-weighted     | 30%                      | 4.54%                        |
| Global Equity - Non-Cap-weighted | 12%                      | 3.84%                        |
| Private Equity                   | 13%                      | 7.28%                        |
| Treasury                         | 5%                       | 0.27%                        |
| Mortgage-backed Securities       | 5%                       | 0.50%                        |
| Investment Grade Corporates      | 10%                      | 1.56%                        |
| High Yield                       | 5%                       | 2.27%                        |
| Emerging Market Debt             | 5%                       | 2.48%                        |
| Private Debt                     | 5%                       | 3.57%                        |
| Real Assets                      | 15%                      | 3.21%                        |
| Leverage                         | -5%                      | -0.59%                       |
| Total                            | <u><u>100%</u></u>       |                              |

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability (Continued)**

**Changes in the Net Pension Liability** – The changes in the Net Pension Liability for each Plan for the measurement date of June 30, 2024 are as follows:

| <u>Miscellaneous Plan:</u>                                    | Increase (Decrease)     |                             |                       |
|---|-------------------------|-----------------------------|-----------------------|
|   | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balance at June 30, 2024                                      | \$ 1,776,891            | \$ 1,279,405                | \$ 497,486            |
| Changes in the year:  |                         |                             |                       |
| Service cost  | 38,471                  | -                           | 38,471                |
| Interest on the total pension liability                       | 122,519                 | -                           | 122,519               |
| Differences between expected and actual experience            | 20,300                  | -                           | 20,300                |
| Contributions - employer                                      | -                       | 56,744                      | (56,744)              |
| Contributions - employee                                      | -                       | 18,944                      | (18,944)              |
| Net investment income   | -                       | 123,192                     | (123,192)             |
| Benefit payments, including refunds of employee contributions | (81,587)                | (81,587)                    | -                     |
| Administrative expense  | -                       | (1,040)                     | 1,040                 |
| Net changes   | 99,703                  | 116,253                     | (16,550)              |
| Balance at June 30, 2025                                      | <u>\$ 1,876,594</u>     | <u>\$ 1,395,658</u>         | <u>\$ 480,936</u>     |

| <u>Safety Plan:</u>   | Increase (Decrease)     |                             |                       |
|---|-------------------------|-----------------------------|-----------------------|
|   | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability |
| Balance at June 30, 2024                                      | \$ 2,547,112            | \$ 1,702,230                | \$ 844,882            |
| Changes in the year:  |                         |                             |                       |
| Service cost  | 52,704                  | -                           | 52,704                |
| Interest on the total pension liability                       | 176,765                 | -                           | 176,765               |
| Differences between expected and actual experience            | 51,882                  | -                           | 51,882                |
| Contributions - employer                                      | -                       | 86,394                      | (86,394)              |
| Contributions - employee                                      | -                       | 27,797                      | (27,797)              |
| Net investment income   | -                       | 164,479                     | (164,479)             |
| Benefit payments, including refunds of employee contributions | (127,055)               | (127,055)                   | -                     |
| Administrative expense  | -                       | (1,384)                     | 1,384                 |
| Net changes   | 154,296                 | 150,231                     | 4,065                 |
| Balance at June 30, 2025                                      | <u>\$ 2,701,408</u>     | <u>\$ 1,852,461</u>         | <u>\$ 848,947</u>     |
| Totals of both Miscellaneous and Safety Plans                 | <u>\$ 4,578,002</u>     | <u>\$ 3,248,119</u>         | <u>\$ 1,329,883</u>   |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability (Continued)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City's net position liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                       | <u>Miscellaneous</u> | <u>Safety</u> | <u>Total</u> |
|-----------------------|----------------------|---------------|--------------|
| 1% Decrease           | 5.90%                | 5.90%         | 5.90%        |
| Net Pension Liability | \$ 742,821           | \$ 1,228,414  | \$ 1,971,235 |
| Current Discount Rate | 6.90%                | 6.90%         | 6.90%        |
| Net Pension Liability | \$ 480,936           | \$ 848,947    | \$ 1,329,883 |
| 1% Increase           | 7.90%                | 7.90%         | 7.90%        |
| Net Pension Liability | \$ 265,994           | \$ 539,515    | \$ 805,509   |

**Pension Plan Fiduciary Net Position** – Detailed information about each pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

**Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2025, the City recognized pension expense of \$85,172 and \$129,319 for the Miscellaneous and Safety Plans, respectively. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | <u>Miscellaneous Plan</u>             |                                      | <u>Safety Plan</u>                    |                                      | <u>Total</u>                          |                                      |
|---|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|---------------------------------------|--------------------------------------|
|   | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
| Pension contributions subsequent to measurement date                      | \$ 65,053                             | \$ -                                 | \$ 98,605                             | \$ -                                 | \$ 163,658                            | \$ -                                 |
| Changes of assumption   | -                                     | -                                    | 34,970                                | -                                    | 34,970                                | -                                    |
| Differences between actual and expected experience                        | 16,073                                | -                                    | 61,068                                | -                                    | 77,141                                | -                                    |
| Net differences between projected and actual earnings on plan investments | 19,013                                | -                                    | 24,820                                | -                                    | 43,833                                | -                                    |
| <b>Total</b>  | <b>\$ 100,139</b>                     | <b>\$ -</b>                          | <b>\$ 219,463</b>                     | <b>\$ -</b>                          | <b>\$ 319,602</b>                     | <b>\$ -</b>                          |

The amount of \$163,658 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized as increases (decreases) in pension expense as follows:

| <u>Fiscal Year Ending</u> | <u>Miscellaneous Plan</u> | <u>Safety Plan</u> | <u>Total</u>      |
|---------------------------|---------------------------|--------------------|-------------------|
| June 30,                  |                           |                    |                   |
| 2026                      | \$ 9,260                  | \$ 32,423          | \$ 41,683         |
| 2027                      | 38,349                    | 75,398             | 113,747           |
| 2028                      | (5,481)                   | 12,563             | 7,082             |
| 2029                      | (7,042)                   | 474                | (6,568)           |
| <b>Total</b>              | <b>\$ 35,086</b>          | <b>\$ 120,858</b>  | <b>\$ 155,944</b> |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 8 – PENSION PLANS (Continued)**

**SCERS**

The City reports SCERS as a pension trust fund. SCERS issues a publicly available financial report that includes financial statements and required supplementary information. The financial report may be obtained at <https://www.cityofsacramento.gov/Finance/Accounting/Reporting>. The following is a summary of significant accounting policies:

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

**Method Used to Value Investments** – Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates.

**General Information about the Pension Plan**

**Plan Description** – The SCERS is a closed defined benefit pension plan. It has not accepted new members since January 28, 1977. All full-time, non-safety employees hired before January 29, 1977, are eligible to participate in SCERS.

**Benefits Provided** – SCERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries based on the plan that they belong to. SCERS has the following plans:

**Charter Section 399 Plan** – This defined benefit plan was established effective January 1, 1977 to provide retirement, disability and death benefits. Active members contribute at a rate based upon entry age and type of employment. The benefits for this plan are based on the average monthly compensation times years of service times benefit factor, but no larger than 75% of final average earnings. Employees may retire at age 70, or age 50 and 5 years of service.

**Equal Shares Plan** – This defined benefit plan was established July 1, 1970 to provide retirement, disability and death benefits to all City employees electing coverage at that date and to all employees who were hired from that date through January 1, 1977. The benefits for this plan are based on the average monthly compensation times years of service times benefit factor, but no larger than 75% of final average earnings. Employees may retire at age 70, or age 50 and 5 years of service.

**Charter Section 175 Plan** – This defined benefit plan was established in 1953 to provide for retirement, disability and death benefits at a lower amount than the successor Equal Shares Plan. The benefits for this plan are based on the average monthly compensation times years of service times benefit factor. Employees may retire at age 70, or age 55 and 20 years of service.

An employee who leaves City service may withdraw his or her contributions, plus any accumulated interest under all the retirement and disability benefit plans described above.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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### NOTE 8 – PENSION PLANS (Continued)

#### General Information about the Pension Plan (Continued)

Benefit factors at sample ages for benefit plans described above are as follows:

| Retirement Age | Charter Section 175 | Charter Section 399 and Equal Shares |
|----------------|---------------------|--------------------------------------|
| 50             | N/A                 | 1.10%                                |
| 55             | 1.10%               | 1.75%                                |
| 60             | 1.67%               | 2.40%                                |
| 65             | 2.44%               | 2.40%                                |

**Employees Covered** – At June 30, 2025, the following employees were covered by the benefit terms for each Plan:

|   | Charter Section 399 | Equal Shares | Charter Section 175 | Total      |
|---|---------------------|--------------|---------------------|------------|
| Inactive members or beneficiaries receiving benefits        | 659                 | 19           | 28                  | 706        |
| Inactive members entitled to but not yet receiving benefits | 3                   | -            | -                   | 3          |
| Active plan members   | 1                   | -            | -                   | 1          |
| <b>Total plan members</b>                                   | <b>663</b>          | <b>19</b>    | <b>28</b>           | <b>710</b> |

**Cost-of-living Adjustment** – This adjustment, established in 1969, provides for annual retirement benefit increases of up to 3% of normal benefits based on a corresponding rise in the consumer price index. Cost-of-living benefits are payable to retirees and beneficiaries of all the above plans after one year of retirement. The cost-of-living adjustment was 3% for fiscal year 2025. Members contribute to this adjustment at a rate of 1% of their normal retirement contributions. The City is required to fund all costs in excess of members' contributions and investment earnings.

**Social Security Adjustment** – For members participating in Social Security, their benefit will be adjusted at the later of age 62 or actual retirement age. The amount of the adjustment is one half of the primary insurance amount (PIA) from Social Security, multiplied by the ratio of the sum of salary earned from the City to the sum of salary from all sources used in the calculation of the Social Security amount. The member's benefit under SCERS plus the amount received from Social Security cannot be less than the member's benefit under SCERS calculated with no reductions at the time of retirement. The City applies this offset to service retirees, not to disabled retirees.

**Contributions** – The City Charter grants the authority to establish and amend the contribution requirements of the City and active employees to the SCERS Board. The SCERS Board establishes rates based on actuarially determined rates recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrual liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the fiscal year ended June 30, 2025, the active employee contribution rate was 1.10% of annual pay, and the City's contribution rate was 14.97% of covered payroll. For the fiscal year ended June 30, 2025, the contributions for the SCERS plan were \$1,362.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability (Asset)**

The City's net pension liability (asset) for SCERS was measured as of June 30, 2025 and the total pension liability used to calculate the net pension liability (asset) was determined by an actuarial valuation as of that date.

**Actuarial Assumption** – The total pension liability in the June 30, 2025 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

|                 |                                    |
|-----------------|------------------------------------|
| Inflation       | 2.50%                              |
| Salary increase | 2.50% CPI Plus 0.5% merit, average |
| Discount rate   | 6.00%                              |

Mortality rates for service retirements and beneficiaries were based on CalPERS 2000-2019 Mortality Table projected for future mortality improvement utilizing Society of Actuaries Scale MP-2021. Mortality rates for disability retirements were based on CalPERS 2000-2019 Mortality Table for non-work related Disabled Retirees for Miscellaneous and CalPERS 2000-2019 Mortality Table for work-related Disabled Retirees for Safety. Both tables were projected for future mortality improvement utilizing Society of Actuaries Scale MP-2021.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

| Asset Class              | Target Allocation | Long-Term Expected Real Rate of Return |
|--------------------------|-------------------|--|
| Fixed Income/Real Estate | 40.0%             | 4.2%                                   |
| Large Cap Growth         | 30.0%             | 7.1%                                   |
| Equity Income            | 30.0%             | 7.1%                                   |
| <b>Total</b>             | <b>100.0%</b>     |  |

**Discount Rate** – The discount rate used to measure the total pension liability was 6%. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contributions rates and the employee rate. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 8 – PENSION PLANS (Continued)**

**Net Pension Liability (Asset) (Continued)**

**Changes in the Net Pension Liability (Asset)** – The changes in the Net Pension Liability (Asset) for the SCERS Plan for the measurement date of June 30, 2025 is as follows:

|   | Increase (Decrease)     |                             |                               |
|---|-------------------------|-----------------------------|-------------------------------|
|   | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability (Asset) |
| Balance at June 30, 2024                                      | \$ 249,409              | \$ 253,497                  | \$ (4,088)                    |
| Changes in the year:  |                         |                             |                               |
| Service cost  | 2                       | -                           | 2                             |
| Interest on the total pension liability                       | 14,173                  | -                           | 14,173                        |
| Differences between expected and actual experience            | (5,984)                 | -                           | (5,984)                       |
| Contributions - employer                                      | -                       | 1,362                       | (1,362)                       |
| Contributions - employee                                      | -                       | 1                           | (1)                           |
| Net investment income   | -                       | 24,889                      | (24,889)                      |
| Benefit payments, including refunds of employee contributions | (26,395)                | (26,395)                    | -                             |
| Net changes   | (18,204)                | (143)                       | (18,061)                      |
| Balance at June 30, 2025                                      | \$ 231,205              | \$ 253,354                  | \$ (22,149)                   |

**Change of assumptions and changes in experience affecting the measurement of the Total Pension Liability since the prior measurement date** – There were no assumption changes. The overall experience gain was due to more deaths than expected, but this was offset by a cost-of-living increase greater than expected.

**Sensitivity of the Net Pension Liability (Asset) to Changes in the Discount Rate** – The following presents the net pension liability (asset) of the City for the SCERS plan, calculated using the discount rate for the SCERS Plan, as well as what the City's net pension liability (asset) would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

|                                     | 1% decrease<br>(5%) | Current<br>Discount<br>Rate (6%) | 1% increase<br>(7%) |
|-------------------------------------|---------------------|----------------------------------|---------------------|
| SCERS net pension liability (asset) | \$ (5,857)          | \$ (22,149)                      | \$ (36,558)         |

**Pension Plan Fiduciary Net Position** – Detailed information about the pension plan's fiduciary net position is available in the Basic Financial Statements section of this report and the separately issued SCERS financial report that may be obtained at <https://www.cityofsacramento.gov/Finance/Accounting/Reporting>.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 8 – PENSION PLANS (Continued)**

**Pension Expense and Deferred Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2025, the City recognized pension expense of \$(14,429) attributable to the SCERS plans. At June 30, 2025, the City reported deferred inflows of resources related to pensions from the following sources:

|   | <u>Deferred<br/>Inflows of<br/>Resources</u> |
|---|--|
| Net differences between projected and actual earnings on plan investments | <u>\$ 10,771</u>                             |

Amounts reported as deferred inflows of resources related to pensions will be recognized as increases (decreases) in pension expense as follows:

| Fiscal Year Ending<br>June 30, | Deferred<br>Inflows<br>of Resources |
|--------------------------------|-------------------------------------|
| 2026                           | \$ 3,209                            |
| 2027                           | (6,834)                             |
| 2028                           | (5,060)                             |
| 2029                           | (2,086)                             |
| Total                          | <u>\$ (10,771)</u>                  |

**Defined Contribution Plan**

The City also provides defined contribution retirement benefits through the City's 401(a) Money Purchase Plan (the 401(a)). The 401(a) is administered by Nationwide. The 401(a) provisions and contribution requirements are established and may be amended by City Council. Unrepresented exempt and certain represented employees may elect to participate. Participating employees of the aforementioned groups are required to contribute 5% and 2%, and the City contributes 4% and 2%, respectively, of covered salary. For the fiscal year ended June 30, 2025, employees contributed \$5,978 and the City contributed \$4,937 to the 401(a).

**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB)**

**General Information**

**Plan Description** – The City provides contributions for postemployment medical, dental and vision benefits to employees who retire directly from the City and their dependents through an agent-multiple employer defined benefit OPEB plan (OPEB Plan) through CalPERS. The postemployment health, dental, and vision care employer contributions range from \$0 to \$1,028 per month per participant, which covers between 0% and 100% of the benefit cost, depending on the choice of plan and number of dependents. Participants have the choice of enrolling in one of several health plans, one of two dental plans, and one of two vision plans. To be eligible for the City paid benefits, the employee must have been employed with the City by a certain hire date, retire with a minimum of ten full years of active City service and be 50 years of age. Participants with a minimum of twenty years of service are eligible for 100% of the maximum benefit. Participants with more than fifteen years but less than twenty years of service are eligible for 75% of the maximum benefit. Participants with more than ten years but less than fifteen years of service are eligible for 50% of the maximum benefit. The eligibility of the City's postemployment health contributions has been eliminated for employees hired after a certain date dependent upon the employee's labor agreement. The postemployment health, dental and vision care contributions are defined by labor agreements and resolutions approved by the City Council. The City does not issue a separate stand-alone financial report for its OPEB plan.

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

#### General Information (Continued)

In addition, the City established an irrevocable trust to pre-fund the other benefits with the California Employers' Retiree Benefit Trust (CERBT). The CERBT financial statements and additional reports can be obtained from the CalPERS website [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Employees Covered** – At June 30, 2023, the most recent valuation date, the following current and former employees were covered by the benefit terms under the OPEB Plan:

|  |       |
|--|-------|
| Inactive employees or beneficiaries currently receiving benefits | 3,144 |
| Inactive employees entitled to but not yet receiving benefits    | 441   |
| Active employees   | 4,013 |
| Total  | 7,598 |

**Contributions** – The plan and its contribution requirements are established by memorandums of understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The City is mainly funding the OPEB Plan on a pay-as-you-go basis. However, the City Council has authorized the City Manager to establish an OPEB trust fund with CalPERS that the City pre-funds with budgetary savings. Contributions recognized by the OPEB plan from the employer for the fiscal year ended June 30, 2025 were \$23,959.

#### Net OPEB Liability

The City's net OPEB liability is measured as the total OPEB liability, less the OPEB plan's fiduciary net position. The net OPEB liability is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023, rolled forward to June 30, 2024. A summary of principal assumptions and methods used to determine the net OPEB liability is shown below.

**Actuarial Assumptions** – The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions:

|   |   |
|---|---|
| Valuation Date                              | June 30, 2023   |
| Measurement Date                            | June 30, 2024   |
| Actuarial Cost Method                       | Entry-Age Normal Cost Method  |
| Actuarial Assumptions:                      |   |
| Discount Rate                               | 6.25%   |
| Inflation                                   | 2.50%   |
| Salary Increases                            | 2.75%   |
| Investment Rate of Return                   | 6.25%   |
| Healthcare cost trend rate                  | Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076.<br>Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076.<br>Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate 3.45% in 2076. |
| Healthcare participation of future retirees | Varies from 0% to 40% of medical, dental, and/or vision coverage based on percent of cash benefit earned at retirement.<br>Assumptions based on plan experience.  |

Mortality and pre-retirement turnover assumptions used in the June 30, 2023 valuation were based on the results of the 2021 CalPERS Experience Study derived from data collected during fiscal years 2000 to 2019. Mortality improvement was projected utilizing Society of Actuaries Scale MP-2021. Further details of the Experience Study can be found on the CalPERS website at <https://www.calpers.ca.gov/docs/forms-publications/calpers-experience-study-2021.pdf>.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
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(dollar amounts expressed in thousands)

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**NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

**Net OPEB Liability (Continued)**

**Discount Rate** – The discount rate used to measure the total OPEB liability was 6.25% for the OPEB Plan. The projection of cash flows used to determine the discount rate assumed an annual trust contribution of \$1,500, which is lower than the City's annual trust contribution average for the previous five fiscal years. Based on this assumption, the OPEB Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. Therefore, the long-term expected rate of return on the OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected real rate of return on the OPEB Plan investments was determined using stochastic modeling based on expected real rate of return, standard deviation, correlation coefficients, and target allocation for each major asset class. The resulting real rate of return for the portfolio at the 50% confidence level is then adjusted for assumed long-term inflation and investment expenses to produce the long-term expected rate of return for the portfolio. The target asset allocation and most recent best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class                                    | Target Allocation | Long-term Expected Real Rate of Return |
|--|-------------------|--|
| Global Equity                                  | 49%               | 4.56%                                  |
| Fixed Income                                   | 23%               | 1.56%                                  |
| Treasury Inflation-Protected Securities (TIPS) | 5%                | -0.08%                                 |
| Commodities                                    | 3%                | 1.22%                                  |
| Real Estate Investment Trusts (REITs)          | 20%               | 4.06%                                  |
| <b>Total</b>                                   | <b>100%</b>       |  |

**Changes in the Net OPEB Liability** – The changes in the net OPEB liability for the OPEB Plan as of June 30, 2025 are as follows:

|                               | Increase (Decrease)  |                             |                    |
|-------------------------------|----------------------|-----------------------------|--------------------|
|                               | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability |
|                               | \$ 296,692           | \$ 84,817                   | \$ 211,875         |
| Balance at June 30, 2024      |                      |                             |                    |
| Changes in the year:          |                      |                             |                    |
| Service cost                  | 5,695                | -                           | 5,695              |
| Interest                      | 18,398               | -                           | 18,398             |
| Changes of benefit terms      | -                    | -                           | -                  |
| Actual vs expected experience | -                    | -                           | -                  |
| Assumption changes            | -                    | -                           | -                  |
| Contributions - employer      | -                    | 23,184                      | (23,184)           |
| Contributions - employee      | -                    | -                           | -                  |
| Net investment income         | -                    | 10,985                      | (10,985)           |
| Benefit payments              | (16,033)             | (16,033)                    | -                  |
| Administrative expenses       | -                    | (31)                        | 31                 |
| Net changes                   | 8,060                | 18,105                      | (10,045)           |
| Balance at June 30, 2025      | \$ 304,752           | \$ 102,922                  | \$ 201,830         |

# City of Sacramento

## Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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### NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)

#### Net OPEB Liability (Continued)

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the City's net OPEB liability, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current discount rate:

|                    | Discount Rate          |                         |                        |
|--------------------|------------------------|-------------------------|------------------------|
|                    | 1% decrease<br>(5.25%) | Current Rate<br>(6.25%) | 1% increase<br>(7.25%) |
| Net OPEB liability | \$ 237,802             | \$ 201,830              | \$ 171,620             |

**Sensitivity of the Net OPEB liability to Changes in the Healthcare Cost Trend Rates** – The following presents the City's net OPEB liability, as well as what the net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rates:

|                    | Healthcare Cost Trend Rates           |                     |                                       |
|--------------------|---------------------------------------|---------------------|---------------------------------------|
|                    | 1% Decrease in<br>Current Trend Rates | Current Trend Rates | 1% Increase in<br>Current Trend Rates |
| Net OPEB liability | \$ 176,046                            | \$ 201,830          | \$ 235,340                            |

**OPEB Plan Fiduciary Net Position** – Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued CalPERS financial reports.

**OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB** – For the fiscal year ended June 30, 2025, the City recognized OPEB expense (income) of \$(5,811). At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|   | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|---|--------------------------------------|-------------------------------------|
| Differences between expected and actual experience                          | \$ 484                               | \$ 16,058                           |
| Changes in assumptions  | 9,191                                | 3,769                               |
| Net difference between projected and actual<br>earnings on plan investments | 296                                  | -                                   |
| Employer contributions made subsequent to<br>the measurement date           | 23,959                               | -                                   |
| Total   | \$ 33,930                            | \$ 19,827                           |

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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### **NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (OPEB) (Continued)**

#### **Net OPEB Liability (Continued)**

The amount of \$23,959 reported as deferred outflows of resources related to OPEB resulting from the OPEB Plan contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized as decreases in OPEB expense as follows:

| Fiscal Year Ending<br>June 30, | Deferred<br>Outflows (Inflows)<br>of Resources |
|--------------------------------|--|
| 2026                           | \$ (8,345)                                     |
| 2027                           | (1,601)  |
| 2028                           | (1,615)  |
| 2029                           | 796  |
| 2030                           | 909  |
| Total                          | <hr/> <hr/> \$ (9,856)                         |

### **NOTE 10 – FUND BALANCE AND NET POSITION AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

At June 30, 2025, the government-wide statement of net position reported restricted net position of \$541,602 in governmental activities. Of this amount, \$54,684 is restricted for enabling legislation.

For the fiscal year ended June 30, 2025, General Fund expenditures for the community response exceeded appropriations by \$1,261, and citywide and community support exceeded appropriations by \$12,724. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2025, Measure U Fund expenditures for general government exceeded appropriations by \$291, and citywide and community support exceeded appropriations by \$1,355. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2025, Transportation and Development Special Revenue Fund expenditures for debt service exceeded appropriations by \$596. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2025, Culture and Leisure Fund expenditures for convention and cultural services exceeded appropriations by \$40 and debt service by \$85. The overspending was funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2025, Parks and Recreation Fund expenditures for youth, parks and community enrichment exceeded appropriations by \$303. The overspending was partially funded by revenue collected in excess of budgeted amounts.

For the fiscal year ended June 30, 2025, CCOMWP Fund expenditures for debt service exceeded appropriations by \$57. The overspending was funded by savings in general government expenditures.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 10 – FUND BALANCE AND NET POSITION AND EXCESS OF EXPENDITURES OVER APPROPRIATIONS (Continued)**

For the fiscal year ended June 30, 2025, Special Districts Special Revenue Fund expenditures for general government services exceeded appropriations by \$282, convention and cultural services by \$6,697 and community development by \$7. This overspending was funded by revenue collected in excess of budgeted amounts.

The Capital Grants Fund, a capital projects fund, had a deficit fund balance of \$30,827 as of June 30, 2025. The deficit represents grant expenditures unreimbursed by granting agencies within the 60-day period of availability for which corresponding revenues have not been recognized. The deficit will be recovered upon receipt of grantor reimbursements.

The 4th R Child Development Fund, an enterprise fund, had a deficit net position of \$2,640 as of June 30, 2025. It is anticipated that this deficit will be funded by future operating subsidies.

The Risk Fund, an internal service fund, had a deficit net position of \$12,410 as of June 30, 2025. Operating costs exceeded amounts allocated from departments. The deficit is expected to be recovered through future departmental allocations.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 11 – INTERFUND TRANSACTIONS**

**Interfund Transfers**

Interfund transfers report the nonreciprocal contribution of resources from one fund to another. The following is a summary of transfers for the fiscal year ended June 30, 2025:

|   | Description                | Transfers In      | Transfers Out      | Net Transfers      |
|---|----------------------------|-------------------|--------------------|--------------------|
| <b>Governmental activities:</b>           |                            |                   |                    |                    |
| General Fund                              | Debt service               | \$ 303            | \$ (16,694)        | \$ (16,391)        |
| General Fund                              | In-lieu tax transfers      | 41,476            | -                  | 41,476             |
| General Fund                              | Program support            | 25,384            | (14,142)           | 11,242             |
| Measure U Fund                            | Program support            | 468               | (984)              | (516)              |
| 2015 Golden 1 Center                      |                            |                   |                    |                    |
| Lease Revenue Bond Fund                   | Debt service               | 9,400             | -                  | 9,400              |
| Other Governmental Funds                  | Debt service               | 18,092            | (4,089)            | 14,003             |
| Other Governmental Funds                  | Program support            | 9,988             | (24,140)           | (14,152)           |
| Internal Service Funds                    | Debt service               | -                 | (45)               | (45)               |
| Internal Service Funds                    | Program support            | 16                | (1,804)            | (1,788)            |
| Adjustment for transfer of capital assets | Transfer of capital assets | -                 | (328)              | (328)              |
| Total governmental activities             |                            | <u>\$ 105,127</u> | <u>\$ (62,226)</u> | <u>\$ 42,901</u>   |
| <b>Business-type activities:</b>          |                            |                   |                    |                    |
| Water Fund                                | Debt service               | \$ -              | \$ (34)            | \$ (34)            |
| Water Fund                                | In-lieu tax transfers      | -                 | (14,475)           | (14,475)           |
| Water Fund                                | Program support            | 302               | (742)              | (440)              |
| Wastewater Fund                           | Debt service               | -                 | (45)               | (45)               |
| Wastewater Fund                           | In-lieu tax transfers      | -                 | (4,870)            | (4,870)            |
| Wastewater Fund                           | Program support            | 101               | (217)              | (116)              |
| Storm Drainage Fund                       | Debt service               | -                 | (73)               | (73)               |
| Storm Drainage Fund                       | In-lieu tax transfers      | -                 | (6,754)            | (6,754)            |
| Storm Drainage Fund                       | Program support            | 247               | -                  | 247                |
| Solid Waste Fund                          | Debt service               | -                 | (106)              | (106)              |
| Solid Waste Fund                          | In-lieu tax transfers      | -                 | (10,635)           | (10,635)           |
| Solid Waste Fund                          | Program support            | 258               | -                  | 258                |
| Community Center Fund                     | Debt service               | 2,690             | (1,100)            | 1,590              |
| Community Center Fund                     | In-lieu tax transfers      | -                 | (2,658)            | (2,658)            |
| Community Center Fund                     | Program support            | -                 | (37)               | (37)               |
| Other Enterprise Funds                    | Debt service               | -                 | (8,300)            | (8,300)            |
| Other Enterprise Funds                    | In-lieu tax transfers      | -                 | (2,083)            | (2,083)            |
| Other Enterprise Funds                    | Program support            | 5,302             | -                  | 5,302              |
| Adjustment for transfer of capital assets | Transfer of capital assets | 328               | -                  | 328                |
| Total business-type activities            |                            | <u>\$ 9,228</u>   | <u>\$ (52,129)</u> | <u>\$ (42,901)</u> |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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

**Interfund Balances**

Interfund balances report lending transactions between funds. The following is a summary of interfund balances as of June 30, 2025:

|                                | <b>Receivables</b> | <b>Payables</b>    | <b>Interfund<br/>Balances</b> |
|--------------------------------|--------------------|--------------------|-------------------------------|
| General Fund                   | \$ -               | \$ (987)           | \$ (987)                      |
| Other Governmental Funds       | -                  | (30,187)           | (30,187)                      |
| Internal Service Funds         | 35,795             | -                  | \$ 35,795                     |
| Total governmental activities  | <u>35,795</u>      | <u>(31,174)</u>    | <u>4,621</u>                  |
| Community Center Fund          | -                  | (4,621)            | (4,621)                       |
| Total business-type activities | <u>-</u>           | <u>(4,621)</u>     | <u>(4,621)</u>                |
| Total                          | <u>\$ 35,795</u>   | <u>\$ (35,795)</u> | <u>\$ -</u>                   |

\$35,795 was loaned by the City's internal service funds to cover short-term operating deficits (approximately \$14,146) and to assist in the development of community resources (approximately \$21,649). Included in the \$35,795 interfund loans is \$8,649 that is not expected to be repaid within one year.

\$10,909 was borrowed by the Capital Grants Fund for short-term loans.

\$4,278 was borrowed by the Culture and Leisure Fund for the Haggin Oaks renovation project and operating deficit.

\$4,621 was borrowed by the Community Center Fund for operational requirements.

\$987 was borrowed by the General Fund for the acquisition of Habitat Conservation Plan mitigation lands by the Natomas Basin Conservancy.

\$15,000 was borrowed by the Economic Development Special Revenue Fund for Stockton Boulevard Housing Development Program.

**City of Sacramento**  
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**NOTE 12 – RISK MANAGEMENT**

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

The Risk Management Internal Service Fund self-insures the first \$2,000 of each workers' compensation claim. Excess worker's compensation insurance is purchased through the Public Risk Innovation, Solutions, and Management (PRISM) member directed risk sharing pool and it provides statutory coverage over the City's \$2,000 self-insured retention. The fund self-insures the first \$2,000 of liability claims plus claim costs that exceed excess coverage. PRISM provides \$40,000 in excess general and auto liability claims coverage, with a \$2,000 loss corridor deductible, for claims over the City's self-insured retention.

Liabilities are estimated based on recommendations from an independent actuarial evaluation. Liabilities are based on the estimated ultimate cost of settling claims, including effects of inflation and other social and economic factors. The estimated liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine the present value of the liability. For the fiscal year ended June 30, 2025, the expected rate of return was 3%. Settled claims have not exceeded insurance coverage for each of the past three fiscal years.

All funds of the City participate in the program and make payments to the Risk Management Internal Service Fund based on estimates of the amounts needed to pay operating costs, insurance premiums, and prior and current year claims. At June 30, 2025, the Risk Management Internal Service Fund had a deficit net position of \$12,410.

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

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

|   | <u>2025</u>       | <u>2024</u>       |
|---|-------------------|-------------------|
| Accrued claims and judgments, July 1    | \$ 142,415        | \$ 134,788        |
| Incurred claims and adjustment expenses | 40,660            | 44,630            |
| Claim payments                          | <u>(31,730)</u>   | <u>(37,003)</u>   |
| Accrued claims and judgments, June 30   | <u>\$ 151,345</u> | <u>\$ 142,415</u> |

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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### **NOTE 13 – COMMITMENTS AND CONTINGENCIES**

#### **Commitment of Enterprise Fund Revenues**

Revenue of the Water Enterprise Fund is pledged to the payment of principal and interest on the California Department of Public Health Note Payable; the Drinking Water State Revolving Fund Note Payable; the Water Revenue Bonds, Series 2013; the Water Revenue Bonds, Series 2017, the Water Revenue Refunding Bonds, Series 2020 and the 2023 Water Refunding Revenue Bonds. Revenue of the Wastewater Enterprise Fund is pledged to the payment of principal and interest on the Wastewater Revenue Bonds, Series 2019 and Wastewater Revenue Refunding Bonds, Series 2020. Revenue of the Storm Drainage Enterprise Fund is pledged to the payment of principal and interest on the California Infrastructure and Economic Development Bank Note Payable. Transient Occupancy Tax (TOT) revenue of the Community Center Fund is pledged to the payment of principal and interest on the 2018 TOT Revenue Bonds, Senior Series A, B and Subordinate Series C. Revenue of the Sacramento Tourism Infrastructure District (STID) Fund is pledged to the payment of principal and interest on the 2019 Sacramento Tourism Infrastructure District (STID) Assessment Revenue Bonds. See Note 7 for more detailed information.

#### **Construction and Other Commitments**

The City has commitments of \$121,161 for contracts awarded but not completed as of June 30, 2025. The following table shows the distribution of those commitments among major and nonmajor funds.

| <b>Governmental Activities:</b> |                  | <b>Business-type Activities:</b> |                  |
|---------------------------------|------------------|----------------------------------|------------------|
| General Fund                    | \$ 9,671         | Water Fund                       | \$ 24,373        |
| Measure U                       | 18,040           | Wastewater Fund                  | 1,717            |
| Other governmental funds        | 30,348           | Storm Drainage Fund              | 2,810            |
| Internal service funds          | 27,775           | Solid Waste Fund                 | 5,077            |
|                                 | <hr/>            | Community Center Fund            | 916              |
|                                 |                  | Other enterprise funds           | 434              |
| Total governmental activities   | <u>\$ 85,834</u> | Total business-type activities   | <u>\$ 35,327</u> |

The major contracts outstanding are \$9,197 for conceptual design of Sacramento River Water Treatment Plant Expansion Project; \$6,674 for Martin Luther King Jr. Library renovation; \$2,770 for Freeport pump replacement; \$2,258 for rehabilitation of Med Center reservoir; \$2,097 for the operation of the southern section of Roseville Road Campus; \$2,085 for reducing Franklin Blvd from four to two lanes, add bicycle lanes, and install new landscaping; and \$27,358 for the purchase of vehicles, primarily for the replacement of refuse trucks and garbage trucks.

#### **Contingent Liabilities**

The City participates in various federal, state, and local grant programs, primarily including Homeless Housing, Assistance and Prevention (HHAP), State of California Natural Resources Agency (CNRA) and Encampment Resolution Funding (ERF) programs. These programs are subject to financial and compliance audits by the grantors or their representatives. The audits of these programs for earlier years and the fiscal year ended June 30, 2025 have not been completed in all cases; accordingly, final determination of the City's compliance with applicable grant requirements may be established at some future date. The amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City believes any such claims would be immaterial to the City's financial position at June 30, 2025. Receipt of these grant revenues is not assured in the future.

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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

#### **Litigation**

Various claims and lawsuits are pending against the City. As discussed in Note 12, the City is primarily self-insured and has accrued a liability for estimated claims outstanding. Although the outcome of these claims and lawsuits is not presently determinable, management, after consultation with legal counsel, is of the opinion that final outcome of these matters will not have a material adverse effect on the financial condition of the City.

#### **Landfill Postclosure Care Cost**

The City has several landfill sites which have stopped accepting waste, have been covered, and are closed. State and federal laws and regulations require that the City perform certain maintenance and monitoring functions at these sites after closure. The most recent department study done in FY24 estimated that \$6,136 was required for future post closure monitoring costs as of June 30, 2024. The estimate was based on actual cost for the FY22, FY23 and FY24 and may change due to inflation or deflation, technology, or applicable laws and regulations. The estimated liability was amortized to \$5,678 on June 30, 2025.

#### **Pollution Remediation Obligations**

A pollution remediation obligation is an obligation to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities. The City is responsible for pollution remediation activities at several sites that have soil contaminated with petroleum, hydrocarbons, and/or metals. Regulatory agencies providing oversight of the City's pollution remediation obligations and activities include the State of California Regional Water Quality Control Board, the State of California Department of Toxic Substance Control, the Sacramento County Department of Environmental Management, and the State of California Department of Public Health. The estimated obligation was \$1,020 at June 30, 2024 and \$2,138 at June 30, 2025. The increase is primarily due to updated cost estimates for the Indus Gas site based on current monitoring results and anticipated remediation activities at the City Incinerator site following the demolition of the historic structure. Pollution remediation outlays totaled approximately \$65 for the year ended June 30, 2025. Pollution remediation obligations are measured based on outlays expected to be incurred to settle all estimable remediation efforts. Pollution remediation obligations are measured at the current value of reasonable and supportable assumptions about future events that may affect the eventual settlement of the obligations. Pollution remediation obligations are measured using the expected cash flow technique, which measures the obligation as the sum of probability-weighted amounts in a range of possible cash flows. Estimates are based on all currently available information, as well as the facts and circumstances of each situation, but may change due to price changes, changes in laws or regulations, changes in remediation technologies, or as additional information become available. There are no estimated recoveries from other parties that are included in the calculation of the City's pollution remediation obligations.

### **NOTE 14 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS**

#### **JOINT VENTURES**

##### **Sacramento Housing and Redevelopment Agency**

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

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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### **NOTE 14 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

#### **Sacramento Housing and Redevelopment Agency (Continued)**

SHRA administered the redevelopment agencies of the City and County until February 1, 2012. In 2011 the California Legislature enacted AB 1x 26, which coupled with a subsequent decision of the State Supreme Court, resulted in the dissolution of redevelopment agencies. Upon the dissolution of the redevelopment agency, the City elected to become the successor agency for the non-housing redevelopment agency activities. More information can be found in Note 15 – Successor Agency Trust Fund. The City designated the Housing Authority as the local authority to retain the housing assets and functions previously performed by the redevelopment agency, and the Housing Authority affirmatively elected pursuant to Health and Safety Code Section 34176 that it would serve as the “Successor Housing Agency” to the former redevelopment agency.

#### **Sacramento Public Library Authority**

The City is a participant with the County of Sacramento and the cities of Citrus Heights, Elk Grove, Galt, Isleton and Rancho Cordova in the Sacramento Public Library Authority (Library), a joint powers agency created to provide library services to the residents of the participating municipalities. The Library is governed by a board made up of five County appointees and various numbers of appointees from each city, depending upon population. As of June 30, 2025, five of fifteen members of the Library board were appointed by the City. The current joint powers agreement was effective beginning July 1, 2007. After June 30, 2010, any party may withdraw from the Authority upon no less than one year's written notice. Upon withdrawal a party shall retain ownership of those capital facilities to which it holds title. The City is committed to fund annual contributions to operate library branches in the City. The City's Measure U Fund contributions for the fiscal year ended June 30, 2025, were \$14,272. In addition, the City paid cost reimbursements and program support of \$12 to the library during the same period. The City also contributed the use of its library facilities to the Library. In order to provide funding for additional services and hours in City libraries, the City levies and passes through to the Library a parcel tax which totaled \$9,888 for the fiscal year ended June 30, 2025. Financial statements may be obtained from the Sacramento Public Library Authority, 828 I Street, Sacramento, California, 95814.

#### **Sacramento Regional Fire/EMS Communication Center**

The City is a participant with Sacramento Metropolitan Fire District and other local fire agencies in the Sacramento Regional Fire/EMS Communication Center (SRFECC), a fire dispatch center. SRFECC provides fire protection and emergency medical service dispatching for 1,000 square miles and 1.3 million residents in Sacramento and Placer Counties. The City provided \$5,729 of support to SRFECC during the fiscal year ended June 30, 2025. Financial statements may be obtained from the Sacramento Regional Fire/EMS Communication Center, 10230 Systems Parkway, Sacramento, California, 95827.

#### **Northern California Regional Public Safety Training Authority**

The City is a participant with the County of Sacramento, the Los Rios Community College District and the Regional Fire and Rescue Authority in the Northern California Regional Public Safety Training Authority (NCRPSTA) which operates the Northern California Regional Public Safety Training College located at McClellan Park. During the fiscal year ended June 30, 2025, the City provided \$564 of annual support to the NCRPSTA. Payments for rent and training during the fiscal year ended June 30, 2025 were \$12. Financial statements may be obtained from the NCRPSTA Administrative Offices, 2409 Dean Street, Suite 119, McClellan, California, 95652.

# **City of Sacramento**

## **Notes to the Basic Financial Statements**

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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### **NOTE 14 – JOINT VENTURES AND JOINTLY GOVERNED ORGANIZATIONS (Continued)**

#### **JOINTLY GOVERNED ORGANIZATIONS WITH RELATED PARTY TRANSACTIONS**

The City participates in several jointly governed organizations for which it appoints a minority of board members. The City may also provide minor financial support or have other financial transactions with these organizations, but it does not have a financial interest in or responsibility to the organizations. The following organizations had financial transactions with the City during the fiscal year ended June 30, 2025:

The City provided \$228 in annual support to the Regional Water Authority.

The City provided \$220 in annual support to the Sacramento Groundwater Authority.

The City provided \$209 in annual support and \$3 in program expenses for Downtown/Riverfront Transit Project to the Sacramento Area Council of Governments.

The City received \$254 of administration fees from the Sacramento Area Flood Control Agency (SAFCA) for collecting and transmitting permitting fees. The City also participates in several cost-sharing agreements with SAFCA for individual projects related to flood control. The City's portion of said projects is remitted directly to SAFCA or other suppliers of services.

The City received \$128 in Workforce Investment Act grants from the Sacramento Employee and Training Agency.

### **NOTE 15 – SUCCESSOR AGENCY TRUST FUND**

On December 29, 2011, the California Supreme Court upheld Assembly Bill x1 26 ("the Bill") which dissolved all redevelopment agencies in the State of California. Successor agencies are allocated property tax revenue in an amount necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full. In accordance with the timeline set forth in the Bill, all redevelopment agencies in the State of California were dissolved and ceased to operate as legal entities as of February 1, 2012.

On January 31, 2012, the City was elected to be appointed as the Redevelopment Agency Successor Agency (RASA) of the City of Sacramento for the non-housing assets and liabilities of the former Redevelopment Agency (RDA). The City Council elected not to serve as the successor agency for the RDA's housing assets and functions, but instead designated the City's Housing Authority to serve as the successor housing agency.

Prior to February 1, 2012, California Redevelopment Law provided tax increment financing as a source of revenue to redevelopment agencies to fund redevelopment activities. Once a redevelopment area was adopted, the RDA could only receive tax increment to the extent that it could show on an annual basis that it has incurred indebtedness that must be repaid with tax increment. Due to the nature of redevelopment financing, the RDA's liabilities exceeded its assets. Therefore, RASA historically carried a deficit, which was expected to be reduced as future tax increment revenues were received and used to repay its outstanding long-term debt. This deficit was transferred to the RASA on February 1, 2012. At June 30, 2025, RASA had a deficit net position of \$129,962 which will be eliminated with future property tax revenue distributions from the Redevelopment Property Tax Trust Fund administered by the County Auditor-Controller.

**City of Sacramento**  
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**NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)**

On December 31, 2015, DOF completed the review of RASA's Long-Ranged Property Management Plan (LRPMP). DOF approved the use or disposition of all the properties listed in the LRPMP. The approved LRPMP will govern the disposition and use of all the real property assets of the former redevelopment agency.

As of June 30, 2025, contracts payable of \$17,906 reported in the private-purpose trust fund are allocations of the Sacramento Housing Redevelopment Agency's (SHRA) OPEB and pension unfunded liabilities for the former redevelopment agency employees.

**Capital Assets**

The following is a summary of changes in capital assets for the fiscal year ended June 30, 2025:

|                                      | Beginning Balance | Increases | Decreases | Ending Balance |
|--------------------------------------|-------------------|-----------|-----------|----------------|
| Capital assets not being depreciated |                   |           |           |                |
| Land                                 | \$ 3,343          | \$ -      | \$ -      | \$ 3,343       |
| Depreciable capital assets           |                   |           |           |                |
| Buildings and improvements           | 102               | -         | -         | 102            |
| Less accumulated depreciation for:   |                   |           |           |                |
| Buildings and improvements           | (39)              | (2)       | -         | (41)           |
| Depreciable capital assets, net      | 63                | (2)       | -         | 61             |
| Total capital assets, net            | \$ 3,406          | \$ (2)    | \$ -      | \$ 3,404       |

**Long-term Debt**

The following is a summary of changes in long-term debt for the fiscal year ended June 30, 2025:

|  | Beginning Balance | Additions          | Reductions  | Ending Balance | Due Within One Year |
|--|-------------------|--------------------|-------------|----------------|---------------------|
| Revenue Bonds:                                       |                   |                    |             |                |                     |
| 2015 Tax Allocation Refunding Bonds TE, Series A     | \$ 27,724         | \$ -               | \$ (3,507)  | \$ 24,217      | \$ 1,320            |
| Notes Payable:                                       |                   |                    |             |                |                     |
| 2003 Del Paso TE TABS, Series A                      | 4,497             | 18 <sup>(1)</sup>  | (560)       | 3,955          | 770                 |
| 2005 Merged Downtown TE, Series A                    | 114,736           | 450 <sup>(1)</sup> | (10,717)    | 104,469        | 15,815              |
| 2005 Oak Park TE, Series A                           | 2,150             | 121 <sup>(1)</sup> | (9)         | 2,262          | 2,310               |
| 2006 65th Street TX Master Lease, Series B           | 2,690             | -                  | (145)       | 2,545          | 150                 |
| 2006 North Sacramento TX Master Lease, Series B      | 3,140             | -                  | (165)       | 2,975          | 175                 |
| 2006 Stockton Blvd Master Lease                      | 1,652             | -                  | (148)       | 1,504          | 156                 |
| 2008 BOA Public Capital Corporation                  | 893               | -                  | (215)       | 678            | 221                 |
| 2009 Army Depot TX Swap                              | 2,162             | -                  | (114)       | 2,048          | 121                 |
| 2009 River District TX Swap                          | 2,023             | -                  | (106)       | 1,917          | 114                 |
| City of Sacramento CIEDB - Utilities/Detention Basin | 873               | -                  | (51)        | 822            | 52                  |
| Globe Mills  | 1,303             | -                  | (409)       | 894            | 433                 |
| North Sacramento CIEDB Loan                          | 2,192             | -                  | (154)       | 2,038          | 159                 |
| Stockton Blvd CIEDB Loan                             | 1,822             | -                  | (129)       | 1,693          | 133                 |
| Subtotal, notes payable                              | 140,133           | 589                | (12,922)    | 127,800        | 20,609              |
| Total, long-term debt                                | \$ 167,857        | \$ 589             | \$ (16,429) | \$ 152,017     | \$ 21,929           |

(1) Change in accreted value is recorded as an adjustment of Notes Payable.

As of June 30, 2025, accumulated accretion for the 2003 Del Paso TE TABS, Series A, is \$2,737, and accumulated accretion for the 2005 Merged Downtown and Oak Park TE, Series A, is \$67,583.

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
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(dollar amounts expressed in thousands)

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

**Future Debt Service Requirements**

Annual debt service requirements to maturity are as follows:

| Fiscal Year<br>Ending June 30,      | Revenue Bonds    |                 | Notes Payable     |                 |
|-------------------------------------|------------------|-----------------|-------------------|-----------------|
|                                     | Principal        | Interest        | Principal         | Interest        |
| 2026                                | \$ 1,320         | \$ 1,061        | \$ 20,609         | \$ 810          |
| 2027                                | 1,380            | 1,003           | 18,386            | 725             |
| 2028                                | 1,435            | 942             | 17,990            | 649             |
| 2029                                | 1,690            | 863             | 17,812            | 587             |
| 2030                                | 1,775            | 777             | 17,874            | 525             |
| 2031 - 2035                         | 13,855           | 2,176           | 57,112            | 1,588           |
| 2036 - 2038                         | 995              | 40              | 2,681             | 142             |
| Subtotal                            | 22,450           | 6,862           | 152,464           | 5,026           |
| Less: Unaccrued interest            | -                | -               | (24,664)          | -               |
| Plus: Unamortized issuance premiums | 1,767            | -               | -                 | -               |
| Total                               | <u>\$ 24,217</u> | <u>\$ 6,862</u> | <u>\$ 127,800</u> | <u>\$ 5,026</u> |

**NOTE 16 – SERVICE CONCESSION ARRANGEMENT FOR CITY GOLF COURSES**

On July 1, 2019, the City entered into a service concession agreement with Morton Golf LLC (Morton) under which Morton operates and maintains City golf courses, collects user fees and remits a monthly payment for rent to the City. Morton pays the City minimum installment payments plus a percentage of gross revenues over the 15-year lease period. The present value of the installment payments was initially estimated to be \$9,180. The City reports a loan receivable and deferred inflow of \$4,473 in the government-wide statement of net position as of June 30, 2025.

**NOTE 17 – SPECIAL ITEM**

The City recognized one special item transaction in business-type activities during the fiscal year ended June 30, 2025. The special item was recognized in the Water Fund totaling \$13,400 due to a settlement payment related to faulty water meters.

**NOTE 18 – RESTATEMENT OF BEGINNING NET POSITION**

Implementation of GASB Statement No. 101 *Compensated Absences* resulted in a change to accounting principle for the City. Beginning net position has been restated as follows:

|                          | Net position, as of<br>June 30, 2024, as<br>previously reported | Restatement       | Net position, as of<br>June 30, 2024, as<br>restated |
|--------------------------|---|-------------------|--|
| Governmental activities  | \$ 1,449,379  | \$ (7,618)        | \$ 1,441,761   |
| Business-type activities | 1,380,102   | (1,939)           | 1,378,163  |
| Total                    | <u>\$ 2,829,481</u>   | <u>\$ (9,557)</u> | <u>\$ 2,819,924</u>                                  |

**City of Sacramento**  
**Notes to the Basic Financial Statements**  
For the Fiscal Year Ended June 30, 2025  
(dollar amounts expressed in thousands)

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**NOTE 18 – RESTATEMENT OF BEGINNING NET POSITION (Continued)**

Beginning net position of the proprietary funds has been restated as follows:

|                        | <u>Net position, as of<br/>June 30, 2024, as<br/>previously reported</u> | <u>Restatement</u>       | <u>Net position, as of<br/>June 30, 2024, as<br/>restated</u> |
|------------------------|--|--------------------------|---|
| Water fund             | \$ 662,139   | \$ (805)                 | \$ 661,334  |
| Wastewater Fund        | 211,772  | (289)                    | 211,483   |
| Storm Drainage Fund    | 304,296  | (288)                    | 304,008   |
| Solid Waste Fund       | 36,369   | (329)                    | 36,040  |
| Community Center Fund  | 129,633  | (119)                    | 129,514   |
| Other enterprise funds | 35,893   | (109)                    | 35,784  |
| <b>Total</b>           | <b><u>\$ 1,380,102</u></b>   | <b><u>\$ (1,939)</u></b> | <b><u>\$ 1,378,163</u></b>                                    |

**NOTE 19 – SUBSEQUENT EVENT**

On September 4, 2025, the City issued the 2025 Refunding Revenue Bonds, as authorized by City Resolution 2025-0001. The 2025 Refunding Revenue Bonds were issued at total par of \$57,685 plus premium of \$6,890. Net proceeds, together with City contribution of \$6,974, were used to establish an irrevocable escrow to defease \$69,890 principal amount of outstanding of 2015 Refunding Revenue Bonds and pay cost of issuance. The refunding reduced total debt service payments by \$5,653 and resulted in an economic gain of \$5,311.

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# Required Supplementary Information

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**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Miscellaneous Plan**

Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Years (in thousands)

|   | Fiscal Year         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2016                | 2017                | 2018                | 2019                | 2020                |
| <b>Total pension liability</b>  |                     |                     |                     |                     |                     |
| Service cost  | \$ 22,342           | \$ 23,374           | \$ 27,795           | \$ 28,404           | \$ 29,053           |
| Interest on the total pension liability   | 74,835              | 79,515              | 84,334              | 89,060              | 94,760              |
| Changes of benefit terms  | -                   | -                   | -                   | -                   | -                   |
| Changes of assumptions  | (20,153)            | -                   | 75,970              | (7,898)             | -                   |
| Differences between expected and actual experience                                | (8,865)             | (333)               | (838)               | 6,909               | 12,970              |
| Benefit payments, including refunds of employee contributions                     | (34,390)            | (37,980)            | (42,305)            | (48,384)            | (53,695)            |
| <b>Net change in total pension liability</b>                                      | <b>33,769</b>       | <b>64,576</b>       | <b>144,956</b>      | <b>68,091</b>       | <b>83,088</b>       |
| <b>Total pension liability – beginning</b>  | <b>1,013,277</b>    | <b>1,047,046</b>    | <b>1,111,622</b>    | <b>1,256,578</b>    | <b>1,324,669</b>    |
| <b>Total pension liability – ending (a)</b>                                       | <b>\$ 1,047,046</b> | <b>\$ 1,111,622</b> | <b>\$ 1,256,578</b> | <b>\$ 1,324,669</b> | <b>\$ 1,407,757</b> |
| <b>Plan fiduciary net position</b>  |                     |                     |                     |                     |                     |
| Contributions - employer  | \$ 22,827           | \$ 25,963           | \$ 28,719           | \$ 29,514           | \$ 34,102           |
| Contributions - employee  | 11,302              | 11,991              | 12,190              | 12,634              | 14,289              |
| Net investment income (loss)  | 18,047              | 4,260               | 91,481              | 76,768              | 64,092              |
| Benefit payments, including refunds of employee contributions                     | (34,390)            | (37,980)            | (42,305)            | (48,384)            | (53,695)            |
| Net plan to plan resource movement  | (3,066)             | 531                 | 74                  | (2)                 | -                   |
| Administrative expense  | (922)               | (496)               | (1,209)             | (1,413)             | (694)               |
| Other miscellaneous expense   | -                   | -                   | -                   | (2,683)             | 2                   |
| <b>Net change in fiduciary net position</b>                                       | <b>13,798</b>       | <b>4,269</b>        | <b>88,950</b>       | <b>66,434</b>       | <b>58,096</b>       |
| <b>Plan fiduciary net position – beginning</b>                                    | <b>799,630</b>      | <b>813,428</b>      | <b>817,697</b>      | <b>906,647</b>      | <b>973,081</b>      |
| <b>Plan fiduciary net position – ending (b)</b>                                   | <b>\$ 813,428</b>   | <b>\$ 817,697</b>   | <b>\$ 906,647</b>   | <b>\$ 973,081</b>   | <b>\$ 1,031,177</b> |
| <b>Net pension liability – ending (a) - (b)</b>                                   | <b>\$ 233,618</b>   | <b>\$ 293,925</b>   | <b>\$ 349,931</b>   | <b>\$ 351,588</b>   | <b>\$ 376,580</b>   |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> |                     |                     |                     |                     |                     |
|   | 77.69%              | 73.56%              | 72.15%              | 73.46%              | 73.25%              |
| <b>Covered payroll *</b>  | <b>\$ 157,449</b>   | <b>\$ 166,403</b>   | <b>\$ 176,795</b>   | <b>\$ 181,331</b>   | <b>\$ 185,823</b>   |
| <b>Net pension liability as a percentage of covered payroll</b>                   | <b>148.38%</b>      | <b>176.63%</b>      | <b>197.93%</b>      | <b>193.89%</b>      | <b>202.66%</b>      |
| <b>Measurement date</b>   | June 30, 2015       | June 30, 2016       | June 30, 2017       | June 30, 2018       | June 30, 2019       |

Notes to the Required Supplementary Information

\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Miscellaneous Plan**

Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Years (in thousands)

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
| <b>Total pension liability</b>  |                      |                      |                      |                      |                      |
| Service cost  | \$ 30,236            | \$ 31,307            | \$ 34,966            | \$ 35,817            | \$ 38,471            |
| Interest on the total pension liability   | 99,810               | 105,037              | 110,101              | 115,991              | 122,519              |
| Changes of benefit terms  | -                    | -                    | -                    | 2,151                | -                    |
| Changes of assumptions  | -                    | -                    | 58,232               | -                    | -                    |
| Differences between expected and actual experience                                    | 2,600                | 3,743                | (3,289)              | 10,582               | 20,300               |
| Benefit payments, including refunds of employee contributions                         | (59,069)             | (63,352)             | (69,665)             | (76,064)             | (81,587)             |
| <b>Net change in total pension liability</b>  | <b>73,577</b>        | <b>76,735</b>        | <b>130,345</b>       | <b>88,477</b>        | <b>99,703</b>        |
| <b>Total pension liability -- beginning</b>   | <b>1,407,757</b>     | <b>1,481,334</b>     | <b>1,558,069</b>     | <b>1,688,414</b>     | <b>1,776,891</b>     |
| <b>Total pension liability -- ending (a)</b>  | <b>\$ 1,481,334</b>  | <b>\$ 1,558,069</b>  | <b>\$ 1,688,414</b>  | <b>\$ 1,776,891</b>  | <b>\$ 1,876,594</b>  |
| <br><b>Plan fiduciary net position</b>  |                      |                      |                      |                      |                      |
| Contributions - employer  | \$ 39,118            | \$ 43,930            | \$ 47,273            | \$ 53,645            | \$ 56,744            |
| Contributions - employee  | 15,018               | 15,899               | 16,052               | 17,788               | 18,944               |
| Net investment income (loss)  | 51,632               | 244,522              | (99,652)             | 75,395               | 123,192              |
| Benefit payments, including refunds of employee contributions                         | (59,069)             | (63,352)             | (69,665)             | (76,064)             | (81,587)             |
| Net plan to plan resource movement  | -                    | -                    | (2)                  | -                    | -                    |
| Administrative expense  | (1,454)              | (1,076)              | (820)                | (890)                | (1,040)              |
| Other miscellaneous expense   | -                    | -                    | -                    | -                    | -                    |
| <b>Net change in fiduciary net position</b>   | <b>45,245</b>        | <b>239,923</b>       | <b>(106,814)</b>     | <b>69,874</b>        | <b>116,253</b>       |
| <b>Plan fiduciary net position -- beginning</b>                                       | <b>1,031,177</b>     | <b>1,076,422</b>     | <b>1,316,345</b>     | <b>1,209,531</b>     | <b>1,279,405</b>     |
| <b>Plan fiduciary net position -- ending (b)</b>                                      | <b>\$ 1,076,422</b>  | <b>\$ 1,316,345</b>  | <b>\$ 1,209,531</b>  | <b>\$ 1,279,405</b>  | <b>\$ 1,395,658</b>  |
| <br><b>Net pension liability -- ending (a) - (b)</b>                                  | <b>\$ 404,912</b>    | <b>\$ 241,724</b>    | <b>\$ 478,883</b>    | <b>\$ 497,486</b>    | <b>\$ 480,936</b>    |
| <br><b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>72.67%</b>        | <b>84.49%</b>        | <b>71.64%</b>        | <b>72.00%</b>        | <b>74.37%</b>        |
| <br><b>Covered payroll *</b>  | <b>\$ 195,700</b>    | <b>\$ 203,030</b>    | <b>\$ 206,537</b>    | <b>\$ 211,684</b>    | <b>\$ 229,272</b>    |
| <br><b>Net pension liability as a percentage of covered payroll</b>                   | <b>206.90%</b>       | <b>119.06%</b>       | <b>231.86%</b>       | <b>235.01%</b>       | <b>209.77%</b>       |
| <br><b>Measurement date</b>   | <b>June 30, 2020</b> | <b>June 30, 2021</b> | <b>June 30, 2022</b> | <b>June 30, 2023</b> | <b>June 30, 2024</b> |

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Miscellaneous Plan**

Schedule of Contributions  
Last Ten Years (in thousands)

|   | <b>Fiscal Year</b> |             |             |             |             |
|---|--------------------|-------------|-------------|-------------|-------------|
|   | <b>2016</b>        | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
| Actuarially determined contributions                                  | \$ 26,156          | \$ 30,084   | \$ 26,947   | \$ 33,664   | \$ 39,797   |
| Contributions in relation to the actuarially determined contributions | 26,156             | 30,084      | 26,947      | 33,664      | 39,797      |
| Contribution deficiency (excess)                                      | \$ -               | \$ -        | \$ -        | \$ -        | \$ -        |
| Covered payroll *   | \$ 166,403         | \$ 176,795  | \$ 181,331  | \$ 185,823  | \$ 195,700  |
| Contributions as a percentage of covered payroll                      | 15.72%             | 17.02%      | 14.86%      | 18.12%      | 20.34%      |

Notes to the Required Supplementary Information

Valuation date: 6/30/2013 6/30/2014 6/30/2015 6/30/2016 6/30/2017

Methods and assumptions used to determine contribution rates:

|                           |  |
|---------------------------|--|
| Actuarial cost method     | Entry age normal cost method   |
| Amortization method       | Level percentage of payroll  |
| Asset valuation method    | 15 year smoothed fair value  |
| Inflation                 | 2.3%   |
| Salary Increase           | 3.3% to 14.2% depending on age, service, and type of employment  |
| Investment rate of return | 6.80% (net of administrative expenses)   |
| Retirement age            | 50 - 67 years  |
| Mortality                 | Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation |

\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

Ten year schedules of annual money-weighted rate of return on pension plan investments for CalPERS can be found in the Schedule of Investment Returns table within the separately issued CalPERS Basic Financial Statements available at: <https://www.calpers.ca.gov/page/investments/about-investment-office/investment-financial-reports>.

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Miscellaneous Plan**  
**Schedule of Contributions**  
**Last Ten Years (in thousands)**

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|   | <b>Fiscal Year</b> |                |                |                |                |
|---|--------------------|----------------|----------------|----------------|----------------|
|   | <b>2021</b>        | <b>2022</b>    | <b>2023</b>    | <b>2024</b>    | <b>2025</b>    |
| Actuarially determined contributions                                  | \$ 43,941          | \$ 47,627      | \$ 51,544      | \$ 57,577      | \$ 65,053      |
| Contributions in relation to the actuarially determined contributions | 43,941             | 47,627         | 51,544         | 57,577         | 65,053         |
| Contribution deficiency (excess)                                      | <u>\$ -</u>        | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    | <u>\$ -</u>    |
| <br>Covered payroll *   | <br>\$ 203,030     | <br>\$ 206,537 | <br>\$ 211,684 | <br>\$ 229,272 | <br>\$ 256,546 |
| Contributions as a percentage of covered payroll                      | 21.64%             | 23.06%         | 24.35%         | 25.11%         | 25.36%         |

Notes to the Required Supplementary Information

Valuation date: 6/30/2018 6/30/2019 6/30/2020 6/30/2021 6/30/2022

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Safety Plan**

Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Years (in thousands)

|   | Fiscal Year                |                            |                            |                            |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 2016                       | 2017                       | 2018                       | 2019                       | 2020                       |
| <b>Total pension liability</b>  |                            |                            |                            |                            |                            |
| Service cost  | \$ 29,653                  | \$ 31,672                  | \$ 37,372                  | \$ 38,386                  | \$ 40,221                  |
| Interest on the total pension liability   | 112,331                    | 118,821                    | 123,132                    | 127,930                    | 136,323                    |
| Changes of benefit terms  | -                          | -                          | -                          | -                          | -                          |
| Changes of assumptions  | (28,604)                   | -                          | 107,046                    | (17,242)                   | -                          |
| Differences between expected and actual experience                                | (593)                      | 14,398                     | (15,086)                   | 3,954                      | 35,991                     |
| Benefit payments, including refunds of employee contributions                     | (70,545)                   | (74,572)                   | (78,232)                   | (82,999)                   | (88,688)                   |
| <b>Net change in total pension liability</b>                                      | <b>42,242</b>              | <b>90,319</b>              | <b>174,232</b>             | <b>70,029</b>              | <b>123,847</b>             |
| <b>Total pension liability – beginning</b>  | <b>1,518,033</b>           | <b>1,560,275</b>           | <b>1,650,594</b>           | <b>1,824,826</b>           | <b>1,894,855</b>           |
| <b>Total pension liability – ending (a)</b>                                       | <b><u>\$ 1,560,275</u></b> | <b><u>\$ 1,650,594</u></b> | <b><u>\$ 1,824,826</u></b> | <b><u>\$ 1,894,855</u></b> | <b><u>\$ 2,018,702</u></b> |
| <b>Plan fiduciary net position</b>  |                            |                            |                            |                            |                            |
| Contributions - employer  | \$ 30,798                  | \$ 36,001                  | \$ 40,609                  | \$ 41,588                  | \$ 49,875                  |
| Contributions - employee  | 15,565                     | 18,465                     | 18,980                     | 21,564                     | 22,752                     |
| Net investment income (loss)  | 25,341                     | 4,971                      | 125,586                    | 104,661                    | 86,282                     |
| Benefit payments, including refunds of employee contributions                     | (70,545)                   | (74,572)                   | (78,232)                   | (82,999)                   | (88,688)                   |
| Net plan to plan resource movement  | 1                          | -                          | (74)                       | (4)                        | -                          |
| Administrative expense  | (1,288)                    | (697)                      | (1,665)                    | (1,922)                    | (937)                      |
| Other miscellaneous expense   | -                          | -                          | -                          | (3,650)                    | 3                          |
| <b>Net change in fiduciary net position</b>                                       | <b>(128)</b>               | <b>(15,832)</b>            | <b>105,204</b>             | <b>79,238</b>              | <b>69,287</b>              |
| <b>Plan fiduciary net position – beginning</b>                                    | <b>1,144,102</b>           | <b>1,143,974</b>           | <b>1,128,142</b>           | <b>1,233,346</b>           | <b>1,312,584</b>           |
| <b>Plan fiduciary net position – ending (b)</b>                                   | <b><u>\$ 1,143,974</u></b> | <b><u>\$ 1,128,142</u></b> | <b><u>\$ 1,233,346</u></b> | <b><u>\$ 1,312,584</u></b> | <b><u>\$ 1,381,871</u></b> |
| <b>Net pension liability – ending (a) - (b)</b>                                   | <b><u>\$ 416,301</u></b>   | <b><u>\$ 522,452</u></b>   | <b><u>\$ 591,480</u></b>   | <b><u>\$ 582,271</u></b>   | <b><u>\$ 636,831</u></b>   |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 73.32%                     | 68.35%                     | 67.59%                     | 69.27%                     | 68.45%                     |
| <b>Covered payroll *</b>  | <b><u>\$ 112,067</u></b>   | <b><u>\$ 120,120</u></b>   | <b><u>\$ 126,438</u></b>   | <b><u>\$ 132,206</u></b>   | <b><u>\$ 138,718</u></b>   |
| <b>Net pension liability as a percentage of covered payroll</b>                   | 371.48%                    | 434.94%                    | 467.80%                    | 440.43%                    | 459.08%                    |
| <b>Measurement date</b>   | June 30, 2015              | June 30, 2016              | June 30, 2017              | June 30, 2018              | June 30, 2019              |

Notes to the Required Supplementary Information

\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Safety Plan**

Schedule of Changes in Net Pension Liability and Related Ratios  
Last Ten Years (in thousands)

|   | Fiscal Year         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2021                | 2022                | 2023                | 2024                | 2025                |
| <b>Total pension liability</b>  |                     |                     |                     |                     |                     |
| Service cost  | \$ 42,306           | \$ 44,416           | \$ 51,608           | \$ 50,781           | \$ 52,704           |
| Interest on the total pension liability   | 143,878             | 151,131             | 158,263             | 166,574             | 176,765             |
| Changes of benefit terms  | -                   | -                   | -                   | 798                 | -                   |
| Changes of assumptions  | -                   | -                   | 80,583              | -                   | -                   |
| Differences between expected and actual experience                                | 20,246              | 12,441              | 4,868               | 23,383              | 51,882              |
| Benefit payments, including refunds of employee contributions                     | (95,642)            | (100,827)           | (108,473)           | (117,924)           | (127,055)           |
| <b>Net change in total pension liability</b>                                      | <b>110,788</b>      | <b>107,161</b>      | <b>186,849</b>      | <b>123,612</b>      | <b>154,296</b>      |
| <b>Total pension liability – beginning</b>  | <b>2,018,702</b>    | <b>2,129,490</b>    | <b>2,236,651</b>    | <b>2,423,500</b>    | <b>2,547,112</b>    |
| <b>Total pension liability – ending (a)</b>                                       | <b>\$ 2,129,490</b> | <b>\$ 2,236,651</b> | <b>\$ 2,423,500</b> | <b>\$ 2,547,112</b> | <b>\$ 2,701,408</b> |
| <b>Plan fiduciary net position</b>  |                     |                     |                     |                     |                     |
| Contributions - employer  | \$ 58,584           | \$ 67,242           | \$ 74,645           | \$ 82,172           | \$ 86,394           |
| Contributions - employee  | 23,832              | 25,904              | 25,718              | 27,327              | 27,797              |
| Net investment income (loss)  | 69,226              | 327,345             | (133,570)           | 100,458             | 164,479             |
| Benefit payments, including refunds of employee contributions                     | (95,642)            | (100,827)           | (108,473)           | (117,924)           | (127,055)           |
| Net plan to plan resource movement  | -                   | -                   | 2                   | -                   | -                   |
| Administrative expense  | (1,947)             | (1,434)             | (1,093)             | (1,186)             | (1,384)             |
| Other miscellaneous expense   | -                   | -                   | -                   | -                   | -                   |
| <b>Net change in fiduciary net position</b>                                       | <b>54,053</b>       | <b>318,230</b>      | <b>(142,771)</b>    | <b>90,847</b>       | <b>150,231</b>      |
| <b>Plan fiduciary net position – beginning</b>                                    | <b>1,381,871</b>    | <b>1,435,924</b>    | <b>1,754,154</b>    | <b>1,611,383</b>    | <b>1,702,230</b>    |
| <b>Plan fiduciary net position – ending (b)</b>                                   | <b>\$ 1,435,924</b> | <b>\$ 1,754,154</b> | <b>\$ 1,611,383</b> | <b>\$ 1,702,230</b> | <b>\$ 1,852,461</b> |
| <b>Net pension liability – ending (a) - (b)</b>                                   | <b>\$ 693,566</b>   | <b>\$ 482,497</b>   | <b>\$ 812,117</b>   | <b>\$ 844,882</b>   | <b>\$ 848,947</b>   |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 67.43%              | 78.43%              | 66.49%              | 66.83%              | 66.57%              |
| <b>Covered payroll *</b>  | <b>\$ 147,409</b>   | <b>\$ 157,333</b>   | <b>\$ 168,488</b>   | <b>\$ 167,211</b>   | <b>\$ 173,882</b>   |
| <b>Net pension liability as a percentage of covered payroll</b>                   | 470.50%             | 306.67%             | 482.00%             | 505.28%             | 488.23%             |
| <b>Measurement date</b>   | June 30, 2020       | June 30, 2021       | June 30, 2022       | June 30, 2023       | June 30, 2024       |

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Safety Plan**  
 Schedule of Contributions  
 Last Ten Years (in thousands)

|   | <b>Fiscal Year</b> |             |             |             |             |
|---|--------------------|-------------|-------------|-------------|-------------|
|   | <b>2016</b>        | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b> |
| Actuarially determined contributions                                  | \$ 40,959          | \$ 47,222   | \$ 49,102   | \$ 56,327   | \$ 66,147   |
| Contributions in relation to the actuarially determined contributions | 40,959             | 47,222      | 49,102      | 56,327      | 66,147      |
| Contribution deficiency (excess)                                      | <u>\$ -</u>        | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll *   | \$ 120,120         | \$ 126,438  | \$ 132,206  | \$ 138,718  | \$ 147,409  |
| Contributions as a percentage of covered payroll                      | 34.10%             | 37.35%      | 37.14%      | 40.61%      | 44.87%      |

Notes to the Required Supplementary Information

Valuation date: 6/30/2013 6/30/2014 6/30/2015 6/30/2016 6/30/2017

Methods and assumptions used to determine contribution rates:

|                           |  |
|---------------------------|--|
| Actuarial cost method     | Entry age normal cost method   |
| Amortization method       | Level percentage of payroll  |
| Asset valuation method    | 15 year smoothed fair value  |
| Inflation                 | 2.3%   |
| Salary Increase           | 3.3% to 14.2% depending on age, service, and type of employment  |
| Investment rate of return | 6.80% (net of administrative expenses)   |
| Retirement age            | 50 - 67 years  |
| Mortality                 | Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation |

\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

Ten year schedules of annual money-weighted rate of return on pension plan investments for CalPERS can be found in the Schedule of Investment Returns table within the separately issued CalPERS Basic Financial Statements available at: <https://www.calpers.ca.gov/page/investments/about-investment-office/investment-financial-reports>.

**City of Sacramento**  
**Required Supplementary Information**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**CalPERS Safety Plan**  
 Schedule of Contributions  
 Last Ten Years (in thousands)

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|   | <b>Fiscal Year</b> |             |             |             |             |
|---|--------------------|-------------|-------------|-------------|-------------|
|   | <b>2021</b>        | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
| Actuarially determined contributions                                  | \$ 66,915          | \$ 74,528   | \$ 81,076   | \$ 88,147   | \$ 98,605   |
| Contributions in relation to the actuarially determined contributions | 66,915             | 74,528      | 81,076      | 88,147      | 98,605      |
| Contribution deficiency (excess)                                      | <u>\$ -</u>        | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll *   | \$ 157,333         | \$ 168,488  | \$ 167,211  | \$ 173,882  | \$ 189,978  |
| Contributions as a percentage of covered payroll                      | 42.53%             | 44.23%      | 48.49%      | 50.69%      | 51.90%      |

Notes to the Required Supplementary Information

Valuation date: 6/30/2018 6/30/2019 6/30/2020 6/30/2021 6/30/2022

**City of Sacramento**  
**Required Supplementary Information**  
**Sacramento City Employees' Retirement System,**  
**a Single-Employer Defined Benefit Pension Plan**

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Last Ten Years (in thousands)

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 |
| <b>Total pension liability</b>  |                      |                      |                      |                      |                      |
| Service cost  | \$ 103               | \$ 96                | \$ 92                | \$ 66                | \$ 49                |
| Interest on the total pension liability   | 23,416               | 22,759               | 20,877               | 20,095               | 19,363               |
| Changes of assumptions  | -                    | (16,246)             | 862                  | (927)                | (1,593)              |
| Differences between expected and actual experience                                    | (1,173)              | (3,701)              | (2,457)              | 304                  | (3,768)              |
| Benefit payments, including refunds of employee contributions                         | (32,683)             | (32,171)             | (31,583)             | (31,134)             | (30,457)             |
| <b>Net change in total pension liability</b>  | <b>(10,337)</b>      | <b>(29,263)</b>      | <b>(12,209)</b>      | <b>(11,596)</b>      | <b>(16,406)</b>      |
| <b>Total pension liability – beginning</b>  | <b>376,478</b>       | <b>366,141</b>       | <b>336,878</b>       | <b>324,669</b>       | <b>313,073</b>       |
| <b>Total pension liability – ending (a)</b>   | <b>\$ 366,141</b>    | <b>\$ 336,878</b>    | <b>\$ 324,669</b>    | <b>\$ 313,073</b>    | <b>\$ 296,667</b>    |
| <br><b>Plan fiduciary net position</b>  |                      |                      |                      |                      |                      |
| Contributions - employer  | \$ 8,645             | \$ 8,645             | \$ 8,645             | \$ 7,507             | \$ 4,410             |
| Contributions - employee  | 146                  | 63                   | 55                   | 49                   | 25                   |
| Net investment income (loss)  | 7,799                | 26,803               | 20,982               | 18,537               | 7,591                |
| Benefits payments, including refunds of employee contributions                        | (32,683)             | (32,171)             | (31,583)             | (31,134)             | (30,457)             |
| <b>Net change in fiduciary net position</b>   | <b>(16,093)</b>      | <b>3,340</b>         | <b>(1,901)</b>       | <b>(5,041)</b>       | <b>(18,431)</b>      |
| <b>Plan fiduciary net position – beginning</b>  | <b>301,263</b>       | <b>285,170</b>       | <b>288,510</b>       | <b>286,609</b>       | <b>281,568</b>       |
| <b>Plan fiduciary net position – ending (b)</b>                                       | <b>\$ 285,170</b>    | <b>\$ 288,510</b>    | <b>\$ 286,609</b>    | <b>\$ 281,568</b>    | <b>\$ 263,137</b>    |
| <br><b>Net pension liability (asset) – ending (a) - (b)</b>                           | <b>\$ 80,971</b>     | <b>\$ 48,368</b>     | <b>\$ 38,060</b>     | <b>\$ 31,505</b>     | <b>\$ 33,530</b>     |
| <br><b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>77.89%</b>        | <b>85.64%</b>        | <b>88.28%</b>        | <b>89.94%</b>        | <b>88.70%</b>        |
| <br><b>Covered payroll *</b>  | <b>\$ 1,020</b>      | <b>\$ 1,049</b>      | <b>\$ 921</b>        | <b>\$ 678</b>        | <b>\$ 362</b>        |
| <br><b>Net pension liability (asset) as a percentage of covered payroll</b>           | <b>7938.33%</b>      | <b>4610.87%</b>      | <b>4132.46%</b>      | <b>4646.76%</b>      | <b>9262.43%</b>      |
| <br><b>Measurement date</b>   | <b>June 30, 2016</b> | <b>June 30, 2017</b> | <b>June 30, 2018</b> | <b>June 30, 2019</b> | <b>June 30, 2020</b> |

Notes to the Required Supplementary Information

\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

**City of Sacramento**  
**Required Supplementary Information**  
**Sacramento City Employees' Retirement System,**  
**a Single-Employer Defined Benefit Pension Plan**

Schedule of Changes in Net Pension Liability (Asset) and Related Ratios  
Last Ten Years (in thousands)

|   | Fiscal Year          |                      |                      |                      |                      |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
|   | 2021                 | 2022                 | 2023                 | 2024                 | 2025                 |
| <b>Total pension liability</b>  |                      |                      |                      |                      |                      |
| Service cost  | \$ 18                | \$ 6                 | \$ 5                 | \$ 1                 | \$ 2                 |
| Interest on the total pension liability   | 18,342               | 16,098               | 15,407               | 14,899               | 14,173               |
| Changes of assumptions  | 2,673                | 218                  | -                    | -                    | -                    |
| Differences between expected and actual experience                                | (6,349)              | 5                    | 3,355                | (320)                | (5,984)              |
| Benefit payments, including refunds of employee contributions                     | (28,992)             | (28,145)             | (27,501)             | (26,978)             | (26,395)             |
| <b>Net change in total pension liability</b>                                      | <b>(14,308)</b>      | <b>(11,818)</b>      | <b>(8,734)</b>       | <b>(12,398)</b>      | <b>(18,204)</b>      |
| <b>Total pension liability – beginning</b>  | <b>296,667</b>       | <b>282,359</b>       | <b>270,541</b>       | <b>261,807</b>       | <b>249,409</b>       |
| <b>Total pension liability – ending (a)</b>                                       | <b>\$ 282,359</b>    | <b>\$ 270,541</b>    | <b>\$ 261,807</b>    | <b>\$ 249,409</b>    | <b>\$ 231,205</b>    |
| <b>Plan fiduciary net position</b>  |                      |                      |                      |                      |                      |
| Contributions - employer  | \$ 3,822             | \$ 3,479             | \$ -                 | \$ 1,399             | \$ 1,362             |
| Contributions - employee  | 16                   | 9                    | 3                    | 1                    | 1                    |
| Net investment income (loss)  | 73,150               | (32,305)             | 23,293               | 29,109               | 24,889               |
| Benefits payments, including refunds of employee contributions                    | (28,992)             | (28,145)             | (27,501)             | (26,978)             | (26,395)             |
| <b>Net change in fiduciary net position</b>                                       | <b>47,996</b>        | <b>(56,962)</b>      | <b>(4,205)</b>       | <b>3,531</b>         | <b>(143)</b>         |
| <b>Plan fiduciary net position – beginning</b>                                    | <b>263,137</b>       | <b>311,133</b>       | <b>254,171</b>       | <b>249,966</b>       | <b>253,497</b>       |
| <b>Plan fiduciary net position – ending (b)</b>                                   | <b>\$ 311,133</b>    | <b>\$ 254,171</b>    | <b>\$ 249,966</b>    | <b>\$ 253,497</b>    | <b>\$ 253,354</b>    |
| <b>Net pension liability (asset)– ending (a) - (b)</b>                            | <b>\$ (28,774)</b>   | <b>\$ 16,370</b>     | <b>\$ 11,841</b>     | <b>\$ (4,088)</b>    | <b>\$ (22,149)</b>   |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | <b>110.19%</b>       | <b>93.95%</b>        | <b>95.48%</b>        | <b>101.64%</b>       | <b>109.58%</b>       |
| <b>Covered payroll *</b>  | <b>\$ 270</b>        | <b>\$ 189</b>        | <b>\$ 103</b>        | <b>\$ 87</b>         | <b>\$ 91</b>         |
| <b>Net pension liability (asset) as a percentage of covered payroll</b>           | <b>-10657.04%</b>    | <b>8661.38%</b>      | <b>11496.12%</b>     | <b>-4698.85%</b>     | <b>-24339.56%</b>    |
| <b>Measurement date</b>   | <b>June 30, 2021</b> | <b>June 30, 2022</b> | <b>June 30, 2023</b> | <b>June 30, 2024</b> | <b>June 30, 2025</b> |

**City of Sacramento**  
**Required Supplementary Information**  
**Sacramento City Employees' Retirement System,**  
**a Single-Employer Defined Benefit Pension Plan**

Schedule of Contributions  
Last Ten Years (in thousands)

|   | <b>Fiscal Year</b> |                 |                 |                   |             |
|---|--------------------|-----------------|-----------------|-------------------|-------------|
|   | <b>2016</b>        | <b>2017</b>     | <b>2018</b>     | <b>2019</b>       | <b>2020</b> |
| Actuarially determined contributions                                  | \$ 8,645           | \$ 8,330        | \$ 8,267        | \$ 5,268          | \$ 4,410    |
| Contributions in relation to the actuarially determined contributions | 8,645              | 8,645           | 8,645           | 7,507             | 4,410       |
| Contribution deficiency (excess)                                      | <u>\$ -</u>        | <u>\$ (315)</u> | <u>\$ (378)</u> | <u>\$ (2,239)</u> | <u>\$ -</u> |
| Covered payroll *   | \$ 1,020           | \$ 1,049        | \$ 921          | \$ 678            | \$ 362      |
| Contributions as a percentage of covered payroll                      | 848%               | 824%            | 939%            | 1107%             | 1218%       |

Notes to the Required Supplementary Information

Valuation date: 6/30/2014 6/30/2015 6/30/2016 6/30/2017 6/30/2018

Methods and assumptions used to determine contribution rates:

|                           |   |
|---------------------------|---|
| Actuarial cost method     | Entry age normal  |
| Amortization method       | Level dollar payments over 11 years, open period  |
| Asset valuation method    | 3 year smoothed fair value  |
| Inflation                 | 2.50%   |
| Salary increases          | 2.5% CPI plus 0.5% merit  |
| Investment rate of return | 6.00%   |
| Retirement age            | Deferred vested members covered under Section 399 are assumed to retire at age 62; those covered under Section 175 are assumed to retire at age 65. |
| Mortality                 | CalPERS 2000-2019 Mortality Tables with Scale MP-2021   |

\* Covered payroll was restated during fiscal year 2016 to reflect the implementation of GASB 82.

Ten year schedules of annual money-weighted rate of return on pension plan investments for SCERS can be found in the Schedule of Investment Returns table within the separately issued SCERS Annual Financial Reports available at:  
<https://www.cityofsacramento.org/Finance/Accounting/Reporting>.

**City of Sacramento**  
**Required Supplementary Information**  
**Sacramento City Employees' Retirement System,**  
**a Single-Employer Defined Benefit Pension Plan**

Schedule of Contributions  
Last Ten Years (in thousands)

|   | <b>Fiscal Year</b> |             |             |             |             |
|---|--------------------|-------------|-------------|-------------|-------------|
|   | <b>2021</b>        | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
| Actuarially determined contributions                                  | \$ 3,822           | \$ 3,479    | \$ -        | \$ 1,399    | \$ 1,362    |
| Contributions in relation to the actuarially determined contributions | 3,822              | 3,479       | -           | 1,399       | 1,362       |
| Contribution deficiency (excess)                                      | <u>\$ -</u>        | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll *   | \$ 270             | \$ 189      | \$ 103      | \$ 87       | \$ 91       |
| Contributions as a percentage of covered payroll                      | 1416%              | 1841%       | 0%          | 1608%       | 1497%       |

Notes to the Required Supplementary Information

Valuation date: 6/30/2019 6/30/2020 6/30/2021 6/30/2022 6/30/2023

# City of Sacramento

## Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Last Ten Years\* (in thousands)

|  | Fiscal Year       |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2018              | 2019              | 2020              | 2021              |
| <b>Total OPEB liability</b>  |                   |                   |                   |                   |
| Service cost   | \$ 11,872         | \$ 11,052         | \$ 9,931          | \$ 5,809          |
| Interest on the total OPEB liability   | 15,313            | 16,612            | 18,106            | 19,582            |
| Changes of benefit terms   | -                 | -                 | 383               | -                 |
| Changes of assumptions   | (24,429)          | (30,845)          | (92,281)          | (4,097)           |
| Differences between expected and actual experience                                 | -                 | -                 | (28,948)          | -                 |
| Benefit payments   | (12,565)          | (12,903)          | (14,890)          | (15,764)          |
| <b>Net change in total OPEB liability</b>  | <b>(9,809)</b>    | <b>(16,084)</b>   | <b>(107,699)</b>  | <b>5,530</b>      |
| <b>Total OPEB liability -- beginning</b>   | <b>425,766</b>    | <b>415,957</b>    | <b>399,873</b>    | <b>292,174</b>    |
| <b>Total OPEB liability -- ending (a)</b>  | <b>\$ 415,957</b> | <b>\$ 399,873</b> | <b>\$ 292,174</b> | <b>\$ 297,704</b> |
| <br><b>Plan fiduciary net position</b>   |                   |                   |                   |                   |
| Contributions - employer   | \$ 21,605         | \$ 21,072         | \$ 18,406         | \$ 24,598         |
| Contributions - employee   | 297               | 308               | 303               | 310               |
| Net investment income (loss)   | 2,034             | 2,156             | 2,432             | 1,064             |
| Benefit payments   | (12,565)          | (12,903)          | (14,890)          | (15,764)          |
| Administrative expense   | (10)              | (51)              | (8)               | (23)              |
| <b>Net change in fiduciary net position</b>  | <b>11,361</b>     | <b>10,582</b>     | <b>6,243</b>      | <b>10,185</b>     |
| <b>Plan fiduciary net position -- beginning</b>                                    | <b>15,084</b>     | <b>26,445</b>     | <b>37,027</b>     | <b>43,270</b>     |
| <b>Plan fiduciary net position -- ending (b)</b>                                   | <b>\$ 26,445</b>  | <b>\$ 37,027</b>  | <b>\$ 43,270</b>  | <b>\$ 53,455</b>  |
| <br><b>Net OPEB liability -- ending (a) - (b)</b>                                  | <b>\$ 389,512</b> | <b>\$ 362,846</b> | <b>\$ 248,904</b> | <b>\$ 244,249</b> |
| <br><b>Plan fiduciary net position as a percentage of the total OPEB liability</b> | 6.36%             | 9.26%             | 14.81%            | 17.96%            |
| <br><b>Covered payroll</b>   | <b>\$ 237,926</b> | <b>\$ 236,885</b> | <b>\$ 245,622</b> | <b>\$ 261,187</b> |
| <br><b>Net OPEB liability as a percentage of covered payroll</b>                   | 163.71%           | 153.17%           | 101.34%           | 93.51%            |
| <br><b>Measurement date</b>  | June 30, 2017     | June 30, 2018     | June 30, 2019     | June 30, 2020     |

### Notes to the Required Supplementary Information

\* Fiscal year 2018 was the first year of implementation, therefore, only eight years are shown.

# City of Sacramento

## Required Supplementary Information

Schedule of Changes in Net OPEB Liability and Related Ratios

Last Ten Years\* (in thousands)

|  | Fiscal Year       |                   |                   |                   |
|--|-------------------|-------------------|-------------------|-------------------|
|  | 2022              | 2023              | 2024              | 2025              |
| <b>Total OPEB liability</b>  |                   |                   |                   |                   |
| Service cost   | \$ 5,919          | \$ 5,259          | \$ 5,356          | \$ 5,695          |
| Interest on the total OPEB liability   | 19,968            | 16,803            | 17,208            | 18,398            |
| Changes of benefit terms   | -                 | -                 | -                 | -                 |
| Changes of assumptions   | 3,978             | -                 | 11,125            | -                 |
| Differences between expected and actual experience                                 | (40,332)          | -                 | 698               | -                 |
| Benefit payments   | (15,625)          | (16,048)          | (15,321)          | (16,033)          |
| <b>Net change in total OPEB liability</b>  | <b>(26,092)</b>   | <b>6,014</b>      | <b>19,066</b>     | <b>8,060</b>      |
| <b>Total OPEB liability -- beginning</b>   | <b>297,704</b>    | <b>271,612</b>    | <b>277,626</b>    | <b>296,692</b>    |
| <b>Total OPEB liability -- ending (a)</b>  | <b>\$ 271,612</b> | <b>\$ 277,626</b> | <b>\$ 296,692</b> | <b>\$ 304,752</b> |
| <br><b>Plan fiduciary net position</b>   |                   |                   |                   |                   |
| Contributions - employer   | \$ 21,687         | \$ 24,675         | \$ 23,167         | \$ 23,184         |
| Contributions - employee   | -                 | -                 | -                 | -                 |
| Net investment income (loss)   | 15,311            | (12,256)          | 5,839             | 10,985            |
| Benefit payments   | (15,625)          | (16,048)          | (15,321)          | (16,033)          |
| Administrative expense   | (21)              | (22)              | (24)              | (31)              |
| <b>Net change in fiduciary net position</b>  | <b>21,352</b>     | <b>(3,651)</b>    | <b>13,661</b>     | <b>18,105</b>     |
| <b>Plan fiduciary net position -- beginning</b>                                    | <b>53,455</b>     | <b>74,807</b>     | <b>71,156</b>     | <b>84,817</b>     |
| <b>Plan fiduciary net position -- ending (b)</b>                                   | <b>\$ 74,807</b>  | <b>\$ 71,156</b>  | <b>\$ 84,817</b>  | <b>\$ 102,922</b> |
| <br><b>Net OPEB liability -- ending (a) - (b)</b>                                  | <b>\$ 196,805</b> | <b>\$ 206,470</b> | <b>\$ 211,875</b> | <b>\$ 201,830</b> |
| <br><b>Plan fiduciary net position as a percentage of the total OPEB liability</b> |                   |                   |                   |                   |
|  | 27.54%            | 25.63%            | 28.59%            | 33.77%            |
| <br><b>Covered payroll</b>   |                   |                   |                   |                   |
|  | \$ 249,162        | \$ 244,497        | \$ 242,374        | \$ 238,736        |
| <br><b>Net OPEB liability as a percentage of covered payroll</b>                   |                   |                   |                   |                   |
|  | 78.99%            | 84.45%            | 87.42%            | 84.54%            |
| <br><b>Measurement date</b>  | June 30, 2021     | June 30, 2022     | June 30, 2023     | 30-Jun-24         |

**City of Sacramento**  
**Required Supplementary Information**  
OPEB Schedule of Contributions  
Last Ten Years\* (in thousands)

|   | <b>Fiscal Year</b> |                  |                  |                 |
|---|--------------------|------------------|------------------|-----------------|
|   | <b>2018</b>        | <b>2019</b>      | <b>2020</b>      | <b>2021</b>     |
| Actuarially determined contributions                                  | \$ 36,393          | \$ 34,454        | \$ 36,155        | \$ 25,548       |
| Contributions in relation to the actuarially determined contributions | 21,072             | 18,406           | 24,598           | 21,687          |
| Contribution deficiency (excess)                                      | <u>\$ 15,321</u>   | <u>\$ 16,048</u> | <u>\$ 11,557</u> | <u>\$ 3,861</u> |
| <br>Covered payroll   | <br>\$ 236,885     | <br>\$ 245,622   | <br>\$ 261,187   | <br>\$ 249,162  |
| Contributions as a percentage of covered payroll                      | 8.90%              | 7.49%            | 9.42%            | 8.70%           |

Notes to the Required Supplementary Information

Valuation date: 6/30/2016 6/30/2017 6/30/2017 6/30/2019

Methods and assumptions used to determine contribution rates:

|                            |   |
|----------------------------|---|
| Actuarial cost method      | Entry age normal, Level % of pay  |
| Amortization method        | Level % of payroll over a 14-year fixed period  |
| Asset valuation method     | Investment gains and losses spread over 5 year rolling period   |
| Inflation                  | 2.50%   |
| Salary Increase            | 2.75%   |
| Investment rate of return  | 6.25%   |
| Healthcare cost trend rate | Non-Medicare - 8.50% for 2025, decreasing to an ultimate rate of 3.45% for 2076<br>Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076<br>Medicare (Kaiser) - 6.25% for 2025, decreasing to an ultimate rate of 3.45% in 2076 |
| Mortality                  | CalPERS 2000-2019 Experience Study  |
| Mortality Improvement      | Mortality projected fully generational with Scale MP-2021   |

\* Fiscal year 2018 was the first year of implementation, therefore, only eight years are shown.

**City of Sacramento**  
**Required Supplementary Information**  
OPEB Schedule of Contributions  
Last Ten Years\* (in thousands)

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|   | <b>Fiscal Year</b> |                 |                |                |
|---|--------------------|-----------------|----------------|----------------|
|   | <b>2022</b>        | <b>2023</b>     | <b>2024</b>    | <b>2025</b>    |
| Actuarially determined contributions                                  | \$ 26,879          | \$ 22,407       | \$ 23,334      | \$ 24,934      |
| Contributions in relation to the actuarially determined contributions | 24,675             | 23,167          | 23,184         | 23,959         |
| Contribution deficiency (excess)                                      | <u>\$ 2,204</u>    | <u>\$ (760)</u> | <u>\$ 150</u>  | <u>\$ 975</u>  |
| <br>Covered payroll   | <br>\$ 244,497     | <br>\$ 242,374  | <br>\$ 238,736 | <br>\$ 230,763 |
| Contributions as a percentage of covered payroll                      | 10.09%             | 9.56%           | 9.71%          | 10.38%         |

Notes to the Required Supplementary Information

|                 |           |           |           |           |
|-----------------|-----------|-----------|-----------|-----------|
| Valuation date: | 6/30/2019 | 6/30/2021 | 6/30/2021 | 6/30/2023 |
|-----------------|-----------|-----------|-----------|-----------|

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## OTHER GOVERNMENTAL FUNDS

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

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

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

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

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

**City of Sacramento**  
**Other Governmental Funds**  
**Combining Balance Sheet**

June 30, 2025  
 (in thousands)

|   | Other<br>Special<br>Revenue<br>Funds | Other<br>Debt<br>Service<br>Funds | Other<br>Capital<br>Projects<br>Funds | Permanent<br>Funds | Total<br>Other<br>Governmental<br>Funds |
|---|--------------------------------------|-----------------------------------|---------------------------------------|--------------------|---|
| <b>ASSETS</b>   |                                      |                                   |                                       |                    |   |
| Cash and investments held by City                                   | \$ 231,608                           | \$ 2,713                          | \$ 265,563                            | \$ 7,844           | \$ 507,728                              |
| Cash and investments held by fiscal agent                           | -                                    | 126                               | -                                     | -                  | 126                                     |
| Receivables, net:   |                                      |                                   |                                       |                    |   |
| Taxes   | 7,533                                | -                                 | -                                     | -                  | 7,533                                   |
| Accounts  | 6,126                                | -                                 | 26,638                                | -                  | 32,764                                  |
| Loans   | 44,954                               | -                                 | -                                     | -                  | 44,954                                  |
| Intergovernmental   | 34,721                               | 9,855                             | 40,284                                | -                  | 84,860                                  |
| Leases  | 754                                  | 2,863                             | -                                     | -                  | 3,617                                   |
| Interest  | 1,769                                | 25                                | 948                                   | 36                 | 2,778                                   |
| Prepaid items   | 13                                   | -                                 | -                                     | -                  | 13                                      |
| Restricted assets:  |                                      |                                   |                                       |                    |   |
| Cash and investments held by City                                   | 222                                  | -                                 | 10,562                                | -                  | 10,784                                  |
| Cash and investments held by fiscal agent                           | -                                    | 5,509                             | 150                                   | -                  | 5,659                                   |
| Total assets  | <u>\$ 327,700</u>                    | <u>\$ 21,091</u>                  | <u>\$ 344,145</u>                     | <u>\$ 7,880</u>    | <u>\$ 700,816</u>                       |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |                                      |                                   |                                       |                    |   |
| Liabilities:  |                                      |                                   |                                       |                    |   |
| Accounts payable  | \$ 19,622                            | \$ -                              | \$ 28,817                             | \$ 66              | \$ 48,505                               |
| Accrued payroll   | 83                                   | -                                 | -                                     | -                  | 83                                      |
| Matured notes and interest payable                                  | 667                                  | -                                 | -                                     | -                  | 667                                     |
| Due to other funds  | -                                    | -                                 | 10,909                                | -                  | 10,909                                  |
| Deposits  | 1,136                                | 456                               | 105                                   | -                  | 1,697                                   |
| Unearned revenue  | 7,007                                | -                                 | 12,487                                | -                  | 19,494                                  |
| Advances from other funds   | 19,278                               | -                                 | -                                     | -                  | 19,278                                  |
| Total liabilities   | <u>47,793</u>                        | <u>456</u>                        | <u>52,318</u>                         | <u>66</u>          | <u>100,633</u>                          |
| Deferred inflows of resources:                                      |                                      |                                   |                                       |                    |   |
| Unavailable revenue   | 33,346                               | 9,855                             | 40,978                                | -                  | 84,179                                  |
| Leases  | 725                                  | 2,692                             | -                                     | -                  | 3,417                                   |
| Total deferred inflows of resources                                 | <u>34,071</u>                        | <u>12,547</u>                     | <u>40,978</u>                         | <u>-</u>           | <u>87,596</u>                           |
| Fund balances:  |                                      |                                   |                                       |                    |   |
| Nonspendable:   |                                      |                                   |                                       |                    |   |
| Prepaid items   | 13                                   | -                                 | -                                     | -                  | 13                                      |
| Leases  | 29                                   | 171                               | -                                     | -                  | 200                                     |
| Permanent fund principal  | -                                    | -                                 | -                                     | 578                | 578                                     |
| Restricted:   |                                      |                                   |                                       |                    |   |
| Capital projects  | 34,410                               | -                                 | 280,913                               | -                  | 315,323                                 |
| Debt service  | 222                                  | 5,053                             | -                                     | -                  | 5,275                                   |
| Public works programs   | 26,903                               | -                                 | -                                     | -                  | 26,903                                  |
| Economic development programs                                       | 81,352                               | -                                 | -                                     | -                  | 81,352                                  |
| Other programs  | 106,981                              | -                                 | 3,369                                 | 7,236              | 117,586                                 |
| Committed:  |                                      |                                   |                                       |                    |   |
| Capital projects  | 1,400                                | -                                 | -                                     | -                  | 1,400                                   |
| Debt service  | -                                    | 733                               | -                                     | -                  | 733                                     |
| OPEB  | 8                                    | -                                 | -                                     | -                  | 8                                       |
| Other programs  | 26,458                               | -                                 | -                                     | -                  | 26,458                                  |
| Assigned:   |                                      |                                   |                                       |                    |   |
| Debt service  | -                                    | 2,131                             | -                                     | -                  | 2,131                                   |
| Other programs  | 508                                  | -                                 | -                                     | -                  | 508                                     |
| Unassigned  | <u>(32,448)</u>                      | <u>-</u>                          | <u>(33,433)</u>                       | <u>-</u>           | <u>(65,881)</u>                         |
| Total fund balances   | <u>245,836</u>                       | <u>8,088</u>                      | <u>250,849</u>                        | <u>7,814</u>       | <u>512,587</u>                          |
| Total liabilities, deferred inflows of resources and fund balances  | <u>\$ 327,700</u>                    | <u>\$ 21,091</u>                  | <u>\$ 344,145</u>                     | <u>\$ 7,880</u>    | <u>\$ 700,816</u>                       |

**City of Sacramento**  
**Other Governmental Funds**  
**Combining Statement of Revenues, Expenditures  
 and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|  | Other<br>Special<br>Revenue<br>Funds | Other<br>Debt<br>Service<br>Funds | Other<br>Capital<br>Projects<br>Funds | Permanent<br>Funds | Total<br>Other<br>Governmental<br>Funds |
|--|--------------------------------------|-----------------------------------|---------------------------------------|--------------------|---|
| <b>Revenues:</b>   |                                      |                                   |                                       |                    |   |
| Taxes  | \$ 15,893                            | \$ -                              | \$ 2,789                              | \$ -               | \$ 18,682                               |
| Intergovernmental  | 83,745                               | 678                               | 77,970                                | -                  | 162,393                                 |
| Charges for services   | 31,917                               | -                                 | 47                                    | -                  | 31,964                                  |
| Fines, forfeits and penalties                                | 202                                  | -                                 | -                                     | -                  | 202                                     |
| Interest, rents, and concessions                             | 10,309                               | 2,088                             | 9,689                                 | 830                | 22,916                                  |
| Community service fees                                       | 753                                  | -                                 | 31,180                                | -                  | 31,933                                  |
| Assessment levies  | 67,965                               | -                                 | 1,232                                 | -                  | 69,197                                  |
| Contributions and donations                                  | 889                                  | -                                 | 43,209                                | -                  | 44,098                                  |
| Miscellaneous  | 94                                   | -                                 | -                                     | -                  | 94                                      |
| <b>Total revenues</b>  | <b>211,767</b>                       | <b>2,766</b>                      | <b>166,116</b>                        | <b>830</b>         | <b>381,479</b>                          |
| <b>Expenditures:</b>   |                                      |                                   |                                       |                    |   |
| Current:   |                                      |                                   |                                       |                    |   |
| General government   | 51,842                               | -                                 | 20                                    | 257                | 52,119                                  |
| Police   | 7,631                                | -                                 | -                                     | -                  | 7,631                                   |
| Fire   | 4,307                                | -                                 | -                                     | -                  | 4,307                                   |
| Public works   | 29,149                               | -                                 | 8,757                                 | -                  | 37,906                                  |
| Convention and cultural services                             | 13,033                               | -                                 | -                                     | -                  | 13,033                                  |
| Youth, parks, and community enrichment                       | 13,050                               | -                                 | 523                                   | -                  | 13,573                                  |
| Community development  | 14,722                               | -                                 | 30,643                                | -                  | 45,365                                  |
| Community response   | 3,048                                | -                                 | -                                     | -                  | 3,048                                   |
| Library  | 9,888                                | -                                 | -                                     | -                  | 9,888                                   |
| Utilities  | 421                                  | -                                 | -                                     | -                  | 421                                     |
| Capital outlay   | 8,438                                | -                                 | 112,159                               | -                  | 120,597                                 |
| Debt service:  |                                      |                                   |                                       |                    |   |
| Principal  | 1,914                                | 11,985                            | 4,622                                 | -                  | 18,521                                  |
| Interest and fiscal charges                                  | 1,073                                | 8,262                             | 2,791                                 | -                  | 12,126                                  |
| <b>Total expenditures</b>                                    | <b>158,516</b>                       | <b>20,247</b>                     | <b>159,515</b>                        | <b>257</b>         | <b>338,535</b>                          |
| Excess (deficiency) of revenues over<br>(under) expenditures | 53,251                               | (17,481)                          | 6,601                                 | 573                | 42,944                                  |
| <b>Other financing sources (uses):</b>                       |                                      |                                   |                                       |                    |   |
| Transfers in   | 10,340                               | 17,598                            | 142                                   | -                  | 28,080                                  |
| Transfers out  | (26,601)                             | -                                 | (1,628)                               | -                  | (28,229)                                |
| Issuance of long-term debt                                   | 1,578                                | -                                 | 2,791                                 | -                  | 4,369                                   |
| <b>Total other financing sources (uses)</b>                  | <b>(14,683)</b>                      | <b>17,598</b>                     | <b>1,305</b>                          | <b>-</b>           | <b>4,220</b>                            |
| Changes in fund balances                                     | 38,568                               | 117                               | 7,906                                 | 573                | 47,164                                  |
| Fund balances, beginning of year                             | 207,268                              | 7,971                             | 242,943                               | 7,241              | 465,423                                 |
| Fund balances, end of year                                   | <b>\$ 245,836</b>                    | <b>\$ 8,088</b>                   | <b>\$ 250,849</b>                     | <b>\$ 7,814</b>    | <b>\$ 512,587</b>                       |

## OTHER SPECIAL REVENUE FUNDS

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

**TRANSPORTATION AND DEVELOPMENT FUND** is used to account for the receipts of taxes and fees which are used to maintain and repair streets, bridges, and bikeways as well as for traffic safety and community development activities.

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

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

**ECONOMIC DEVELOPMENT FUND** is used to account for the receipts and disbursements of former redevelopment property tax revenues as well as the Brownfield Revolving Loan Program and the Sheraton Master Owner Participation Agreement (MOPA).

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

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

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

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

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**City of Sacramento**  
**Other Special Revenue Funds**  
**Combining Balance Sheet**

June 30, 2025  
 (in thousands)

|   | Transportation<br>and Development<br>Fund | Culture and<br>Leisure<br>Fund | Parks and<br>Recreation<br>Fund | Economic<br>Development<br>Fund |
|---|---|--------------------------------|---------------------------------|---------------------------------|
| <b>ASSETS</b>   |   |                                |                                 |                                 |
| Cash and investments held by City                                   | \$ 79,153                                 | \$ 7,603                       | \$ 9,591                        | \$ 43,185                       |
| Receivables, net:   |   |                                |                                 |                                 |
| Taxes   | -   | -                              | -                               | 7,290                           |
| Accounts  | 469                                       | 631                            | 20                              | 11                              |
| Loans   | -   | -                              | -                               | 44,954                          |
| Intergovernmental   | -   | -                              | 56                              | -                               |
| Leases  | -   | 509                            | 245                             | -                               |
| Interest  | 326                                       | -                              | 4                               | 1,439                           |
| Prepaid items   | -   | -                              | -                               | -                               |
| Restricted assets:  |   |                                |                                 |                                 |
| Cash and investments held by City                                   | -   | 222                            | -                               | -                               |
| Total assets  | <u>\$ 79,948</u>                          | <u>\$ 8,965</u>                | <u>\$ 9,916</u>                 | <u>\$ 96,879</u>                |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |   |                                |                                 |                                 |
| Liabilities:  |   |                                |                                 |                                 |
| Accounts payable  | \$ 470                                    | \$ 43                          | \$ 23                           | \$ 514                          |
| Accrued payroll   | -   | 16                             | 25                              | 13                              |
| Matured notes and interest payable                                  | -   | 667                            | -                               | -                               |
| Deposits  | 693                                       | 174                            | -                               | -                               |
| Unearned revenue  | 1,188                                     | 19                             | -                               | -                               |
| Advances from other funds   | -   | 4,278                          | -                               | 15,000                          |
| Total liabilities   | <u>2,351</u>                              | <u>5,197</u>                   | <u>48</u>                       | <u>15,527</u>                   |
| Deferred inflows of resources:                                      |   |                                |                                 |                                 |
| Unavailable revenue   | 367                                       | 9                              | 55                              | -                               |
| Leases  | -   | 489                            | 236                             | -                               |
| Total deferred inflows of resources                                 | <u>367</u>                                | <u>498</u>                     | <u>291</u>                      | <u>-</u>                        |
| Fund balances:  |   |                                |                                 |                                 |
| Nonspendable:   |   |                                |                                 |                                 |
| Prepaid items   | -   | -                              | -                               | -                               |
| Leases  | -   | 20                             | 9                               | -                               |
| Restricted:   |   |                                |                                 |                                 |
| Capital projects  | 25,932                                    | 13                             | 4,738                           | -                               |
| Debt service  | -   | 222                            | -                               | -                               |
| Public works programs   | 26,903                                    | -                              | -                               | -                               |
| Economic development programs                                       | -   | -                              | -                               | 81,352                          |
| Other programs  | -   | 594                            | 4,768                           | -                               |
| Committed:  |   |                                |                                 |                                 |
| Capital projects  | 157                                       | 1,243                          | -                               | -                               |
| OPEB  | -   | 8                              | -                               | -                               |
| Other programs  | 24,238                                    | 662                            | 260                             | -                               |
| Assigned:   |   |                                |                                 |                                 |
| Other programs  | -   | 508                            | -                               | -                               |
| Unassigned  | -   | -                              | (198)                           | -                               |
| Total fund balances   | <u>77,230</u>                             | <u>3,270</u>                   | <u>9,577</u>                    | <u>81,352</u>                   |
| Total liabilities, deferred inflows of resources and fund balances  | <u>\$ 79,948</u>                          | <u>\$ 8,965</u>                | <u>\$ 9,916</u>                 | <u>\$ 96,879</u>                |

**City of Sacramento**  
**Other Special Revenue Funds**  
**Combining Balance Sheet**

June 30, 2025  
 (in thousands)

|   | Operating<br>Grants<br>Fund | CCOMWP<br>Fund  | Special Districts<br>Fund | Cal EPA<br>Fund | Total Other<br>Special Revenue<br>Funds |
|---|-----------------------------|-----------------|---------------------------|-----------------|---|
| <b>ASSETS</b>   |                             |                 |                           |                 |   |
| Cash and investments held by City                                   | \$ 56,243                   | \$ 230          | \$ 34,195                 | \$ 1,408        | \$ 231,608                              |
| Receivables, net:   |                             |                 |                           |                 |   |
| Taxes   | -                           | -               | 243                       | -               | 7,533                                   |
| Accounts  | 1,748                       | -               | 3,247                     | -               | 6,126                                   |
| Loans   | -                           | -               | -                         | -               | 44,954                                  |
| Intergovernmental   | 33,800                      | 865             | -                         | -               | 34,721                                  |
| Leases  | -                           | -               | -                         | -               | 754                                     |
| Interest  | -                           | -               | -                         | -               | 1,769                                   |
| Prepaid items   | 13                          | -               | -                         | -               | 13                                      |
| Restricted assets:  |                             |                 |                           |                 |   |
| Cash and investments held by City                                   | -                           | -               | -                         | -               | 222                                     |
| Total assets  | <u>\$ 91,804</u>            | <u>\$ 1,095</u> | <u>\$ 37,685</u>          | <u>\$ 1,408</u> | <u>\$ 327,700</u>                       |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |                             |                 |                           |                 |   |
| Liabilities:  |                             |                 |                           |                 |   |
| Accounts payable  | \$ 11,485                   | \$ 60           | \$ 6,917                  | \$ 110          | \$ 19,622                               |
| Accrued payroll   | -                           | 29              | -                         | -               | 83                                      |
| Matured notes and interest payable                                  | -                           | -               | -                         | -               | 667                                     |
| Deposits  | 269                         | -               | -                         | -               | 1,136                                   |
| Unearned revenue  | 5,800                       | -               | -                         | -               | 7,007                                   |
| Advances from other funds   | -                           | -               | -                         | -               | 19,278                                  |
| Total liabilities   | <u>17,554</u>               | <u>89</u>       | <u>6,917</u>              | <u>110</u>      | <u>47,793</u>                           |
| Deferred Inflows of resources:                                      |                             |                 |                           |                 |   |
| Unavailable revenue   | 32,250                      | 665             | -                         | -               | 33,346                                  |
| Leases  | -                           | -               | -                         | -               | 725                                     |
| Total deferred inflows of resources                                 | <u>32,250</u>               | <u>665</u>      | <u>-</u>                  | <u>-</u>        | <u>34,071</u>                           |
| Fund balances:  |                             |                 |                           |                 |   |
| Nonspendable:   |                             |                 |                           |                 |   |
| Prepaid items   | 13                          | -               | -                         | -               | 13                                      |
| Leases  | -                           | -               | -                         | -               | 29                                      |
| Restricted:   |                             |                 |                           |                 |   |
| Capital projects  | -                           | -               | 3,727                     | -               | 34,410                                  |
| Debt service  | -                           | -               | -                         | -               | 222                                     |
| Public works programs   | -                           | -               | -                         | -               | 26,903                                  |
| Economic development programs                                       | -                           | -               | -                         | -               | 81,352                                  |
| Other programs  | 74,237                      | 341             | 27,041                    | -               | 106,981                                 |
| Committed:  |                             |                 |                           |                 |   |
| Capital projects  | -                           | -               | -                         | -               | 1,400                                   |
| OPEB  | -                           | -               | -                         | -               | 8                                       |
| Other programs  | -                           | -               | -                         | 1,298           | 26,458                                  |
| Assigned:   |                             |                 |                           |                 |   |
| Other programs  | -                           | -               | -                         | -               | 508                                     |
| Unassigned  | <u>(32,250)</u>             | <u>-</u>        | <u>-</u>                  | <u>-</u>        | <u>(32,448)</u>                         |
| Total fund balances   | <u>42,000</u>               | <u>341</u>      | <u>30,768</u>             | <u>1,298</u>    | <u>245,836</u>                          |
| Total liabilities, deferred inflows of resources and fund balances  | <u>\$ 91,804</u>            | <u>\$ 1,095</u> | <u>\$ 37,685</u>          | <u>\$ 1,408</u> | <u>\$ 327,700</u>                       |

## City of Sacramento

### Other Special Revenue Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2025

(in thousands)

|  | Transportation<br>and Development<br>Fund | Culture and<br>Leisure<br>Fund | Parks and<br>Recreation<br>Fund | Economic<br>Development<br>Fund |
|--|---|--------------------------------|---------------------------------|---------------------------------|
| <b>Revenues:</b>   |   |                                |                                 |                                 |
| Taxes  | \$ -                                      | \$ -                           | \$ -                            | \$ 14,735                       |
| Intergovernmental  | 16,501                                    | -                              | 711                             | -                               |
| Charges for services   | 22,483                                    | 2,920                          | -                               | -                               |
| Fines, forfeits and penalties  | 202                                       | -                              | -                               | -                               |
| Interest, rents, and concessions                                     | 3,325                                     | 1,297                          | 699                             | 3,818                           |
| Community service fees   | 113                                       | -                              | 640                             | -                               |
| Assessment levies  | 392                                       | -                              | -                               | -                               |
| Contributions and donations  | -   | 45                             | 407                             | -                               |
| Miscellaneous  | -   | -                              | -                               | 94                              |
| <b>Total revenues</b>  | <b>43,016</b>                             | <b>4,262</b>                   | <b>2,457</b>                    | <b>18,647</b>                   |
| <b>Expenditures:</b>   |   |                                |                                 |                                 |
| Current:   |   |                                |                                 |                                 |
| General government   | -   | -                              | -                               | 3,675                           |
| Police   | -   | -                              | -                               | -                               |
| Fire   | -   | -                              | -                               | -                               |
| Public works   | 14,247                                    | -                              | -                               | -                               |
| Convention and cultural services                                     | -   | 1,754                          | -                               | -                               |
| Youth, parks, and community enrichment                               | -   | -                              | 1,441                           | -                               |
| Community development  | 14,213                                    | -                              | -                               | -                               |
| Community response   | -   | -                              | -                               | -                               |
| Library  | -   | -                              | -                               | -                               |
| Utilities  | -   | -                              | -                               | -                               |
| Capital outlay   | 1,979                                     | 769                            | 208                             | 3                               |
| Debt service:  |   |                                |                                 |                                 |
| Principal  | 588                                       | 595                            | 4                               | -                               |
| Interest and fiscal charges  | 8   | 1,012                          | 1                               | -                               |
| <b>Total expenditures</b>  | <b>31,035</b>                             | <b>4,130</b>                   | <b>1,654</b>                    | <b>3,678</b>                    |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | <b>11,981</b>                             | <b>132</b>                     | <b>803</b>                      | <b>14,969</b>                   |
| <b>Other financing sources (uses):</b>                               |   |                                |                                 |                                 |
| Transfers in   | -   | 745                            | 31                              | 8,913                           |
| Transfers out  | (1,554)                                   | -                              | (23)                            | (21,946)                        |
| Issuance of long-term debt   | -   | -                              | -                               | -                               |
| <b>Total other financing sources (uses)</b>                          | <b>(1,554)</b>                            | <b>745</b>                     | <b>8</b>                        | <b>(13,033)</b>                 |
| <b>Changes in fund balances</b>                                      | <b>10,427</b>                             | <b>877</b>                     | <b>811</b>                      | <b>1,936</b>                    |
| <b>Fund balances (deficits), beginning of year</b>                   | <b>66,803</b>                             | <b>2,393</b>                   | <b>8,766</b>                    | <b>79,416</b>                   |
| <b>Fund balances, end of year</b>                                    | <b>\$ 77,230</b>                          | <b>\$ 3,270</b>                | <b>\$ 9,577</b>                 | <b>\$ 81,352</b>                |

## City of Sacramento

### Other Special Revenue Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2025

(in thousands)

|  | Operating<br>Grants<br>Fund | CCOMWP<br>Fund | Special Districts<br>Fund | Cal EPA<br>Fund | Total Other<br>Special Revenue<br>Funds |
|--|-----------------------------|----------------|---------------------------|-----------------|---|
| <b>Revenues:</b>   |                             |                |                           |                 |   |
| Taxes  | \$ -                        | \$ -           | \$ 1,158                  | \$ -            | \$ 15,893                               |
| Intergovernmental  | 59,701                      | 6,826          | 6                         | -               | 83,745                                  |
| Charges for services   | 6,514                       | -              | -                         | -               | 31,917                                  |
| Fines, forfeits and penalties  | -                           | -              | -                         | -               | 202                                     |
| Interest, rents, and concessions                                     | 388                         | (12)           | 757                       | 37              | 10,309                                  |
| Community service fees   | -                           | -              | -                         | -               | 753                                     |
| Assessment levies  | -                           | -              | 67,573                    | -               | 67,965                                  |
| Contributions and donations  | 437                         | -              | -                         | -               | 889                                     |
| Miscellaneous  | -                           | -              | -                         | -               | 94                                      |
| <b>Total revenues</b>  | <b>67,040</b>               | <b>6,814</b>   | <b>69,494</b>             | <b>37</b>       | <b>211,767</b>                          |
| <b>Expenditures:</b>   |                             |                |                           |                 |   |
| Current:   |                             |                |                           |                 |   |
| General government   | 28,536                      | 4,854          | 14,777                    | -               | 51,842                                  |
| Police   | 7,631                       | -              | -                         | -               | 7,631                                   |
| Fire   | 4,307                       | -              | -                         | -               | 4,307                                   |
| Public works   | 224                         | -              | 14,678                    | -               | 29,149                                  |
| Convention and cultural services                                     | 947                         | -              | 10,332                    | -               | 13,033                                  |
| Youth, parks, and community enrichment                               | 3,555                       | -              | 8,054                     | -               | 13,050                                  |
| Community development  | 239                         | -              | 270                       | -               | 14,722                                  |
| Community response   | 3,048                       | -              | -                         | -               | 3,048                                   |
| Library  | -                           | -              | 9,888                     | -               | 9,888                                   |
| Utilities  | -                           | -              | 421                       | -               | 421                                     |
| Capital outlay   | 3,287                       | -              | 2,082                     | 110             | 8,438                                   |
| Debt service:  |                             |                |                           |                 |   |
| Principal  | 670                         | 57             | -                         | -               | 1,914                                   |
| Interest and fiscal charges  | 52                          | -              | -                         | -               | 1,073                                   |
| <b>Total expenditures</b>  | <b>52,496</b>               | <b>4,911</b>   | <b>60,502</b>             | <b>110</b>      | <b>158,516</b>                          |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | <b>14,544</b>               | <b>1,903</b>   | <b>8,992</b>              | <b>(73)</b>     | <b>53,251</b>                           |
| <b>Other financing sources (uses):</b>                               |                             |                |                           |                 |   |
| Transfers in   | -                           | 651            | -                         | -               | 10,340                                  |
| Transfers out  | (388)                       | -              | (2,690)                   | -               | (26,601)                                |
| Issuance of long-term debt   | 1,578                       | -              | -                         | -               | 1,578                                   |
| <b>Total other financing sources (uses)</b>                          | <b>1,190</b>                | <b>651</b>     | <b>(2,690)</b>            | <b>-</b>        | <b>(14,683)</b>                         |
| Changes in fund balances   | 15,734                      | 2,554          | 6,302                     | (73)            | 38,568                                  |
| Fund balances (deficits), beginning of year                          | 26,266                      | (2,213)        | 24,466                    | 1,371           | 207,268                                 |
| <b>Fund balances, end of year</b>                                    | <b>\$ 42,000</b>            | <b>\$ 341</b>  | <b>\$ 30,768</b>          | <b>\$ 1,298</b> | <b>\$ 245,836</b>                       |

## City of Sacramento

### Transportation and Development Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual

For the Fiscal Year Ended June 30, 2025  
(in thousands)

|  | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
|  | Original         | Final            |                   |                               |
| <b>Revenues:</b>   |                  |                  |                   |                               |
| Intergovernmental  | \$ 16,470        | \$ 16,470        | \$ 16,501         | \$ 31                         |
| Charges for services   | 3,921            | 8,307            | 8,233             | (74)                          |
| Fines, forfeits and penalties  | 300              | 300              | 202               | (98)                          |
| Interest, rents, and concessions   | 40               | 40               | 2,927             | 2,887                         |
| <b>Total revenues</b>  | <b>20,731</b>    | <b>25,117</b>    | <b>27,863</b>     | <b>2,746</b>                  |
| <b>Expenditures:</b>   |                  |                  |                   |                               |
| Current:   |                  |                  |                   |                               |
| Public works   | 18,177           | 18,177           | 14,247            | 3,930                         |
| Community development  | 12,441           | 16,616           | 2,851             | 13,765                        |
| Capital outlay   | 11,826           | 12,019           | 1,831             | 10,188                        |
| Debt service:  |                  |                  |                   |                               |
| Principal  | -                | -                | 588               | (588)                         |
| Interest and fiscal charges  | -                | -                | 8                 | (8)                           |
| <b>Total expenditures</b>  | <b>42,444</b>    | <b>46,812</b>    | <b>19,525</b>     | <b>27,287</b>                 |
| Excess (deficiency) of revenues<br>over (under) expenditures   | (21,713)         | (21,695)         | 8,338             | 30,033                        |
| <b>Other financing uses:</b>   |                  |                  |                   |                               |
| Transfers out  | -                | -                | (1,177)           | (1,177)                       |
| Changes in fund balance for budgeted activities  | (21,713)         | (21,695)         | 7,161             | 28,856                        |
| Fund balance, beginning of year for budgeted activities  | 56,742           | 56,742           | 56,742            | -                             |
| Fund balance, end of year for budgeted activities  | <b>\$ 35,029</b> | <b>\$ 35,047</b> | <b>63,903</b>     | <b>\$ 28,856</b>              |
| Change in fund balance for Transportation and<br>Development Special Revenue Fund activities<br>for which annual budgets are not adopted |                  |                  | 3,266             |                               |
| Fund balance, beginning of year for non-budgeted<br>activities   |                  |                  | 10,061            |                               |
| Fund balance, end of year  |                  |                  | <b>\$ 77,230</b>  |                               |

# City of Sacramento

## Culture and Leisure Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual

For the Fiscal Year Ended June 30, 2025  
(in thousands)

|  | <b>Budgeted Amounts</b> |                | <b>Actual<br/>Amounts</b> | <b>Variance with<br/>Final Budget</b> |
|--|-------------------------|----------------|---------------------------|---------------------------------------|
|  | <b>Original</b>         | <b>Final</b>   |                           |                                       |
| <b>Revenues:</b>   |                         |                |                           |                                       |
| Charges for services   | \$ 1,917                | \$ 2,417       | \$ 2,920                  | \$ 503                                |
| Interest, rents and concessions                                      | 1,003                   | 1,003          | 1,297                     | 294                                   |
| Contributions and donations  | 45                      | 45             | 45                        | -                                     |
| <b>Total revenues</b>  | <b>2,965</b>            | <b>3,465</b>   | <b>4,262</b>              | <b>797</b>                            |
| <b>Expenditures:</b>   |                         |                |                           |                                       |
| Current:   |                         |                |                           |                                       |
| Convention and cultural services                                     | 1,660                   | 1,714          | 1,754                     | (40)                                  |
| Capital outlay   | 1,417                   | 1,872          | 769                       | 1,103                                 |
| Debt service:  |                         |                |                           |                                       |
| Principal  | 1,166                   | 1,166          | 595                       | 571                                   |
| Interest and fiscal charges  | 927                     | 927            | 1,012                     | (85)                                  |
| <b>Total expenditures</b>  | <b>5,170</b>            | <b>5,679</b>   | <b>4,130</b>              | <b>1,549</b>                          |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(2,205)</b>          | <b>(2,214)</b> | <b>132</b>                | <b>2,346</b>                          |
| <b>Other financing sources:</b>                                      |                         |                |                           |                                       |
| Transfers in   | 701                     | 701            | 745                       | 44                                    |
| Changes in fund balance  | (1,504)                 | (1,513)        | 877                       | 2,390                                 |
| Fund balance, beginning of year                                      | 2,393                   | 2,393          | 2,393                     | -                                     |
| <b>Fund balance (deficit), end of year</b>                           | <b>\$ 889</b>           | <b>\$ 880</b>  | <b>\$ 3,270</b>           | <b>\$ 2,390</b>                       |

## City of Sacramento

### Parks and Recreation Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(in thousands)

|   | Budgeted Amounts |               | Actual<br>Amounts | Variance with<br>Final Budget |
|---|------------------|---------------|-------------------|-------------------------------|
|   | Original         | Final         |                   |                               |
| Revenues:   |                  |               |                   |                               |
| Intergovernmental   | \$ 658           | \$ 754        | \$ 711            | \$ (43)                       |
| Interest, rents and concessions   | 23               | 23            | 76                | 53                            |
| Community service fees  | -                | -             | 60                | 60                            |
| Total revenues  | <u>681</u>       | <u>777</u>    | <u>847</u>        | <u>70</u>                     |
| Expenditures:   |                  |               |                   |                               |
| Current:  |                  |               |                   |                               |
| Youth, parks, and community enrichment  | <u>518</u>       | <u>614</u>    | <u>917</u>        | <u>(303)</u>                  |
| Excess (deficiency) of revenues<br>over (under) expenditures  | <u>163</u>       | <u>163</u>    | <u>(70)</u>       | <u>(233)</u>                  |
| Other financing sources:  |                  |               |                   |                               |
| Transfers in  | <u>-</u>         | <u>31</u>     | <u>31</u>         | <u>-</u>                      |
| Changes in fund balance for budgeted activities   | <u>163</u>       | <u>194</u>    | <u>(39)</u>       | <u>(233)</u>                  |
| Fund balance, beginning of year for budgeted activities   | <u>110</u>       | <u>110</u>    | <u>110</u>        | <u>-</u>                      |
| Fund balance, end of year for budgeted activities   | <u>\$ 273</u>    | <u>\$ 304</u> | <u>71</u>         | <u>\$ (233)</u>               |
| Change in fund balance for Parks and Recreation<br>Special Revenue Fund activities for which annual<br>budgets are not adopted. |                  |               | 850               |                               |
| Fund balance, beginning of year for non-budgeted<br>activities  |                  |               | <u>8,656</u>      |                               |
| Fund balance, end of year   |                  |               | <u>\$ 9,577</u>   |                               |

## City of Sacramento

### CCOMWP Special Revenue Fund

#### Schedule of Revenues, Expenditures and Changes in Fund Balance

##### - Budget and Actual

For the Fiscal Year Ended June 30, 2025  
(in thousands)

|  | Budgeted Amounts |          | Actual<br>Amounts | Variance with<br>Final Budget |
|--|------------------|----------|-------------------|-------------------------------|
|  | Original         | Final    |                   |                               |
| Revenues:  |                  |          |                   |                               |
| Intergovernmental  | \$ 1,525         | \$ 1,525 | \$ 1,518          | \$ (7)                        |
| Interest, rents and concessions  | -                | -        | (12)              | (12)                          |
| Total revenues   | 1,525            | 1,525    | 1,506             | (19)                          |
| Expenditures:  |                  |          |                   |                               |
| Current:   |                  |          |                   |                               |
| General government   | 1,759            | 2,249    | 1,923             | 326                           |
| Debt service:  |                  |          |                   |                               |
| Principal  | -                | -        | 57                | (57)                          |
| Total expenditures   | 1,759            | 2,249    | 1,980             | 269                           |
| Deficiency of revenues under expenditures  | (234)            | (724)    | (474)             | 250                           |
| Other financing sources:   |                  |          |                   |                               |
| Transfers in   | 651              | 651      | 651               | -                             |
| Changes in fund balance  | 417              | (73)     | 177               | 250                           |
| Fund balance, beginning of year for budgeted activities  | 829              | 829      | 829               | -                             |
| Fund balance, end of year for budgeted activities  | \$ 1,246         | \$ 756   | 1,006             | \$ 250                        |
| Change in fund balance for CCOMWP Special Revenue Fund activities for which annual budgets are not adopted |                  |          |                   | 2,377                         |
| Fund deficit, beginning of year for non-budgeted activities  |                  |          |                   | (3,042)                       |
| Fund balance, end of year  |                  |          |                   | \$ 341                        |

# City of Sacramento

## Special Districts Special Revenue Fund

### Schedule of Revenues, Expenditures and Changes in Fund Balance

#### - Budget and Actual

For the Fiscal Year Ended June 30, 2025

(in thousands)

|  | Budgeted Amounts |                  | Actual<br>Amounts | Variance with<br>Final Budget |
|--|------------------|------------------|-------------------|-------------------------------|
|  | Original         | Final            |                   |                               |
| <b>Revenues:</b>   |                  |                  |                   |                               |
| Taxes  | \$ 18            | \$ 18            | 1,158             | \$ 1,140                      |
| Intergovernmental  | -                | -                | 6                 | 6                             |
| Interest, rents, and concessions                                     | -                | -                | 757               | 757                           |
| Assessment levies  | 60,592           | 60,592           | 67,573            | 6,981                         |
| <b>Total revenues</b>  | <b>60,610</b>    | <b>60,610</b>    | <b>69,494</b>     | <b>8,884</b>                  |
| <b>Expenditures:</b>   |                  |                  |                   |                               |
| <b>Current:</b>  |                  |                  |                   |                               |
| General government   | 14,495           | 14,495           | 14,777            | (282)                         |
| Public works   | 18,113           | 17,838           | 14,678            | 3,160                         |
| Convention and cultural services                                     | 3,635            | 3,635            | 10,332            | (6,697)                       |
| Youth, parks, and community enrichment                               | 9,188            | 8,964            | 8,054             | 910                           |
| Community development  | 263              | 263              | 270               | (7)                           |
| Library  | 9,989            | 9,989            | 9,888             | 101                           |
| Utilities  | 783              | 783              | 421               | 362                           |
| Capital outlay   | 4,258            | 4,889            | 2,082             | 2,807                         |
| <b>Total expenditures</b>  | <b>60,724</b>    | <b>60,856</b>    | <b>60,502</b>     | <b>354</b>                    |
| <b>Excess (deficiency) of revenues<br/>over (under) expenditures</b> | <b>(114)</b>     | <b>(246)</b>     | <b>8,992</b>      | <b>9,238</b>                  |
| <b>Other financing uses:</b>   |                  |                  |                   |                               |
| Transfers out  | (2,742)          | (2,742)          | (2,690)           | 52                            |
| Changes in fund balance  | (2,856)          | (2,988)          | 6,302             | 9,290                         |
| Fund balance, beginning of year                                      | 24,466           | 24,466           | 24,466            | -                             |
| <b>Fund balance, end of year</b>                                     | <b>\$ 21,610</b> | <b>\$ 21,478</b> | <b>\$ 30,768</b>  | <b>\$ 9,290</b>               |

## OTHER DEBT SERVICE FUNDS

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

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

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

**2015 REFUNDING REVENUE BOND FUND** is used to account for debt service activities related to the refunding of the outstanding 2002 Capital Improvement Revenue Bonds, 2003 Capital Improvement Revenue Bonds, 2005 Refunding Revenue Bonds, and the 2006 Capital Improvement Revenue Bonds Series A and C.

**2016 SPFA LEASE FINANCING (H STREET THEATER COMPLEX) FUND** is used to account for debt service activities related to the refunding of the Sacramento Regional Arts Facilities 2002 Series Certificates of Participation (COPs).

**OTHER CITY DEBT FUND** is used to account for debt service activities related to the financing of other programs of the City.

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**City of Sacramento**  
**Other Debt Service Funds**  
**Combining Balance Sheet**

June 30, 2025

(in thousands)

|   | <b>2006</b><br><b>Series B</b><br><b>Revenue</b><br><b>Bond Fund</b> | <b>2006</b><br><b>Series E</b><br><b>Revenue</b><br><b>Bond Fund</b> | <b>2015</b><br><b>Refunding</b><br><b>Revenue</b><br><b>Bond Fund</b> |
|---|--|--|---|
| <b>ASSETS</b>   |  |  |   |
| Assets:   |  |  |   |
| Cash and investments held by City                                   | \$ 585   | \$ -   | \$ 2,127  |
| Cash and investments held by fiscal agent                           | 121  | 2  | 3   |
| Receivables, net:   |  |  |   |
| Intergovernmental   | 8,351  | 1,504  | -   |
| Leases  | 2,863  | -  | -   |
| Interest  | 25   | -  | -   |
| Restricted assets:  |  |  |   |
| Cash and investments held by fiscal agent                           | 3,934  | -  | -   |
| Total assets  | <b>\$ 15,879</b>   | <b>\$ 1,506</b>  | <b>\$ 2,130</b>   |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |  |  |   |
| Liabilities:  |  |  |   |
| Deposits  | \$ -   | \$ -   | \$ -  |
| Deferred inflows of resources:                                      |  |  |   |
| Unavailable revenue   | 8,351  | 1,504  | -   |
| Leases  | 2,692  | -  | -   |
| Total deferred inflows of resources                                 | <b>11,043</b>  | <b>1,504</b>   | <b>-</b>  |
| Fund balances:  |  |  |   |
| Nonspendable:   |  |  |   |
| Leases  | 171  | -  | -   |
| Restricted:   |  |  |   |
| Debt service  | 3,934  | -  | -   |
| Committed:  |  |  |   |
| Debt service  | 731  | 2  | -   |
| Assigned:   |  |  |   |
| Debt service  | -  | -  | 2,130   |
| Total fund balances   | <b>4,836</b>   | <b>2</b>   | <b>2,130</b>  |
| Total liabilities, deferred inflows of resources and fund balances  | <b>\$ 15,879</b>   | <b>\$ 1,506</b>  | <b>\$ 2,130</b>   |

**City of Sacramento**  
**Other Debt Service Funds**  
**Combining Balance Sheet**

June 30, 2025

(in thousands)

|   | 2016<br>SPFA<br>Lease Financing<br>Fund | Other City<br>Debt Fund | Total<br>Other<br>Debt Service<br>Funds |
|---|---|-------------------------|---|
| <b>ASSETS</b>   |   |                         |   |
| Assets:   |   |                         |   |
| Cash and investments held by City                                   | \$ -                                    | \$ 1                    | \$ 2,713                                |
| Cash and investments held by fiscal agent                           | -                                       | -                       | 126                                     |
| Receivables, net:   |   |                         |   |
| Intergovernmental   | -                                       | -                       | 9,855                                   |
| Leases  | -                                       | -                       | 2,863                                   |
| Interest  | -                                       | -                       | 25                                      |
| Restricted assets:  |   |                         |   |
| Cash and investments held by fiscal agent                           | 1,575                                   | -                       | 5,509                                   |
| Total assets  | \$ 1,575                                | \$ 1                    | \$ 21,091                               |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |   |                         |   |
| Liabilities:  |   |                         |   |
| Deposits  | \$ 456                                  | \$ -                    | \$ 456                                  |
| Deferred inflows of resources:                                      |   |                         |   |
| Unavailable revenue   | -                                       | -                       | 9,855                                   |
| Leases  | -                                       | -                       | 2,692                                   |
| Total deferred inflows of resources                                 | -                                       | -                       | 12,547                                  |
| Fund balances:  |   |                         |   |
| Nonspendable:   |   |                         |   |
| Leases  | -                                       | -                       | 171                                     |
| Restricted:   |   |                         |   |
| Debt service  | 1,119                                   | -                       | 5,053                                   |
| Committed:  |   |                         |   |
| Debt service  | -                                       | -                       | 733                                     |
| Assigned:   |   |                         |   |
| Debt service  | -                                       | 1                       | 2,131                                   |
| Total fund balances   | 1,119                                   | 1                       | 8,088                                   |
| Total liabilities, deferred inflows of resources and fund balances  | \$ 1,575                                | \$ 1                    | \$ 21,091                               |

**City of Sacramento**  
**Other Debt Service Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|  | 2006<br>Series B<br>Revenue<br>Bond Fund | 2006<br>Series E<br>Revenue<br>Bond Fund | 2015<br>Refunding<br>Revenue<br>Bond Fund |
|--|--|--|---|
| Revenues:  |  |  |   |
| Intergovernmental  | \$ 530                                   | \$ 148                                   | \$ -                                      |
| Interest, rents, and concessions                             | 992                                      | 100                                      | 80  |
| Total revenues   | 1,522                                    | 248                                      | 80  |
| Expenditures:  |  |  |   |
| Debt service:  |  |  |   |
| Principal  | 1,875                                    | 5,450                                    | 4,125                                     |
| Interest and fiscal charges                                  | 2,059                                    | 3,311                                    | 2,752                                     |
| Total expenditures   | 3,934                                    | 8,761                                    | 6,877                                     |
| Excess (deficiency) of revenues over<br>(under) expenditures | (2,412)                                  | (8,513)                                  | (6,797)                                   |
| Other financing sources:                                     |  |  |   |
| Transfers in   | 2,240                                    | 8,508                                    | 6,850                                     |
| Changes in fund balances                                     | (172)                                    | (5)                                      | 53  |
| Fund balances, beginning of year                             | 5,008                                    | 7  | 2,077                                     |
| Fund balances, end of year                                   | \$ 4,836                                 | \$ 2                                     | \$ 2,130                                  |

# City of Sacramento

## Other Debt Service Funds

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances

For the Fiscal Year Ended June 30, 2025

(in thousands)

|  | 2016<br>SPFA<br>Lease Financing<br>Fund | Other City<br>Debt Fund | Total<br>Other Debt<br>Service<br>Funds |
|--|---|-------------------------|---|
| Revenues:  |   |                         |   |
| Intergovernmental  | \$ -                                    | \$ -                    | \$ 678                                  |
| Interest, rents, and concessions                             | <u>916</u>                              | <u>-</u>                | <u>2,088</u>                            |
| Total revenues   | <u>916</u>                              | <u>-</u>                | <u>2,766</u>                            |
| Expenditures:  |   |                         |   |
| Debt service:  |   |                         |   |
| Principal  | 535                                     | -                       | 11,985                                  |
| Interest and fiscal charges                                  | <u>140</u>                              | <u>-</u>                | <u>8,262</u>                            |
| Total expenditures   | <u>675</u>                              | <u>-</u>                | <u>20,247</u>                           |
| Excess (deficiency) of revenues over<br>(under) expenditures | <u>241</u>                              | <u>-</u>                | <u>(17,481)</u>                         |
| Other financing sources:                                     |   |                         |   |
| Transfers in   | <u>-</u>                                | <u>-</u>                | <u>17,598</u>                           |
| Changes in fund balances                                     | <u>241</u>                              | <u>-</u>                | <u>117</u>                              |
| Fund balances, beginning of year                             | <u>878</u>                              | <u>1</u>                | <u>7,971</u>                            |
| Fund balances, end of year                                   | <u>\$ 1,119</u>                         | <u>\$ 1</u>             | <u>\$ 8,088</u>                         |

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## OTHER CAPITAL PROJECTS FUNDS

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

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

**TRANSPORTATION AND DEVELOPMENT FUND** is used to account for the receipts of taxes and fees which are used to construct transportation-related capital projects.

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

**CAPITAL GRANTS FUND** is used to account for capital improvement program projects that are funded by parties outside of the City including state and federal governments.

**FINANCING PLANS FUND** is used to account for the construction of public infrastructure funded by developer impact fees authorized under financing plans.

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

**ECONOMIC DEVELOPMENT FUND** is used to account for the excess proceeds of Redevelopment Agency (RDA) pre-2011 non-housing bond issues and associated capital projects.

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**City of Sacramento**  
**Other Capital Projects Funds**  
**Combining Balance Sheet**  
June 30, 2025  
(in thousands)

|   | General Fund<br>Capital Projects<br>Fund | Transportation<br>and Development<br>Fund | Crocker<br>Art Museum<br>Expansion<br>Fund | Capital<br>Grants<br>Fund |
|---|--|---|--|---------------------------|
| <b>ASSETS</b>   |  |   |  |                           |
| Cash and investments held by City                                   | \$ -                                     | \$ 132,003                                | \$ -                                       | \$ -                      |
| Receivables, net:   |  |   |  |                           |
| Accounts  | -  | 1,913                                     | -  | 954                       |
| Intergovernmental   | -  | 4,342                                     | -  | 35,942                    |
| Interest  | -  | 691                                       | -  | -                         |
| Restricted assets:  |  |   |  |                           |
| Cash and investments held by City                                   | 31                                       | -   | 164  | 34                        |
| Cash and investments held by fiscal agent                           | -  | -   | -  | 150                       |
| Total assets  | \$ 31                                    | \$ 138,949                                | \$ 164                                     | \$ 37,080                 |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |  |   |  |                           |
| Liabilities:  |  |   |  |                           |
| Accounts payable  | \$ -                                     | \$ 1,555                                  | \$ -                                       | \$ 18,875                 |
| Deposits  | -  | 25  | -  | -                         |
| Due to other funds  | -  | -   | -  | 10,909                    |
| Unearned revenue  | -  | -   | -  | 5,508                     |
| Total liabilities   | -  | 1,580                                     | -  | 35,292                    |
| Deferred inflows of resources:                                      |  |   |  |                           |
| Unavailable revenue   | -  | 2,146                                     | -  | 32,615                    |
| Fund balances:  |  |   |  |                           |
| Restricted:   |  |   |  |                           |
| Capital projects  | 31                                       | 136,041                                   | 164  | 1,788                     |
| Other programs  | -  | -   | -  | -                         |
| Unassigned  | -  | (818)                                     | -  | (32,615)                  |
| Total fund balances (deficit)                                       | 31                                       | 135,223                                   | 164  | (30,827)                  |
| Total liabilities, deferred inflows of resources and fund balances  | \$ 31                                    | \$ 138,949                                | \$ 164                                     | \$ 37,080                 |

**City of Sacramento**  
**Other Capital Projects Funds**  
**Combining Balance Sheet**  
June 30, 2025  
(in thousands)

|   | <b>Financing<br/>Plans<br/>Fund</b> | <b>Special<br/>Districts<br/>Fund</b> | <b>Economic<br/>Development<br/>Fund</b> | <b>Total<br/>Other<br/>Capital Projects<br/>Funds</b> |
|---|-------------------------------------|---------------------------------------|--|---|
| <b>ASSETS</b>   |                                     |                                       |  |   |
| Cash and investments held by City                                   | \$ 127,794                          | \$ 5,766                              | \$ -                                     | \$ 265,563  |
| Receivables, net:   |                                     |                                       |  |   |
| Accounts  | 23,771                              | -                                     | -  | 26,638  |
| Intergovernmental   | -                                   | -                                     | -  | 40,284  |
| Interest  | 257                                 | -                                     | -  | 948   |
| Restricted assets:  |                                     |                                       |  |   |
| Cash and investments held by City                                   | -                                   | -                                     | 10,333                                   | 10,562  |
| Cash and investments held by fiscal agent                           | -                                   | -                                     | -  | 150   |
| Total assets  | <u>\$ 151,822</u>                   | <u>\$ 5,766</u>                       | <u>\$ 10,333</u>                         | <u>\$ 344,145</u>                                     |
| <b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b> |                                     |                                       |  |   |
| Liabilities:  |                                     |                                       |  |   |
| Accounts payable  | \$ 8,337                            | \$ -                                  | \$ 50                                    | \$ 28,817   |
| Deposits  | 80                                  | -                                     | -  | 105   |
| Due to other funds  | -                                   | -                                     | -  | 10,909  |
| Unearned revenue  | <u>6,979</u>                        | <u>-</u>                              | <u>-</u>                                 | <u>12,487</u>   |
| Total liabilities   | <u>15,396</u>                       | <u>-</u>                              | <u>50</u>                                | <u>52,318</u>   |
| Deferred inflows of resources:                                      |                                     |                                       |  |   |
| Unavailable revenue   | <u>6,217</u>                        | <u>-</u>                              | <u>-</u>                                 | <u>40,978</u>   |
| Fund balances:  |                                     |                                       |  |   |
| Restricted:   |                                     |                                       |  |   |
| Capital projects  | 126,840                             | 5,766                                 | 10,283                                   | 280,913   |
| Other programs  | 3,369                               | -                                     | -  | 3,369   |
| Unassigned  | -                                   | -                                     | -  | (33,433)  |
| Total fund balances (deficit)                                       | <u>130,209</u>                      | <u>5,766</u>                          | <u>10,283</u>                            | <u>250,849</u>  |
| Total liabilities, deferred inflows of resources and fund balances  | <u>\$ 151,822</u>                   | <u>\$ 5,766</u>                       | <u>\$ 10,333</u>                         | <u>\$ 344,145</u>                                     |

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

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|  | General Fund<br>Capital Projects<br>Fund | Transportation<br>and Development<br>Fund | Crocker<br>Art Museum<br>Expansion<br>Fund | Capital<br>Grants<br>Fund |
|--|--|---|--|---------------------------|
| Revenues:  |  |   |  |                           |
| Taxes  | \$ -                                     | \$ 2,789                                  | \$ -                                       | \$ -                      |
| Intergovernmental  | -  | 35,401                                    | -  | 42,569                    |
| Charges for services   | -  | 7   | -  | -                         |
| Interest, rents, and concessions                             | 1  | 4,777                                     | 4  | 78                        |
| Community service fees                                       | -  | 3,311                                     | -  | -                         |
| Assessment levies  | -  | -   | -  | -                         |
| Contributions and donations                                  | -  | -   | -  | 255                       |
| Total revenues   | 1  | 46,285                                    | 4  | 42,902                    |
| Expenditures:  |  |   |  |                           |
| Current:   |  |   |  |                           |
| General government   | -  | -   | -  | -                         |
| Public works   | -  | 8,726                                     | -  | -                         |
| Youth, parks, and community enrichment                       | -  | -   | -  | -                         |
| Community development  | -  | -   | -  | -                         |
| Capital outlay   | -  | 13,784                                    | -  | 56,128                    |
| Debt service:  |  |   |  |                           |
| Principal  | -  | -   | -  | -                         |
| Interest and fiscal charges                                  | -  | -   | -  | -                         |
| Total expenditures   | -  | 22,510                                    | -  | 56,128                    |
| Excess (deficiency) of revenues over<br>(under) expenditures | 1  | 23,775                                    | 4  | (13,226)                  |
| Other financing sources (uses):                              |  |   |  |                           |
| Transfers in   | -  | -   | -  | -                         |
| Transfers out  | -  | -   | -  | -                         |
| Issuance of long-term debt                                   | -  | -   | -  | -                         |
| Total other financing sources (uses)                         | -  | -   | -  | -                         |
| Changes in fund balances                                     | 1  | 23,775                                    | 4  | (13,226)                  |
| Fund balances (deficit), beginning of year                   | 30                                       | 111,448                                   | 160  | (17,601)                  |
| Fund balances (deficit), end of year                         | \$ 31                                    | \$ 135,223                                | \$ 164                                     | \$ (30,827)               |

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

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|  | <b>Financing<br/>Plans<br/>Fund</b> | <b>Special<br/>Districts<br/>Fund</b> | <b>Economic<br/>Development<br/>Fund</b> | <b>Total<br/>Other<br/>Capital Projects<br/>Funds</b> |
|--|-------------------------------------|---------------------------------------|--|---|
| <b>Revenues:</b>   |                                     |                                       |  |   |
| Taxes  | \$ -                                | \$ -                                  | \$ -                                     | \$ 2,789  |
| Intergovernmental  | -                                   | -                                     | -  | 77,970  |
| Charges for services   | 40                                  | -                                     | -  | 47  |
| Interest, rents, and concessions                                     | 4,246                               | 313                                   | 270                                      | 9,689   |
| Community service fees   | 27,869                              | -                                     | -  | 31,180  |
| Assessment levies  | 161                                 | 1,071                                 | -  | 1,232   |
| Contributions and donations  | -                                   | 42,954                                | -  | 43,209  |
| <b>Total revenues</b>  | <b>32,316</b>                       | <b>44,338</b>                         | <b>270</b>                               | <b>166,116</b>  |
| <b>Expenditures:</b>   |                                     |                                       |  |   |
| <b>Current:</b>  |                                     |                                       |  |   |
| General government   | -                                   | -                                     | 20                                       | 20  |
| Public works   | 31                                  | -                                     | -  | 8,757   |
| Youth, parks, and community enrichment                               | 523                                 | -                                     | -  | 523   |
| Community development  | 6,966                               | 23,677                                | -  | 30,643  |
| Capital outlay   | 8,574                               | 33,673                                | -  | 112,159   |
| <b>Debt service:</b>   |                                     |                                       |  |   |
| Principal  | 4,622                               | -                                     | -  | 4,622   |
| Interest and fiscal charges  | 2,791                               | -                                     | -  | 2,791   |
| <b>Total expenditures</b>  | <b>23,507</b>                       | <b>57,350</b>                         | <b>20</b>                                | <b>159,515</b>  |
| <b>Excess (deficiency) of revenues over<br/>(under) expenditures</b> | <b>8,809</b>                        | <b>(13,012)</b>                       | <b>250</b>                               | <b>6,601</b>  |
| <b>Other financing sources (uses):</b>                               |                                     |                                       |  |   |
| Transfers in   | 142                                 | -                                     | -  | 142   |
| Transfers out  | (1,628)                             | -                                     | -  | (1,628)   |
| Issuance of long-term debt   | 2,791                               | -                                     | -  | 2,791   |
| <b>Total other financing sources (uses)</b>                          | <b>1,305</b>                        | <b>-</b>                              | <b>-</b>                                 | <b>1,305</b>  |
| <b>Changes in fund balances</b>                                      | <b>10,114</b>                       | <b>(13,012)</b>                       | <b>250</b>                               | <b>7,906</b>  |
| <b>Fund balances (deficit), beginning of year</b>                    | <b>120,095</b>                      | <b>18,778</b>                         | <b>10,033</b>                            | <b>242,943</b>  |
| <b>Fund balances (deficit), end of year</b>                          | <b>\$ 130,209</b>                   | <b>\$ 5,766</b>                       | <b>\$ 10,283</b>                         | <b>\$ 250,849</b>                                     |

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## PERMANENT FUNDS

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

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

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

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

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

**City of Sacramento**  
**Permanent Funds**  
**Combining Balance Sheet**

June 30, 2025  
 (in thousands)

|                                     | <b>Ann Land<br/>Fund</b> | <b>Bertha<br/>Henschel<br/>Fund</b> | <b>George Clark<br/>Scholarship<br/>Fund</b> | <b>Alice Miller<br/>Fund</b> | <b>Total<br/>Permanent<br/>Funds</b> |
|-------------------------------------|--------------------------|-------------------------------------|--|------------------------------|--------------------------------------|
| <b>ASSETS</b>                       |                          |                                     |  |                              |                                      |
| Cash and investments held by City   | \$ 1,330                 | \$ 3,989                            | \$ 2,475                                     | \$ 50                        | \$ 7,844                             |
| Receivables, net:                   |                          |                                     |  |                              |                                      |
| Interest                            | 8                        | 26                                  | 2  | -                            | 36                                   |
| Total assets                        | <b>\$ 1,338</b>          | <b>\$ 4,015</b>                     | <b>\$ 2,477</b>                              | <b>\$ 50</b>                 | <b>\$ 7,880</b>                      |
| <b>FUND BALANCES</b>                |                          |                                     |  |                              |                                      |
| Liabilities:                        |                          |                                     |  |                              |                                      |
| Accounts payable                    | \$ 16                    | \$ 50                               | \$ -   | \$ -                         | \$ 66                                |
| Fund balances:                      |                          |                                     |  |                              |                                      |
| Nonspendable:                       |                          |                                     |  |                              |                                      |
| Permanent fund principal            | 272                      | 278                                 | 25   | 3                            | 578                                  |
| Restricted:                         |                          |                                     |  |                              |                                      |
| Other programs                      | 1,050                    | 3,687                               | 2,452  | 47                           | 7,236                                |
| Total fund balances                 | <b>1,322</b>             | <b>3,965</b>                        | <b>2,477</b>                                 | <b>50</b>                    | <b>7,814</b>                         |
| Total liabilities and fund balances | <b>\$ 1,338</b>          | <b>\$ 4,015</b>                     | <b>\$ 2,477</b>                              | <b>\$ 50</b>                 | <b>\$ 7,880</b>                      |

**City of Sacramento**  
**Permanent Funds**  
**Combining Statement of Revenues, Expenditures**  
**and Changes in Fund Balances**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|                                  | <b>Ann Land<br/>Fund</b> | <b>Bertha<br/>Henschel<br/>Fund</b> | <b>George Clark<br/>Scholarship<br/>Fund</b> | <b>Alice Miller<br/>Fund</b> | <b>Total<br/>Permanent<br/>Funds</b> |
|----------------------------------|--------------------------|-------------------------------------|--|------------------------------|--------------------------------------|
| Revenues:                        |                          |                                     |  |                              |                                      |
| Interest, rents, and concessions | \$ 125                   | \$ 373                              | \$ 331                                       | \$ 1                         | \$ 830                               |
| Expenditures:                    |                          |                                     |  |                              |                                      |
| Current:                         |                          |                                     |  |                              |                                      |
| General government               | 58                       | 173                                 | 26   | -                            | 257                                  |
| Changes in fund balances         | 67                       | 200                                 | 305  | 1                            | 573                                  |
| Fund balances, beginning of year | 1,255                    | 3,765                               | 2,172  | 49                           | 7,241                                |
| Fund balances, end of year       | <b>\$ 1,322</b>          | <b>\$ 3,965</b>                     | <b>\$ 2,477</b>                              | <b>\$ 50</b>                 | <b>\$ 7,814</b>                      |

## OTHER ENTERPRISE FUNDS

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

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

**4<sup>th</sup> R CHILD DEVELOPMENT FUND** is used to account for a program that provides school age childcare services at various locations throughout the City.

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**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Net Position**  
June 30, 2025  
(in thousands)

|   | Parking<br>Fund | 4th R<br>Child Development<br>Fund | Total<br>Other<br>Enterprise<br>Funds |
|---|-----------------|------------------------------------|---------------------------------------|
| <b>ASSETS</b>                               |                 |                                    |                                       |
| Current assets:                             |                 |                                    |                                       |
| Cash and investments held by City           | \$ 21,978       | \$ 3,034                           | \$ 25,012                             |
| Receivables, net:                           |                 |                                    |                                       |
| Accounts                                    | 719             | 138                                | 857                                   |
| Leases                                      | 655             | -                                  | 655                                   |
| Interest                                    | 9               | -                                  | 9                                     |
| Prepaid items                               | 18              | -                                  | 18                                    |
| Intangible asset, current portion           | -               | 8                                  | 8                                     |
| Total current assets                        | 23,379          | 3,180                              | 26,559                                |
| Noncurrent assets:                          |                 |                                    |                                       |
| Leases receivable                           | 6,803           | -                                  | 6,803                                 |
| Intangible assets                           | -               | 80                                 | 80                                    |
| Capital assets:                             |                 |                                    |                                       |
| Land  | 5,825           | -                                  | 5,825                                 |
| Buildings and improvements                  | 65,200          | 1,642                              | 66,842                                |
| Machinery and equipment                     | 10,310          | -                                  | 10,310                                |
| Construction in progress                    | 731             | -                                  | 731                                   |
| Software                                    | 41              | -                                  | 41                                    |
| Intangible right-to-use lease land          | 1,978           | -                                  | 1,978                                 |
| Intangible right-to-use IT subscriptions    | 767             | -                                  | 767                                   |
| Less: accumulated depreciation/amortization | (48,979)        | (1,534)                            | (50,513)                              |
| Total noncurrent assets                     | 42,676          | 188                                | 42,864                                |
| Total assets                                | 66,055          | 3,368                              | 69,423                                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                 |                                    |                                       |
| Pensions                                    | 1,270           | 1,021                              | 2,291                                 |
| OPEB  | 297             | -                                  | 297                                   |
| Total deferred outflows of resources        | 1,567           | 1,021                              | 2,588                                 |

**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Net Position**  
June 30, 2025  
(in thousands)

|                                      | Parking<br>Fund | 4th R<br>Child Development<br>Fund | Total<br>Other<br>Enterprise<br>Funds |
|--------------------------------------|-----------------|------------------------------------|---------------------------------------|
| <b>LIABILITIES</b>                   |                 |                                    |                                       |
| Current liabilities:                 |                 |                                    |                                       |
| Accounts payable                     | 2,159           | 44                                 | 2,203                                 |
| Accrued payroll                      | 145             | 227                                | 372                                   |
| Accrued compensated absences         | 245             | 229                                | 474                                   |
| Interest payable                     | 29              | -                                  | 29                                    |
| Deposits                             | 69              | -                                  | 69                                    |
| Unearned revenue                     | 229             | 171                                | 400                                   |
| Accrued claims and judgments         | 8               | 1                                  | 9                                     |
| Lease liabilities                    | 117             | -                                  | 117                                   |
| IT subscription liabilities          | 50              | -                                  | 50                                    |
| Revenue and other bonds payable, net | 1,357           | -                                  | 1,357                                 |
|                                      |                 |                                    |                                       |
| Total current liabilities            | 4,408           | 672                                | 5,080                                 |
| Noncurrent liabilities:              |                 |                                    |                                       |
| Accrued compensated absences         | 194             | 203                                | 397                                   |
| Net OPEB liability                   | 1,436           | -                                  | 1,436                                 |
| Lease liabilities                    | 1,420           | -                                  | 1,420                                 |
| IT subscription liabilities          | 568             | -                                  | 568                                   |
| Revenue and other bonds payable, net | 5,909           | -                                  | 5,909                                 |
| Net pension liability                | 6,501           | 6,147                              | 12,648                                |
|                                      |                 |                                    |                                       |
| Total noncurrent liabilities         | 16,028          | 6,350                              | 22,378                                |
| Total liabilities                    | 20,436          | 7,022                              | 27,458                                |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                 |                                    |                                       |
| Gain on debt refundings              | 97              | -                                  | 97                                    |
| Pensions                             | 69              | 7                                  | 76                                    |
| OPEB                                 | 72              | -                                  | 72                                    |
| Leases                               | 6,434           | -                                  | 6,434                                 |
|                                      |                 |                                    |                                       |
| Total deferred inflows of resources  | 6,672           | 7                                  | 6,679                                 |
| <b>NET POSITION</b>                  |                 |                                    |                                       |
| Net investment in capital assets     | 26,206          | 108                                | 26,314                                |
| Unrestricted                         | 14,308          | (2,748)                            | 11,560                                |
|                                      |                 |                                    |                                       |
| Total net position (deficit)         | \$ 40,514       | \$ (2,640)                         | \$ 37,874                             |

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**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Revenues,  
 Expenses and Changes in Net Position**  
 For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | Parking Fund | 4th R<br>Child Development Fund | Total<br>Other<br>Enterprise<br>Funds |
|---|--------------|---------------------------------|---------------------------------------|
| Operating revenues:   |              |                                 |                                       |
| Charges for services:   |              |                                 |                                       |
| User fees and charges   | \$ 19,685    | \$ 6,948                        | \$ 26,633                             |
| Rents and concessions   | 1,010        | -                               | 1,010                                 |
| Miscellaneous   | 166          | -                               | 166                                   |
| Total operating revenues  | 20,861       | 6,948                           | 27,809                                |
| Operating expenses:   |              |                                 |                                       |
| Employee services   | 4,688        | 6,065                           | 10,753                                |
| Services and supplies   | 8,033        | 885                             | 8,918                                 |
| Depreciation/amortization   | 1,847        | 39                              | 1,886                                 |
| Claims and judgments  | 4            | -                               | 4                                     |
| Total operating expenses  | 14,572       | 6,989                           | 21,561                                |
| Operating income  | 6,289        | (41)                            | 6,248                                 |
| Nonoperating revenues (expenses):                                       |              |                                 |                                       |
| Interest and investment revenue   | 656          | 54                              | 710                                   |
| Revenue from other agencies   | -            | 349                             | 349                                   |
| Interest expense  | (161)        | -                               | (161)                                 |
| Gain on lease forgiveness   | 25           | -                               | 25                                    |
| Total nonoperating revenues (expenses)                                  | 520          | 403                             | 923                                   |
| Income before transfers   | 6,809        | 362                             | 7,171                                 |
| Transfers in  | 5,302        | -                               | 5,302                                 |
| Transfers out   | (10,383)     | -                               | (10,383)                              |
| Changes in net position   | 1,728        | 362                             | 2,090                                 |
| Total net position (deficit), beginning of year, as previously reported | 38,834       | (2,941)                         | 35,893                                |
| Change in accounting principle (GASB 101)                               | (48)         | (61)                            | (109)                                 |
| Total net position (deficit), beginning of year, as restated            | 38,786       | (3,002)                         | 35,784                                |
| Total net position (deficit), end of year                               | \$ 40,514    | \$ (2,640)                      | \$ 37,874                             |

**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|  | Parking<br>Fund  | 4th R<br>Child Development<br>Fund | Total<br>Other<br>Enterprise<br>Funds |
|--|------------------|------------------------------------|---------------------------------------|
| <b>Cash flows from operating activities:</b>                     |                  |                                    |                                       |
| Receipts from customers and users                                | \$ 20,425        | \$ 6,950                           | \$ 27,375                             |
| Payments to suppliers  | (8,019)          | (879)                              | (8,898)                               |
| Payments to employees  | (4,811)          | (5,790)                            | (10,601)                              |
| Claims and judgments paid  | (4)              | (2)                                | (6)                                   |
| Net cash provided by operating activities                        | <u>7,591</u>     | <u>279</u>                         | <u>7,870</u>                          |
| <b>Cash flows from noncapital financing activities:</b>          |                  |                                    |                                       |
| Transfers in from other funds                                    | 5,302            | -                                  | 5,302                                 |
| Transfers out to other funds                                     | (2,083)          | -                                  | (2,083)                               |
| Intergovernmental revenue received                               | -                | 349                                | 349                                   |
| Net cash provided by noncapital financing activities             | <u>3,219</u>     | <u>349</u>                         | <u>3,568</u>                          |
| <b>Cash flows from capital and related financing activities:</b> |                  |                                    |                                       |
| Acquisition and construction of capital assets                   | (753)            | -                                  | (753)                                 |
| Principal payments on capital debt                               | (1,150)          | -                                  | (1,150)                               |
| Interest payments on capital debt                                | (330)            | -                                  | (330)                                 |
| Principal payments on lease liabilities                          | (89)             | -                                  | (89)                                  |
| Interest payments on lease liabilities                           | (2)              | -                                  | (2)                                   |
| Principal payments on IT subscription liabilities                | (51)             | -                                  | (51)                                  |
| Interest payments on IT subscription liabilities                 | (8)              | -                                  | (8)                                   |
| Transfers out to other funds                                     | (8,300)          | -                                  | (8,300)                               |
| Receipts from leases   | 340              | -                                  | 340                                   |
| Collection of interest from leases                               | <u>223</u>       | <u>-</u>                           | <u>223</u>                            |
| Net cash used for capital and related financing activities       | <u>(10,120)</u>  | <u>-</u>                           | <u>(10,120)</u>                       |
| <b>Cash flows from investing activities:</b>                     |                  |                                    |                                       |
| Collection of interest and investment revenue                    | <u>537</u>       | <u>54</u>                          | <u>591</u>                            |
| Net increase in cash and cash equivalents                        | <u>1,227</u>     | <u>682</u>                         | <u>1,909</u>                          |
| Cash and cash equivalents, beginning of year                     | <u>20,751</u>    | <u>2,352</u>                       | <u>23,103</u>                         |
| Cash and cash equivalents, end of year                           | <u>\$ 21,978</u> | <u>\$ 3,034</u>                    | <u>\$ 25,012</u>                      |

**City of Sacramento**  
**Other Enterprise Funds**  
**Combining Statement of Cash Flows**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | <b>Parking<br/>Fund</b> | <b>4th R<br/>Child Development<br/>Fund</b> | <b>Total<br/>Other<br/>Enterprise<br/>Funds</b> |
|---|-------------------------|---|---|
| <b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>        |                         |   |   |
| Operating income (loss)   | \$ 6,289                | \$ (41)                                     | \$ 6,248  |
| <b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b> |                         |   |   |
| Depreciation/amortization expense   | 1,847                   | 31  | 1,878   |
| Amortization of intangible assets   | -                       | 8   | 8   |
| <b>Changes in assets, liabilities, and deferred outflows and inflows of resources:</b>                |                         |   |   |
| Accounts receivable, net  | 26                      | (15)  | 11  |
| Prepaid items   | (18)                    | -   | (18)  |
| Accounts payable  | 32                      | 6   | 38  |
| Accrued payroll   | 21                      | 34  | 55  |
| Accrued compensated absences  | 54                      | 39  | 93  |
| Accrued claims and judgments  | -                       | (2)   | (2)   |
| Deposits  | 22                      | -   | 22  |
| Unearned revenue  | 33                      | 17  | 50  |
| Net pension liability and related deferred outflows/inflows of resources                              | 72                      | 195   | 267   |
| Net OPEB liability and related deferred outflows/inflows of resources                                 | (270)                   | 7   | (263)   |
| Deferred inflows related to leases  | (517)                   | -   | (517)   |
| Net cash provided by operating activities   | <u>\$ 7,591</u>         | <u>\$ 279</u>                               | <u>\$ 7,870</u>                                 |
| <b>Noncash investing, capital and financing activities:</b>   |                         |   |   |
| Amortization of bond premium and discount   | \$ 151                  | \$ -  | \$ 151  |
| Amortization of bond gain on refunding  | 24                      | -   | 24  |
| Capital asset acquisitions on accounts payable  | 149                     | -   | 149   |
| Forgiven lease liability  | 25                      | -   | 25  |

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## **WATER FUND**

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**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Net Position**  
June 30, 2025  
(in thousands)

|   | <b>Development<br/>Impact Fee<br/>Fund</b> | <b>User Fee<br/>Fund</b> | <b>Grant<br/>Projects<br/>Fund</b> | <b>2013 Water<br/>Revenue Bonds<br/>Fund</b> | <b>2017 Water<br/>Revenue Bonds<br/>Fund</b> |
|---|--|--------------------------|------------------------------------|--|--|
| <b>ASSETS</b>                               |  |                          |                                    |  |  |
| Current assets:                             |  |                          |                                    |  |  |
| Cash and investments held by City           | \$ -                                       | \$ 234,990               | \$ -                               | \$ -   | \$ -   |
| Cash and investments held by fiscal agent   | -  | 79                       | -                                  | -  | -  |
| Receivables, net:                           |  |                          |                                    |  |  |
| Accounts                                    | 621  | 23,932                   | -                                  | -  | -  |
| Intergovernmental                           | -  | -                        | 6,023                              | -  | -  |
| Leases                                      | -  | 67                       | -                                  | -  | -  |
| Settlement                                  | -  | 4,690                    | -                                  | -  | -  |
| Interest                                    | -  | 2,069                    | -                                  | -  | -  |
| Due from other funds                        | -  | 5,514                    | -                                  | -  | -  |
| Inventories                                 | -  | 2,327                    | -                                  | -  | -  |
| Prepaid items                               | -  | 144                      | -                                  | -  | -  |
| Total current assets                        | 621  | 273,812                  | 6,023                              | -  | -  |
| Noncurrent assets:                          |  |                          |                                    |  |  |
| Restricted assets:                          |  |                          |                                    |  |  |
| Cash and investments held by City           | 54,242                                     | 8,240                    | -                                  | -  | -  |
| Cash and investments held by fiscal agent   | -  | 639                      | -                                  | -  | -  |
| Loans receivable                            | -  | 1,000                    | -                                  | -  | -  |
| Leases receivable                           | -  | 692                      | -                                  | -  | -  |
| Settlement receivable                       | -  | 2,637                    | -                                  | -  | -  |
| Net pension asset                           | -  | 3,015                    | -                                  | -  | -  |
| Capital assets:                             |  |                          |                                    |  |  |
| Land  | 3,127                                      | 1,170                    | -                                  | -  | -  |
| Buildings and improvements                  | 12,932                                     | 55,469                   | 1,990                              | 94,403                                       | -  |
| Machinery and equipment                     | 4,596                                      | 27,990                   | 1,104                              | 77,425                                       | 8,627  |
| Transmission and distribution systems       | 4,125                                      | 665,068                  | 3,438                              | 100,028                                      | 54,381                                       |
| Construction in progress                    | 6,290                                      | 33,447                   | 5,658                              | 3,247  | 5  |
| Software                                    | -  | 4,023                    | -                                  | -  | -  |
| Easement                                    | -  | 134                      | -                                  | -  | -  |
| Intangible right-to-use lease equipment     | -  | 184                      | -                                  | -  | -  |
| Intangible right-to-use IT subscriptions    | -  | 1,484                    | -                                  | -  | -  |
| Less: accumulated depreciation/amortization | (1,207)                                    | (392,973)                | (2,139)                            | (41,718)                                     | (8,013)                                      |
| Total noncurrent assets                     | 84,105                                     | 412,219                  | 10,051                             | 233,385                                      | 55,000                                       |
| Total assets                                | 84,726                                     | 686,031                  | 16,074                             | 233,385                                      | 55,000                                       |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |  |                          |                                    |  |  |
| Loss on refunding of debt                   | -  | 2,621                    | -                                  | -  | -  |
| Pensions                                    | -  | 12,390                   | -                                  | -  | -  |
| OPEB  | -  | 1,304                    | -                                  | -  | -  |
| Total deferred outflows of resources        | -  | 16,315                   | -                                  | -  | -  |

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Net Position**  
June 30, 2025  
(in thousands)

|   | Drinking Water<br>SRF Loan<br>Fund | 2020 Water<br>Revenue Refunding<br>Bonds Fund | 2023 Water<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Water<br>Fund |
|---|------------------------------------|---|---|--------------|------------------------|
| <b>ASSETS</b>                               |                                    |   |   |              |                        |
| Current assets:                             |                                    |   |   |              |                        |
| Cash and investments held by City           | \$ -                               | \$ -  | \$ -  | \$ -         | \$ 234,990             |
| Cash and investments held by fiscal agent   | -                                  | 1   | -   | -            | 80                     |
| Receivables, net:                           |                                    |   |   |              |                        |
| Accounts                                    | -                                  | -   | -   | -            | 24,553                 |
| Intergovernmental                           | -                                  | -   | -   | -            | 6,023                  |
| Leases                                      | -                                  | -   | -   | -            | 67                     |
| Settlement                                  | -                                  | -   | -   | -            | 4,690                  |
| Interest                                    | -                                  | -   | -   | -            | 2,069                  |
| Due from other funds                        | -                                  | -   | -   | (5,514)      | -                      |
| Inventories                                 | -                                  | -   | -   | -            | 2,327                  |
| Prepaid items                               | -                                  | -   | -   | -            | 144                    |
| Total current assets                        | -                                  | 1   | -   | (5,514)      | 274,943                |
| Noncurrent assets:                          |                                    |   |   |              |                        |
| Restricted assets:                          |                                    |   |   |              |                        |
| Cash and investments held by City           | -                                  | -   | -   | -            | 62,482                 |
| Cash and investments held by fiscal agent   | -                                  | -   | -   | -            | 639                    |
| Loans receivable                            | -                                  | -   | -   | -            | 1,000                  |
| Leases receivable                           | -                                  | -   | -   | -            | 692                    |
| Settlement receivable                       | -                                  | -   | -   | -            | 2,637                  |
| Net pension asset                           | -                                  | -   | -   | -            | 3,015                  |
| Capital assets:                             |                                    |   |   |              |                        |
| Land  | -                                  | -   | -   | -            | 4,297                  |
| Buildings and improvements                  | 17,752                             | -   | -   | -            | 182,546                |
| Machinery and equipment                     | 3,307                              | -   | -   | -            | 123,049                |
| Transmission and distribution systems       | 118,015                            | -   | -   | -            | 945,055                |
| Construction in progress                    | -                                  | -   | -   | -            | 48,647                 |
| Software                                    | -                                  | -   | -   | -            | 4,023                  |
| Easement                                    | -                                  | -   | -   | -            | 134                    |
| Intangible right-to-use lease equipment     | -                                  | -   | -   | -            | 184                    |
| Intangible right-to-use IT subscriptions    | -                                  | -   | -   | -            | 1,484                  |
| Less: accumulated depreciation/amortization | (15,071)                           | -   | -   | -            | (461,121)              |
| Total noncurrent assets                     | 124,003                            | -   | -   | -            | 918,763                |
| Total assets                                | 124,003                            | 1   | -   | (5,514)      | 1,193,706              |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                                    |   |   |              |                        |
| Loss on refunding of debt                   | -                                  | 2,836   | -   | -            | 5,457                  |
| Pensions                                    | -                                  | -   | -   | -            | 12,390                 |
| OPEB  | -                                  | -   | -   | -            | 1,304                  |
| Total deferred outflows of resources        | -                                  | 2,836   | -   | -            | 19,151                 |

(continued)

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Net Position**  
June 30, 2025  
(in thousands)

|                                      | <b>Development<br/>Impact Fee<br/>Fund</b> | <b>User Fee<br/>Fund</b> | <b>Grant<br/>Projects<br/>Fund</b> | <b>2013 Water<br/>Revenue Bonds<br/>Fund</b> | <b>2017 Water<br/>Revenue Bonds<br/>Fund</b> |
|--------------------------------------|--|--------------------------|------------------------------------|--|--|
| <b>LIABILITIES</b>                   |  |                          |                                    |  |  |
| Current liabilities:                 |  |                          |                                    |  |  |
| Accounts payable                     | 572  | 5,120                    | 698                                | -  | -  |
| Due to other funds                   | -  | -                        | 5,317                              | -  | -  |
| Accrued payroll                      | -  | 1,728                    | -                                  | -  | -  |
| Accrued compensated absences         | -  | 2,408                    | -                                  | -  | -  |
| Interest payable                     | -  | 359                      | -                                  | -  | 763  |
| Unearned revenue                     | -  | 1,754                    | 17                                 | -  | -  |
| Accrued claims and judgments         | -  | 155                      | -                                  | -  | -  |
| IT subscription liabilities          | -  | 178                      | -                                  | -  | -  |
| Revenue and other bonds payable, net | -  | 8,101                    | -                                  | -  | 1,444  |
| Notes payable                        | -  | 533                      | -                                  | -  | -  |
| Total current liabilities            | 572  | 20,336                   | 6,032                              | -  | 2,207  |
| Noncurrent liabilities:              |  |                          |                                    |  |  |
| Accrued compensated absences         | -  | 2,792                    | -                                  | -  | -  |
| Water fee credits                    | 12   | 84                       | -                                  | -  | -  |
| Net OPEB liability                   | -  | 10,523                   | -                                  | -  | -  |
| IT subscription liabilities          | -  | 254                      | -                                  | -  | -  |
| Revenue and other bonds payable, net | -  | 68,898                   | -                                  | -  | 52,303                                       |
| Notes payable                        | -  | 3,809                    | -                                  | -  | -  |
| Net pension liability                | -  | 53,397                   | -                                  | -  | -  |
| Total noncurrent liabilities         | 12   | 139,757                  | -                                  | -  | 52,303                                       |
| Total liabilities                    | 584  | 160,093                  | 6,032                              | -  | 54,510                                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |                          |                                    |  |  |
| Gain on debt refunding               | -  | -                        | -                                  | -  | -  |
| Pensions                             | -  | 1,062                    | -                                  | -  | -  |
| OPEB                                 | -  | 1,630                    | -                                  | -  | -  |
| Leases                               | -  | 687                      | -                                  | -  | -  |
| Total deferred inflows of resources  | -  | 3,379                    | -                                  | -  | -  |
| <b>NET POSITION</b>                  |  |                          |                                    |  |  |
| Net investment in capital assets     | 29,279                                     | 316,350                  | 9,385                              | 233,385                                      | 1,253  |
| Restricted for:                      |  |                          |                                    |  |  |
| Capital projects                     | 54,863                                     | -                        | -                                  | -  | -  |
| Unrestricted                         | -  | 222,524                  | 657                                | -  | (763)  |
| Total net position (deficit)         | \$ 84,142                                  | \$ 538,874               | \$ 10,042                          | \$ 233,385                                   | \$ 490                                       |

(continued)

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Net Position**  
June 30, 2025  
(in thousands)

|                                      | Drinking Water<br>SRF Loan<br>Fund | 2020 Water<br>Revenue Refunding<br>Bonds Fund | 2023 Water<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Water<br>Fund |
|--------------------------------------|------------------------------------|---|---|--------------|------------------------|
| <b>LIABILITIES</b>                   |                                    |   |   |              |                        |
| Current liabilities:                 |                                    |   |   |              |                        |
| Accounts payable                     | -                                  | -   | -   | -            | 6,390                  |
| Due to other funds                   | 197                                | -   | -   | (5,514)      | -                      |
| Accrued payroll                      | -                                  | -   | -   | -            | 1,728                  |
| Accrued compensated absences         | -                                  | -   | -   | -            | 2,408                  |
| Interest payable                     | -                                  | 1,380   | 350   | -            | 2,852                  |
| Unearned revenue                     | -                                  | -   | -   | -            | 1,771                  |
| Accrued claims and judgments         | -                                  | -   | -   | -            | 155                    |
| IT subscription liabilities          | -                                  | -   | -   | -            | 178                    |
| Revenue and other bonds payable, net | -                                  | 4,995   | 2,456   | -            | 16,996                 |
| Notes payable                        | 3,116                              | -   | -   | -            | 3,649                  |
| Total current liabilities            | 3,313                              | 6,375   | 2,806   | (5,514)      | 36,127                 |
| Noncurrent liabilities:              |                                    |   |   |              |                        |
| Accrued compensated absences         | -                                  | -   | -   | -            | 2,792                  |
| Water fee credits                    | -                                  | -   | -   | -            | 96                     |
| Net OPEB liability                   | -                                  | -   | -   | -            | 10,523                 |
| IT subscription liabilities          | -                                  | -   | -   | -            | 254                    |
| Revenue and other bonds payable, net | -                                  | 145,500                                       | 21,373  | -            | 288,074                |
| Notes payable                        | 114,999                            | -   | -   | -            | 118,808                |
| Net pension liability                | -                                  | -   | -   | -            | 53,397                 |
| Total noncurrent liabilities         | 114,999                            | 145,500                                       | 21,373  | -            | 473,944                |
| Total liabilities                    | 118,312                            | 151,875                                       | 24,179  | (5,514)      | 510,071                |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                                    |   |   |              |                        |
| Gain on debt refunding               | -                                  | -   | 2,889   | -            | 2,889                  |
| Pensions                             | -                                  | -   | -   | -            | 1,062                  |
| OPEB                                 | -                                  | -   | -   | -            | 1,630                  |
| Leases                               | -                                  | -   | -   | -            | 687                    |
| Total deferred inflows of resources  | -                                  | -   | 2,889   | -            | 6,268                  |
| <b>NET POSITION</b>                  |                                    |   |   |              |                        |
| Net investment in capital assets     | 5,888                              | (147,659)                                     | (26,718)                                      | -            | 421,163                |
| Restricted for:                      |                                    |   |   |              |                        |
| Capital projects                     | -                                  | -   | -   | -            | 54,863                 |
| Unrestricted                         | (197)                              | (1,379)                                       | (350)   | -            | 220,492                |
| Total net position (deficit)         | \$ 5,691                           | \$ (149,038)                                  | \$ (27,068)                                   | \$ -         | \$ 696,518             |

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Revenues,  
 Expenses and Changes in Net Position**  
 For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | <b>Development<br/>Impact Fee<br/>Fund</b> | <b>User Fee<br/>Fund</b> | <b>Grant<br/>Projects<br/>Fund</b> | <b>2013 Water<br/>Revenue Bonds<br/>Fund</b> | <b>2017 Water<br/>Revenue Bonds<br/>Fund</b> |
|---|--|--------------------------|------------------------------------|--|--|
| Operating revenues:   |  |                          |                                    |  |  |
| Charges for services:   |  |                          |                                    |  |  |
| User fees and charges   | \$ -                                       | \$ 137,940               | \$ -                               | \$ -   | \$ -   |
| Rent and concessions  | -  | 54                       | -                                  | -  | -  |
| Miscellaneous   | -  | 7,414                    | -                                  | -  | -  |
| Total operating revenues  | -  | 145,408                  | -                                  | -  | -  |
| Operating expenses:   |  |                          |                                    |  |  |
| Employee services   | -  | 52,734                   | -                                  | -  | -  |
| Services and supplies   | -  | 33,704                   | 1,181                              | -  | -  |
| Depreciation/amortization   | 392  | 18,441                   | 231                                | 7,608  | 1,105  |
| Claims and judgments  | -  | 254                      | -                                  | -  | -  |
| Total operating expenses  | 392  | 105,133                  | 1,412                              | 7,608  | 1,105  |
| Operating income (loss)   | (392)                                      | 40,275                   | (1,412)                            | (7,608)                                      | (1,105)                                      |
| Nonoperating revenues (expenses):                                       |  |                          |                                    |  |  |
| Interest and investment revenue   | 1,420                                      | 14,913                   | -                                  | 43   | 3  |
| Revenue from other agencies   | -  | 26                       | 4,239                              | -  | -  |
| Interest expense  | -  | (3,770)                  | -                                  | 82   | (1,969)                                      |
| Amortization of bond prepaid insurance                                  | -  | (23)                     | -                                  | -  | -  |
| Loss on disposition of capital assets                                   | -  | -                        | -                                  | (2,347)                                      | -  |
| Total nonoperating revenues (expenses)                                  | 1,420                                      | 11,146                   | 4,239                              | (2,222)                                      | (1,966)                                      |
| Income (loss) before capital contributions and transfers                | 1,028                                      | 51,421                   | 2,827                              | (9,830)                                      | (3,071)                                      |
| Capital contributions   | 2,342                                      | 2,356                    | -                                  | -  | -  |
| Transfers in  | 84   | 248                      | -                                  | 2,657  | 3,373  |
| Transfers out   | (92)                                       | (35,855)                 | -                                  | (30)   | -  |
| Special item  | -  | 13,400                   | -                                  | -  | -  |
| Changes in net position   | 3,362                                      | 31,570                   | 2,827                              | (7,203)                                      | 302  |
| Total net position (deficit), beginning of year, as previously reported | 80,780                                     | 508,109                  | 7,215                              | 240,588                                      | 188  |
| Change in accounting principle (GASB 101)                               | -  | (805)                    | -                                  | -  | -  |
| Total net position (deficit), beginning of year, as restated            | 80,780                                     | 507,304                  | 7,215                              | 240,588                                      | 188  |
| Total net position (deficit), end of year                               | <b>\$ 84,142</b>                           | <b>\$ 538,874</b>        | <b>\$ 10,042</b>                   | <b>\$ 233,385</b>                            | <b>\$ 490</b>                                |

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Revenues,  
 Expenses and Changes in Net Position**  
 For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | Drinking Water<br>SRF Loan<br>Fund | 2020 Water<br>Revenue Refunding<br>Bonds Fund | 2023 Water<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Water<br>Fund |
|---|------------------------------------|---|---|--------------|------------------------|
| Operating revenues:   |                                    |   |   |              |                        |
| Charges for services:   |                                    |   |   |              |                        |
| User fees and charges   | \$ -                               | \$ -  | \$ -  | \$ -         | \$ 137,940             |
| Rent and concessions  | -                                  | -   | -   | -            | 54                     |
| Miscellaneous   | -                                  | -   | -   | -            | 7,414                  |
| Total operating revenues  | -                                  | -   | -   | -            | 145,408                |
| Operating expenses:   |                                    |   |   |              |                        |
| Employee services   | -                                  | -   | -   | -            | 52,734                 |
| Services and supplies   | -                                  | -   | -   | -            | 34,885                 |
| Depreciation/amortization   | 3,162                              | -   | -   | -            | 30,939                 |
| Claims and judgments  | -                                  | -   | -   | -            | 254                    |
| Total operating expenses  | 3,162                              | -   | -   | -            | 118,812                |
| Operating income (loss)   | (3,162)                            | -   | -   | -            | 26,596                 |
| Nonoperating revenues (expenses):                                       |                                    |   |   |              |                        |
| Interest and investment revenue   | -                                  | 4   | 1   | -            | 16,384                 |
| Revenue from other agencies   | -                                  | -   | -   | -            | 4,265                  |
| Interest expense  | (2,088)                            | (4,310)                                       | (785)   | -            | (12,840)               |
| Amortization of bond prepaid insurance                                  | -                                  | -   | -   | -            | (23)                   |
| Loss on disposition of capital assets                                   | -                                  | -   | -   | -            | (2,347)                |
| Total nonoperating revenues (expenses)                                  | (2,088)                            | (4,306)                                       | (784)   | -            | 5,439                  |
| Income (loss) before capital contributions and transfers                | (5,250)                            | (4,306)                                       | (784)   | -            | 32,035                 |
| Capital contributions   |                                    |   |   |              |                        |
| Transfers in  | 8,240                              | 5,197   | 1,229   | (20,726)     | 4,698                  |
| Transfers out   | -                                  | -   | -   | 20,726       | 302                    |
| Special item  | -                                  | -   | -   | -            | (15,251)               |
| Changes in net position   | 2,990                              | 891   | 445   | -            | 35,184                 |
| Total net position (deficit), beginning of year, as previously reported | 2,701                              | (149,929)                                     | (27,513)                                      | -            | 662,139                |
| Change in accounting principle (GASB 101)                               | -                                  | -   | -   | -            | (805)                  |
| Total net position (deficit), beginning of year, as restated            | 2,701                              | (149,929)                                     | (27,513)                                      | -            | 661,334                |
| Total net position (deficit), end of year                               | \$ 5,691                           | \$ (149,038)                                  | \$ (27,068)                                   | \$ -         | \$ 696,518             |

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|  | <b>Development Impact Fee Fund</b> | <b>User Fee Fund</b> | <b>Grant Projects Fund</b> | <b>2013 Water Revenue Bonds Fund</b> | <b>2017 Water Revenue Bonds Fund</b> |
|--|------------------------------------|----------------------|----------------------------|--------------------------------------|--------------------------------------|
| Cash flows from operating activities:  |                                    |                      |                            |                                      |                                      |
| Receipts from customers and users  | \$ -                               | \$ 134,943           | \$ -                       | \$ -                                 | \$ -                                 |
| Payments to suppliers  | -                                  | (20,447)             | (1,153)                    | -                                    | -                                    |
| Payments to employees  | -                                  | (52,469)             | -                          | -                                    | -                                    |
| Claims and judgments paid  | -                                  | (210)                | -                          | -                                    | -                                    |
| Net cash provided by (used for) operating activities                         | -                                  | 61,817               | (1,153)                    | -                                    | -                                    |
| Cash flows from noncapital financing activities:                             |                                    |                      |                            |                                      |                                      |
| Interfund cash flow loans  | -                                  | (5,514)              | 5,317                      | -                                    | -                                    |
| Transfers in from other funds  | 84                                 | 218                  | -                          | -                                    | -                                    |
| Transfers out to other funds   | (92)                               | (15,126)             | -                          | -                                    | -                                    |
| Interfund loan repayments  | -                                  | 2,989                | (2,792)                    | -                                    | -                                    |
| Loan made to water agency  | -                                  | (1,000)              | -                          | -                                    | -                                    |
| Intergovernmental revenue received   | -                                  | 26                   | 1,233                      | -                                    | -                                    |
| Net cash provided by (used for) noncapital financing activities              | (8)                                | (18,407)             | 3,758                      | -                                    | -                                    |
| Cash flows from capital and related financing activities:                    |                                    |                      |                            |                                      |                                      |
| Acquisition and construction of capital assets                               | (1,826)                            | (6,849)              | (2,605)                    | -                                    | -                                    |
| Principal payments on capital debt   | -                                  | (7,624)              | -                          | (5,580)                              | (1,060)                              |
| Interest payments on capital debt  | -                                  | (4,085)              | -                          | (140)                                | (2,316)                              |
| Principal payments on IT subscription liabilities                            | -                                  | (492)                | -                          | -                                    | -                                    |
| Interest payments on IT subscription liabilities                             | -                                  | (8)                  | -                          | -                                    | -                                    |
| Transfers in from other funds  | -                                  | 30                   | -                          | 2,657                                | 3,373                                |
| Transfers out to other funds   | 2,401                              | (20,729)             | -                          | (30)                                 | -                                    |
| Capital contributions received   | -                                  | -                    | -                          | -                                    | -                                    |
| Receipts from leases   | -                                  | 42                   | -                          | -                                    | -                                    |
| Collection of interest from leases   | -                                  | 12                   | -                          | -                                    | -                                    |
| Net cash provided by (used for) capital and related financing activities     | 575                                | (39,703)             | (2,605)                    | (3,093)                              | (3)                                  |
| Cash flows from investing activities:  |                                    |                      |                            |                                      |                                      |
| Collection of interest and investment revenue                                | 1,420                              | 14,132               | -                          | 43                                   | 3                                    |
| Net increase (decrease) in cash and cash equivalents                         | 1,987                              | 17,839               | -                          | (3,050)                              | -                                    |
| Cash and cash equivalents, beginning of year                                 | 52,255                             | 226,109              | -                          | 3,050                                | -                                    |
| Cash and cash equivalents, end of year                                       | \$ 54,242                          | \$ 243,948           | \$ -                       | \$ -                                 | \$ -                                 |
| Reconciliation of cash and cash equivalents to the Schedule of Net Position: |                                    |                      |                            |                                      |                                      |
| Cash and investments held by City  | \$ -                               | \$ 234,990           | \$ -                       | \$ -                                 | \$ -                                 |
| Cash and investments held by fiscal agent                                    | -                                  | 79                   | -                          | -                                    | -                                    |
| Restricted cash and investments held by City                                 | 54,242                             | 8,240                | -                          | -                                    | -                                    |
| Restricted cash and investments held by fiscal agent                         | -                                  | 639                  | -                          | -                                    | -                                    |
| Total cash and cash equivalents, end of year                                 | \$ 54,242                          | \$ 243,948           | \$ -                       | \$ -                                 | \$ -                                 |

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|  | Drinking Water<br>SRF Loan<br>Fund | 2020 Water<br>Revenue Refunding<br>Bonds Fund | 2023 Water<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Water<br>Fund |
|--|------------------------------------|---|---|--------------|------------------------|
| Cash flows from operating activities:  |                                    |   |   |              |                        |
| Receipts from customers and users  | \$ -                               | \$ -  | \$ -  | \$ -         | \$ 134,943             |
| Payments to suppliers  | -                                  | -   | -   | -            | (21,600)               |
| Payments to employees  | -                                  | -   | -   | -            | (52,469)               |
| Claims and judgments paid  | -                                  | -   | -   | -            | (210)                  |
| Net cash provided by (used for) operating activities                         | -                                  | -   | -   | -            | 60,664                 |
| Cash flows from noncapital financing activities:                             |                                    |   |   |              |                        |
| Interfund cash flow loans  | 197                                | -   | -   | -            | -                      |
| Transfers in from other funds  | -                                  | -   | -   | -            | 302                    |
| Transfers out to other funds   | -                                  | -   | -   | -            | (15,218)               |
| Interfund loan repayments  | (197)                              | -   | -   | -            | -                      |
| Loan made to water agency  | -                                  | -   | -   | -            | (1,000)                |
| Intergovernmental revenue received   | -                                  | -   | -   | -            | 1,259                  |
| Net cash provided by (used for) noncapital financing activities              | -                                  | -   | -   | -            | (14,657)               |
| Cash flows from capital and related financing activities:                    |                                    |   |   |              |                        |
| Acquisition and construction of capital assets                               | -                                  | -   | -   | -            | (11,280)               |
| Principal payments on capital debt   | (6,152)                            | (1,050)                                       | -   | -            | (21,466)               |
| Interest payments on capital debt  | (2,088)                            | (4,151)                                       | (1,259)                                       | -            | (14,039)               |
| Principal payments on IT subscription liabilities                            | -                                  | -   | -   | -            | (492)                  |
| Interest payments on IT subscription liabilities                             | -                                  | -   | -   | -            | (8)                    |
| Transfers in from other funds  | 8,240                              | 5,197   | 1,229   | (20,726)     | -                      |
| Transfers out to other funds   | -                                  | -   | -   | 20,726       | (33)                   |
| Capital contributions received   | -                                  | -   | -   | -            | 2,401                  |
| Receipts from leases   | -                                  | -   | -   | -            | 42                     |
| Collection of interest from leases   | -                                  | -   | -   | -            | 12                     |
| Net cash provided by (used for) capital and related financing activities     | -                                  | (4)   | (30)  | -            | (44,863)               |
| Cash flows from investing activities:  |                                    |   |   |              |                        |
| Collection of interest and investment revenue                                | -                                  | 4   | 1   | -            | 15,603                 |
| Net increase (decrease) in cash and cash equivalents                         | -                                  | -   | (29)  | -            | 16,747                 |
| Cash and cash equivalents, beginning of year                                 | -                                  | 1   | 29  | -            | 281,444                |
| Cash and cash equivalents, end of year                                       | \$ -                               | \$ 1  | \$ -  | \$ -         | \$ 298,191             |
| Reconciliation of cash and cash equivalents to the Schedule of Net Position: |                                    |   |   |              |                        |
| Cash and investments held by City  | \$ -                               | \$ -  | \$ -  | \$ -         | \$ 234,990             |
| Cash and investments held by fiscal agent                                    | -                                  | 1   | -   | -            | 80                     |
| Restricted cash and investments held by City                                 | -                                  | -   | -   | -            | 62,482                 |
| Restricted cash and investments held by fiscal agent                         | -                                  | -   | -   | -            | 639                    |
| Total cash and cash equivalents, end of year                                 | \$ -                               | \$ 1  | \$ -  | \$ -         | \$ 298,191             |

(continued)

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | <b>Development<br/>Impact Fee<br/>Fund</b> | <b>User Fee<br/>Fund</b> | <b>Grant<br/>Projects<br/>Fund</b> | <b>2013 Water<br/>Revenue Bonds<br/>Fund</b> | <b>2017 Water<br/>Revenue Bonds<br/>Fund</b> |
|---|--|--------------------------|------------------------------------|--|--|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:        |  |                          |                                    |  |  |
| Operating income (loss)   | \$ (392)                                   | \$ 40,275                | \$ (1,412)                         | \$ (7,608)                                   | \$ (1,105)                                   |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |  |                          |                                    |  |  |
| Depreciation/amortization expense   | 392  | 17,826                   | 231                                | 7,608  | 1,105  |
| Amortization of intangible assets   | -  | 615                      | -                                  | -  | -  |
| Special item  |  | 13,400                   |                                    |  |  |
| Changes in assets, liabilities, and deferred outflows and inflows of resources:                           |  |                          |                                    |  |  |
| Accounts receivable, net  | -  | (3,209)                  | -                                  | -  | -  |
| Settlement receivable   | -  | (7,327)                  | -                                  | -  | -  |
| Inventories   | -  | (530)                    | -                                  | -  | -  |
| Prepaid items   | -  | 343                      | -                                  | -  | -  |
| Accounts payable  | -  | 44                       | 28                                 | -  | -  |
| Accrued payroll   | -  | 320                      | -                                  | -  | -  |
| Accrued compensated absences  | -  | 152                      | -                                  | -  | -  |
| Accrued claims and judgments  | -  | 44                       | -                                  | -  | -  |
| Deposits  | -  | (1)                      | -                                  | -  | -  |
| Unearned revenue  | -  | 126                      | -                                  | -  | -  |
| Net pension liability and related deferred outflows/inflows of resources                                  | -  | 873                      | -                                  | -  | -  |
| Net OPEB liability and related deferred outflows/inflows of resources                                     | -  | (1,080)                  | -                                  | -  | -  |
| Deferred inflows related to leases  | -  | (54)                     | -                                  | -  | -  |
| Net cash provided by (used for) operating activities  | \$ -                                       | \$ 61,817                | \$ (1,153)                         | \$ -   | \$ -   |
| Noncash investing, capital and financing activities:  |  |                          |                                    |  |  |
| Contributions of capital assets   | \$ -                                       | \$ 2,355                 | \$ -                               | \$ -   | \$ -   |
| Amortization of bond premium and discount   | -  | 624                      | -                                  | 128  | 329  |
| Amortization of bond loss on refunding  | -  | (328)                    | -                                  | -  | -  |
| Amortization of bond gain on refunding  | -  | -                        | -                                  | -  | -  |
| Amortization of bond prepaid insurance  | -  | (23)                     | -                                  | -  | -  |
| Capital asset acquisitions on accounts payable  | 572  | 2,744                    | 666                                | -  | -  |
| Loss on disposition of capital assets   | -  | -                        | -                                  | 2,347  | -  |
| Right-to-use IT subscription assets obtained in exchange for liabilities                                  | -  | 603                      | -                                  | -  | -  |

(continued)

**City of Sacramento**  
**Water Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | Drinking Water<br>SRF Loan<br>Fund | 2020 Water<br>Revenue Refunding<br>Bonds Fund | 2023 Water<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Water<br>Fund |
|---|------------------------------------|---|---|--------------|------------------------|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:        |                                    |   |   |              |                        |
| Operating income (loss)   | \$ (3,162)                         | \$ -  | \$ -  | \$ -         | \$ 26,596              |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                                    |   |   |              |                        |
| Depreciation/amortization expense   | 3,162                              | -   | -   | -            | 30,324                 |
| Amortization of intangible assets   | -                                  | -   | -   | -            | 615                    |
| Special item  |                                    |   |   |              | 13,400                 |
| Changes in assets, liabilities, and deferred outflows and inflows of resources:                           |                                    |   |   |              |                        |
| Accounts receivable, net  | -                                  | -   | -   | -            | (3,209)                |
| Settlement receivable   | -                                  | -   | -   | -            | (7,327)                |
| Inventories   | -                                  | -   | -   | -            | (530)                  |
| Prepaid items   | -                                  | -   | -   | -            | 343                    |
| Accounts payable  | -                                  | -   | -   | -            | 72                     |
| Accrued payroll   | -                                  | -   | -   | -            | 320                    |
| Accrued compensated absences  | -                                  | -   | -   | -            | 152                    |
| Accrued claims and judgments  | -                                  | -   | -   | -            | 44                     |
| Deposits  | -                                  | -   | -   | -            | (1)                    |
| Unearned revenue  | -                                  | -   | -   | -            | 126                    |
| Net pension liability and related deferred outflows/inflows of resources                                  | -                                  | -   | -   | -            | 873                    |
| Net OPEB liability and related deferred outflows/inflows of resources                                     | -                                  | -   | -   | -            | (1,080)                |
| Deferred inflows related to leases  | -                                  | -   | -   | -            | (54)                   |
| Net cash provided by (used for) operating activities  | \$ -                               | \$ -  | \$ -  | \$ -         | \$ 60,664              |
| Noncash investing, capital and financing activities:  |                                    |   |   |              |                        |
| Contributions of capital assets   | \$ -                               | \$ -  | \$ -  | \$ -         | \$ 2,355               |
| Amortization of bond premium and discount   | -                                  | -   | 165   | -            | 1,246                  |
| Amortization of bond loss on refunding  | -                                  | (165)   | -   | -            | (493)                  |
| Amortization of bond gain on refunding  | -                                  | -   | 169   | -            | 169                    |
| Amortization of bond prepaid insurance  | -                                  | -   | -   | -            | (23)                   |
| Capital asset acquisitions on accounts payable  | -                                  | -   | -   | -            | 3,982                  |
| Loss on disposition of capital assets   | -                                  | -   | -   | -            | 2,347                  |
| Right-to-use IT subscription assets obtained in exchange for liabilities                                  | -                                  | -   | -   | -            | 603                    |

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## **WASTEWATER FUND**

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**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Net Position**  
June 30, 2025  
(in thousands)

|   | <b>Development<br/>Impact Fee<br/>Fund</b> | <b>User Fee<br/>Fund</b> | <b>Grant<br/>Projects<br/>Fund</b> | <b>2013 Wastewater<br/>Revenue Bonds<br/>Fund</b> |
|---|--|--------------------------|------------------------------------|---|
| <b>ASSETS</b>                               |  |                          |                                    |   |
| Current assets:                             |  |                          |                                    |   |
| Cash and investments held by City           | \$ -                                       | \$ 66,228                | \$ -                               | \$ -  |
| Receivables, net:                           |  |                          |                                    |   |
| Accounts                                    | 195  | 13,669                   | -                                  | -   |
| Intergovernmental                           | -  | -                        | 1,093                              | -   |
| Interest                                    | -  | 503                      | -                                  | -   |
| Due from other funds                        | -  | 851                      | -                                  | -   |
| Inventories                                 | -  | 78                       | -                                  | -   |
| Total current assets                        | 195  | 81,329                   | 1,093                              | -   |
| Noncurrent assets:                          |  |                          |                                    |   |
| Restricted assets:                          |  |                          |                                    |   |
| Cash and investments held by City           | 7,077                                      | -                        | -                                  | -   |
| Net pension asset                           | -  | 241                      | -                                  | -   |
| Capital assets:                             |  |                          |                                    |   |
| Land  | -  | 1,138                    | -                                  | -   |
| Buildings and improvements                  | -  | 42,163                   | -                                  | 12,041  |
| Machinery and equipment                     | -  | 5,537                    | 382                                | 301   |
| Transmission and distribution systems       | 23,927                                     | 182,110                  | 11,508                             | 21,135  |
| Construction in progress                    | -  | 2,229                    | 1,008                              | 62  |
| Software                                    | -  | 621                      | -                                  | 97  |
| Intangible right-to-use IT subscriptions    | -  | 363                      | -                                  | -   |
| Less: accumulated depreciation/amortization | (1,088)                                    | (104,520)                | (692)                              | (4,871)   |
| Total noncurrent assets                     | 29,916                                     | 129,882                  | 12,206                             | 28,765  |
| Total assets                                | 30,111                                     | 211,211                  | 13,299                             | 28,765  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |  |                          |                                    |   |
| Loss on refunding of debt                   | -  | -                        | -                                  | -   |
| Pensions                                    | -  | 3,083                    | -                                  | -   |
| OPEB  | -  | 390                      | -                                  | -   |
| Total deferred outflows of resources        | -  | 3,473                    | -                                  | -   |

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Net Position**

June 30, 2025  
 (in thousands)

|   | 2019 Wastewater<br>Revenue Bonds<br>Fund | 2020 Wastewater<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Wastewater<br>Fund |
|---|--|--|--------------|-----------------------------|
| <b>ASSETS</b>                               |  |  |              |                             |
| Current assets:                             |  |  |              |                             |
| Cash and investments held by City           | \$ -                                     | \$ -   | \$ -         | \$ 66,228                   |
| Receivables, net:                           |  |  |              |                             |
| Accounts                                    | -  | -  | -            | 13,864                      |
| Intergovernmental                           | -  | -  | -            | 1,093                       |
| Interest                                    | -  | -  | -            | 503                         |
| Due from other funds                        | -  | -  | (851)        | -                           |
| Inventories                                 | -  | -  | -            | 78                          |
| Total current assets                        | -  | -  | (851)        | 81,766                      |
| Noncurrent assets:                          |  |  |              |                             |
| Restricted assets:                          |  |  |              |                             |
| Cash and investments held by City           | 509                                      | -  | -            | 7,586                       |
| Net pension asset                           | -  | -  | -            | 241                         |
| Capital assets:                             |  |  |              |                             |
| Land  | -  | -  | -            | 1,138                       |
| Buildings and improvements                  | 4,499                                    | -  | -            | 58,703                      |
| Machinery and equipment                     | 140                                      | -  | -            | 6,360                       |
| Transmission and distribution systems       | 21,324                                   | -  | -            | 260,004                     |
| Construction in progress                    | 1,789                                    | -  | -            | 5,088                       |
| Software                                    | 2,746                                    | -  | -            | 3,464                       |
| Intangible right-to-use IT subscriptions    | -  | -  | -            | 363                         |
| Less: accumulated depreciation/amortization | (2,840)                                  | -  | -            | (114,011)                   |
| Total noncurrent assets                     | 28,167                                   | -  | -            | 228,936                     |
| Total assets                                | 28,167                                   | -  | (851)        | 310,702                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |  |  |              |                             |
| Loss on refunding of debt                   | -  | 1,989  | -            | 1,989                       |
| Pensions                                    | -  | -  | -            | 3,083                       |
| OPEB  | -  | -  | -            | 390                         |
| Total deferred outflows of resources        | -  | 1,989  | -            | 5,462                       |

(continued)

## City of Sacramento

### Wastewater Fund

#### Combining Schedule of Net Position

June 30, 2025

(in thousands)

|                                      | Development<br>Impact Fee<br>Fund | User Fee<br>Fund | Grant<br>Projects<br>Fund | 2013 Wastewater<br>Revenue Bonds<br>Fund |
|--------------------------------------|-----------------------------------|------------------|---------------------------|--|
| <b>LIABILITIES</b>                   |                                   |                  |                           |  |
| Current liabilities:                 |                                   |                  |                           |  |
| Accounts payable                     | 237                               | 13,752           | 242                       | -  |
| Due to other funds                   |                                   | -                | 851                       | -  |
| Accrued payroll                      | -                                 | 457              | -                         | -  |
| Accrued compensated absences         | -                                 | 690              | -                         | -  |
| Interest payable                     | -                                 | 2                | -                         | -  |
| Deposits                             |                                   | 20               | -                         | -  |
| Accrued claims and judgments         | -                                 | 93               | -                         | -  |
| IT subscription liabilities          | -                                 | 63               | -                         | -  |
| Revenue and other bonds payable, net | -                                 | -                | -                         | -  |
|                                      |                                   |                  |                           |  |
| Total current liabilities            | 237                               | 15,077           | 1,093                     | -  |
| Noncurrent liabilities:              |                                   |                  |                           |  |
| Accrued compensated absences         | -                                 | 1,013            | -                         | -  |
| Wastewater fee credits               | 7,527                             | -                | -                         | -  |
| Net OPEB liability                   | -                                 | 3,926            | -                         | -  |
| IT subscription liabilities          | -                                 | 16               | -                         | -  |
| Revenue and other bonds payable, net | -                                 | -                | -                         | -  |
| Net pension liability                | -                                 | 15,830           | -                         | -  |
|                                      |                                   |                  |                           |  |
| Total noncurrent liabilities         | 7,527                             | 20,785           | -                         | -  |
| Total liabilities                    | 7,764                             | 35,862           | 1,093                     | -  |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |                                   |                  |                           |  |
| Pensions                             | -                                 | 277              | -                         | -  |
| OPEB                                 | -                                 | 507              | -                         | -  |
|                                      |                                   |                  |                           |  |
| Total deferred inflows of resources  | -                                 | 784              | -                         | -  |
| <b>NET POSITION</b>                  |                                   |                  |                           |  |
| Net investment in capital assets     | 15,075                            | 129,337          | 11,964                    | 28,765                                   |
| Restricted for:                      |                                   |                  |                           |  |
| Capital projects                     | 7,272                             | -                | -                         | -  |
| Other programs                       | -                                 | -                | 242                       | -  |
| Unrestricted                         | -                                 | 48,701           | -                         | -  |
|                                      |                                   |                  |                           |  |
| Total net position (deficit)         | \$ 22,347                         | \$ 178,038       | \$ 12,206                 | \$ 28,765                                |

(continued)

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Net Position**  
June 30, 2025  
(in thousands)

|                                      | 2019 Wastewater<br>Revenue Bonds<br>Fund | 2020 Wastewater<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Wastewater<br>Fund |
|--------------------------------------|--|--|--------------|-----------------------------|
| <b>LIABILITIES</b>                   |  |  |              |                             |
| Current liabilities:                 |  |  |              |                             |
| Accounts payable                     | -  | -  |              | 14,231                      |
| Due to other funds                   | -  | -  | (851)        | -                           |
| Accrued payroll                      | -  | -  | -            | 457                         |
| Accrued compensated absences         | -  | -  | -            | 690                         |
| Interest payable                     | 372                                      | 191  | -            | 565                         |
| Deposits                             | -  | -  | -            | 20                          |
| Accrued claims and judgments         | -  | -  | -            | 93                          |
| IT subscription liabilities          | -  | -  | -            | 63                          |
| Revenue and other bonds payable, net | 1,321                                    | 1,185  | -            | 2,506                       |
| Total current liabilities            | 1,693                                    | 1,376  | (851)        | 18,625                      |
| Noncurrent liabilities:              |  |  |              |                             |
| Accrued compensated absences         | -  | -  | -            | 1,013                       |
| Wastewater fee credits               | -  | -  | -            | 7,527                       |
| Net OPEB liability                   | -  | -  | -            | 3,926                       |
| IT subscription liabilities          | -  | -  | -            | 16                          |
| Revenue and other bonds payable, net | 25,213                                   | 24,075   | -            | 49,288                      |
| Net pension liability                | -  | -  | -            | 15,830                      |
| Total noncurrent liabilities         | 25,213                                   | 24,075   | -            | 77,600                      |
| Total liabilities                    | 26,906                                   | 25,451   | (851)        | 96,225                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b> |  |  |              |                             |
| Pensions                             | -  | -  | -            | 277                         |
| OPEB                                 | -  | -  | -            | 507                         |
| Total deferred inflows of resources  | -  | -  | -            | 784                         |
| <b>NET POSITION</b>                  |  |  |              |                             |
| Net investment in capital assets     | 1,633                                    | (23,271)   | -            | 163,503                     |
| Restricted for:                      |  |  |              |                             |
| Capital projects                     | -  | -  | -            | 7,272                       |
| Other programs                       | -  | -  | -            | 242                         |
| Unrestricted                         | (372)                                    | (191)  | -            | 48,138                      |
| Total net position (deficit)         | \$ 1,261                                 | \$ (23,462)  | \$ -         | \$ 219,155                  |

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Revenues,  
 Expenses and Changes in Net Position**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | <b>Development<br/>Impact Fee<br/>Fund</b> | <b>User Fee<br/>Fund</b> | <b>Grant<br/>Projects<br/>Fund</b> | <b>2013 Wastewater<br/>Revenue Bonds<br/>Fund</b> |
|---|--|--------------------------|------------------------------------|---|
| Operating revenues:   |  |                          |                                    |   |
| Charges for services:   |  |                          |                                    |   |
| User fees and charges   | \$ -                                       | \$ 45,543                | \$ -                               | \$ -  |
| Charge to other agencies for contract services                          | -  | 1,698                    | -                                  | -   |
| Total operating revenues  | -  | 47,241                   | -                                  | -   |
| Operating expenses:   |  |                          |                                    |   |
| Employee services   | -  | 16,441                   | -                                  | -   |
| Services and supplies   | 61   | 18,066                   | -                                  | -   |
| Depreciation/amortization   | 238  | 4,053                    | 143                                | 496   |
| Total operating expenses  | 299  | 38,560                   | 143                                | 496   |
| Operating income (loss)   | (299)                                      | 8,681                    | (143)                              | (496)   |
| Nonoperating revenues (expenses):                                       |  |                          |                                    |   |
| Interest and investment revenue   | 188  | 3,889                    | -                                  | -   |
| Revenue from other agencies   | -  | 18                       | -                                  | -   |
| Interest expense  | -  | (3)                      | -                                  | -   |
| Loss on disposition of capital assets                                   | -  | -                        | -                                  | -   |
| Total nonoperating revenues (expenses)                                  | 188  | 3,904                    | -                                  | -   |
| Income (loss) before capital contributions and transfers                | (111)                                      | 12,585                   | (143)                              | (496)   |
| Capital contributions   | 357  | 1,964                    | 751                                | -   |
| Transfers in  | 15   | 86                       | -                                  | -   |
| Transfers out   | (217)                                      | (8,778)                  | -                                  | -   |
| Changes in net position   | 44   | 5,857                    | 608                                | (496)   |
| Total net position (deficit), beginning of year, as previously reported | 22,303                                     | 172,470                  | 11,598                             | 29,261  |
| Change in accounting principle (GASB 101)                               | -  | (289)                    | -                                  | -   |
| Total net position (deficit), beginning of year, as restated            | 22,303                                     | 172,181                  | 11,598                             | 29,261  |
| Total net position (deficit), end of year                               | <b>\$ 22,347</b>                           | <b>\$ 178,038</b>        | <b>\$ 12,206</b>                   | <b>\$ 28,765</b>                                  |

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Revenues,  
 Expenses and Changes in Net Position**  
 For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | <b>2019 Wastewater<br/>Revenue Bonds<br/>Fund</b> | <b>2020 Wastewater<br/>Revenue Refunding<br/>Bonds Fund</b> | <b>Eliminations</b> | <b>Total<br/>Wastewater<br/>Fund</b> |
|---|---|---|---------------------|--------------------------------------|
| Operating revenues:   |   |   |                     |                                      |
| Charges for services:   |   |   |                     |                                      |
| User fees and charges   | \$ -  | \$ -  | \$ -                | \$ 45,543                            |
| Charge to other agencies for contract services                          | -   | -   | -                   | 1,698                                |
| Total operating revenues  | -   | -   | -                   | 47,241                               |
| Operating expenses:   |   |   |                     |                                      |
| Employee services   | -   | -   | -                   | 16,441                               |
| Services and supplies   | 12  | -   | -                   | 18,139                               |
| Depreciation/amortization   | 508   | -   | -                   | 5,438                                |
| Total operating expenses  | 520   | -   | -                   | 40,018                               |
| Operating income (loss)   | (520)   | -   | -                   | 7,223                                |
| Nonoperating revenues (expenses):                                       |   |   |                     |                                      |
| Interest and investment revenue   | 14  | 1   | -                   | 4,092                                |
| Revenue from other agencies   | -   | -   | -                   | 18                                   |
| Interest expense  | (829)   | (691)   | -                   | (1,523)                              |
| Loss on disposition of capital assets                                   | (179)   | -   | -                   | (179)                                |
| Total nonoperating revenues (expenses)                                  | (994)   | (690)   | -                   | 2,408                                |
| Income (loss) before capital contributions and transfers                | (1,514)   | (690)   | -                   | 9,631                                |
| Capital contributions   | -   | -   | -                   | 3,072                                |
| Transfers in  | 2,115   | 1,748   | (3,863)             | 101                                  |
| Transfers out   | -   | -   | 3,863               | (5,132)                              |
| Changes in net position   | 601   | 1,058   | -                   | 7,672                                |
| Total net position (deficit), beginning of year, as previously reported | 660   | (24,520)  | -                   | 211,772                              |
| Change in accounting principle (GASB 101)                               | -   | -   | -                   | (289)                                |
| Total net position (deficit), beginning of year, as restated            | 660   | (24,520)  | -                   | 211,483                              |
| Total net position (deficit), end of year                               | <b>\$ 1,261</b>                                   | <b>\$ (23,462)</b>  | <b>\$ -</b>         | <b>\$ 219,155</b>                    |

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|  | <b>Development<br/>Impact Fee<br/>Fund</b> | <b>User Fee<br/>Fund</b> | <b>Grant<br/>Projects<br/>Fund</b> | <b>2013 Wastewater<br/>Revenue Bonds<br/>Fund</b> |
|--|--|--------------------------|------------------------------------|---|
| Cash flows from operating activities:  |  |                          |                                    |   |
| Receipts from customers and users  | \$ -                                       | \$ 45,780                | \$ -                               | \$ -  |
| Payments to suppliers  | (67)                                       | (16,934)                 | -                                  | -   |
| Payments to employees  | -  | (16,428)                 | -                                  | -   |
| Claims and judgments paid  | -  | (6)                      | -                                  | -   |
| Net cash provided by (used for) operating activities                         | (67)                                       | 12,412                   | -                                  | -   |
| Cash flows from noncapital financing activities:                             |  |                          |                                    |   |
| Interfund cashflow loans   | -  | (851)                    | 851                                | -   |
| Transfers in from other funds  | 15   | 86                       | -                                  | -   |
| Transfers out to other funds   | (217)                                      | (4,871)                  | -                                  | -   |
| Interfund loan repayments  | -  | 458                      | (458)                              | -   |
| Intergovernmental revenue received   | -  | 18                       | -                                  | -   |
| Net cash provided by (used for) noncapital financing activities              | (202)                                      | (5,160)                  | 393                                | -   |
| Cash flows from capital and related financing activities:                    |  |                          |                                    |   |
| Acquisition and construction of capital assets                               | (241)                                      | (5,008)                  | (542)                              | -   |
| Principal payments on capital debt   | -  | -                        | -                                  | -   |
| Interest payments on capital debt  | -  | -                        | -                                  | -   |
| Principal payments on IT subscription liabilities                            | -  | (92)                     | -                                  | -   |
| Interest payments on IT subscription liabilities                             | -  | (4)                      | -                                  | -   |
| Transfers in from other funds  | -  | -                        | -                                  | -   |
| Transfers out to other funds   | -  | (3,907)                  | -                                  | -   |
| Capital contributions received   | 1,187                                      | -                        | 149                                | -   |
| Cash reimbursement for fee credits   | (686)                                      | -                        | -                                  | -   |
| Net cash provided by (used for) capital and related financing activities     | 260  | (9,011)                  | (393)                              | -   |
| Cash flows from investing activities:  |  |                          |                                    |   |
| Collection of interest and investment revenue                                | 188  | 3,709                    | -                                  | -   |
| Net increase (decrease) in cash and cash equivalents                         | 179  | 1,950                    | -                                  | -   |
| Cash and cash equivalents, beginning of year                                 | 6,898                                      | 64,278                   | -                                  | -   |
| Cash and cash equivalents, end of year                                       | <u>\$ 7,077</u>                            | <u>\$ 66,228</u>         | <u>\$ -</u>                        | <u>\$ -</u>                                       |
| Reconciliation of cash and cash equivalents to the Schedule of Net Position: |  |                          |                                    |   |
| Cash and investments held by City  | \$ -                                       | \$ 66,228                | \$ -                               | \$ -  |
| Restricted cash and investments held by City                                 | <u>7,077</u>                               | <u>-</u>                 | <u>-</u>                           | <u>-</u>  |
| Total cash and cash equivalents, end of year                                 | <u>\$ 7,077</u>                            | <u>\$ 66,228</u>         | <u>\$ -</u>                        | <u>\$ -</u>                                       |

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|  | 2019 Wastewater<br>Revenue Bonds<br>Fund | 2020 Wastewater<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Wastewater<br>Fund |
|--|--|--|--------------|-----------------------------|
| Cash flows from operating activities:  |  |  |              |                             |
| Receipts from customers and users  | \$ -                                     | \$ -   | \$ -         | \$ 45,780                   |
| Payments to suppliers  | (12)                                     | -  | -            | (17,013)                    |
| Payments to employees  | -  | -  | -            | (16,428)                    |
| Claims and judgments paid  | -  | -  | -            | (6)                         |
| Net cash provided by (used for) operating activities                         | (12)                                     | -  | -            | 12,333                      |
| Cash flows from noncapital financing activities:                             |  |  |              |                             |
| Interfund cashflow loans   | -  | -  | -            | -                           |
| Transfers in from other funds  | -  | -  | -            | 101                         |
| Transfers out to other funds   | -  | -  | -            | (5,088)                     |
| Interfund loan repayments  | -  | -  | -            | -                           |
| Intergovernmental revenue received   | -  | -  | -            | 18                          |
| Net cash provided by (used for) noncapital financing activities              | -  | -  | -            | (4,969)                     |
| Cash flows from capital and related financing activities:                    |  |  |              |                             |
| Acquisition and construction of capital assets                               | (7)                                      | -  | -            | (5,798)                     |
| Principal payments on capital debt   | (975)                                    | (1,170)  | -            | (2,145)                     |
| Interest payments on capital debt  | (1,141)                                  | (579)  | -            | (1,720)                     |
| Principal payments on IT subscription liabilities                            | -  | -  | -            | (92)                        |
| Interest payments on IT subscription liabilities                             | -  | -  | -            | (4)                         |
| Transfers in from other funds  | 2,115                                    | 1,748  | (3,863)      | -                           |
| Transfers out to other funds   | -  | -  | 3,863        | (44)                        |
| Capital contributions received   | -  | -  | -            | 1,336                       |
| Cash reimbursement for fee credits   | -  | -  | -            | (686)                       |
| Net cash provided by (used for) capital and related financing activities     | (8)                                      | (1)  | -            | (9,153)                     |
| Cash flows from investing activities:  |  |  |              |                             |
| Collection of interest and investment revenue                                | 14                                       | 1  | -            | 3,912                       |
| Net increase (decrease) in cash and cash equivalents                         | (6)                                      | -  | -            | 2,123                       |
| Cash and cash equivalents, beginning of year                                 | 515                                      | -  | -            | 71,691                      |
| Cash and cash equivalents, end of year                                       | \$ 509                                   | \$ -   | \$ -         | \$ 73,814                   |
| Reconciliation of cash and cash equivalents to the Schedule of Net Position: |  |  |              |                             |
| Cash and investments held by City  | \$ -                                     | \$ -   | \$ -         | \$ 66,228                   |
| Restricted cash and investments held by City                                 | 509                                      | -  | -            | 7,586                       |
| Total cash and cash equivalents, end of year                                 | \$ 509                                   | \$ -   | \$ -         | \$ 73,814                   |

(continued)

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | Development<br>Impact Fee<br>Fund | User Fee<br>Fund | Grant<br>Projects<br>Fund | 2013 Wastewater<br>Revenue Bonds<br>Fund |
|---|-----------------------------------|------------------|---------------------------|--|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:        |                                   |                  |                           |  |
| Operating income (loss)   | \$ (299)                          | \$ 8,681         | \$ (143)                  | \$ (496)                                 |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |                                   |                  |                           |  |
| Depreciation/amortization expense   | 238                               | 3,941            | 143                       | 496                                      |
| Amortization of intangible assets   |                                   | 112              | -                         | -  |
| Changes in assets, liabilities, and deferred outflows and inflows of resources:                           | -                                 |                  |                           |  |
| Accounts receivable, net  | -                                 | (1,481)          | -                         | -  |
| Inventories   | -                                 | 20               | -                         | -  |
| Accounts payable  | (6)                               | 1,112            | -                         | -  |
| Accrued payroll   | -                                 | 61               | -                         | -  |
| Accrued compensated absences  | -                                 | 30               | -                         | -  |
| Accrued claims and judgments  | -                                 | (19)             | -                         | -  |
| Deposits  | -                                 | 20               | -                         | -  |
| Net pension liability and related deferred outflows/inflows of resources                                  | -                                 | 223              | -                         | -  |
| Net OPEB liability and related deferred outflows/inflows of resources                                     | -                                 | (288)            | -                         | -  |
| Net cash provided by (used for) operating activities  | <u>\$ (67)</u>                    | <u>\$ 12,412</u> | <u>\$ -</u>               | <u>\$ -</u>                              |
| Noncash investing, capital and financing activities:  |                                   |                  |                           |  |
| Contributions of capital assets   | \$ -                              | \$ 1,964         | \$ -                      | \$ -                                     |
| Amortization of bond premium and discount   | -                                 | -                | -                         | -  |
| Amortization of bond loss on refunding  | -                                 | -                | -                         | -  |
| Capital asset acquisitions on accounts payable  | -                                 | 225              | 242                       | -  |
| Loss on disposition of capital assets   | -                                 | -                | -                         | -  |
| Fee credit reimbursement accounts payable   | 237                               | -                | -                         | -  |

(continued)

**City of Sacramento**  
**Wastewater Fund**  
**Combining Schedule of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | 2019 Wastewater<br>Revenue Bonds<br>Fund | 2020 Wastewater<br>Revenue Refunding<br>Bonds Fund | Eliminations | Total<br>Wastewater<br>Fund |
|---|--|--|--------------|-----------------------------|
| Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:        |  |  |              |                             |
| Operating income (loss)   | \$ (520)                                 | \$ -   | \$ -         | \$ 7,223                    |
| Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities: |  |  |              |                             |
| Depreciation/amortization expense   | 325                                      | -  | -            | 5,143                       |
| Amortization of intangible assets   | 183                                      | -  | -            | 295                         |
| Changes in assets, liabilities, and deferred outflows and inflows of resources:                           |  |  |              |                             |
| Accounts receivable, net  | -  | -  | -            | (1,481)                     |
| Inventories   | -  | -  | -            | 20                          |
| Accounts payable  | -  | -  | -            | 1,106                       |
| Accrued payroll   | -  | -  | -            | 61                          |
| Accrued compensated absences  | -  | -  | -            | 30                          |
| Accrued claims and judgments  | -  | -  | -            | (19)                        |
| Deposits  | -  | -  | -            | 20                          |
| Net pension liability and related deferred outflows/inflows of resources                                  | -  | -  | -            | 223                         |
| Net OPEB liability and related deferred outflows/inflows of resources                                     | -  | -  | -            | (288)                       |
| Net cash provided by (used for) operating activities  | <u>\$ (12)</u>                           | <u>\$ -</u>  | <u>\$ -</u>  | <u>\$ 12,333</u>            |
| Noncash investing, capital and financing activities:  |  |  |              |                             |
| Contributions of capital assets   | \$ -                                     | \$ -   | \$ -         | \$ 1,964                    |
| Amortization of bond premium and discount   | 296                                      | -  | -            | 296                         |
| Amortization of bond loss on refunding  | -  | (116)  | -            | (116)                       |
| Capital asset acquisitions on accounts payable  | -  | -  | -            | 467                         |
| Loss on disposition of capital assets   | 179                                      | -  | -            | 179                         |
| Fee credit reimbursement accounts payable   | -  | -  | -            | 237                         |

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## **COMMUNITY CENTER FUND**

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**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Net Position**  
June 30, 2025  
(in thousands)

|   | Community Center Fund | 2018 TOT Revenue Bonds, Tax-Exempt Fund | 2018 TOT Revenue Bonds, Taxable Fund | 2019 STID Assessment Revenue Bonds Fund | Total Community Center Fund |
|---|-----------------------|---|--------------------------------------|---|-----------------------------|
| <b>ASSETS</b>                               |                       |   |                                      |   |                             |
| Current assets:                             |                       |   |                                      |   |                             |
| Cash and investments held by City           | \$ 37,616             | \$ -                                    | \$ -                                 | \$ -                                    | \$ 37,616                   |
| Receivables, net:                           |                       |   |                                      |   |                             |
| Taxes                                       | 4,792                 | -                                       | -                                    | -                                       | 4,792                       |
| Accounts                                    | 3,513                 | -                                       | -                                    | -                                       | 3,513                       |
| Interest                                    | 294                   | -                                       | -                                    | 14                                      | 308                         |
| Prepaid items                               | 33                    | -                                       | -                                    | -                                       | 33                          |
| Total current assets                        | 46,248                | -                                       | -                                    | 14                                      | 46,262                      |
| Noncurrent assets:                          |                       |   |                                      |   |                             |
| Restricted assets:                          |                       |   |                                      |   |                             |
| Cash and investments held by City           | -                     | 2,231                                   | 598                                  | -                                       | 2,829                       |
| Cash and investments held by fiscal agent   | 2,203                 | 3,246                                   | -                                    | 2,040                                   | 7,489                       |
| Net pension asset                           | 699                   |   |                                      |   | 699                         |
| Capital assets:                             |                       |   |                                      |   |                             |
| Land  | 20,071                | -                                       | -                                    | -                                       | 20,071                      |
| Buildings and improvements                  | 113,190               | -                                       | -                                    | -                                       | 113,190                     |
| Machinery and equipment                     | 4,913                 | -                                       | -                                    | -                                       | 4,913                       |
| Construction in progress                    | 7,833                 | 295,629                                 | 19,517                               | 49,666                                  | 372,645                     |
| Software                                    | 59                    | -                                       | -                                    | -                                       | 59                          |
| Intangible right-to-use lease buildings     | 1,599                 |   |                                      |   | 1,599                       |
| Intangible right-to-use IT subscriptions    | 228                   | -                                       | -                                    | -                                       | 228                         |
| Less: accumulated depreciation/amortization | (76,740)              | -                                       | -                                    | -                                       | (76,740)                    |
| Total noncurrent assets                     | 74,055                | 301,106                                 | 20,115                               | 51,706                                  | 446,982                     |
| Total assets                                | 120,303               | 301,106                                 | 20,115                               | 51,720                                  | 493,244                     |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                       |   |                                      |   |                             |
| Pensions                                    | 2,609                 | -                                       | -                                    | -                                       | 2,609                       |
| OPEB  | 348                   | -                                       | -                                    | -                                       | 348                         |
| Total deferred outflows of resources        | 2,957                 | -                                       | -                                    | -                                       | 2,957                       |

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Net Position**  
June 30, 2025  
(in thousands)

|   | Community Center Fund | 2018 TOT<br>Revenue Bonds,<br>Tax-Exempt<br>Fund | 2018 TOT<br>Revenue Bonds,<br>Taxable Fund | 2019 STID<br>Assessment<br>Revenue<br>Bonds Fund | Total<br>Community<br>Center Fund |
|---|-----------------------|--|--|--|-----------------------------------|
| <b><u>LIABILITIES</u></b>                   |                       |  |  |  |                                   |
| Current liabilities:                        |                       |  |  |  |                                   |
| Accounts payable                            | 3,227                 | 21   | -  | -  | 3,248                             |
| Due to other funds                          | 250                   | -  | -  | -  | 250                               |
| Accrued payroll                             | 321                   | -  | -  | -  | 321                               |
| Accrued compensated absences                | 336                   | -  | -  | -  | 336                               |
| Interest payable                            | 6                     | 1,066  | -  | 140  | 1,212                             |
| Unearned revenue                            | 2,143                 | -  | -  | -  | 2,143                             |
| Accrued claims and judgments                | 28                    | -  | -  | -  | 28                                |
| Lease liabilities                           | 120                   | -  | -  | -  | 120                               |
| IT subscription liabilities                 | 29                    | -  | -  | -  | 29                                |
| Revenue and other bonds payable, net        | -                     | 7,275  | -  | 1,219  | 8,494                             |
| Total current liabilities                   | 6,460                 | 8,362  | -  | 1,359  | 16,181                            |
| Noncurrent liabilities:                     |                       |  |  |  |                                   |
| Accrued compensated absences                | 531                   | -  | -  | -  | 531                               |
| Advances from other funds                   | 4,371                 | -  | -  | -  | 4,371                             |
| Net OPEB liability                          | 167                   | -  | -  | -  | 167                               |
| Lease liabilities                           | 1,416                 | -  | -  | -  | 1,416                             |
| IT subscription liabilities                 | 68                    | -  | -  | -  | 68                                |
| Revenue and other bonds payable, net        | -                     | 273,808  | -  | 48,600   | 322,408                           |
| Net pension liability                       | 10,867                | -  | -  | -  | 10,867                            |
| Total noncurrent liabilities                | 17,420                | 273,808  | -  | 48,600   | 339,828                           |
| Total liabilities                           | 23,880                | 282,170  | -  | 49,959   | 356,009                           |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b> |                       |  |  |  |                                   |
| Pensions                                    | 176                   | -  | -  | -  | 176                               |
| <b><u>NET POSITION</u></b>                  |                       |  |  |  |                                   |
| Net investment in capital assets            | 71,484                | 22,287   | 19,517                                     | 2,416  | 115,704                           |
| Unrestricted                                | 27,720                | (3,351)  | 598  | (655)  | 24,312                            |
| Total net position                          | \$ 99,204             | \$ 18,936  | \$ 20,115                                  | \$ 1,761   | \$ 140,016                        |

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**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Revenues,**  
**Expenses and Changes in Net Position**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | Community<br>Center Fund | 2018 TOT<br>Revenue Bonds,<br>Tax-Exempt<br>Fund | 2018 TOT<br>Revenue Bonds,<br>Taxable Fund |
|---|--------------------------|--|--|
| Operating revenues:   |                          |  |  |
| Charges for services:   |                          |  |  |
| User fees and charges   | \$ 2,804                 | \$ -   | \$ -                                       |
| Rents and concessions   | <u>12,262</u>            | <u>-</u>   | <u>-</u>                                   |
| Total operating revenues                                      | <u>15,066</u>            | <u>-</u>   | <u>-</u>                                   |
| Operating expenses:   |                          |  |  |
| Employee services   | 9,524                    | -  | -  |
| Services and supplies   | 15,951                   | 882  | -  |
| Depreciation/amortization                                     | 1,436                    | -  | -  |
| Claims and judgments  | <u>72</u>                | <u>-</u>   | <u>-</u>                                   |
| Total operating expenses                                      | <u>26,983</u>            | <u>882</u>                                       | <u>-</u>                                   |
| Operating loss  | <u>(11,917)</u>          | <u>(882)</u>                                     | <u>-</u>                                   |
| Nonoperating revenues (expenses):                             |                          |  |  |
| Interest and investment revenue                               | 2,267                    | 113  | 310  |
| Transient occupancy taxes                                     | 35,228                   | -  | -  |
| Interest expense  | <u>(154)</u>             | <u>(11,780)</u>                                  | <u>(142)</u>                               |
| Total nonoperating revenues (expenses)                        | <u>37,341</u>            | <u>(11,667)</u>                                  | <u>168</u>                                 |
| Income (loss) before transfers                                | 25,424                   | (12,549)   | 168  |
| Transfers in  | -                        | 15,139   | 3,471                                      |
| Transfers out   | <u>(22,405)</u>          | <u>-</u>   | <u>-</u>                                   |
| Changes in net position                                       | 3,019                    | 2,590  | 3,639                                      |
| Total net position, beginning of year, as previously reported | 96,304                   | 16,346   | 16,476                                     |
| Change in accounting principle (GASB 101)                     | (119)                    | -  | -  |
| Total net position, beginning of year, as restated            | <u>96,185</u>            | <u>16,346</u>                                    | <u>16,476</u>                              |
| Total net position, end of year                               | <u>\$ 99,204</u>         | <u>\$ 18,936</u>                                 | <u>\$ 20,115</u>                           |

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Revenues,**  
**Expenses and Changes in Net Position**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | <b>2019 STID<br/>Assessment<br/>Revenue<br/>Bonds Fund</b> | <b>Eliminations</b> | <b>Total<br/>Community<br/>Center Fund</b> |
|---|--|---------------------|--|
| Operating revenues:   |  |                     |  |
| Charges for services:   |  |                     |  |
| User fees and charges   | \$ -   | \$ -                | \$ 2,804                                   |
| Rents and concessions   | - -  | - -                 | 12,262                                     |
| Total operating revenues                                      | - -  | - -                 | 15,066                                     |
| Operating expenses:   |  |                     |  |
| Employee services   | - -  | - -                 | 9,524                                      |
| Services and supplies   | - -  | - -                 | 16,833                                     |
| Depreciation/amortization                                     | - -  | - -                 | 1,436                                      |
| Claims and judgments  | - -  | - -                 | 72   |
| Total operating expenses                                      | - -  | - -                 | 27,865                                     |
| Operating loss  | - -  | - -                 | (12,799)                                   |
| Nonoperating revenues (expenses):                             |  |                     |  |
| Interest and investment revenue                               | 133  | - -                 | 2,823                                      |
| Transient occupancy taxes                                     | - -  | - -                 | 35,228                                     |
| Interest expense  | (1,569)  | - -                 | (13,645)                                   |
| Total nonoperating revenues (expenses)                        | (1,436)  | - -                 | 24,406                                     |
| Income (loss) before transfers                                | (1,436)  | - -                 | 11,607                                     |
| Transfers in  | 2,690  | (18,610)            | 2,690                                      |
| Transfers out   | - -  | 18,610              | (3,795)                                    |
| Changes in net position                                       | 1,254  | - -                 | 10,502                                     |
| Total net position, beginning of year, as previously reported | 507  | - -                 | 129,633                                    |
| Change in accounting principle (GASB 101)                     | - -  | - -                 | (119)                                      |
| Total net position, beginning of year, as restated            | 507  | - -                 | 129,514                                    |
| Total net position, end of year                               | <u>\$ 1,761</u>  | <u>\$ -</u>         | <u>\$ 140,016</u>                          |

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Cash Flows**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | Community Center Fund | 2018 TOT Revenue Bonds, Tax-Exempt Fund | 2018 TOT Revenue Bonds, Taxable Fund |
|---|-----------------------|---|--------------------------------------|
| <b>Cash flows from operating activities:</b>  |                       |   |                                      |
| Receipts from customers and users   | \$ 14,390             | \$ -                                    | \$ -                                 |
| Payments to suppliers   | (16,569)              | (882)                                   | -                                    |
| Payments to employees   | (9,360)               | -                                       | -                                    |
| Claims and judgments paid   | (58)                  | -                                       | -                                    |
| Net cash used for operating activities  | (11,597)              | (882)                                   | -                                    |
| <b>Cash flows from noncapital financing activities:</b>                             |                       |   |                                      |
| Transient occupancy taxes   | 34,828                | -                                       | -                                    |
| Transfers out to other funds  | (2,695)               | -                                       | -                                    |
| Interfund loan repayments   | (250)                 | -                                       | -                                    |
| Net cash provided by noncapital financing activities                                | 31,883                | -                                       | -                                    |
| <b>Cash flows from capital and related financing activities:</b>                    |                       |   |                                      |
| Acquisition and construction of capital assets                                      | (533)                 | (70)                                    | (48)                                 |
| Principal payments on capital debt  | -                     | (1,900)                                 | (4,025)                              |
| Interest payments on capital debt   | -                     | (12,889)                                | (155)                                |
| Principal payments on lease liabilities   | (63)                  | -                                       | -                                    |
| Interest payments on lease liabilities  | (20)                  | -                                       | -                                    |
| Principal payments on IT subscription liabilities                                   | (52)                  | -                                       | -                                    |
| Interest payments on IT subscription liabilities                                    | (4)                   | -                                       | -                                    |
| Transfers in from other funds   | -                     | 15,139                                  | 3,471                                |
| Transfers out to other funds  | (19,710)              | -                                       | -                                    |
| Net cash provided by (used for) capital and related financing activities            | (20,382)              | 280                                     | (757)                                |
| <b>Cash flows from investing activities:</b>  |                       |   |                                      |
| Collection of interest and investment revenue                                       | 2,170                 | 113                                     | 310                                  |
| Net increase (decrease) in cash and cash equivalents                                | 2,074                 | (489)                                   | (447)                                |
| Cash and cash equivalents, beginning of year  | 37,745                | 5,966                                   | 1,045                                |
| Cash and cash equivalents, end of year  | \$ 39,819             | \$ 5,477                                | \$ 598                               |
| <b>Reconciliation of cash and cash equivalents to the Schedule of Net Position:</b> |                       |   |                                      |
| Cash and investments held by City   | \$ 37,616             | \$ -                                    | \$ -                                 |
| Restricted cash and investments held by City  | -                     | 2,231                                   | 598                                  |
| Restricted cash and investments held by fiscal agent                                | 2,203                 | 3,246                                   | -                                    |
| Total cash and cash equivalents, end of year  | \$ 39,819             | \$ 5,477                                | \$ 598                               |

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Cash Flows**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | 2019 STID<br>Assessment<br>Revenue<br>Bonds Fund | Eliminations | Total<br>Community<br>Center Fund |
|---|--|--------------|-----------------------------------|
| Cash flows from operating activities:   |  |              |                                   |
| Receipts from customers and users   | \$ -   | \$ -         | \$ 14,390                         |
| Payments to suppliers   | -  | -            | (17,451)                          |
| Payments to employees   | -  | -            | (9,360)                           |
| Claims and judgments paid   | -  | -            | (58)                              |
| Net cash used for operating activities  | -  | -            | (12,479)                          |
| Cash flows from noncapital financing activities:                                |  |              |                                   |
| Transient occupancy taxes   | -  | -            | 34,828                            |
| Transfers out to other funds  | -  | -            | (2,695)                           |
| Interfund loan repayments   | -  | -            | (250)                             |
| Net cash provided by noncapital financing activities                            | -  | -            | 31,883                            |
| Cash flows from capital and related financing activities:                       |  |              |                                   |
| Acquisition and construction of capital assets                                  | -  | -            | (651)                             |
| Principal payments on capital debt  | (1,010)  | -            | (6,935)                           |
| Interest payments on capital debt   | (1,732)  | -            | (14,776)                          |
| Principal payments on lease liabilities   | -  | -            | (63)                              |
| Interest payments on lease liabilities  | -  | -            | (20)                              |
| Principal payments on IT subscription liabilities                               | -  | -            | (52)                              |
| Interest payments on IT subscription liabilities                                | -  | -            | (4)                               |
| Transfers in from other funds   | 2,690  | (18,610)     | 2,690                             |
| Transfers out to other funds  | -  | 18,610       | (1,100)                           |
| Net cash provided by (used for) capital and related financing activities        | (52)   | -            | (20,911)                          |
| Cash flows from investing activities:   |  |              |                                   |
| Collection of interest and investment revenue                                   | 133  | -            | 2,726                             |
| Net increase (decrease) in cash and cash equivalents                            | 81   | -            | 1,219                             |
| Cash and cash equivalents, beginning of year                                    | 1,959  | -            | 46,715                            |
| Cash and cash equivalents, end of year  | \$ 2,040   | \$ -         | \$ 47,934                         |
| Reconciliation of cash and cash equivalents<br>to the Schedule of Net Position: |  |              |                                   |
| Cash and investments held by City   | \$ -   | \$ -         | \$ 37,616                         |
| Restricted cash and investments held by City                                    | -  | -            | 2,829                             |
| Restricted cash and investments held by fiscal agent                            | 2,040  | -            | 7,489                             |
| Total cash and cash equivalents, end of year                                    | \$ 2,040   | \$ -         | \$ 47,934                         |

(continued)

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Cash Flows**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | Community<br>Center Fund | 2018 TOT<br>Revenue Bonds,<br>Tax-Exempt<br>Fund | 2018 TOT<br>Revenue Bonds,<br>Taxable Fund |
|---|--------------------------|--|--|
| <b>Reconciliation of operating loss to net cash used for operating activities:</b>        |                          |  |  |
| Operating loss  | \$ (11,917)              | \$ (882)   | \$ -                                       |
| <b>Adjustments to reconcile operating loss to net cash used for operating activities:</b> |                          |  |  |
| Depreciation/amortization expense   | 1,436                    | -  | -  |
| <b>Changes in assets, liabilities, and deferred outflows and inflows of resources:</b>    |                          |  |  |
| Accounts receivable, net  | (1,227)                  | -  | -  |
| Prepaid items   | (33)                     | -  | -  |
| Accounts payable  | (585)                    | -  | -  |
| Accrued payroll   | 82                       | -  | -  |
| Accrued compensated absences  | 88                       | -  | -  |
| Accrued claims and judgments  | 14                       | -  | -  |
| Unearned revenue  | 551                      | -  | -  |
| Net pension liability and related deferred outflows/inflows of resources                  | 76                       | -  | -  |
| Net OPEB liability and related deferred outflows/inflows of resources                     | (82)                     | -  | -  |
| Net cash used for operating activities  | \$ (11,597)              | \$ (882)   | \$ -                                       |
| <b>Noncash investing, capital and financing activities:</b>                               |                          |  |  |
| Amortization of bond premium and discount   | \$ -                     | \$ 1,101   | \$ -                                       |
| Capital asset acquisitions on accounts payable  | 239                      | 21   | -  |
| Right-to-use lease assets obtained in exchange for liabilities                            | 1,599                    | -  | -  |

(continued)

**City of Sacramento**  
**Community Center Fund**  
**Combining Schedule of Cash Flows**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|  | 2019 STID<br>Assessment<br>Revenue<br>Bonds Fund | Eliminations | Total<br>Community<br>Center Fund |
|--|--|--------------|-----------------------------------|
| Reconciliation of operating loss to net cash used for operating activities:        |  |              |                                   |
| Operating loss   | \$ -   | \$ -         | \$ (12,799)                       |
| Adjustments to reconcile operating loss to net cash used for operating activities: |  |              |                                   |
| Depreciation/amortization expense  | -  | -            | 1,436                             |
| Changes in assets, liabilities, and deferred outflows and inflows of resources:    |  |              |                                   |
| Accounts receivable, net   | -  | -            | (1,227)                           |
| Prepaid items  | -  | -            | (33)                              |
| Accounts payable   | -  | -            | (585)                             |
| Accrued payroll  | -  | -            | 82                                |
| Accrued compensated absences   | -  | -            | 88                                |
| Accrued claims and judgments   | -  | -            | 14                                |
| Unearned revenue   | -  | -            | 551                               |
| Net pension liability and related deferred outflows/inflows of resources           | -  | -            | 76                                |
| Net OPEB liability and related deferred outflows/inflows of resources              | -  | -            | (82)                              |
| Net cash used for operating activities   | <u>\$ -</u>                                      | <u>\$ -</u>  | <u>\$ (12,479)</u>                |
| Noncash investing, capital and financing activities:                               |  |              |                                   |
| Amortization of bond premium and discount  | \$ 159   | \$ -         | \$ 1,260                          |
| Capital asset acquisitions on accounts payable                                     | -  | -            | 260                               |
| Right-to-use lease assets obtained in exchange for liabilities                     | -  | -            | 1,599                             |

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## INTERNAL SERVICE FUNDS

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

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

**RISK MANAGEMENT FUND** is used to account for the City's self-funded general and automobile insurance program and workers' compensation insurance program.

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**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
June 30, 2025  
(in thousands)

|   | Fleet<br>Management<br>Fund | Risk<br>Management<br>Fund | Total<br>Internal<br>Service<br>Funds |
|---|-----------------------------|----------------------------|---------------------------------------|
| <b>ASSETS</b>                               |                             |                            |                                       |
| Current assets:                             |                             |                            |                                       |
| Cash and investments held by City           | \$ 47,436                   | \$ 96,899                  | \$ 144,335                            |
| Cash and investments held by fiscal agent   | -                           | 816                        | 816                                   |
| Receivables, net:                           |                             |                            |                                       |
| Accounts                                    | 142                         | 12,645                     | 12,787                                |
| Interest                                    | 327                         | 577                        | 904                                   |
| Due from other funds                        | -                           | 11,159                     | 11,159                                |
| Prepaid items                               | 15,790                      | -                          | 15,790                                |
| Total current assets                        | 63,695                      | 122,096                    | 185,791                               |
| Noncurrent assets:                          |                             |                            |                                       |
| Advances to other funds                     | -                           | 24,636                     | 24,636                                |
| Capital assets:                             |                             |                            |                                       |
| Buildings and improvements                  | 7,454                       | -                          | 7,454                                 |
| Machinery and equipment                     | 813                         | -                          | 813                                   |
| Vehicles                                    | 231,585                     | -                          | 231,585                               |
| Software                                    | 256                         | -                          | 256                                   |
| Intangible right-to-use lease buildings     | -                           | 216                        | 216                                   |
| Intangible right-to-use IT subscriptions    | 418                         | 165                        | 583                                   |
| Less: accumulated depreciation/amortization | (139,931)                   | (190)                      | (140,121)                             |
| Total noncurrent assets                     | 100,595                     | 24,827                     | 125,422                               |
| Total assets                                | 164,290                     | 146,923                    | 311,213                               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>       |                             |                            |                                       |
| Pensions                                    | 1,980                       | 1,364                      | 3,344                                 |
| OPEB  | 388                         | 123                        | 511                                   |
| Total deferred outflows of resources        | 2,368                       | 1,487                      | 3,855                                 |

**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Net Position**  
June 30, 2025  
(in thousands)

|   | Fleet<br>Management<br>Fund | Risk<br>Management<br>Fund | Total<br>Internal<br>Service<br>Funds |
|---|-----------------------------|----------------------------|---------------------------------------|
| <b><u>LIABILITIES</u></b>                   |                             |                            |                                       |
| Current liabilities:                        |                             |                            |                                       |
| Accounts payable                            | 4,278                       | 647                        | 4,925                                 |
| Accrued payroll                             | 257                         | 188                        | 445                                   |
| Accrued compensated absences                | 358                         | 259                        | 617                                   |
| Interest payable                            | 6                           | -                          | 6                                     |
| Unearned revenue                            | -                           | 221                        | 221                                   |
| Accrued claims and judgments                | 119                         | 39,693                     | 39,812                                |
| Lease liabilities                           | -                           | 42                         | 42                                    |
| IT subscription liabilities                 | 71                          | -                          | 71                                    |
|   | <hr/>                       | <hr/>                      | <hr/>                                 |
| Total current liabilities                   | 5,089                       | 41,050                     | 46,139                                |
| Noncurrent liabilities:                     |                             |                            |                                       |
| Accrued compensated absences                | 344                         | 470                        | 814                                   |
| Net OPEB liability                          | 4,371                       | 449                        | 4,820                                 |
| Accrued claims and judgments                | -                           | 111,652                    | 111,652                               |
| Lease liabilities                           | -                           | 108                        | 108                                   |
| IT subscription liabilities                 | 271                         | -                          | 271                                   |
| Net pension liability                       | 11,813                      | 7,085                      | 18,898                                |
|   | <hr/>                       | <hr/>                      | <hr/>                                 |
| Total noncurrent liabilities                | 16,799                      | 119,764                    | 136,563                               |
| Total liabilities                           | 21,888                      | 160,814                    | 182,702                               |
| <b><u>DEFERRED INFLOWS OF RESOURCES</u></b> |                             |                            |                                       |
| Pensions                                    | 6                           | 1                          | 7                                     |
| OPEB  | 636                         | 5                          | 641                                   |
|   | <hr/>                       | <hr/>                      | <hr/>                                 |
| Total deferred inflows of resources         | 642                         | 6                          | 648                                   |
| <b><u>NET POSITION</u></b>                  |                             |                            |                                       |
| Net investment in capital assets            | 97,981                      | 41                         | 98,022                                |
| Unrestricted                                | 46,147                      | (12,451)                   | 33,696                                |
|   | <hr/>                       | <hr/>                      | <hr/>                                 |
| Total net position (deficit)                | \$ 144,128                  | \$ (12,410)                | \$ 131,718                            |

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**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Revenues, Expenses**  
**and Changes in Net Position**

For the Fiscal Year Ended June 30, 2025  
 (in thousands)

|   | <b>Fleet<br/>Management<br/>Fund</b> | <b>Risk<br/>Management<br/>Fund</b> | <b>Total<br/>Internal<br/>Service<br/>Funds</b> |
|---|--------------------------------------|-------------------------------------|---|
| Operating revenues:   |                                      |                                     |   |
| Charges for services:   |                                      |                                     |   |
| User fees and charges   | \$ 63,549                            | \$ 72,094                           | \$ 135,643                                      |
| Miscellaneous   | 8                                    | -                                   | 8   |
| Total operating revenues  | 63,557                               | 72,094                              | 135,651   |
| Operating expenses:   |                                      |                                     |   |
| Employee services   | 8,937                                | 6,077                               | 15,014  |
| Services and supplies   | 28,410                               | 6,761                               | 35,171  |
| Depreciation/amortization   | 17,651                               | 94                                  | 17,745  |
| Insurance premiums  | -                                    | 19,822                              | 19,822  |
| Claims and judgments  | 97                                   | 40,660                              | 40,757  |
| Total operating expenses  | 55,095                               | 73,414                              | 128,509   |
| Operating income (loss)   | 8,462                                | (1,320)                             | 7,142   |
| Nonoperating revenues (expenses):                                       |                                      |                                     |   |
| Interest and investment revenue   | 2,722                                | 5,413                               | 8,135   |
| Revenue from other agencies   | -                                    | 32                                  | 32  |
| Insurance and other claim recoveries                                    | -                                    | 3,257                               | 3,257   |
| Interest expense  | (6)                                  | (4)                                 | (10)  |
| Gain on disposition of capital assets                                   | 395                                  | -                                   | 395   |
| Total nonoperating revenues (expenses)                                  | 3,111                                | 8,698                               | 11,809  |
| Income before transfers   | 11,573                               | 7,378                               | 18,951  |
| Transfers in  | -                                    | 16                                  | 16  |
| Transfers out   | (1,849)                              | -                                   | (1,849)   |
| Changes in net position   | 9,724                                | 7,394                               | 17,118  |
| Total net position (deficit), beginning of year, as previously reported | 134,545                              | (19,710)                            | 114,835   |
| Change in accounting principle (GASB 101)                               | (141)                                | (94)                                | (235)   |
| Total net position (deficit), beginning of year, as restated            | 134,404                              | (19,804)                            | 114,600   |
| Total net position (deficit), end of year                               | \$ 144,128                           | \$ (12,410)                         | \$ 131,718                                      |

**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|  | <b>Fleet Management Fund</b> | <b>Risk Management Fund</b> | <b>Total Internal Service Funds</b> |
|--|------------------------------|-----------------------------|-------------------------------------|
| <b>Cash flows from operating activities:</b>   |                              |                             |                                     |
| Receipts from interfund services provided  | \$ 64,185                    | \$ 160,949                  | \$ 225,134                          |
| Payments to suppliers  | (29,047)                     | (115,798)                   | (144,845)                           |
| Payments to employees  | (9,911)                      | (5,800)                     | (15,711)                            |
| Claims and judgments paid  | (80)                         | (36,764)                    | (36,844)                            |
| Net cash provided by operating activities  | <u>25,147</u>                | <u>2,587</u>                | <u>27,734</u>                       |
| <b>Cash flows from noncapital financing activities:</b>                              |                              |                             |                                     |
| Transfers in from other funds  | -                            | 16                          | 16                                  |
| Transfers out to other funds   | (1,804)                      | -                           | (1,804)                             |
| Collections on interfund loans   | -                            | 9,134                       | 9,134                               |
| Loans made to other funds  | -                            | (10,909)                    | (10,909)                            |
| Intergovernmental revenue received   | -                            | 32                          | 32                                  |
| Net cash used for noncapital financing activities                                    | <u>(1,804)</u>               | <u>(1,727)</u>              | <u>(3,531)</u>                      |
| <b>Cash flows from capital and related financing activities:</b>                     |                              |                             |                                     |
| Acquisition and construction of capital assets                                       | (29,765)                     | -                           | (29,765)                            |
| Proceeds from sale of capital assets   | 1,211                        | -                           | 1,211                               |
| Principal payments on lease liabilities  | -                            | (32)                        | (32)                                |
| Principal payments on IT subscription liabilities                                    | (76)                         | (55)                        | (131)                               |
| Interest payments on IT subscription liabilities                                     | -                            | (5)                         | (5)                                 |
| Transfers out to other funds   | (45)                         | -                           | (45)                                |
| Net cash used for capital and related financing activities                           | <u>(28,675)</u>              | <u>(92)</u>                 | <u>(28,767)</u>                     |
| <b>Cash flows from investing activities:</b>   |                              |                             |                                     |
| Collection of interest and investment revenue  | <u>2,626</u>                 | <u>5,192</u>                | <u>7,818</u>                        |
| Net increase (decrease) in cash and cash equivalents                                 | <u>(2,706)</u>               | <u>5,960</u>                | <u>3,254</u>                        |
| Cash and cash equivalents, beginning of year   | <u>50,142</u>                | <u>91,755</u>               | <u>141,897</u>                      |
| Cash and cash equivalents, end of year   | <u>\$ 47,436</u>             | <u>\$ 97,715</u>            | <u>\$ 145,151</u>                   |
| <b>Reconciliation of cash and cash equivalents to the Statement of Net Position:</b> |                              |                             |                                     |
| Cash and investments held by City  | \$ 47,436                    | \$ 96,899                   | \$ 144,335                          |
| Cash and investments held by fiscal agent  | -                            | 816                         | 816                                 |
| Total cash and cash equivalents, end of year   | <u>\$ 47,436</u>             | <u>\$ 97,715</u>            | <u>\$ 145,151</u>                   |

**City of Sacramento**  
**Internal Service Funds**  
**Combining Statement of Cash Flows**  
For the Fiscal Year Ended June 30, 2025  
(in thousands)

|   | <b>Fleet<br/>Management<br/>Fund</b> | <b>Risk<br/>Management<br/>Fund</b> | <b>Total<br/>Internal<br/>Service<br/>Funds</b> |
|---|--------------------------------------|-------------------------------------|---|
| <b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>        |                                      |                                     |   |
| Operating income (loss)   | \$ 8,462                             | \$ (1,320)                          | \$ 7,142  |
| <b>Adjustments to reconcile operating income (loss) to net cash provided by operating activities:</b> |                                      |                                     |   |
| Depreciation/amortization expense   | 17,585                               | 94                                  | 17,679  |
| Amortization of intangible assets   | 66                                   | -                                   | 66  |
| Nonoperating claims and judgments   | -                                    | (5,034)                             | (5,034)   |
| <b>Changes in assets, liabilities, and deferred outflows and inflows of resources:</b>                |                                      |                                     |   |
| Accounts receivable, net  | (1)                                  | 1                                   | -   |
| Accounts payable  | (985)                                | (378)                               | (1,363)   |
| Accrued payroll   | 10                                   | 29                                  | 39  |
| Accrued compensated absences  | (110)                                | 55                                  | (55)  |
| Accrued claims and judgments  | 17                                   | 8,930                               | 8,947   |
| Unearned revenue  | -                                    | 17                                  | 17  |
| Net pension liability and related deferred outflows/inflows of resources                              | 449                                  | 313                                 | 762   |
| Net OPEB liability and related deferred outflows/inflows of resources                                 | <u>(346)</u>                         | <u>(120)</u>                        | <u>(466)</u>                                    |
| Net cash provided by operating activities   | <u><u>\$ 25,147</u></u>              | <u><u>\$ 2,587</u></u>              | <u><u>\$ 27,734</u></u>                         |
| <b>Noncash investing, capital and financing activities:</b>   |                                      |                                     |   |
| Decrease in prepaid items for capital assets  | \$ 1,441                             | \$ -                                | \$ 1,441  |
| Capital asset acquisitions on accounts payable  | 2,272                                | -                                   | 2,272   |
| Right-to-use lease assets obtained in exchange for liabilities  | -                                    | 77                                  | 77  |
| Right-to-use IT subscription assets obtained in exchange for liabilities                              | 418                                  | -                                   | 418   |

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## **OTHER CUSTODIAL FUNDS**

Custodial funds account for assets held by the City as a custodian for individuals, private organizations, and other governments. The following custodial funds have been classified as other custodial funds:

**INDIVIDUAL INVESTMENT ACCOUNTS FUND** is used to account for assets and liabilities, held for entities external to the City, which are not invested in the City Sponsored Investment Pool.

**ASSESSMENT DISTRICTS & COMMUNITY FACILITIES DISTRICTS FUND** is used to account for special tax assessments, debt service payments, and the payment of other costs related to bonds issued under the Improvement Bond Act of 1915 and Mello-Roos districts within the City.

**City of Sacramento**  
**Other Custodial Funds**  
**Combining Statement of Fiduciary Net Position**

June 30, 2025  
 (in thousands)

|  | Individual<br>Investment<br>Accounts | Assessment<br>Districts &<br>Community<br>Facilities Districts | Total<br>Other<br>Custodial<br>Funds |
|--|--------------------------------------|--|--------------------------------------|
| <b>ASSETS</b>  |                                      |  |                                      |
| Cash and investments held by City                          | \$ 110,286                           | \$ 14,237  | \$ 124,523                           |
| Cash and investments held by fiscal agent                  | -                                    | 7,132  | 7,132                                |
| Receivables, net:  |                                      |  |                                      |
| Accounts   | -                                    | 9  | 9                                    |
| Interest   | 391                                  | 61   | 452                                  |
| Special assessments  | -                                    | 353  | 353                                  |
| Restricted assets:   |                                      |  |                                      |
| Cash and investments held by City                          | -                                    | 4,807  | 4,807                                |
| Cash and investments held by fiscal agent                  | -                                    | 22,468   | 22,468                               |
| Total assets   | <u>110,677</u>                       | <u>49,067</u>  | <u>159,744</u>                       |
| <b>LIABILITIES</b>   |                                      |  |                                      |
| Due to bondholders   | -                                    | 49,067   | 49,067                               |
| <b>NET POSITION</b>  |                                      |  |                                      |
| Held for individuals, organizations, and other governments | <u>\$ 110,677</u>                    | <u>\$ -</u>  | <u>\$ 110,677</u>                    |

# City of Sacramento

## Other Custodial Funds

### Combining Statement of Changes in Fiduciary Net Position

For the Fiscal Year Ended June 30, 2025

(in thousands)

|   | Individual<br>Investment<br>Accounts | Assessment<br>Districts &<br>Community<br>Facilities Districts | Total<br>Other<br>Custodial<br>Funds |
|---|--------------------------------------|--|--------------------------------------|
| <b>Additions:</b>                             |                                      |  |                                      |
| Deposits                                      | \$ 2,292                             | \$ -   | \$ 2,292                             |
| Special assessments                           | -                                    | 18,556   | 18,556                               |
| Fines, forfeits, and penalties                | -                                    | 4  | 4                                    |
| Capital contributions                         | -                                    | 10,467   | 10,467                               |
| <b>Investment income:</b>                     |                                      |  |                                      |
| From investment activities:                   |                                      |  |                                      |
| Net appreciation in fair value of investments | 3,355                                | -  | 3,355                                |
| Interest                                      | 3,188                                | 1,701  | 4,889                                |
| Total investment income                       | <u>6,543</u>                         | <u>1,701</u>   | <u>8,244</u>                         |
| Total additions                               | 8,835                                | 30,728   | 39,563                               |
| <b>Deductions:</b>                            |                                      |  |                                      |
| Withdrawals                                   | 45,033                               | -  | 45,033                               |
| Paid to bondholders                           | -                                    | 27,750   | 27,750                               |
| Administrative expenses                       | -                                    | 2,978  | 2,978                                |
| Total deductions                              | <u>45,033</u>                        | <u>30,728</u>  | <u>75,761</u>                        |
| Changes in net position                       | (36,198)                             | -  | (36,198)                             |
| Net position, beginning of year               | <u>146,875</u>                       | <u>-</u>   | <u>146,875</u>                       |
| Net position, end of year                     | <u>\$ 110,677</u>                    | <u>\$ -</u>  | <u>\$ 110,677</u>                    |

# Statistical Section

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

#### **Revenue Capacity Information**

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

#### **Debt Capacity Information**

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

#### **Demographic and Economic Information**

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

#### **Successor Agency Information**

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

#### **Operating Information**

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

## City of Sacramento

### Net Position by Component <sup>(1) (2) (3) (4)</sup>

#### Last Ten Fiscal Years

(accrual basis accounting, in thousands)

|   | Fiscal Year                |                            |                            |                            |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 2016                       | 2017                       | 2018                       | 2019                       | 2020                       |
| Governmental activities                     |                            |                            |                            |                            |                            |
| Net investment in capital assets            | \$ 1,497,796               | \$ 1,296,493               | \$ 1,335,576               | \$ 1,267,837               | \$ 1,318,817               |
| Restricted for:                             |                            |                            |                            |                            |                            |
| Capital projects                            | 80,054                     | 119,131                    | 136,831                    | 166,705                    | 191,919                    |
| Debt service                                | 1,203                      | 872                        | 606                        | 686                        | 537                        |
| Public works programs                       | 20,521                     | 18,866                     | 24,750                     | 27,792                     | 29,972                     |
| Economic development programs               | 16,888                     | 16,251                     | 44,920                     | 48,878                     | 46,954                     |
| Ambulance services                          | 1,085                      | -                          | -                          | -                          | -                          |
| Other programs                              | 28,381                     | 23,645                     | 26,786                     | 39,380                     | 60,466                     |
| Trust and endowments:                       |                            |                            |                            |                            |                            |
| Expendable                                  | 8,008                      | 8,545                      | 8,656                      | 9,197                      | 8,547                      |
| Nonexpendable                               | 878                        | 878                        | 878                        | 878                        | 878                        |
| Unrestricted                                | (581,697)                  | (443,845)                  | (667,254)                  | (606,222)                  | (612,827)                  |
| Total governmental activities net position  | <u><u>\$ 1,073,117</u></u> | <u><u>\$ 1,040,836</u></u> | <u><u>\$ 911,749</u></u>   | <u><u>\$ 955,131</u></u>   | <u><u>\$ 1,045,263</u></u> |
| Business-type activities                    |                            |                            |                            |                            |                            |
| Net investment in capital assets            | \$ 785,353                 | \$ 807,004                 | \$ 869,183                 | \$ 925,128                 | \$ 1,166,785               |
| Restricted for:                             |                            |                            |                            |                            |                            |
| Capital projects                            | 40,772                     | 39,155                     | 38,473                     | 40,411                     | 47,256                     |
| Debt service                                | -                          | -                          | -                          | -                          | 401                        |
| Other programs                              | 2,203                      | 2,607                      | 2,633                      | 2,963                      | 2,929                      |
| Unrestricted                                | 123,842                    | 150,049                    | 124,001                    | 138,742                    | (44,579)                   |
| Total business-type activities net position | <u><u>\$ 952,170</u></u>   | <u><u>\$ 998,815</u></u>   | <u><u>\$ 1,034,290</u></u> | <u><u>\$ 1,107,244</u></u> | <u><u>\$ 1,172,792</u></u> |
| Primary government                          |                            |                            |                            |                            |                            |
| Net investment in capital assets            | \$ 2,283,149               | \$ 2,103,497               | \$ 2,204,759               | \$ 2,192,965               | \$ 2,485,602               |
| Restricted for:                             |                            |                            |                            |                            |                            |
| Capital projects                            | 120,826                    | 158,286                    | 175,304                    | 207,116                    | 239,175                    |
| Debt service                                | 1,203                      | 872                        | 606                        | 686                        | 938                        |
| Public works programs                       | 20,521                     | 18,866                     | 24,750                     | 27,792                     | 29,972                     |
| Economic development programs               | 16,888                     | 16,251                     | 44,920                     | 48,878                     | 46,954                     |
| Ambulance services                          | 1,085                      | -                          | -                          | -                          | -                          |
| Other programs                              | 30,584                     | 26,252                     | 29,419                     | 42,343                     | 63,395                     |
| Trust and endowments:                       |                            |                            |                            |                            |                            |
| Expendable                                  | 8,008                      | 8,545                      | 8,656                      | 9,197                      | 8,547                      |
| Nonexpendable                               | 878                        | 878                        | 878                        | 878                        | 878                        |
| Unrestricted                                | (457,855)                  | (293,796)                  | (543,253)                  | (467,480)                  | (657,406)                  |
| Total primary government net position       | <u><u>\$ 2,025,287</u></u> | <u><u>\$ 2,039,651</u></u> | <u><u>\$ 1,946,039</u></u> | <u><u>\$ 2,062,375</u></u> | <u><u>\$ 2,218,055</u></u> |

Notes: (1) Fiscal year 2017 beginning net position was restated due to the implementation of GASB 75.

(2) GASB 87 was implemented in fiscal year 2022, and beginning net position has not been restated.

(3) GASB 96 was implemented in fiscal year 2023, and beginning net position has not been restated.

(4) Fiscal year 2025 beginning net position was restated due to the implementation of GASB 101.

Source: City of Sacramento Annual Comprehensive Financial Reports

## City of Sacramento

### Net Position by Component <sup>(1) (2) (3) (4)</sup>

#### Last Ten Fiscal Years

(accrual basis accounting, in thousands)

|   | Fiscal Year                |                            |                            |                            |                            |
|---|----------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|   | 2021                       | 2022                       | 2023                       | 2024                       | 2025                       |
| Governmental activities                     |                            |                            |                            |                            |                            |
| Net investment in capital assets            | \$ 1,360,966               | \$ 1,370,530               | \$ 1,346,924               | \$ 1,408,509               | \$ 1,460,079               |
| Restricted for:                             |                            |                            |                            |                            |                            |
| Capital projects                            | 214,188                    | 223,243                    | 260,988                    | 269,677                    | 287,606                    |
| Debt service                                | 401                        | 907                        | 1,086                      | 1,083                      | 1,341                      |
| Public works programs                       | 29,598                     | 35,497                     | 39,396                     | 39,465                     | 50,066                     |
| Economic development programs               | 49,537                     | 55,545                     | 72,326                     | 79,416                     | 81,352                     |
| Ambulance services                          | -                          | -                          | -                          | -                          | -                          |
| Other programs                              | 61,142                     | 67,600                     | 71,766                     | 81,521                     | 108,965                    |
| Trust and endowments:                       |                            |                            |                            |                            |                            |
| Expendable                                  | 9,934                      | 10,249                     | 10,331                     | 11,168                     | 11,674                     |
| Nonexpendable                               | 878                        | 578                        | 586                        | 595                        | 598                        |
| Unrestricted                                | (596,900)                  | (407,418)                  | (414,118)                  | (442,055)                  | (445,798)                  |
| Total governmental activities net position  | <u><u>\$ 1,129,744</u></u> | <u><u>\$ 1,356,731</u></u> | <u><u>\$ 1,389,285</u></u> | <u><u>\$ 1,449,379</u></u> | <u><u>\$ 1,555,883</u></u> |
| Business-type activities                    |                            |                            |                            |                            |                            |
| Net investment in capital assets            | \$ 1,167,408               | \$ 937,751                 | \$ 952,381                 | \$ 972,422                 | \$ 985,382                 |
| Restricted for:                             |                            |                            |                            |                            |                            |
| Capital projects                            | 43,253                     | 45,942                     | 58,741                     | 60,852                     | 62,135                     |
| Debt service                                | -                          | -                          | -                          | -                          | -                          |
| Other programs                              | 2,200                      | 2,594                      | 22,020                     | 38,114                     | 51,174                     |
| Unrestricted                                | 1,279                      | 268,651                    | 271,835                    | 308,714                    | 368,311                    |
| Total business-type activities net position | <u><u>\$ 1,214,140</u></u> | <u><u>\$ 1,254,938</u></u> | <u><u>\$ 1,304,977</u></u> | <u><u>\$ 1,380,102</u></u> | <u><u>\$ 1,467,002</u></u> |
| Primary government                          |                            |                            |                            |                            |                            |
| Net investment in capital assets            | \$ 2,528,374               | \$ 2,308,281               | \$ 2,299,305               | \$ 2,380,931               | \$ 2,445,461               |
| Restricted for:                             |                            |                            |                            |                            |                            |
| Capital projects                            | 257,441                    | 269,185                    | 319,729                    | 330,529                    | 349,741                    |
| Debt service                                | 401                        | 907                        | 1,086                      | 1,083                      | 1,341                      |
| Public works programs                       | 29,598                     | 35,497                     | 39,396                     | 39,465                     | 50,066                     |
| Economic development programs               | 49,537                     | 55,545                     | 72,326                     | 79,416                     | 81,352                     |
| Ambulance services                          | -                          | -                          | -                          | -                          | -                          |
| Other programs                              | 63,342                     | 70,194                     | 93,786                     | 119,635                    | 160,139                    |
| Trust and endowments:                       |                            |                            |                            |                            |                            |
| Expendable                                  | 9,934                      | 10,249                     | 10,331                     | 11,168                     | 11,674                     |
| Nonexpendable                               | 878                        | 578                        | 586                        | 595                        | 598                        |
| Unrestricted                                | (595,621)                  | (138,767)                  | (142,283)                  | (133,341)                  | (77,487)                   |
| Total primary government net position       | <u><u>\$ 2,343,884</u></u> | <u><u>\$ 2,611,669</u></u> | <u><u>\$ 2,694,262</u></u> | <u><u>\$ 2,829,481</u></u> | <u><u>\$ 3,022,885</u></u> |

Notes: (1) Fiscal year 2017 beginning net position was restated due to the implementation of GASB 75.

(2) GASB 87 was implemented in fiscal year 2022, and beginning net position has not been restated.

(3) GASB 96 was implemented in fiscal year 2023, and beginning net position has not been restated.

(4) Fiscal year 2025 beginning net position was restated due to the implementation of GASB 101.

Source: City of Sacramento Annual Comprehensive Financial Reports

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

|   | <b>Fiscal Year</b>       |                          |                            |                            |                            |
|---|--------------------------|--------------------------|----------------------------|----------------------------|----------------------------|
|   | <b>2016</b>              | <b>2017</b>              | <b>2018</b>                | <b>2019</b>                | <b>2020</b>                |
| <b>Expenses</b>                         |                          |                          |                            |                            |                            |
| <i>Governmental activities</i>          |                          |                          |                            |                            |                            |
| General government                      | \$ 59,037                | \$ 59,033                | \$ 100,625                 | \$ 116,282                 | \$ 152,791                 |
| Police                                  | 164,750                  | 176,955                  | 199,746                    | 203,303                    | 233,686                    |
| Fire                                    | 137,859                  | 146,693                  | 160,216                    | 169,819                    | 179,626                    |
| Public works                            | 121,184                  | 106,328                  | 122,340                    | 132,958                    | 125,025                    |
| Economic development <sup>(2)</sup>     | 13,049                   | 13,397                   | -                          | -                          | -                          |
| Convention and cultural services        | 24,139                   | 20,380                   | 21,066                     | 30,907                     | 20,615                     |
| Youth, parks, and community enrichment  | 53,911                   | 50,156                   | 55,518                     | 61,225                     | 66,885                     |
| Community development                   | 36,251                   | 41,726                   | 50,879                     | 60,466                     | 74,398                     |
| Community response <sup>(3)</sup>       | -                        | -                        | -                          | -                          | -                          |
| Library                                 | 16,294                   | 16,122                   | 17,376                     | 18,687                     | 19,822                     |
| Interest on long-term debt              | 30,404                   | 27,626                   | 23,144                     | 23,454                     | 24,341                     |
| Total governmental activities expenses  | <u>656,878</u>           | <u>658,416</u>           | <u>750,910</u>             | <u>817,101</u>             | <u>897,189</u>             |
| <i>Business-type activities</i>         |                          |                          |                            |                            |                            |
| Water                                   | 73,150                   | 80,176                   | 87,745                     | 99,029                     | 104,542                    |
| Wastewater                              | 25,348                   | 29,075                   | 28,251                     | 33,059                     | 32,461                     |
| Storm drainage                          | 40,971                   | 40,479                   | 41,199                     | 40,186                     | 44,786                     |
| Solid waste                             | 47,703                   | 51,693                   | 56,698                     | 57,408                     | 59,176                     |
| Community center                        | 17,277                   | 16,607                   | 17,795                     | 27,058                     | 31,298                     |
| Parking                                 | 14,451                   | 11,955                   | 13,475                     | 14,354                     | 13,997                     |
| Child development                       | 5,519                    | 5,743                    | 6,589                      | 6,766                      | 5,594                      |
| Total business-type activities expenses | <u>224,419</u>           | <u>235,728</u>           | <u>251,752</u>             | <u>277,860</u>             | <u>291,854</u>             |
| Total primary government expenses       | <u><u>\$ 881,297</u></u> | <u><u>\$ 894,144</u></u> | <u><u>\$ 1,002,662</u></u> | <u><u>\$ 1,094,961</u></u> | <u><u>\$ 1,189,043</u></u> |

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) The Economic Development function was reallocated to the General Government function in FY18.

(3) The Department of Community Response was created in FY22.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

|   | <b>Fiscal Year</b>  |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | <b>2021</b>         | <b>2022</b>         | <b>2023</b>         | <b>2024</b>         | <b>2025</b>         |
| <b>Expenses</b>                         |                     |                     |                     |                     |                     |
| <i>Governmental activities</i>          |                     |                     |                     |                     |                     |
| General government                      | \$ 259,529          | \$ 228,155          | \$ 208,630          | \$ 173,246          | \$ 199,607          |
| Police                                  | 233,883             | 214,867             | 257,552             | 284,283             | 292,101             |
| Fire                                    | 191,814             | 165,526             | 200,767             | 229,749             | 252,274             |
| Public works                            | 115,565             | 116,113             | 137,292             | 158,275             | 130,312             |
| Economic development <sup>(2)</sup>     | -                   | -                   | -                   | -                   | -                   |
| Convention and cultural services        | 18,398              | 21,421              | 29,053              | 31,401              | 29,170              |
| Youth, parks, and community enrichment  | 57,345              | 67,602              | 80,719              | 100,146             | 90,092              |
| Community development                   | 71,473              | 64,151              | 67,398              | 75,796              | 99,966              |
| Community response <sup>(3)</sup>       | -                   | 10,703              | 20,314              | 20,467              | 22,000              |
| Library                                 | 22,173              | 23,304              | 24,416              | 24,744              | 25,095              |
| Interest on long-term debt              | 20,635              | 18,800              | 26,259              | 16,903              | 18,824              |
| Total governmental activities expenses  | <u>990,815</u>      | <u>930,642</u>      | <u>1,052,400</u>    | <u>1,115,010</u>    | <u>1,159,441</u>    |
| <i>Business-type activities</i>         |                     |                     |                     |                     |                     |
| Water                                   | 102,538             | 101,546             | 117,007             | 124,055             | 134,022             |
| Wastewater                              | 32,436              | 30,828              | 35,415              | 42,455              | 41,720              |
| Storm drainage                          | 40,942              | 41,238              | 48,231              | 51,743              | 59,384              |
| Solid waste                             | 64,060              | 63,228              | 77,838              | 72,036              | 74,118              |
| Community center                        | 25,257              | 29,456              | 32,916              | 38,448              | 41,510              |
| Parking                                 | 11,454              | 10,675              | 12,476              | 14,148              | 14,733              |
| Child development                       | 3,422               | 5,626               | 6,339               | 6,317               | 6,989               |
| Total business-type activities expenses | <u>280,109</u>      | <u>282,597</u>      | <u>330,222</u>      | <u>349,202</u>      | <u>372,476</u>      |
| Total primary government expenses       | <u>\$ 1,270,924</u> | <u>\$ 1,213,239</u> | <u>\$ 1,382,622</u> | <u>\$ 1,464,212</u> | <u>\$ 1,531,917</u> |

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) The Economic Development function was reallocated to the General Government function in FY18.

(3) The Department of Community Response was created in FY22.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

|  | <b>Fiscal Year</b>  |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | <b>2016</b>         | <b>2017</b>         | <b>2018</b>         | <b>2019</b>         | <b>2020</b>         |
| <b>Program Revenues</b>                |                     |                     |                     |                     |                     |
| <i>Governmental activities</i>         |                     |                     |                     |                     |                     |
| Charge for services                    |                     |                     |                     |                     |                     |
| General government                     | \$ 7,103            | \$ 6,573            | \$ 19,438           | \$ 22,908           | \$ 26,527           |
| Police                                 | 11,022              | 13,068              | 12,586              | 14,550              | 13,490              |
| Fire                                   | 31,204              | 30,897              | 42,898              | 42,866              | 44,851              |
| Public works                           | 37,179              | 42,897              | 50,159              | 52,901              | 50,216              |
| Economic development <sup>(2)</sup>    | 7,889               | 9,140               | -                   | -                   | -                   |
| Convention and cultural services       | 10,085              | 10,860              | 12,456              | 12,622              | 10,385              |
| Youth, parks, and community enrichment | 13,792              | 12,954              | 13,065              | 13,365              | 12,429              |
| Community development                  | 27,025              | 32,428              | 36,019              | 38,218              | 38,646              |
| Total charge for services              | 145,299             | 158,817             | 186,621             | 197,430             | 196,544             |
| Operating grants and contributions     | 35,442              | 36,938              | 41,811              | 55,535              | 75,897              |
| Capital grants and contributions       | 122,528             | 86,856              | 101,476             | 98,903              | 160,395             |
| Total governmental activities          |                     |                     |                     |                     |                     |
| program revenues                       | <u>303,269</u>      | <u>282,611</u>      | <u>329,908</u>      | <u>351,868</u>      | <u>432,836</u>      |
| <i>Business-type activities</i>        |                     |                     |                     |                     |                     |
| Charge for services                    |                     |                     |                     |                     |                     |
| Water                                  | 98,533              | 108,867             | 119,379             | 127,868             | 142,041             |
| Wastewater                             | 31,532              | 34,311              | 37,596              | 42,275              | 44,562              |
| Storm drainage                         | 40,166              | 40,124              | 39,512              | 39,969              | 40,871              |
| Solid waste                            | 60,253              | 61,548              | 63,556              | 63,664              | 67,086              |
| Community center                       | 8,782               | 9,488               | 9,848               | 8,726               | 2,458               |
| Parking                                | 17,646              | 18,374              | 19,003              | 19,735              | 17,140              |
| Child development                      | 6,073               | 5,713               | 6,419               | 6,547               | 5,328               |
| Total charge for services              | 262,985             | 278,425             | 295,313             | 308,784             | 319,486             |
| Operating grants and contributions     | 3,435               | 3,967               | 2,179               | 3,300               | 1,693               |
| Capital grants and contributions       | 7,433               | 6,229               | 23,726              | 20,457              | 32,726              |
| Total business-type activities         |                     |                     |                     |                     |                     |
| program revenues                       | <u>273,853</u>      | <u>288,621</u>      | <u>321,218</u>      | <u>332,541</u>      | <u>353,905</u>      |
| Total primary government               |                     |                     |                     |                     |                     |
| program revenues                       | <u>\$ 577,122</u>   | <u>\$ 571,232</u>   | <u>\$ 651,126</u>   | <u>\$ 684,409</u>   | <u>\$ 786,741</u>   |
| <b>Net (Expense) Revenue</b>           |                     |                     |                     |                     |                     |
| Governmental activities                | \$ (353,609)        | \$ (375,805)        | \$ (421,002)        | \$ (465,233)        | \$ (464,353)        |
| Business-type activities               | <u>49,434</u>       | <u>52,893</u>       | <u>69,466</u>       | <u>54,681</u>       | <u>62,051</u>       |
| Total primary government net expenses  | <u>\$ (304,175)</u> | <u>\$ (322,912)</u> | <u>\$ (351,536)</u> | <u>\$ (410,552)</u> | <u>\$ (402,302)</u> |

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) The Economic Development function was reallocated to the General Government function in FY18.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

|  | <b>Fiscal Year</b>  |                     |                     |                     |                     |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
|  | <b>2021</b>         | <b>2022</b>         | <b>2023</b>         | <b>2024</b>         | <b>2025</b>         |
| <b>Program Revenues</b>                |                     |                     |                     |                     |                     |
| <i>Governmental activities</i>         |                     |                     |                     |                     |                     |
| Charge for services                    |                     |                     |                     |                     |                     |
| General government                     | \$ 28,247           | \$ 30,628           | \$ 27,839           | \$ 28,932           | \$ 30,614           |
| Police                                 | 10,468              | 12,626              | 12,438              | 13,362              | 12,262              |
| Fire                                   | 46,867              | 54,968              | 49,582              | 60,800              | 71,617              |
| Public works                           | 43,245              | 55,885              | 57,100              | 59,859              | 70,948              |
| Economic development <sup>(2)</sup>    | -                   | -                   | -                   | -                   | -                   |
| Convention and cultural services       | 8,823               | 10,901              | 12,831              | 13,256              | 15,808              |
| Youth, parks, and community enrichment | 8,952               | 12,470              | 13,319              | 16,125              | 17,984              |
| Community development                  | 34,287              | 35,516              | 35,562              | 30,485              | 40,324              |
| Total charge for services              | 180,889             | 212,994             | 208,671             | 222,819             | 259,557             |
| Operating grants and contributions     | 185,641             | 234,294             | 80,189              | 90,169              | 98,534              |
| Capital grants and contributions       | 141,760             | 110,961             | 135,186             | 154,666             | 179,709             |
| Total governmental activities          |                     |                     |                     |                     |                     |
| program revenues                       | 508,290             | 558,249             | 424,046             | 467,654             | 537,800             |
| <i>Business-type activities</i>        |                     |                     |                     |                     |                     |
| Charge for services                    |                     |                     |                     |                     |                     |
| Water                                  | 144,070             | 136,613             | 135,399             | 132,957             | 145,408             |
| Wastewater                             | 43,829              | 44,327              | 44,809              | 45,871              | 47,241              |
| Storm drainage                         | 40,848              | 41,901              | 61,120              | 62,606              | 65,121              |
| Solid waste                            | 73,465              | 76,221              | 87,753              | 93,291              | 99,126              |
| Community center                       | 196                 | 10,140              | 13,889              | 14,640              | 15,066              |
| Parking                                | 10,403              | 13,977              | 16,978              | 18,725              | 20,861              |
| Child development                      | 552                 | 4,356               | 5,592               | 6,396               | 6,948               |
| Total charge for services              | 313,363             | 327,535             | 365,540             | 374,486             | 399,771             |
| Operating grants and contributions     | 501                 | 1,864               | 1,185               | 4,762               | 5,057               |
| Capital grants and contributions       | 18,445              | 17,162              | 18,069              | 25,168              | 18,606              |
| Total business-type activities         |                     |                     |                     |                     |                     |
| program revenues                       | 332,309             | 346,561             | 384,794             | 404,416             | 423,434             |
| Total primary government               |                     |                     |                     |                     |                     |
| program revenues                       | \$ 840,599          | \$ 904,810          | \$ 808,840          | \$ 872,070          | \$ 961,234          |
| <b>Net (Expense) Revenue</b>           |                     |                     |                     |                     |                     |
| Governmental activities                | \$ (482,525)        | \$ (372,393)        | \$ (628,354)        | \$ (647,356)        | \$ (621,641)        |
| Business-type activities               | 52,200              | 63,964              | 54,572              | 55,214              | 50,958              |
| Total primary government net expenses  | <u>\$ (430,325)</u> | <u>\$ (308,429)</u> | <u>\$ (573,782)</u> | <u>\$ (592,142)</u> | <u>\$ (570,683)</u> |

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

(2) The Economic Development function was reallocated to the General Government function in FY18.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

|  | <b>Fiscal Year</b> |                   |                   |                   |                   |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
|  | <b>2016</b>        | <b>2017</b>       | <b>2018</b>       | <b>2019</b>       | <b>2020</b>       |
| <b>General Revenues and Other Changes in Net Position</b>  |                    |                   |                   |                   |                   |
| <i>Governmental activities</i>                             |                    |                   |                   |                   |                   |
| Taxes:   |                    |                   |                   |                   |                   |
| Property taxes   | \$ 138,354         | \$ 146,697        | \$ 156,710        | \$ 170,439        | \$ 184,142        |
| Utility user taxes   | 61,404             | 62,997            | 62,989            | 60,128            | 60,039            |
| Other taxes  | 70,761             | 77,608            | 83,981            | 105,997           | 148,998           |
| Sales taxes shared state revenue                           | 67,983             | 81,296            | 82,987            | 93,770            | 90,970            |
| In-lieu sales tax  | 14,387             | -                 | -                 | -                 | -                 |
| Investment earnings (loss)                                 | 11,328             | 9,178             | 5,593             | 20,923            | 19,646            |
| Miscellaneous  | 12,954             | 14,221            | 17,328            | 14,834            | 15,743            |
| Gain (loss) on disposition of capital assets               | -                  | (79,916)          | -                 | -                 | -                 |
| Gain on reduction in lease and IT subscription liabilities | -                  | -                 | -                 | -                 | -                 |
| Special items  | (8,830)            | -                 | -                 | 7,000             | -                 |
| Transfers  | 14,773             | 31,443            | 34,525            | 35,524            | 34,947            |
| Total governmental activities                              | <u>383,114</u>     | <u>343,524</u>    | <u>444,113</u>    | <u>508,615</u>    | <u>554,485</u>    |
| <i>Business-type activities</i>                            |                    |                   |                   |                   |                   |
| Taxes:   |                    |                   |                   |                   |                   |
| Other taxes  | 21,800             | 23,866            | 26,839            | 29,477            | 21,504            |
| Investment earnings (loss)                                 | 4,428              | 1,292             | 1,013             | 20,020            | 16,940            |
| Miscellaneous  | 20                 | 20                | 37                | -                 | -                 |
| Gain (loss) on disposition of capital assets               | -                  | 17                | 424               | 1,747             | -                 |
| Gain on lease forgiveness                                  | -                  | -                 | -                 | -                 | -                 |
| Special items  | -                  | -                 | -                 | 2,553             | -                 |
| Transfers  | (14,773)           | (31,443)          | (34,525)          | (35,524)          | (34,947)          |
| Total business-type activities                             | <u>11,475</u>      | <u>(6,248)</u>    | <u>(6,212)</u>    | <u>18,273</u>     | <u>3,497</u>      |
| Total primary government                                   | <u>\$ 394,589</u>  | <u>\$ 337,276</u> | <u>\$ 437,901</u> | <u>\$ 526,888</u> | <u>\$ 557,982</u> |
| <b>Change in Net Position</b>                              |                    |                   |                   |                   |                   |
| Governmental activities                                    | \$ 29,505          | \$ (32,281)       | \$ 23,111         | \$ 43,382         | \$ 90,132         |
| Business-type activities                                   | 60,909             | 47,180            | 63,254            | 72,954            | 65,548            |
| Total primary government                                   | <u>\$ 90,414</u>   | <u>\$ 14,899</u>  | <u>\$ 86,365</u>  | <u>\$ 116,336</u> | <u>\$ 155,680</u> |

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

**City of Sacramento**  
**Changes in Net Position <sup>(1)</sup>**  
**Last Ten Fiscal Years**

(accrual basis of accounting, in thousands)

|  | <b>Fiscal Year</b> |                   |                   |                   |                   |
|--|--------------------|-------------------|-------------------|-------------------|-------------------|
|  | <b>2021</b>        | <b>2022</b>       | <b>2023</b>       | <b>2024</b>       | <b>2025</b>       |
| <b>General Revenues and Other Changes in Net Position</b>  |                    |                   |                   |                   |                   |
| <i>Governmental activities</i>                             |                    |                   |                   |                   |                   |
| Taxes:   |                    |                   |                   |                   |                   |
| Property taxes   | \$ 198,380         | \$ 211,331        | \$ 228,337        | \$ 244,107        | \$ 255,397        |
| Utility user taxes   | 62,164             | 65,461            | 69,529            | 64,133            | 70,306            |
| Other taxes  | 171,808            | 193,912           | 182,459           | 187,227           | 187,373           |
| Sales taxes shared state revenue                           | 99,325             | 115,260           | 115,343           | 112,422           | 112,815           |
| In-lieu sales tax  | -                  | -                 | -                 | -                 | -                 |
| Investment earnings (loss)                                 | 4,618              | (27,883)          | 11,711            | 44,372            | 51,304            |
| Miscellaneous  | 12,064             | 15,304            | 13,377            | 13,095            | 15,667            |
| Gain (loss) on disposition of capital assets               | -                  | -                 | -                 | -                 | -                 |
| Gain on reduction in lease and IT subscription liabilities | -                  | -                 | -                 | 117               | -                 |
| Special items  | -                  | -                 | -                 | -                 | -                 |
| Transfers  | <u>18,647</u>      | <u>25,995</u>     | <u>40,152</u>     | <u>41,976</u>     | <u>42,901</u>     |
| Total governmental activities                              | <u>567,006</u>     | <u>599,380</u>    | <u>660,908</u>    | <u>707,449</u>    | <u>735,763</u>    |
| <i>Business-type activities</i>                            |                    |                   |                   |                   |                   |
| Taxes:   |                    |                   |                   |                   |                   |
| Other taxes  | 15,545             | 26,843            | 31,294            | 34,254            | 35,228            |
| Investment earnings (loss)                                 | 5                  | (24,014)          | 4,399             | 27,610            | 32,129            |
| Miscellaneous  | -                  | -                 | -                 | -                 | -                 |
| Gain (loss) on disposition of capital assets               | 27                 | -                 | (74)              | -                 | -                 |
| Gain on reduction in lease liabilities                     | -                  | -                 | -                 | 23                | 25                |
| Special items  | -                  | -                 | -                 | -                 | 13,400            |
| Transfers  | <u>(18,647)</u>    | <u>(25,995)</u>   | <u>(40,152)</u>   | <u>(41,976)</u>   | <u>(42,901)</u>   |
| Total business-type activities                             | <u>(3,070)</u>     | <u>(23,166)</u>   | <u>(4,533)</u>    | <u>19,911</u>     | <u>37,881</u>     |
| Total primary government                                   | <u>\$ 563,936</u>  | <u>\$ 576,214</u> | <u>\$ 656,375</u> | <u>\$ 727,360</u> | <u>\$ 773,644</u> |
| <b>Change in Net Position</b>                              |                    |                   |                   |                   |                   |
| Governmental activities                                    | \$ 84,481          | \$ 226,987        | \$ 32,554         | \$ 60,093         | \$ 114,122        |
| Business-type activities                                   | 49,130             | 40,798            | 50,039            | 75,125            | 88,839            |
| Total primary government                                   | <u>\$ 133,611</u>  | <u>\$ 267,785</u> | <u>\$ 82,593</u>  | <u>\$ 135,218</u> | <u>\$ 202,961</u> |

Notes: (1) The expenses reported in the governmental activities and business-type activities are net of indirect charges between the departments.

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

|   | Fiscal Year              |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | 2016                     | 2017                     | 2018                     | 2019                     | 2020                     |
| <b>General Fund</b>                       |                          |                          |                          |                          |                          |
| <b>Nonspendable:</b>                      |                          |                          |                          |                          |                          |
| Prepaid items                             | \$ 2                     | \$ 12                    | \$ 45                    | \$ -                     | \$ 1,279                 |
| Leases                                    | -                        | -                        | -                        | -                        | -                        |
| Due from other funds                      | -                        | 3,800                    | 3,800                    | -                        | -                        |
| <b>Restricted:</b>                        |                          |                          |                          |                          |                          |
| Capital projects                          | 1,860                    | -                        | -                        | -                        | -                        |
| Ambulance service                         | 1,085                    | -                        | -                        | -                        | -                        |
| Other programs                            | 17                       | 17                       | -                        | -                        | -                        |
| <b>Committed:</b>                         |                          |                          |                          |                          |                          |
| Economic uncertainty                      | 46,950                   | 49,644                   | 52,700                   | 55,200                   | 55,200                   |
| Capital projects                          | 37,526                   | 49,265                   | 37,583                   | 39,995                   | 57,689                   |
| Community center theater renovation       | 8,500                    | -                        | -                        | -                        | -                        |
| Housing trust fund                        | -                        | -                        | -                        | -                        | -                        |
| Fire programs                             | 5,720                    | 1,386                    | 6,189                    | 9,568                    | 5,635                    |
| Pension                                   | -                        | -                        | 5,000                    | 13,500                   | -                        |
| OPEB                                      | 6,752                    | 5,324                    | 2,619                    | 6,644                    | 4,264                    |
| Set-aside for next year's Budget          | -                        | -                        | -                        | -                        | -                        |
| SCXEA labor for FY2020                    | -                        | -                        | -                        | 4,256                    | -                        |
| Homeless programs                         | 250                      | -                        | -                        | -                        | -                        |
| Gas tax                                   | -                        | 2,087                    | 2,087                    | 2,087                    | -                        |
| Other programs                            | 13,953                   | 19,280                   | 37,325                   | 46,052                   | 49,405                   |
| <b>Assigned:</b>                          |                          |                          |                          |                          |                          |
| Unrealized investment gains               | 732                      | -                        | -                        | 381                      | 1,960                    |
| <b>Unassigned</b>                         | <u>26,649</u>            | <u>24,739</u>            | <u>25,021</u>            | <u>32,923</u>            | <u>50,007</u>            |
| <b>Total general fund</b>                 | <u><u>\$ 149,996</u></u> | <u><u>\$ 155,554</u></u> | <u><u>\$ 172,369</u></u> | <u><u>\$ 210,606</u></u> | <u><u>\$ 225,439</u></u> |
| <br><b>All Other Governmental Funds</b>   |                          |                          |                          |                          |                          |
| <b>Nonspendable:</b>                      |                          |                          |                          |                          |                          |
| Prepaid items                             | \$ -                     | \$ -                     | \$ -                     | \$ -                     | \$ 5,715                 |
| Leases                                    | -                        | -                        | -                        | -                        | -                        |
| Noncurrent assets                         | 283                      | 193                      | 98                       | -                        | -                        |
| Permanent fund principal                  | 878                      | 878                      | 878                      | 878                      | 878                      |
| <b>Restricted:</b>                        |                          |                          |                          |                          |                          |
| Capital projects                          | 138,562                  | 149,664                  | 159,439                  | 183,772                  | 208,205                  |
| Debt service                              | 51,691                   | 58,904                   | 28,539                   | 28,119                   | 27,884                   |
| Public works programs                     | 14,522                   | 13,152                   | 18,857                   | 22,071                   | 23,618                   |
| Economic development programs             | 16,887                   | 41,548                   | 44,920                   | 48,878                   | 46,954                   |
| Other programs                            | 27,793                   | 28,818                   | 35,025                   | 48,003                   | 63,026                   |
| <b>Committed:</b>                         |                          |                          |                          |                          |                          |
| Economic uncertainty                      | -                        | -                        | -                        | -                        | -                        |
| Capital projects                          | 7,017                    | 9,359                    | 18,245                   | 14,407                   | 15,369                   |
| Debt service                              | 8,733                    | 19,110                   | 21,543                   | 17,291                   | 11,401                   |
| Housing trust fund                        | -                        | -                        | -                        | -                        | -                        |
| B Street Theater project                  | 21,360                   | -                        | -                        | -                        | -                        |
| OPEB                                      | -                        | -                        | -                        | -                        | -                        |
| Set-aside for next year's Budget          | -                        | -                        | -                        | -                        | -                        |
| Other programs                            | 51,024                   | 56,715                   | 40,683                   | 48,473                   | 62,167                   |
| <b>Assigned:</b>                          |                          |                          |                          |                          |                          |
| Debt service                              | 2,547                    | 2,406                    | 2,008                    | 2,700                    | 2,968                    |
| Unrealized investment gains               | 40                       | -                        | -                        | 51                       | 675                      |
| Other programs                            | 60                       | -                        | 360                      | 18                       | 170                      |
| <b>Unassigned</b>                         | <u>(19,657)</u>          | <u>(18,037)</u>          | <u>(22,656)</u>          | <u>(18,503)</u>          | <u>(33,465)</u>          |
| <b>Total all other governmental funds</b> | <u><u>\$ 321,740</u></u> | <u><u>\$ 362,710</u></u> | <u><u>\$ 347,939</u></u> | <u><u>\$ 396,158</u></u> | <u><u>\$ 435,565</u></u> |

Source: City of Sacramento Annual Comprehensive Financial Reports

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

|   | Fiscal Year              |                          |                          |                          |                          |
|---|--------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
|   | 2021                     | 2022                     | 2023                     | 2024                     | 2025                     |
| <b>General Fund</b>                       |                          |                          |                          |                          |                          |
| <b>Nonspendable:</b>                      |                          |                          |                          |                          |                          |
| Prepaid items                             | \$ 1,084                 | \$ 1,767                 | \$ 756                   | \$ 449                   | \$ 424                   |
| Leases                                    | -                        | 1,032                    | 1,743                    | 1,959                    | 2,129                    |
| Due from other funds                      | -                        | -                        | -                        | -                        | -                        |
| <b>Restricted:</b>                        |                          |                          |                          |                          |                          |
| Capital projects                          | -                        | -                        | -                        | -                        | -                        |
| Ambulance service                         | -                        | -                        | -                        | -                        | -                        |
| Other programs                            | -                        | -                        | -                        | -                        | -                        |
| <b>Committed:</b>                         |                          |                          |                          |                          |                          |
| Economic uncertainty                      | 58,499                   | 61,310                   | 72,534                   | 74,613                   | 74,613                   |
| Capital projects                          | 57,417                   | 50,410                   | 58,540                   | 53,795                   | 58,203                   |
| Community center theater renovation       | -                        | -                        | -                        | -                        | -                        |
| Housing trust fund                        | -                        | 1,000                    | 1,000                    | -                        | -                        |
| Fire programs                             | 7,438                    | 8,426                    | 14,999                   | 25,088                   | 25,088                   |
| Pension                                   | -                        | -                        | -                        | -                        | -                        |
| OPEB                                      | 6,828                    | 5,727                    | 6,072                    | 6,095                    | 7,876                    |
| Set-aside for next year's Budget          | 5,500                    | 20,891                   | 26,500                   | 10,443                   | 26,850                   |
| SCXEA labor for FY2020                    | -                        | -                        | -                        | -                        | -                        |
| Homeless programs                         | -                        | -                        | -                        | -                        | -                        |
| Gas tax                                   | -                        | -                        | -                        | -                        | -                        |
| Other programs                            | 72,809                   | 133,367                  | 131,163                  | 123,702                  | 112,416                  |
| <b>Assigned:</b>                          |                          |                          |                          |                          |                          |
| Unrealized investment gains               | 103                      | -                        | -                        | -                        | -                        |
| <b>Unassigned</b>                         | <u>30,315</u>            | <u>44,080</u>            | <u>11,172</u>            | <u>30,304</u>            | <u>27,503</u>            |
| <b>Total general fund</b>                 | <u><u>\$ 239,993</u></u> | <u><u>\$ 328,010</u></u> | <u><u>\$ 324,479</u></u> | <u><u>\$ 326,448</u></u> | <u><u>\$ 335,102</u></u> |
| <br><b>All Other Governmental Funds</b>   |                          |                          |                          |                          |                          |
| <b>Nonspendable:</b>                      |                          |                          |                          |                          |                          |
| Prepaid items                             | \$ 8,783                 | \$ 10,267                | \$ 29                    | \$ 16                    | \$ 14                    |
| Leases                                    | -                        | 40                       | 109                      | 152                      | 200                      |
| Noncurrent assets                         | -                        | -                        | -                        | -                        | -                        |
| Permanent fund principal                  | 578                      | 578                      | 578                      | 578                      | 578                      |
| <b>Restricted:</b>                        |                          |                          |                          |                          |                          |
| Capital projects                          | 230,323                  | 241,218                  | 282,956                  | 292,340                  | 315,323                  |
| Debt service                              | 22,722                   | 21,629                   | 22,919                   | 23,317                   | 23,564                   |
| Public works programs                     | 21,141                   | 21,293                   | 21,885                   | 19,326                   | 26,903                   |
| Economic development programs             | 49,537                   | 55,545                   | 72,326                   | 79,416                   | 81,352                   |
| Other programs                            | 60,517                   | 65,955                   | 79,938                   | 90,682                   | 117,586                  |
| <b>Committed:</b>                         |                          |                          |                          |                          |                          |
| Economic uncertainty                      | 449                      | 1,046                    | 1,773                    | 1,773                    | 1,773                    |
| Capital projects                          | 23,523                   | 19,180                   | 23,874                   | 23,835                   | 22,065                   |
| Debt service                              | 12,157                   | 11,802                   | 9,987                    | 9,844                    | 11,082                   |
| Housing trust fund                        | 15,000                   | 904                      | 600                      | -                        | -                        |
| B Street Theater project                  | -                        | -                        | -                        | -                        | -                        |
| OPEB                                      | -                        | 290                      | 465                      | 495                      | 628                      |
| Set-aside for next year's Budget          | -                        | 1,971                    | 4,000                    | 2,158                    | -                        |
| Other programs                            | 55,672                   | 86,392                   | 76,262                   | 76,708                   | 76,533                   |
| <b>Assigned:</b>                          |                          |                          |                          |                          |                          |
| Debt service                              | 2,270                    | 2,017                    | 2,056                    | 3,065                    | 2,739                    |
| Unrealized investment gains               | 51                       | -                        | -                        | -                        | -                        |
| Other programs                            | 63                       | -                        | -                        | -                        | 508                      |
| <b>Unassigned</b>                         | <u>(32,460)</u>          | <u>(29,423)</u>          | <u>(45,591)</u>          | <u>(49,061)</u>          | <u>(65,881)</u>          |
| <b>Total all other governmental funds</b> | <u><u>\$ 470,326</u></u> | <u><u>\$ 510,704</u></u> | <u><u>\$ 554,166</u></u> | <u><u>\$ 574,644</u></u> | <u><u>\$ 614,967</u></u> |

Source: City of Sacramento Annual Comprehensive Financial Reports

**City of Sacramento**  
**Changes in Fund Balances, Governmental Funds**  
**Last Ten Fiscal Years**

(modified accrual basis of accounting, in thousands)

|   | <b>Fiscal Year</b> |                  |                 |                  |                  |
|---|--------------------|------------------|-----------------|------------------|------------------|
|   | <b>2016</b>        | <b>2017</b>      | <b>2018</b>     | <b>2019</b>      | <b>2020</b>      |
| <b>Revenues</b>   |                    |                  |                 |                  |                  |
| Taxes   | \$ 365,482         | \$ 382,155       | \$ 406,011      | \$ 434,759       | \$ 489,569       |
| Intergovernmental   | 128,190            | 73,082           | 80,415          | 97,658           | 114,274          |
| Charges for services                                      | 89,765             | 105,446          | 121,368         | 131,609          | 131,135          |
| Fines, forfeits and penalties                             | 12,720             | 11,429           | 12,643          | 16,397           | 13,309           |
| Interest, rents, and concessions                          | 15,221             | 14,220           | 10,794          | 24,907           | 20,718           |
| Community service fees                                    | 16,460             | 29,740           | 30,654          | 30,651           | 29,072           |
| Assessment levies   | 43,475             | 44,339           | 47,048          | 52,476           | 50,080           |
| Contributions and donations                               | 35,820             | 33,637           | 14,253          | 49,053           | 36,603           |
| Miscellaneous   | 2,761              | 383              | 731             | 718              | 974              |
| <b>Total revenues</b>                                     | <b>709,894</b>     | <b>694,431</b>   | <b>723,917</b>  | <b>838,228</b>   | <b>885,734</b>   |
| <b>Expenditures</b>                                       |                    |                  |                 |                  |                  |
| General government  | 34,197             | 41,413           | 72,772          | 85,272           | 117,640          |
| Police  | 152,245            | 159,572          | 169,273         | 182,538          | 203,980          |
| Fire  | 119,814            | 127,970          | 136,161         | 144,043          | 159,771          |
| Public works  | 42,194             | 45,457           | 49,841          | 51,289           | 47,350           |
| Convention and cultural services                          | 11,738             | 12,838           | 14,372          | 15,117           | 13,459           |
| Economic development <sup>(1)</sup>                       | 9,871              | 13,270           | -               | -                | -                |
| Youth, parks, and community enrichment <sup>(2)</sup>     | 37,801             | 38,707           | 38,615          | 40,866           | 45,791           |
| Community development                                     | 34,110             | 40,499           | 45,787          | 54,342           | 67,128           |
| Community response <sup>(3)</sup>                         | -                  | -                | -               | -                | -                |
| Library   | 14,771             | 14,903           | 16,421          | 17,732           | 18,867           |
| Utilities   | 701                | 1,583            | 2,034           | 2,495            | 3,555            |
| Citywide and community support                            | 47,961             | 48,435           | 46,576          | 42,827           | 50,691           |
| Capital outlay  | 337,817            | 82,465           | 90,397          | 79,175           | 103,790          |
| Debt service  |                    |                  |                 |                  |                  |
| Principal   | 16,481             | 28,677           | 48,445          | 56,284           | 21,308           |
| Interest and fiscal charges                               | 24,822             | 28,555           | 24,529          | 24,818           | 24,501           |
| Bond issuance costs                                       | 5,483              | 49               | 1,415           | 116              | 1                |
| Payment to refunded bond escrow                           | 38,052             | -                | -               | -                | -                |
| Subtotal - debt service                                   | 84,838             | 57,281           | 74,389          | 81,218           | 45,810           |
| <b>Total Expenditures</b>                                 | <b>928,058</b>     | <b>684,393</b>   | <b>756,638</b>  | <b>796,914</b>   | <b>877,832</b>   |
| Excess (deficiency) of revenues over (under) expenditures | (218,164)          | 10,038           | (32,721)        | 41,314           | 7,902            |
| <b>Other financing sources (uses)</b>                     |                    |                  |                 |                  |                  |
| Transfers in  | 306,810            | 66,386           | 70,558          | 69,931           | 74,660           |
| Transfers out   | (270,358)          | (31,871)         | (35,801)        | (33,114)         | (37,657)         |
| Issuance of long-term debt                                | 401,943            | 1,976            | 8               | 1,325            | 5,452            |
| Premium on long-term debt                                 | 13,972             | -                | -               | -                | -                |
| Payments to refunded bond escrow                          | (133,931)          | -                | -               | -                | -                |
| <b>Total other financing sources (uses)</b>               | <b>318,436</b>     | <b>36,491</b>    | <b>34,765</b>   | <b>38,142</b>    | <b>42,455</b>    |
| <b>Special items</b>                                      |                    |                  |                 |                  |                  |
|   | (8,830)            | -                | -               | 7,000            | 3,883            |
| <b>Changes in fund balances</b>                           |                    |                  |                 |                  |                  |
|   | <b>\$ 91,442</b>   | <b>\$ 46,529</b> | <b>\$ 2,044</b> | <b>\$ 86,456</b> | <b>\$ 54,240</b> |
| Debt service as a percentage of noncapital expenditures   | 12.71%             | 9.27%            | 10.61%          | 10.56%           | 5.70%            |

Note: (1) The Economic Development function was reallocated to the General Government function in FY18.  
(2) The Department of Parks and Recreation has been renamed to the Department of Youth, Parks, and Community Enrichment in FY19.  
(3) The Department of Community Response was created in FY22.

|   | Fiscal Year      |                   |                  |                  |                  |
|---|------------------|-------------------|------------------|------------------|------------------|
|   | 2021             | 2022              | 2023             | 2024             | 2025             |
| <b>Revenues</b>   |                  |                   |                  |                  |                  |
| Taxes   | \$ 533,811       | \$ 587,137        | \$ 597,288       | \$ 607,804       | \$ 626,609       |
| Intergovernmental   | 237,428          | 292,186           | 144,284          | 206,487          | 204,239          |
| Charges for services                                      | 120,468          | 133,686           | 139,033          | 130,885          | 152,514          |
| Fines, forfeits and penalties                             | 7,630            | 10,264            | 9,450            | 10,156           | 15,178           |
| Interest, rents, and concessions                          | 10,101           | (17,897)          | 17,562           | 43,852           | 50,662           |
| Community service fees                                    | 27,217           | 25,076            | 31,251           | 23,463           | 31,933           |
| Assessment levies   | 52,000           | 56,515            | 60,583           | 65,901           | 69,868           |
| Contributions and donations                               | 52,877           | 11,636            | 25,340           | 7,066            | 44,138           |
| Miscellaneous   | 1,250            | 12,543            | 1,317            | 139              | 554              |
| <b>Total revenues</b>                                     | <b>1,042,782</b> | <b>1,111,146</b>  | <b>1,026,108</b> | <b>1,095,753</b> | <b>1,195,695</b> |
| <b>Expenditures</b>                                       |                  |                   |                  |                  |                  |
| General government  | 222,591          | 170,394           | 143,461          | 130,633          | 139,912          |
| Police  | 211,307          | 223,613           | 235,276          | 246,243          | 259,468          |
| Fire  | 168,103          | 180,143           | 192,220          | 206,827          | 234,236          |
| Public works  | 51,040           | 53,547            | 60,666           | 63,279           | 63,483           |
| Convention and cultural services                          | 12,415           | 14,554            | 21,636           | 23,274           | 20,600           |
| Economic development <sup>(1)</sup>                       | -                | -                 | -                | -                | -                |
| Youth, parks, and community enrichment <sup>(2)</sup>     | 41,878           | 49,652            | 55,084           | 72,404           | 61,467           |
| Community development                                     | 68,404           | 64,395            | 61,028           | 67,166           | 92,785           |
| Community response <sup>(3)</sup>                         | -                | 10,446            | 19,680           | 19,874           | 21,394           |
| Library   | 21,218           | 22,349            | 23,472           | 23,809           | 24,160           |
| Utilities   | 3,882            | 4,137             | 4,862            | 5,998            | 5,472            |
| Citywide and community support                            | 51,632           | 58,583            | 58,755           | 68,834           | 75,996           |
| Capital outlay  | 130,426          | 156,249           | 120,518          | 171,936          | 153,619          |
| Debt service  |                  |                   |                  |                  |                  |
| Principal   | 26,228           | 33,864            | 22,154           | 28,650           | 27,189           |
| Interest and fiscal charges                               | 21,661           | 19,784            | 27,227           | 17,899           | 19,788           |
| Bond issuance costs                                       | -                | -                 | -                | -                | -                |
| Payment to refunded bond escrow                           | -                | -                 | -                | -                | -                |
| Subtotal - debt service                                   | 47,889           | 53,648            | 49,381           | 46,549           | 46,977           |
| <b>Total Expenditures</b>                                 | <b>1,030,785</b> | <b>1,061,710</b>  | <b>1,046,039</b> | <b>1,146,826</b> | <b>1,199,569</b> |
| Excess (deficiency) of revenues over (under) expenditures | 11,997           | 49,436            | (19,931)         | (51,073)         | (3,874)          |
| <b>Other financing sources (uses)</b>                     |                  |                   |                  |                  |                  |
| Transfers in  | 106,614          | 86,090            | 91,695           | 95,754           | 105,111          |
| Transfers out   | (80,551)         | (59,045)          | (49,889)         | (36,346)         | (60,049)         |
| Issuance of long-term debt                                | 11,255           | 51,914            | 18,056           | 14,112           | 7,789            |
| Premium on long-term debt                                 | -                | -                 | -                | -                | -                |
| Payments to refunded bond escrow                          | -                | -                 | -                | -                | -                |
| <b>Total other financing sources (uses)</b>               | <b>37,318</b>    | <b>78,959</b>     | <b>59,862</b>    | <b>73,520</b>    | <b>52,851</b>    |
| <b>Special items</b>                                      |                  |                   |                  |                  |                  |
| <b>Changes in fund balances</b>                           | <b>\$ 49,315</b> | <b>\$ 128,395</b> | <b>\$ 39,931</b> | <b>\$ 22,447</b> | <b>\$ 48,977</b> |
| Debt service as a percentage of noncapital expenditures   | 5.10%            | 5.49%             | 4.95%            | 4.48%            | 4.30%            |

Note: (1) The Economic Development function was reallocated to the General Government function in FY18.  
 (2) The Department of Parks and Recreation has been renamed to the Department of Youth, Parks, and Community Enrichment in FY19.  
 (3) The Department of Community Response was created in FY22.

| Fiscal Year | Property <sup>(2)</sup> | Sales & Use <sup>(3)</sup> | Utility Users | Others    | Total      |
|-------------|-------------------------|----------------------------|---------------|-----------|------------|
| 2016        | \$ 164,719              | \$ 110,212                 | \$ 61,404     | \$ 29,147 | \$ 365,482 |
| 2017        | 159,566                 | 125,560                    | 62,997        | 34,032    | 382,155    |
| 2018        | 170,701                 | 131,371                    | 62,989        | 40,950    | 406,011    |
| 2019        | 173,307                 | 157,816                    | 60,128        | 43,508    | 434,759    |
| 2020        | 187,768                 | 194,868                    | 60,039        | 46,894    | 489,569    |
| 2021        | 199,440                 | 216,170                    | 62,164        | 56,037    | 533,811    |
| 2022        | 212,016                 | 248,515                    | 65,461        | 61,145    | 587,137    |
| 2023        | 229,039                 | 245,828                    | 69,529        | 52,892    | 597,288    |
| 2024        | 244,494                 | 246,715                    | 64,133        | 52,462    | 607,804    |
| 2025        | 255,834                 | 247,520                    | 70,306        | 52,949    | 626,609    |

Notes: (1) In lieu sales tax is reported as property tax.

(2) Includes residual property tax from redevelopment agency dissolution.

(3) Includes Measure U local sales and use tax.

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

# City of Sacramento

## Assessed Value and Estimated Actual Value of Taxable Property

### Last Ten Fiscal Years

(in thousands)

| Fiscal Year End<br>June 30 | Gross Assessed Value <sup>(1)</sup> |                   |                |               |            | Exemptions    | Net Assessed Taxable Value | Total Direct Tax Rate <sup>(2)</sup> |
|----------------------------|-------------------------------------|-------------------|----------------|---------------|------------|---------------|----------------------------|--------------------------------------|
|                            | Real Property                       | Personal Property | Public Utility | Total         |            |               |                            |                                      |
| 2016                       | \$ 39,823,777                       | \$ 1,513,519      | \$ 9,267       | \$ 41,346,563 | \$ 448,778 | \$ 40,897,785 | 1.00                       |                                      |
| 2017                       | 42,300,010                          | 1,623,203         | 9,193          | 43,932,406    | 446,690    | 43,485,716    | 1.00                       |                                      |
| 2018                       | 45,389,674                          | 1,692,375         | 8,974          | 47,091,023    | 445,647    | 46,645,376    | 1.00                       |                                      |
| 2019                       | 48,919,753                          | 1,868,599         | 8,701          | 50,797,053    | 444,652    | 50,352,401    | 1.00                       |                                      |
| 2020                       | 53,124,698                          | 1,869,844         | 9,185          | 55,003,727    | 444,470    | 54,559,257    | 1.00                       |                                      |
| 2021                       | 56,812,389                          | 1,993,337         | 9,069          | 58,814,795    | 444,432    | 58,370,363    | 1.00                       |                                      |
| 2022                       | 60,043,995                          | 1,951,987         | 9,069          | 62,005,051    | 444,556    | 61,560,495    | 1.00                       |                                      |
| 2023                       | 64,677,204                          | 2,136,640         | 8,950          | 66,822,794    | 439,794    | 66,383,000    | 1.00                       |                                      |
| 2024                       | 69,335,897                          | 2,468,674         | 10,448         | 71,815,019    | 436,558    | 71,378,461    | 1.00                       |                                      |
| 2025                       | 72,524,002                          | 2,972,439         | 10,501         | 75,506,942    | 432,343    | 75,074,599    | 1.00                       |                                      |

Notes: (1) Article XIII A, added to California Constitution by Proposition 13 in 1978, fixed the base for valuation of property subject to taxes at the full cash value appeared on the Assessor's 1975-76 assessment roll. Therefore, full cash value can be increased to reflect:

- a) annual inflation up to 2%;
- b) current market value at time of ownership change;
- c) market value for new construction.

Estimated actual value of taxable property cannot be easily determined as the property in the City is not reassessed annually. Reassessment normally occurs when ownership changes.

(2) This 1% is shared by all taxing agencies for which the subject property resides within.

Source: County of Sacramento, Office of Auditor/Controller

**City of Sacramento**  
**Direct and Overlapping Property Tax Rates <sup>(1)</sup>**  
**Per \$100 of Assessed Value**  
**Last Ten Fiscal Years**

| Fiscal Year End June 30 | Basic County, City, and School Levy <sup>(2)</sup> | County of Sacramento | Schools | Special Districts | Total  |
|-------------------------|--|----------------------|---------|-------------------|--------|
| 2016                    | 1.0000   | —                    | 0.1426  | —                 | 1.1426 |
| 2017                    | 1.0000   | —                    | 0.1418  | —                 | 1.1418 |
| 2018                    | 1.0000   | —                    | 0.1365  | —                 | 1.1365 |
| 2019                    | 1.0000   | —                    | 0.1295  | —                 | 1.1295 |
| 2020                    | 1.0000   | —                    | 0.1371  | —                 | 1.1371 |
| 2021                    | 1.0000   | —                    | 0.1394  | —                 | 1.1394 |
| 2022                    | 1.0000   | —                    | 0.1167  | —                 | 1.1167 |
| 2023                    | 1.0000   | —                    | 0.1506  | —                 | 1.1506 |
| 2024                    | 1.0000   | —                    | 0.147   | —                 | 1.1470 |
| 2025                    | 1.0000   | —                    | 0.1517  | —                 | 1.1517 |

Notes : (1) Data is stated at full value as required under Article XIII-A of the Constitution of the State of California.

(2) This 1.00% is shared by all taxing agencies for which the subject property resides within.

Source: County of Sacramento, Office of Auditor/Controller

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

| Taxpayer                           | 2025                 |      |  | 2016                 |      |  |
|------------------------------------|----------------------|------|--|----------------------|------|--|
|                                    | Assessed Valuation   | Rank | Percentage of Total Assessed Valuation | Assessed Valuation   | Rank | Percentage of Total Assessed Valuation |
| Sacramento Kings                   | \$ 389,298           | 1    | 0.52 %                                 | -                    | -    | -                                      |
| Oakmont Properties ALIRA LLC       | 344,620              | 2    | 0.46                                   |                      |      |  |
| BRE Depot Park LLC                 | 253,506              | 3    | 0.34                                   | -                    | -    | -                                      |
| AS LSTE East Owner LLC             | 250,928              | 4    | 0.33                                   | -                    | -    | -                                      |
| CA Sacramento Commons LLC          | 226,002              | 5    | 0.30                                   | -                    | -    | -                                      |
| Kaiser Foundation Health Plan INC. | 225,944              | 6    | 0.27                                   | -                    | -    | -                                      |
| HP Hood LLC                        | 204,464              | 7    | 0.27                                   | \$ 94,529            | 7    | 0.23 %                                 |
| SRI Eleven 601 Capitol Mall LLC    | 184,472              | 8    | 0.25                                   | -                    | -    | -                                      |
| PW Fund B LP                       | 183,368              | 9    | 0.24                                   | -                    | -    | -                                      |
| PF Portfolio 1 LP                  | 169,844              | 10   | 0.23                                   | -                    | -    | -                                      |
| Hines VAF II Sacramento            | -                    | -    | -                                      | 289,139              | 1    | 0.71                                   |
| CIM Sacramento LP                  | -                    | -    | -                                      | 198,501              | 2    | 0.49                                   |
| Arden Fair Associates              | -                    | -    | -                                      | 144,415              | 3    | 0.35                                   |
| 621 Capitol Mall LLC               | -                    | -    | -                                      | 127,878              | 4    | 0.31                                   |
| 500 Capitol Mall LLC               | -                    | -    | -                                      | 123,978              | 5    | 0.30                                   |
| 300 Capitol Association NF LP      | -                    | -    | -                                      | 102,000              | 6    | 0.25                                   |
| Dignity Health                     | -                    | -    | -                                      | 86,008               | 8    | 0.21                                   |
| Target Corp                        | -                    | -    | -                                      | 81,626               | 9    | 0.20                                   |
| Homecoming at Creekside LLC        | -                    | -    | -                                      | 75,712               | 10   | 0.19                                   |
|                                    | 2,432,446            |      | 3.21                                   | 1,323,786            |      | 3.24                                   |
| All other taxpayers                | 72,642,153           |      | 96.79                                  | 39,573,998           |      | 96.76                                  |
| Total                              | <u>\$ 75,074,599</u> |      | <u>100.00 %</u>                        | <u>\$ 40,897,784</u> |      | <u>100.00 %</u>                        |

Source: County of Sacramento, Office of Auditor/Controller

**City of Sacramento**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
 (in thousands)

| Fiscal Year Ended June 30 | Taxes Levied for the Fiscal Year <sup>(1)</sup> | Collected within the Fiscal Year of the Levy |                    | Collection in Subsequent Year <sup>(4)</sup> | Total Collections to Date |                    |
|---------------------------|---|--|--------------------|--|---------------------------|--------------------|
|                           |   | Amount                                       | Percentage of Levy |  | Amount                    | Percentage of Levy |
| 2016                      | \$ 155,024 <sup>(2)(3)</sup>                    | \$ 153,563                                   | 99.06%             | \$ 1,461                                     | \$ 155,024                | 100.00%            |
| 2017                      | 149,456 <sup>(2)(3)</sup>                       | 147,960                                      | 99.00%             | 1,496  | 149,456                   | 100.00%            |
| 2018                      | 158,378 <sup>(2)(3)</sup>                       | 156,689                                      | 98.93%             | 1,689  | 158,378                   | 100.00%            |
| 2019                      | 170,117 <sup>(2)(3)</sup>                       | 168,637                                      | 99.13%             | 1,480  | 170,117                   | 100.00%            |
| 2020                      | 185,127 <sup>(2)(3)</sup>                       | 183,365                                      | 99.05%             | 1,762  | 185,127                   | 100.00%            |
| 2021                      | 196,743 <sup>(2)(3)</sup>                       | 194,957                                      | 99.09%             | 1,786  | 196,743                   | 100.00%            |
| 2022                      | 209,259 <sup>(2)(3)</sup>                       | 207,443                                      | 99.13%             | 1,816  | 209,259                   | 100.00%            |
| 2023                      | 225,814 <sup>(2)(3)</sup>                       | 223,901                                      | 99.15%             | 1,913  | 225,814                   | 100.00%            |
| 2024                      | 240,913 <sup>(2)(3)</sup>                       | 238,774                                      | 99.11%             | 2,139  | 240,913                   | 100.00%            |
| 2025                      | 251,099 <sup>(2)(3)</sup>                       | 248,717                                      | 99.05%             | 2,382  | 251,099                   | 100.00%            |

Notes: (1) Property taxes in 2016 include in lieu sales tax revenue from prior year.  
 Program began in 2007 and ceased in 2017.

(2) Total actual tax levy amount is not available from Sacramento County; amount provided is an estimate.

(3) Includes residual property taxes resulting from the redevelopment agency dissolution.

(4) Receipts from County's August distribution covering remaining levies not collected as of June 30 each year.

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**City of Sacramento**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
 (in thousands, except Population and Per Capita)

| Fiscal Year         | Governmental Activities |               |                       |                                 |               | Business-Type Activities |                       |                                 |              |  | Total Primary Government |
|---------------------|-------------------------|---------------|-----------------------|---------------------------------|---------------|--------------------------|-----------------------|---------------------------------|--------------|--|--------------------------|
|                     | Revenue Bonds           | Notes Payable | Leases <sup>(7)</sup> | IT Subscriptions <sup>(8)</sup> | Revenue Bonds | Notes Payable            | Leases <sup>(7)</sup> | IT Subscriptions <sup>(8)</sup> |              |  |                          |
| 2016 <sup>(1)</sup> | \$ 627,351              | \$ 15,290     | \$ 7,294              | \$ -                            | \$ 493,406    | \$ 26,340                | \$ 8,654              | \$ -                            | \$ 1,178,335 |  |                          |
| 2017 <sup>(2)</sup> | 606,097                 | 14,883        | 4,455                 | -                               | 533,751       | 22,748                   | 5,574                 | -                               | 1,187,508    |  |                          |
| 2018                | 564,929                 | 14,459        | 2,299                 | -                               | 510,016       | 22,919                   | 3,685                 | -                               | 1,118,307    |  |                          |
| 2019 <sup>(3)</sup> | 513,186                 | 14,014        | 1,011                 | -                               | 831,547       | 33,185                   | 2,340                 | -                               | 1,395,283    |  |                          |
| 2020 <sup>(4)</sup> | 494,320                 | 16,915        | 325                   | -                               | 858,891       | 56,713                   | 973                   | -                               | 1,428,137    |  |                          |
| 2021 <sup>(5)</sup> | 475,282                 | 16,909        | 199                   | -                               | 822,397       | 124,073 <sup>(6)</sup>   | -                     | -                               | 1,314,787    |  |                          |
| 2022                | 459,996                 | 16,702        | 1,643                 | -                               | 794,212       | 143,211 <sup>(6)</sup>   | 2,012                 | -                               | 1,274,565    |  |                          |
| 2023                | 443,396                 | 16,385        | 1,165                 | 10,260                          | 765,573       | 136,812 <sup>(6)</sup>   | 1,870                 | 1,462                           | 1,240,111    |  |                          |
| 2024 <sup>(9)</sup> | 426,510                 | 15,954        | 1,191                 | 12,882                          | 732,031       | 130,875 <sup>(6)</sup>   | 1,724                 | 1,432                           | 1,191,724    |  |                          |
| 2025                | 408,868                 | 15,796        | 3,986                 | 9,830                           | 702,673       | 124,102                  | 3,110                 | 1,282                           | 1,269,647    |  |                          |

**Notes:**

- (1) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.
- (2) In 2017, \$53 million of revenue bonds were issued for improvements to the City's municipal water system.
- (3) In 2019, \$284 million of revenue bonds were issued for the renovation of the City's Convention Center, Community Center Theater, and Memorial Auditorium. In 2019, \$25 million of revenue bonds were issued for improvements to the City's wastewater system.
- (4) In 2020, \$50 million of revenue bonds were issued for the purpose of financing an additional Ballroom in the Sacramento Convention Center and other capital-improvement projects. In 2020, \$188 million of refunding bonds were issued.
- (5) In 2021, \$28 million of refunding bonds were issued.
- (6) Notes payable includes State Revolving Fund (SRF) Loan of \$139 million related to the Accelerated Meter Installation and Pipe Replacement Program Z14010000. Construction began in October 2017 and ended June 2022. The City submitted the final requisition to the CA State Water Resources Control Board for reimbursement of eligible costs in FY23 and received the final reimbursement in FY24.
- (7) In 2022, GASB Statement No. 87 was implemented and the term Leases replaced the term Capital Leases.
- (8) In 2023, GASB 96 was implemented related to IT subscriptions
- (9) In 2024, \$21 million of refunding bonds were issued.

NA Personal income data for the City was not available

Source: City of Sacramento Annual Comprehensive Financial Reports

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| Fiscal Year         | Percentage of Personal Income | Population | Per Capita |
|---------------------|-------------------------------|------------|------------|
| 2016 <sup>(1)</sup> | NA                            | 485,683    | \$ 2,426   |
| 2017 <sup>(2)</sup> | NA                            | 493,025    | 2,409      |
| 2018                | NA                            | 501,344    | 2,231      |
| 2019 <sup>(3)</sup> | NA                            | 508,172    | 2,746      |
| 2020 <sup>(4)</sup> | NA                            | 510,931    | 2,795      |
| 2021 <sup>(5)</sup> | NA                            | 515,673    | 2,550      |
| 2022                | NA                            | 518,037    | 2,460      |
| 2023                | NA                            | 518,161    | 2,393      |
| 2024 <sup>(9)</sup> | NA                            | 520,407    | 2,290      |
| 2025                | NA                            | 527,979    | 2,405      |

Notes:

- (1) In 2016, \$273 million of lease revenue bonds and a \$183 million refunding revenue bonds were issued.
- (2) In 2017, \$53 million of revenue bonds were issued for improvements to the City's municipal water system.
- (3) In 2019, \$284 million of revenue bonds were issued for the renovation of the City's Convention Center, Community Center Theater, and Memorial Auditorium. In 2019, \$25 million of revenue bonds were issued for improvements to the City's wastewater system.
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- (8) In 2023, GASB 96 was implemented related to IT subscriptions
- (9) In 2024, \$21 million of refunding bonds were issued.

NA Personal income data for the City was not available

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Source: City of Sacramento Annual Comprehensive Financial Reports

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

(in thousands, except Population and Per Capita)

| Fiscal Year | Total Gross General Obligation Bonds | Amounts Restricted for Principal Repayments | Total Net General Obligation Bonds | Actual Taxable Value of Property | Percentage of Actual Taxable Value of Property | Population | Net Bonded Debt Per Capita |
|-------------|--------------------------------------|---|------------------------------------|----------------------------------|--|------------|----------------------------|
| 2016        | \$ -                                 | \$ -  | \$ -                               | \$ 40,897,785                    | 0.00%  | 485,683    | \$ -                       |
| 2017        | -                                    | -   | -                                  | 43,485,716                       | 0.00%  | 493,025    | -                          |
| 2018        | -                                    | -   | -                                  | 46,645,376                       | 0.00%  | 501,344    | -                          |
| 2019        | -                                    | -   | -                                  | 50,352,401                       | 0.00%  | 508,172    | -                          |
| 2020        | -                                    | -   | -                                  | 54,559,257                       | 0.00%  | 510,931    | -                          |
| 2021        | -                                    | -   | -                                  | 58,370,363                       | 0.00%  | 515,673    | -                          |
| 2022        | -                                    | -   | -                                  | 61,560,495                       | 0.00%  | 518,037    | -                          |
| 2023        | -                                    | -   | -                                  | 66,383,000                       | 0.00%  | 518,161    | -                          |
| 2024        | -                                    | -   | -                                  | 71,378,461                       | 0.00%  | 520,407    | -                          |
| 2025        | -                                    | -   | -                                  | 75,074,599                       | 0.00%  | 527,979    | -                          |

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

## City of Sacramento

### Direct and Overlapping Governmental Activities Debt <sup>(1)</sup>

As of June 30, 2025

(in thousands)

| Governmental Unit  | Total Debt Outstanding | Estimated Percentage Applicable | Estimated Share of Overlapping Debt |
|--|------------------------|---------------------------------|-------------------------------------|
| Overlapping Tax and Assessment Debt:   |                        |                                 |                                     |
| Los Rios Community College District  | \$ 356,335             | 27.007 %                        | \$ 96,235                           |
| Elk Grove Unified School District  | 419,300                | 11.031                          | 46,253                              |
| Natomas Unified School District  | 358,445                | 81.186                          | 291,007                             |
| Sacramento Unified School District   | 601,521                | 85.181                          | 512,382                             |
| San Juan Unified School District   | 673,593                | 2.776                           | 18,699                              |
| Twin Rivers Unified School District:   |                        |                                 |                                     |
| Twin Rivers Unified School District (former Elementary School District bonds)                | 73,360                 | 52.579                          | 38,572                              |
| Twin Rivers Unified School District (former Grant Joint Union High School District bonds)    | 272,061                | 51.671                          | 140,577                             |
| Robla School District  | 86,902                 | 54.335                          | 47,218                              |
| City of Sacramento Community Facilities Districts  | 259,880                | 100.000                         | 259,880                             |
| Elk Grove Unified School District Community Facilities District No. 1                        | 181,266                | 11.031                          | 19,995                              |
| California Statewide Community Development Authority Community Facilities District No. 23-10 | 16,680                 | 100.000                         | 16,680                              |
| California Statewide Community Development Authority Assessment Districts                    | 35,030                 | 100.000                         | 35,030                              |
| Sacramento Area Flood Control Agency Consolidated Capital Districts Assessment District      | 292,885                | 85.335                          | 249,933                             |
| Sacramento Area Flood Control Agency Natomas Local Assessment District                       | 28,615                 | 82.936                          | 23,732                              |
| Subtotal - Overlapping Tax and Assessment Debt   |                        |                                 | <u>1,796,193</u>                    |
| Direct and Overlapping General Fund Debt:  |                        |                                 |                                     |
| Sacramento County General Fund Obligations   | 91,907                 | 32.374                          | 29,754                              |
| Sacramento County Pension Obligation Bonds   | 308,630                | 32.374                          | 99,916                              |
| Sacramento County Board of Education General Fund Obligations                                | 1,120                  | 32.374                          | 363                                 |
| Elk Grove Unified School District General Fund Obligations                                   | 9,912                  | 11.031                          | 1,093                               |
| Sacramento Unified School District General Fund Obligations                                  | 45,680                 | 85.181                          | 38,911                              |
| Sacramento Metropolitan Fire District General Fund Obligations                               | 6,903                  | 0.014                           | 1                                   |
| Sacramento Metropolitan Fire District Pension Obligation Bonds                               | 20,200                 | 0.014                           | 3                                   |
| Arcade Creek Recreation and Park District General Fund Obligations                           | 86                     | 0.982                           | 1                                   |
| Fulton-El Camino Recreation and Park District General Fund Obligations                       | 839                    | 18.568                          | 156                                 |
| Subtotal - Direct and Overlapping General Fund Debt  |                        |                                 | <u>170,198</u>                      |
| Total Overlapping Debt   |                        |                                 | <u>1,966,391</u>                    |
| City of Sacramento Direct Debt <sup>(2)</sup>  |                        |                                 | <u>438,480</u>                      |
| Total Direct and Overlapping Debt  |                        |                                 | <u>\$ 2,404,871</u>                 |

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

Note: (2) City of Sacramento Direct Debt includes bonds, notes payable, lease liabilities and IT subscription liabilities.

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

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

| Fiscal Year | Debt Limit         |                                    | Debt Applicable to Limit |   |                                    |              | Legal Debt Margin |  |  | Total net debt applicable to the limit as a percentage of debt limit |
|-------------|--------------------|------------------------------------|--------------------------|---|------------------------------------|--------------|-------------------|--|--|--|
|             | Net Assessed Value | Debt Limit - 15% of Assessed Value | General Obligation Bonds | Amount set aside for repayment of general obligation debt | Total net debt applicable to limit |              |                   |  |  |  |
| 2016        | \$ 40,897,785      | \$ 6,134,668                       | \$ -                     | \$ -  | \$ -                               | \$ 6,134,668 |                   |  |  | 0.00%  |
| 2017        | 43,485,716         | 6,522,857                          | -                        | -   | -                                  | 6,522,857    |                   |  |  | 0.00%  |
| 2018        | 46,645,376         | 6,996,806                          | -                        | -   | -                                  | 6,996,806    |                   |  |  | 0.00%  |
| 2019        | 50,352,401         | 7,552,860                          | -                        | -   | -                                  | 7,552,860    |                   |  |  | 0.00%  |
| 2020        | 54,559,257         | 8,183,889                          | -                        | -   | -                                  | 8,183,889    |                   |  |  | 0.00%  |
| 2021        | 58,370,363         | 8,755,554                          | -                        | -   | -                                  | 8,755,554    |                   |  |  | 0.00%  |
| 2022        | 61,560,495         | 9,234,074                          | -                        | -   | -                                  | 9,234,074    |                   |  |  | 0.00%  |
| 2023        | 66,383,000         | 9,957,450                          | -                        | -   | -                                  | 9,957,450    |                   |  |  | 0.00%  |
| 2024        | 71,378,461         | 10,706,769                         | -                        | -   | -                                  | 10,706,769   |                   |  |  | 0.00%  |
| 2025        | 75,074,599         | 11,261,190                         | -                        | -   | -                                  | 11,261,190   |                   |  |  | 0.00%  |

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

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**City of Sacramento  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(in thousands)**

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| Fiscal Year | Water Revenue |   |           |             |           |      | Debt Service Requirements <sup>(2)</sup> |          |  |
|-------------|---------------|---|-----------|-------------|-----------|------|--|----------|--|
|             | Gross Revenue | Less: Operating Expenses <sup>(1)</sup> |           | Net Revenue | Principal |      | Interest                                 | Coverage |  |
|             |               |   |           |             |           |      |  |          |  |
| 2016        | \$ 98,533     | \$ 47,728                               | \$ 50,805 | \$ 4,061    | \$ 10,594 | 3.47 |  |          |  |
| 2017        | 108,867       | 56,223                                  | 52,644    | 4,206       | 10,448    | 3.59 |  |          |  |
| 2018        | 119,379       | 50,565                                  | 68,814    | 4,397       | 12,111    | 4.17 |  |          |  |
| 2019        | 127,868       | 61,359                                  | 66,509    | 5,383       | 12,809    | 3.66 |  |          |  |
| 2020        | 142,041       | 67,841                                  | 74,200    | 5,644       | 12,835    | 4.02 |  |          |  |
| 2021        | 144,070       | 66,021                                  | 78,049    | 8,811       | 9,254     | 4.32 |  |          |  |
| 2022        | 136,613       | 60,017                                  | 76,596    | 11,161      | 10,667    | 3.51 |  |          |  |
| 2023        | 135,399       | 72,740                                  | 62,659    | 14,486      | 10,425    | 2.52 |  |          |  |
| 2024        | 132,957       | 80,308                                  | 52,649    | 14,966      | 9,842     | 2.12 |  |          |  |
| 2025        | 145,408       | 87,873                                  | 57,535    | 14,363      | 10,069    | 2.35 |  |          |  |

| Fiscal Year | Wastewater Revenue |   |           |                      |           |      | Debt Service Requirements <sup>(3)</sup> |          |  |
|-------------|--------------------|---|-----------|----------------------|-----------|------|--|----------|--|
|             | Gross Revenue      | Less: Operating Expenses <sup>(1)</sup> |           | Net Revenue          | Principal |      | Interest                                 | Coverage |  |
|             |                    |   |           |                      |           |      |  |          |  |
| 2016        | \$ 31,532          | \$ 21,149                               | \$ 10,383 | \$ 1,313             | \$ 1,501  | 3.69 |  |          |  |
| 2017        | 34,311             | 24,987                                  | 9,324     | 1,351                | 1,464     | 3.31 |  |          |  |
| 2018        | 37,596             | 23,010                                  | 14,586    | 1,394                | 1,422     | 5.18 |  |          |  |
| 2019        | 42,275             | 27,371                                  | 14,904    | 1,396                | 1,379     | 5.37 |  |          |  |
| 2020        | 44,562             | 25,988                                  | 18,574    | 1,443                | 2,490     | 4.72 |  |          |  |
| 2021        | 43,829             | 26,341                                  | 17,488    | 1,936                | 1,841     | 4.63 |  |          |  |
| 2022        | 44,327             | 24,234                                  | 20,093    | 1,900 <sup>(4)</sup> | 1,965     | 5.20 |  |          |  |
| 2023        | 44,809             | 28,485                                  | 16,324    | 1,980                | 1,882     | 4.23 |  |          |  |
| 2024        | 45,871             | 35,018                                  | 10,853    | 2,070                | 1,795     | 2.81 |  |          |  |
| 2025        | 47,241             | 34,580                                  | 12,661    | 2,145                | 1,721     | 3.27 |  |          |  |

Notes: (1) Total operating expenses is exclusive of depreciation and amortization expense.

(2) Debt service requirements include California Department of Public Health Notes Payable, Drinking Water State Revolving Fund Notes Payable, Water Revenue Bonds, Series 2013 and 2017, and Water Revenue Refunding Bonds, Series 2020 and 2023.

(3) Debt service requirements include Wastewater Revenue Bonds, Series 2013 and 2019, and Wastewater Revenue Refunding Bonds, Series 2020.

(4) Wastewater portion of State Water Resources Control Board Notes Payable was paid off in FY21.

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Source: City of Sacramento's internal financial documents.

**City of Sacramento  
Pledged-Revenue Coverage  
Last Ten Fiscal Years  
(in thousands)**

| <b>Storm Drainage Revenue</b>   |                      |  |                    |   |                 |          |          |                 |  |
|---|----------------------|--|--------------------|---|-----------------|----------|----------|-----------------|--|
| <b>Fiscal Year</b>  | <b>Gross Revenue</b> | <b>Less: Operating Expenses <sup>(1)</sup></b> | <b>Net Revenue</b> | <b>Debt Service Requirements <sup>(2)</sup></b> |                 |          |          | <b>Coverage</b> |  |
|   |                      |  |                    | <b>Principal</b>                                | <b>Interest</b> | <b> </b> | <b> </b> |                 |  |
| 2016  | \$ 40,166            | \$ 28,897                                      | \$ 11,269          | \$ 2,336  | \$ 404          |          |          | 4.11            |  |
| 2017  | 40,124               | 29,207   | 10,917             | 2,391   | 349             |          |          | 3.98            |  |
| 2018  | 39,512               | 30,483   | 9,029              | 2,448   | 292             |          |          | 3.30            |  |
| 2019  | 39,969               | 29,021   | 10,948             | 2,381   | 234             |          |          | 4.19            |  |
| 2020  | 40,871               | 31,521   | 9,350              | 2,437   | 178             |          |          | 3.58            |  |
| 2021  | 40,848               | 29,732   | 11,116             | 2,237   | 119             |          |          | 4.72            |  |
| 2022  | 41,901               | 29,955   | 11,946             | 92 <sup>(6)</sup>                               | 69              |          |          | 74.20           |  |
| 2023  | 61,120               | 37,131   | 23,989             | 95  | 66              |          |          | 149.00          |  |
| 2024  | 62,606               | 40,604   | 22,002             | 98  | 62              |          |          | 137.51          |  |
| 2025  | 65,121               | 48,142   | 16,979             | 101   | 59              |          |          | 106.12          |  |
| <b>Transient Occupancy Tax (TOT) Revenue</b>                                |                      |  |                    |   |                 |          |          |                 |  |
| <b>Fiscal Year</b>  | <b>Gross Revenue</b> | <b>Less: Operating Expenses <sup>(5)</sup></b> | <b>Net Revenue</b> | <b>Debt Service Requirements <sup>(3)</sup></b> |                 |          |          | <b>Coverage</b> |  |
|   |                      |  |                    | <b>Principal</b>                                | <b>Interest</b> | <b> </b> | <b> </b> |                 |  |
| 2019  | \$ 29,477            | \$ -   | \$ 29,477          | \$ -  | \$ 8,103        |          |          | 3.64            |  |
| 2020  | 21,504               | -  | 21,504             | -   | 13,891          |          |          | 1.55            |  |
| 2021  | 15,545               | -  | 15,545             | 5,080   | 13,891          |          |          | 0.82            |  |
| 2022  | 26,843               | -  | 26,843             | 5,270   | 13,698          |          |          | 1.42            |  |
| 2023  | 31,294               | -  | 31,294             | 5,480   | 13,492          |          |          | 1.65            |  |
| 2024  | 34,254               | -  | 34,254             | 5,695   | 13,274          |          |          | 1.81            |  |
| 2025  | 35,228               | -  | 35,228             | 5,925   | 13,044          |          |          | 1.86            |  |
| <b>Sacramento Tourism Infrastructure District (STID) Assessment Revenue</b> |                      |  |                    |   |                 |          |          |                 |  |
| <b>Fiscal Year</b>  | <b>Gross Revenue</b> | <b>Less: Operating Expenses <sup>(5)</sup></b> | <b>Net Revenue</b> | <b>Debt Service Requirements <sup>(4)</sup></b> |                 |          |          | <b>Coverage</b> |  |
|   |                      |  |                    | <b>Principal</b>                                | <b>Interest</b> | <b> </b> | <b> </b> |                 |  |
| 2020  | \$ 1,883             | \$ -   | \$ 1,883           | \$ -  | \$ 1,469        |          |          | 1.28            |  |
| 2021  | 1,899                | -  | 1,899              | 845   | 1,895           |          |          | 0.69            |  |
| 2022  | 3,292                | -  | 3,292              | 880   | 1,861           |          |          | 1.20            |  |
| 2023  | 3,619                | -  | 3,619              | 915   | 1,826           |          |          | 1.32            |  |
| 2024  | 4,049                | -  | 4,049              | 960   | 1,780           |          |          | 1.48            |  |
| 2025  | 4,117                | -  | 4,117              | 1,010   | 1,732           |          |          | 1.50            |  |

Notes: (1) Total operating expenses is exclusive of depreciation and amortization expense.

(2) Debt service requirements include California Infrastructure and Economic Development Bank Notes Payable.

(3) Debt service requirements include 2018 TOT Revenue Bonds, Series A, B, and C. Therefore, only seven years are shown.

(4) Debt service requirements include 2019 STID Assessment Revenue Bonds. Therefore, only six years are shown.

(5) Due to the classification of TOT and STID revenues as nonoperating revenues, no operating expenses reported above.

(6) Storm Drainage portion of State Water Resources Control Board Notes Payable was paid off in FY21.

Source: City of Sacramento's internal financial documents.

**City of Sacramento**  
**Demographic and Economic Statistics for Sacramento County**  
**Last Ten Years**

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| Year | Population<br>(A) | Personal<br>Income<br>(in millions<br>of dollars) | Per<br>Capita<br>Personal<br>Income<br>(B) | Median<br>Age | Education<br>Level<br>in Years of<br>Schooling | School<br>Enrollment<br>(C) | Unemployment<br>Rate<br>(D) |
|------|-------------------|---|--|---------------|--|-----------------------------|-----------------------------|
| 2016 | 1,495,297         | \$ 69,590   | \$ 46,539                                  | 33            | N/A  | 242,725                     | 5.8 %                       |
| 2017 | 1,514,770         | 72,894  | 48,122                                     | 34            | N/A  | 244,394                     | 5.4                         |
| 2018 | 1,529,501         | 76,776  | 50,197                                     | 34            | N/A  | 245,906                     | 4.2                         |
| 2019 | 1,546,174         | 81,242  | 52,544                                     | 34            | N/A  | 246,663                     | 3.9                         |
| 2020 | 1,555,365         | 85,959  | 55,266                                     | 34            | N/A  | 249,540                     | 12.5                        |
| 2021 | 1,561,014         | 91,018  | 58,307                                     | 35            | N/A  | 246,069                     | 7.3                         |
| 2022 | 1,576,618         | 97,481  | 61,829                                     | 35            | N/A  | 243,002                     | 3.6                         |
| 2023 | 1,572,453         | 96,797  | 61,558                                     | 35            | N/A  | 247,646                     | 4.4                         |
| 2024 | 1,578,938         | 102,795   | 65,104                                     | 35            | N/A  | 253,331                     | 5.3                         |
| 2025 | 1,604,745         | Not Available                                     | (1) Not Available                          | (1)           | 36   | N/A                         | 258,235                     |

Notes: (1) As of November 25, 2025 the US Bureau of Economic Analysis report on Local Area Personal Income as of March 31 is not available due to the Federal Government shutdown. Data is expected to be released on December 3, 2025.

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Sources: (A) California Department of Finance - Population estimates as of January 1st of each year:

<http://www.dof.ca.gov/Forecasting/Demographics/Estimates/e-1/>

(B) US Bureau of Economic Analysis, report on Local Area Personal Income as of March 31 each year: <https://www.bea.gov/>

(C) California Department of Education, report on Sacramento County as of June 30 each year: <http://dq.cde.ca.gov/dataquest/>

(D) California Employment Development Department, Report 400 C - Monthly Labor Force Data for California Counties:  
<http://www.labormarketinfo.edd.ca.gov/> (as of June each year)

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

| Employer (A)                      | 2025                         |      |   | 2016                         |      |                                    |
|-----------------------------------|------------------------------|------|---|------------------------------|------|------------------------------------|
|                                   | Employees (A) <sup>(1)</sup> | Rank | Percentage of Total Employment (B) <sup>(2)</sup> | Employees (A) <sup>(1)</sup> | Rank | Percentage of Total Employment (B) |
| State of California               | 142,912                      | 1    | 19.18%  | 73,676                       | 1    | 11.22%                             |
| University of California, Davis   | 22,547                       | 2    | 3.03%   | N/A                          | N/A  | N/A                                |
| Kaiser Permanente                 | 18,903                       | 3    | 2.54%   | 8,885                        | 6    | 1.35%                              |
| Sutter Health                     | 17,500                       | 4    | 2.35%   | 8,905                        | 5    | 1.36%                              |
| UC Davis Health                   | 17,195                       | 5    | 2.31%   | 10,145                       | 3    | 1.55%                              |
| U.S. Government                   | 14,273                       | 6    | 1.92%   | 10,007                       | 4    | 1.52%                              |
| Sacramento County                 | 13,653                       | 7    | 1.83%   | 11,950                       | 2    | 1.82%                              |
| Dignity Health                    | 8,356                        | 8    | 1.12%   | 7,853                        | 7    | 1.20%                              |
| San Juan Unified School District  | 5,499                        | 9    | 0.74%   | N/A                          | N/A  | N/A                                |
| City of Sacramento                | 5,030                        | 10   | 0.68%   | 4,300                        | 10   | 0.66%                              |
| Intel Corporation                 | N/A                          | N/A  | N/A   | 6,000                        | 8    | 0.91%                              |
| Elk Grove Unified School District | N/A                          | N/A  | N/A   | 5,863                        | 9    | 0.89%                              |

Notes:

(1) Ranked by number of employees in full-time equivalents.  
 (2) Percentage of total employment is calculated based on Sacramento County's total employment force of 745,000 per Employment Development Department website) in June 2025.

Sources: (A) Sacramento Business Journal, May 31, 2024. List of largest employers in Sacramento County.  
 (B) Employment Development Department, State of California.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Assessed Value of Taxable Property <sup>(1)(2)</sup>**  
**Last Ten Fiscal Years**  
(in thousands)

| PROJECT AREA                            | Fiscal Year         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2016                | 2017                | 2018                | 2019                | 2020                |
| Merged Downtown                         |                     |                     |                     |                     |                     |
| Secured                                 | \$ 2,461,341        | \$ 2,682,975        | \$ 3,294,112        | \$ 3,572,623        | \$ 3,854,509        |
| Unsecured                               | 124,172             | 110,587             | 131,439             | 147,725             | 169,620             |
| Utility                                 | 748                 | 748                 | 748                 | 696                 | 7                   |
| Total                                   | <u>\$ 2,586,261</u> | <u>\$ 2,794,310</u> | <u>\$ 3,426,299</u> | <u>\$ 3,721,044</u> | <u>\$ 4,024,136</u> |
| Del Paso Heights                        |                     |                     |                     |                     |                     |
| Secured                                 | \$ 317,886          | \$ 338,354          | \$ 380,389          | \$ 414,850          | \$ 469,286          |
| Unsecured                               | 13,621              | 15,440              | 14,149              | 21,771              | 23,390              |
| Utility                                 | 1                   | 1                   | 1                   | 1                   | -                   |
| Total                                   | <u>\$ 331,508</u>   | <u>\$ 353,795</u>   | <u>\$ 394,539</u>   | <u>\$ 436,622</u>   | <u>\$ 492,676</u>   |
| Alkali Flat                             |                     |                     |                     |                     |                     |
| Secured                                 | \$ 123,251          | \$ 136,555          | \$ 158,376          | \$ 198,843          | \$ 228,034          |
| Unsecured                               | 2,963               | 2,996               | 2,920               | 3,485               | 3,582               |
| Total                                   | <u>\$ 126,214</u>   | <u>\$ 139,551</u>   | <u>\$ 161,296</u>   | <u>\$ 202,328</u>   | <u>\$ 231,616</u>   |
| Oak Park                                |                     |                     |                     |                     |                     |
| Secured                                 | \$ 501,132          | \$ 567,966          | \$ 610,203          | \$ 686,458          | \$ 787,243          |
| Unsecured                               | 24,938              | 27,750              | 28,003              | 31,947              | 23,271              |
| Total                                   | <u>\$ 526,070</u>   | <u>\$ 595,716</u>   | <u>\$ 638,206</u>   | <u>\$ 718,405</u>   | <u>\$ 810,514</u>   |
| River District (formerly Richards Blvd) |                     |                     |                     |                     |                     |
| Secured                                 | \$ 393,540          | \$ 404,183          | \$ 413,627          | \$ 444,699          | \$ 474,858          |
| Unsecured                               | 37,314              | 34,732              | 36,120              | 37,676              | 35,370              |
| Utility                                 | 2,591               | 2,591               | 2,591               | 2,464               | 2,752               |
| Total                                   | <u>\$ 433,445</u>   | <u>\$ 441,506</u>   | <u>\$ 452,338</u>   | <u>\$ 484,839</u>   | <u>\$ 512,980</u>   |
| North Sacramento                        |                     |                     |                     |                     |                     |
| Secured                                 | \$ 523,526          | \$ 555,437          | \$ 556,306          | \$ 605,147          | \$ 681,316          |
| Unsecured                               | 36,778              | 36,563              | 36,555              | 43,011              | 50,625              |
| Utility                                 | -                   | -                   | -                   | -                   | 719                 |
| Total                                   | <u>\$ 560,304</u>   | <u>\$ 592,000</u>   | <u>\$ 592,861</u>   | <u>\$ 648,158</u>   | <u>\$ 732,660</u>   |

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Assessed Value of Taxable Property<sup>(1)(2)</sup>**  
**Last Ten Fiscal Years**  
(in thousands)

| PROJECT AREA                            | Fiscal Year         |                     |                     |                     |                     |
|---|---------------------|---------------------|---------------------|---------------------|---------------------|
|   | 2021                | 2022                | 2023                | 2024                | 2025                |
| Merged Downtown                         |                     |                     |                     |                     |                     |
| Secured                                 | \$ 3,927,521        | \$ 3,928,629        | \$ 4,113,421        | \$ 4,414,261        | \$ 4,354,017        |
| Unsecured                               | 169,037             | 170,979             | 174,954             | 206,081             | 213,702             |
| Utility                                 | 7                   | 7                   | 7                   | 11                  | 11                  |
| Total                                   | <u>\$ 4,096,565</u> | <u>\$ 4,099,615</u> | <u>\$ 4,288,382</u> | <u>\$ 4,620,353</u> | <u>\$ 4,567,730</u> |
| Del Paso Heights                        |                     |                     |                     |                     |                     |
| Secured                                 | \$ 510,477          | \$ 547,780          | \$ 598,130          | \$ 643,156          | \$ 673,143          |
| Unsecured                               | 28,109              | 28,417              | 28,240              | 29,144              | 34,000              |
| Utility                                 | -                   | -                   | -                   | -                   | -                   |
| Total                                   | <u>\$ 538,586</u>   | <u>\$ 576,197</u>   | <u>\$ 626,370</u>   | <u>\$ 672,300</u>   | <u>\$ 707,143</u>   |
| Alkali Flat                             |                     |                     |                     |                     |                     |
| Secured                                 | \$ 250,906          | \$ 256,211          | \$ 277,676          | \$ 288,763          | \$ 301,294          |
| Unsecured                               | 3,794               | 2,387               | 2,569               | 2,871               | 3,348               |
| Total                                   | <u>\$ 254,700</u>   | <u>\$ 258,598</u>   | <u>\$ 280,245</u>   | <u>\$ 291,634</u>   | <u>\$ 304,642</u>   |
| Oak Park                                |                     |                     |                     |                     |                     |
| Secured                                 | \$ 831,901          | \$ 892,936          | \$ 986,212          | \$ 1,086,819        | \$ 1,145,477        |
| Unsecured                               | 25,615              | 30,460              | 30,361              | 34,957              | 35,432              |
| Total                                   | <u>\$ 857,516</u>   | <u>\$ 923,396</u>   | <u>\$ 1,016,573</u> | <u>\$ 1,121,776</u> | <u>\$ 1,180,909</u> |
| River District (formerly Richards Blvd) |                     |                     |                     |                     |                     |
| Secured                                 | \$ 535,733          | \$ 570,395          | \$ 634,675          | \$ 692,078          | \$ 768,130          |
| Unsecured                               | 35,657              | 38,301              | 37,076              | 38,637              | 42,764              |
| Utility                                 | 2,705               | 2,705               | 2,705               | 3,147               | 3,147               |
| Total                                   | <u>\$ 574,095</u>   | <u>\$ 611,401</u>   | <u>\$ 674,456</u>   | <u>\$ 733,862</u>   | <u>\$ 814,041</u>   |
| North Sacramento                        |                     |                     |                     |                     |                     |
| Secured                                 | \$ 743,818          | \$ 824,135          | \$ 866,736          | \$ 946,019          | \$ 1,028,890        |
| Unsecured                               | 57,168              | 57,816              | 81,916              | 111,342             | 125,203             |
| Utility                                 | 719                 | 719                 | 719                 | 735                 | 735                 |
| Total                                   | <u>\$ 801,705</u>   | <u>\$ 882,670</u>   | <u>\$ 949,371</u>   | <u>\$ 1,058,096</u> | <u>\$ 1,154,828</u> |

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Assessed Value of Taxable Property<sup>(1)(2)</sup>**  
**Last Ten Fiscal Years**  
(in thousands)

| PROJECT AREA       | Fiscal Year         |                     |                     |                     |                     |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                    | 2016                | 2017                | 2018                | 2019                | 2020                |
| Franklin Boulevard |                     |                     |                     |                     |                     |
| Secured            | \$ 474,370          | \$ 497,711          | \$ 544,375          | \$ 578,295          | \$ 608,313          |
| Unsecured          | 31,565              | 35,431              | 34,068              | 33,800              | 36,098              |
| Total              | <u>\$ 505,935</u>   | <u>\$ 533,142</u>   | <u>\$ 578,443</u>   | <u>\$ 612,095</u>   | <u>\$ 644,411</u>   |
| Stockton Boulevard |                     |                     |                     |                     |                     |
| Secured            | \$ 384,262          | \$ 403,482          | \$ 442,555          | \$ 471,634          | \$ 510,666          |
| Unsecured          | 16,742              | 15,941              | 15,798              | 18,937              | 19,758              |
| Total              | <u>\$ 401,004</u>   | <u>\$ 419,423</u>   | <u>\$ 458,353</u>   | <u>\$ 490,571</u>   | <u>\$ 530,424</u>   |
| Army Depot         |                     |                     |                     |                     |                     |
| Secured            | \$ 928,249          | \$ 979,664          | \$ 1,052,144        | \$ 1,130,114        | \$ 1,302,802        |
| Unsecured          | 110,209             | 106,652             | 111,552             | 115,208             | 132,775             |
| Utility            | 1,072               | 1,072               | 1,072               | 1,072               | 1,037               |
| Total              | <u>\$ 1,039,530</u> | <u>\$ 1,087,388</u> | <u>\$ 1,164,768</u> | <u>\$ 1,246,394</u> | <u>\$ 1,436,614</u> |
| 65th Street        |                     |                     |                     |                     |                     |
| Secured            | \$ 243,684          | \$ 276,299          | \$ 350,567          | \$ 425,730          | \$ 532,239          |
| Unsecured          | 14,033              | 15,339              | 17,768              | 22,692              | 22,321              |
| Utility            | -                   | -                   | -                   | -                   | 94                  |
| Total              | <u>\$ 257,717</u>   | <u>\$ 291,638</u>   | <u>\$ 368,335</u>   | <u>\$ 448,422</u>   | <u>\$ 554,654</u>   |
| Railyards          |                     |                     |                     |                     |                     |
| Secured            | \$ 68,288           | \$ 62,600           | \$ 66,406           | \$ 67,471           | \$ 71,495           |
| Unsecured          | 10,940              | 7,310               | 7,151               | 11,438              | 13,940              |
| Total              | <u>\$ 79,228</u>    | <u>\$ 69,910</u>    | <u>\$ 73,557</u>    | <u>\$ 78,909</u>    | <u>\$ 85,435</u>    |

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Assessed Value of Taxable Property<sup>(1)(2)</sup>**  
**Last Ten Fiscal Years**  
(in thousands)

| PROJECT AREA       | Fiscal Year         |                     |                     |                     |                     |
|--------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
|                    | 2021                | 2022                | 2023                | 2024                | 2025                |
| Franklin Boulevard |                     |                     |                     |                     |                     |
| Secured            | \$ 643,432          | \$ 672,091          | \$ 748,607          | \$ 798,713          | \$ 859,259          |
| Unsecured          | 38,111              | 40,569              | 49,929              | 53,967              | 62,524              |
| Total              | <u>\$ 681,543</u>   | <u>\$ 712,660</u>   | <u>\$ 798,536</u>   | <u>\$ 852,680</u>   | <u>\$ 921,783</u>   |
| Stockton Boulevard |                     |                     |                     |                     |                     |
| Secured            | \$ 556,549          | \$ 592,937          | \$ 641,363          | \$ 679,010          | \$ 716,357          |
| Unsecured          | 23,067              | 23,646              | 25,436              | 28,368              | 27,086              |
| Total              | <u>\$ 579,616</u>   | <u>\$ 616,583</u>   | <u>\$ 666,799</u>   | <u>\$ 707,378</u>   | <u>\$ 743,443</u>   |
| Army Depot         |                     |                     |                     |                     |                     |
| Secured            | \$ 1,391,639        | \$ 1,475,193        | \$ 1,615,593        | \$ 1,796,202        | \$ 1,877,750        |
| Unsecured          | 138,567             | 150,127             | 211,999             | 229,367             | 249,322             |
| Utility            | 1,037               | 1,037               | 1,037               | 1,152               | 1,152               |
| Total              | <u>\$ 1,531,243</u> | <u>\$ 1,626,357</u> | <u>\$ 1,828,629</u> | <u>\$ 2,026,721</u> | <u>\$ 2,128,224</u> |
| 65th Street        |                     |                     |                     |                     |                     |
| Secured            | \$ 553,158          | \$ 598,845          | \$ 637,581          | \$ 749,009          | \$ 819,090          |
| Unsecured          | 25,276              | 37,486              | 39,503              | 37,974              | 32,441              |
| Utility            | 94                  | 94                  | 94                  | 122                 | 122                 |
| Total              | <u>\$ 578,528</u>   | <u>\$ 636,425</u>   | <u>\$ 677,178</u>   | <u>\$ 787,105</u>   | <u>\$ 851,653</u>   |
| Railyards          |                     |                     |                     |                     |                     |
| Secured            | \$ 104,469          | \$ 109,005          | \$ 126,886          | \$ 139,788          | \$ 116,694          |
| Unsecured          | 15,667              | 12,508              | 10,710              | 5,588               | 5,506               |
| Total              | <u>\$ 120,136</u>   | <u>\$ 121,513</u>   | <u>\$ 137,596</u>   | <u>\$ 145,376</u>   | <u>\$ 122,200</u>   |

Notes: (1) Property is assessed at full cash value upon transfer of title and the assessed value is increased annually by the lesser of the rate of inflation or 2%.

(2) One percent is the maximum tax rate by state law.

**City of Sacramento****Successor Agency Trust Fund****Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>****Merged Downtown****As of June 30, 2025**

(in thousands)

| Assessee                                       | Taxable Value <sup>(3)</sup> | Assessee's Value <sup>(3)</sup> | Value Difference    | Percentage of Total Taxable Value |
|--|------------------------------|---------------------------------|---------------------|-----------------------------------|
| 500 CAPITOL MALL LLC                           | \$ 158,092                   | \$ 79,046                       | \$ (79,046)         | 8.57%                             |
| CIM-J STREET HOTEL SACTO, LP (PMC COMM.TRUST)  | 82,192                       | 41,096                          | (41,096)            | 4.46%                             |
| SVACW 925 LLC                                  | 56,202                       | 3,673                           | (52,529)            | 5.70%                             |
| SVACW 925 LLC                                  | 55,100                       | 52,000                          | (3,100)             | 0.34%                             |
| VALLEJO IMPERIAL VENTURE LIMITED PARTNERSHIP   | 50,308                       | 25,154                          | (25,154)            | 2.73%                             |
| VALLEJO IMPERIAL VENTURE LIMITED PARTNERSHIP   | 49,321                       | 24,661                          | (24,660)            | 2.67%                             |
| TONY GIANNONI                                  | 45,564                       | 26,000                          | (19,564)            | 2.12%                             |
| CALIF ASSOC HOSPITALS/HEALTH SYSTEMS CORP      | 42,068                       | 21,034                          | (21,034)            | 2.28%                             |
| DIPTI LALA                                     | 38,586                       | 5,000                           | (33,586)            | 3.64%                             |
| CALIF ASSN HOSP/HLTH SYM(TSAKOPOULOS FAM LLC/E | 37,301                       | 18,651                          | (18,650)            | 2.02%                             |
| Subtotal                                       | 614,734                      | 296,315                         | (318,419)           | 34.53%                            |
| All Other Taxpayers                            | 307,419                      | 144,114                         | (163,305)           | 17.71%                            |
| <b>Total</b>                                   | <b>\$ 922,153</b>            | <b>\$ 440,429</b>               | <b>\$ (481,724)</b> | <b>52.24%</b>                     |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

**City of Sacramento  
Successor Agency Trust Fund**

**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>**

**Del Paso Heights**

**As of June 30, 2025**

**(in thousands)**

| Assessee                     | Taxable Value <sup>(3)</sup> | Assessee's Value <sup>(3)</sup> | Value Difference  | Percentage of Total Taxable Value |
|------------------------------|------------------------------|---------------------------------|-------------------|-----------------------------------|
| 4555 CARMICHAEL LLC          | \$ 2,794                     | \$ 1,676                        | \$ (1,118)        | 30.12%                            |
| TESLA ENERGY OPERATIONS INC. | 317                          | 156                             | (161)             | 4.34%                             |
| TESLA ENERGY OPERATIONS INC. | 309                          | 150                             | (159)             | 4.28%                             |
| TESLA ENERGY OPERATIONS INC. | 292                          | 146                             | (146)             | 3.93%                             |
| <b>Total</b>                 | <b>\$ 3,712</b>              | <b>\$ 2,128</b>                 | <b>\$ (1,584)</b> | <b>42.67%</b>                     |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

---

Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1)(2)</sup>**  
**Oak Park**  
**As of June 30, 2025**  
(in thousands)

| Assessee            | Taxable Value <sup>(3)</sup> | Assessee's Value <sup>(3)</sup> | Value Difference | Percentage of Total Taxable Value |
|---------------------|------------------------------|---------------------------------|------------------|-----------------------------------|
| WALGREENS           | 123                          | 84                              | (39)             | 8.25%                             |
| WALGREENS #4136 PPT | 123                          | 114                             | (9)              | 1.90%                             |
| WALGREENS #4170 PPT | 114                          | 95                              | (19)             | 4.02%                             |
| WALGREEN CO         | 113                          | 87                              | (26)             | 5.50%                             |
| <hr/>               | <hr/>                        | <hr/>                           | <hr/>            | <hr/>                             |
| Total               | \$ 473                       | \$ 380                          | \$ (93)          | 19.66%                            |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

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Source: Sacramento County Assessor

**City of Sacramento  
Successor Agency Trust Fund**

**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1)(2)</sup>**

**River District**

**As of June 30, 2025**

(in thousands)

| Assessee          | Taxable Value <sup>(3)</sup> | Assessee's Value <sup>(3)</sup> | Value Difference  | Percentage of Total Taxable Value |
|-------------------|------------------------------|---------------------------------|-------------------|-----------------------------------|
| BERCUT STORAGE    | \$ 3,842                     | \$ 1,921                        | \$ (1,921)        | 46.46%                            |
| CALIBER COLLISION | 293                          | 146                             | (147)             | 3.56%                             |
| <b>Total</b>      | <b>\$ 4,135</b>              | <b>\$ 2,067</b>                 | <b>\$ (2,068)</b> | <b>50.01%</b>                     |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

---

Source: Sacramento County Assessor

**City of Sacramento  
Successor Agency Trust Fund**

**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>**

**North Sacramento**

**As of June 30, 2025**

**(in thousands)**

| <b>Assessee</b>                            | <b>Taxable<br/>Value <sup>(3)</sup></b> | <b>Assessee's<br/>Value <sup>(3)</sup></b> | <b>Value<br/>Difference</b> | <b>Percentage<br/>of Total<br/>Taxable Value</b> |
|--|---|--|-----------------------------|--|
| SEVEN UP BOTTLING COMPANY OF SAN FRANCISCO | \$ 36,336                               | \$ 15,168                                  | \$ (21,168)                 | 14.82%   |
| SEVEN UP BOTTLING COMPANY OF SAN FRANCISCO | 31,576                                  | 15,788                                     | (15,788)                    | 11.05%   |
| SACRAMENTO HEALTHCARE INVESTORS LP         | 17,431                                  | 8,716                                      | (8,715)                     | 5.09%  |
| SACRAMENTO CA 1 M LLC                      | 17,182                                  | 13,576                                     | (3,606)                     | 2.11%  |
| SACRAMENTO HEALTHCARE INVESTORS LP         | 17,089                                  | 8,545                                      | (8,544)                     | 4.99%  |
| OMNINET SACRAMENTO JARDINETT LLC/ETAL      | 9,173                                   | 4,587                                      | (4,586)                     | 2.68%  |
| KATHLEEN TCHERKOYAN MCSHANE                | 7,700                                   | 4,620                                      | (3,080)                     | 1.80%  |
| OMNINET                                    | 5,069                                   | 2,534                                      | (2,535)                     | 1.48%  |
| GROCERY OUTLET                             | 4,945                                   | 2,473                                      | (2,472)                     | 1.44%  |
| OMNINET                                    | 1,847                                   | 923  | (924)                       | 0.54%  |
| Subtotal                                   | 148,348                                 | 76,930                                     | (71,418)                    | 41.74%   |
| All Other Taxpayers                        | 22,746                                  | 27,375                                     | 4,629                       | -2.71%   |
| <b>Total</b>                               | <b>\$ 171,094</b>                       | <b>\$ 104,305</b>                          | <b>\$ (66,789)</b>          | <b>39.04%</b>                                    |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

**City of Sacramento  
Successor Agency Trust Fund**

**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1)(2)</sup>**

**Franklin Boulevard**

**As of June 30, 2025**

**(in thousands)**

| <b>Assessee</b>         | <b>Taxable Value <sup>(3)</sup></b> | <b>Assessee's Value <sup>(3)</sup></b> | <b>Value Difference</b> | <b>Percentage of Total Taxable Value</b> |
|-------------------------|-------------------------------------|--|-------------------------|--|
| GARFIELD BEACH CVS, LLC | \$ 8,569                            | \$ 4,285                               | \$ (4,284)              | 12.02%                                   |
| MACY'S WEST STORES      | 5,748                               | 1,947                                  | (3,801)                 | 10.67%                                   |
| MACY'S WAREHOUSE        | 5,080                               | 2,700                                  | (2,380)                 | 6.68%                                    |
| MACY'S WAREHOUSE        | 5,002                               | 2,600                                  | (2,402)                 | 6.74%                                    |
| MACY'S INC              | 3,544                               | 2,199                                  | (1,345)                 | 3.77%                                    |
| RON HERTEL              | 3,459                               | 3,095                                  | (364)                   | 1.02%                                    |
| HP 49TH AVENUE LLC      | 2,117                               | 1,079                                  | (1,038)                 | 2.91%                                    |
| HP 49TH AVENUE LLC      | 2,117                               | 1,058                                  | (1,059)                 | 2.97%                                    |
| <b>Total</b>            | <b>\$ 35,636</b>                    | <b>\$ 18,963</b>                       | <b>\$ (16,673)</b>      | <b>46.79%</b>                            |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

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Source: Sacramento County Assessor

**City of Sacramento  
Successor Agency Trust Fund  
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>  
Stockton Boulevard  
As of June 30, 2025  
(in thousands)**

| Assessee                        | Taxable Value <sup>(3)</sup> | Assessee's Value <sup>(3)</sup> | Value Difference   | Percentage of Total Taxable Value |
|---------------------------------|------------------------------|---------------------------------|--------------------|-----------------------------------|
| STOCKTON PLAZA PARTNERS         | \$ 19,614                    | \$ 9,700                        | \$ (9,914)         | 28.89%                            |
| GARFIELD BEACH CVS LLC          | 7,235                        | 3,617                           | (3,618)            | 10.54%                            |
| STOCKTON PLAZA PARTNERS         | 2,894                        | 1,420                           | (1,474)            | 4.30%                             |
| STOCKTON PLAZA PARTNERS         | 1,924                        | 940                             | (984)              | 2.87%                             |
| ROSS DRESS FOR LESS #1837       | 723                          | 362                             | (361)              | 1.05%                             |
| ROSS DRESS FOR LESS #1837       | 686                          | 343                             | (343)              | 1.00%                             |
| DDS DISCOUNTS #5038             | 351                          | 175                             | (176)              | 0.51%                             |
| STARBUCKS COFFEE COMPANY #50884 | 309                          | 45                              | (264)              | 0.77%                             |
| DOLLAR TREE STORES #1203        | 157                          | 79                              | (78)               | 0.23%                             |
| Subtotal                        | 33,893                       | 16,681                          | (17,212)           | 50.16%                            |
| All Other Taxpayers             | 420                          | 1,496                           | 1,076              | -3.14%                            |
| <b>Total</b>                    | <b>\$ 34,313</b>             | <b>\$ 18,177</b>                | <b>\$ (16,136)</b> | <b>47.03%</b>                     |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

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Source: Sacramento County Assessor

**City of Sacramento  
Successor Agency Trust Fund**

**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>  
65th Street**

**As of June 30, 2025**

(in thousands)

| Assessee                        | Taxable Value <sup>(3)</sup> | Assessee's Value <sup>(3)</sup> | Value Difference    | Percentage of Total Taxable Value |
|---------------------------------|------------------------------|---------------------------------|---------------------|-----------------------------------|
| THE MARTIN GROUP                | \$ 109,022                   | \$ 95,000                       | \$ (14,022)         | 5.31%                             |
| ACADEMY ON 65TH STATE OWNER LLC | 36,712                       | 18,356                          | (18,356)            | 6.96%                             |
| TARGET                          | 31,712                       | 825                             | (30,887)            | 11.71%                            |
| TARGET                          | 28,859                       | 948                             | (27,911)            | 10.58%                            |
| TARGET                          | 28,836                       | 855                             | (27,981)            | 10.60%                            |
| TARGET                          | 28,381                       | 27,354                          | (1,027)             | 0.39%                             |
| CALIBER BODYWORKS INC #0089     | 231                          | 116                             | (115)               | 0.04%                             |
| DOLLAR TREE STORE #3566         | 98                           | 49                              | (49)                | 0.02%                             |
| <b>Total</b>                    | <b>\$ 263,851</b>            | <b>\$ 143,503</b>               | <b>\$ (120,348)</b> | <b>45.61%</b>                     |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

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Source: Sacramento County Assessor

**City of Sacramento  
Successor Agency Trust Fund**

**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>**

**Army Depot**

**As of June 30, 2025**

**(in thousands)**

| Assessee             | Taxable Value <sup>(3)</sup> | Assessee's Value <sup>(3)</sup> | Value Difference    | Percentage of Total Taxable Value |
|----------------------|------------------------------|---------------------------------|---------------------|-----------------------------------|
| SBM REALTY LLC       | \$ 26,221                    | \$ 10,488                       | \$ (15,733)         | 7.83%                             |
| SBM REALTY LLC       | \$ 25,202                    | 5,868                           | (19,334)            | 9.63%                             |
| SBM REALTY LLC       | 25,153                       | 5,845                           | (19,308)            | 9.61%                             |
| SBM REALTY LLC       | 23,941                       | 9,577                           | (14,364)            | 7.15%                             |
| SBM REALTY LLC       | 23,012                       | 5,269                           | (17,743)            | 8.83%                             |
| SBM REALTY LLC       | 22,992                       | 5,249                           | (17,743)            | 8.83%                             |
| INDUSTRIAL 2022 LLC  | 9,515                        | 6,185                           | (3,330)             | 1.66%                             |
| ALPINE OWNER LLC     | 9,348                        | 4,443                           | (4,905)             | 2.44%                             |
| ALPINE OWNER LLC     | 8,885                        | 4,443                           | (4,442)             | 2.21%                             |
| ROSS 9832 SACRAMENTO | 8,142                        | 4,071                           | (4,071)             | 2.03%                             |
| Subtotal             | 182,411                      | 61,438                          | (120,973)           | 60.23%                            |
| All Other Taxpayers  | 18,452                       | 10,313                          | (8,139)             | 4.05%                             |
| <b>Total</b>         | <b>\$ 200,863</b>            | <b>\$ 71,751</b>                | <b>\$ (129,112)</b> | <b>64.28%</b>                     |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

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Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction <sup>(1) (2)</sup>**  
**Railyards**  
**As of June 30, 2025**  
(in thousands)

| Assessee                | Taxable Value <sup>(3)</sup> | Assessee's Value <sup>(3)</sup> | Value Difference   | Percentage of Total Taxable Value |
|-------------------------|------------------------------|---------------------------------|--------------------|-----------------------------------|
| CFT NV DEVELOPMENTS LLC | \$ 14,450                    | \$ 7,225                        | \$ (7,225)         | 14.28%                            |
| CFT NV DEVELOPMENTS LLC | 14,370                       | 7,185                           | (7,084)            | 19.71%                            |
| SIMS METAL MGMT         | 7,213                        | 3,118                           | (4,095)            | 8.09%                             |
| SIMS METAL MGMT         | 5,164                        | 2,582                           | (2,582)            | 5.10%                             |
| SIMS METAL MGMT         | 4,903                        | 2,452                           | (2,451)            | 4.85%                             |
| SIMS METAL MGMT         | 4,488                        | 2,244                           | (2,244)            | 4.44%                             |
| <b>Total</b>            | <b>\$ 50,588</b>             | <b>\$ 24,806</b>                | <b>\$ (25,681)</b> | <b>50.77%</b>                     |

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

(2) Information for prior years is not readily available and is not statistically significant.

(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

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Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Merged Downtown**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee   | 2025                         |      |  | 2016                |      |                                   |
|--|------------------------------|------|--|---------------------|------|-----------------------------------|
|  | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value       | Rank | Percentage of Total Taxable Value |
| City of Sacramento (Sacramento Downtown Arena LLC) | \$ 385,646                   | 1    | 7.81%  | \$ -                | -    | -                                 |
| CA Sacramento Commons LLC                          | 233,393                      | 2    | 4.73%  | -                   | -    | -                                 |
| 500 Capitol Mall LLC                               | 161,254                      | 3    | 3.27%  | 133,482             | 2    | 5.37%                             |
| 555 Cap Partners LP                                | 127,563                      | 4    | 2.58%  | -                   | -    | -                                 |
| GSA Sacramento CA LLC                              | 123,073                      | 5    | 2.49%  | 91,373              | 7    | 3.68%                             |
| FGF LLC  | 115,508                      | 6    | 2.34%  | -                   | -    | -                                 |
| 400 CM Owner LLC (Second Street Crossing LLC/ETAL) | 111,129                      | 7    | 2.25%  | -                   | -    | -                                 |
| Prime US-Park Tower LLC                            | 95,037                       | 8    | 1.92%  | -                   | -    | -                                 |
| SRI Eleven 621 Capitol Mall LLC                    | 95,000                       | 9    | 1.92%  | -                   | -    | -                                 |
| Sac MUBI Hotel LLC                                 | 94,428                       | 10   | 1.91%  | -                   | -    | -                                 |
| Hines Sacramento Wells Fargo Center                | -                            | -    | -  | 192,500             | 1    | 7.75%                             |
| 621 Capitol Mall LLC                               | -                            | -    | -  | 129,788             | 3    | 5.23%                             |
| CIM/980 9th St Sacramento LP                       | -                            | -    | -  | 119,086             | 4    | 4.79%                             |
| 300 Capitol Associates NF LP                       | -                            | -    | -  | 114,000             | 5    | 4.59%                             |
| CIM/J Street Hotel Sacramento LP                   | -                            | -    | -  | 94,519              | 6    | 3.81%                             |
| 1415 Meridian Plaza Investors LP                   | -                            | -    | -  | 83,100              | 8    | 3.35%                             |
| GPT Props Trust                                    | -                            | -    | -  | 79,000              | 9    | 3.18%                             |
| Capitol Regency LLC                                | -                            | -    | -  | 75,202              | 10   | 3.03%                             |
| Subtotal   | 1,542,031                    |      | 31.23%   | 1,112,050           |      | 44.77%                            |
| All Other Taxpayers                                | 3,396,245                    |      | 68.77%   | 1,371,595           |      | 55.23%                            |
| Total  | <u>\$ 4,938,276</u>          |      | <u>100.00%</u>                                   | <u>\$ 2,483,645</u> |      | <u>100.00%</u>                    |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Del Paso Heights**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee                             | 2025                         |      |  | 2016          |      |                                   |
|--------------------------------------|------------------------------|------|--|---------------|------|-----------------------------------|
|                                      | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value | Rank | Percentage of Total Taxable Value |
| Research Properties                  | \$ 6,463                     | 1    | 0.91%  | \$ 5,460      | 1    | 1.68%                             |
| BM Ventures LLC                      | 6,386                        | 2    | 0.90%  | 4,700         | 2    | 1.44%                             |
| 565 Display Way LLC                  | 3,542                        | 3    | 0.50%  | -             | -    | -                                 |
| John A/Leta K Nichols 1994 Rev Trust | 3,404                        | 4    | 0.48%  | 2,875         | 4    | 0.88%                             |
| US Rentals Inc.                      | 3,035                        | 5    | 0.43%  | 2,564         | 6    | 0.79%                             |
| Alpine Venture Assets LLC/ETAL       | 2,991                        | 6    | 0.42%  | -             | -    | -                                 |
| BM Ventures II LLC                   | 2,857                        | 7    | 0.40%  | -             | -    | -                                 |
| 4555 Carmichael LLC                  | 2,850                        | 8    | 0.40%  | -             | -    | -                                 |
| Ramon Canyon Associates LP           | 2,700                        | 9    | 0.38%  | 2,969         | 3    | 0.91%                             |
| Proffutt Limited Partnership         | 2,690                        | 10   | 0.38%  |               |      |                                   |
| Garin Elisa R/ETAL                   | -                            |      | -  | 2,658         | 5    | 0.82%                             |
| Proffutt Limited Partnership         | -                            |      | -  | 2,227         | 7    | 0.68%                             |
| 23002 Moulton Parkway LLC            | -                            |      | -  | 1,842         | 8    | 0.57%                             |
| Terkensha/Associates                 | -                            |      | -  | 1,778         | 9    | 0.55%                             |
| Lundbom Sacramento Realty INVS LP    | -                            |      | -  | 1,562         | 10   | 0.48%                             |
| Subtotal                             | 36,918                       |      | 5.19%  | 28,635        |      | 8.79%                             |
| All Other Taxpayers                  | 674,222                      |      | 94.81%   | 297,115       |      | 91.21%                            |
| Total                                | \$ 711,140                   |      | 100.00%  | \$ 325,750    |      | 100.00%                           |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Alkali Flat**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee                                   | 2025                         |      |  | 2016              |      |                                   |
|--|------------------------------|------|--|-------------------|------|-----------------------------------|
|  | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value     | Rank | Percentage of Total Taxable Value |
| Efren R Cota LTD                           | \$ 25,185                    | 1    | 7.99%  | \$ -              | -    | -                                 |
| Hearst-Argyle Stations Inc.                | 18,258                       | 2    | 5.79%  | 16,212            | 2    | 13.12%                            |
| Robert Efren Cota Living Trust/Etal        | 14,804                       | 3    | 4.69%  | -                 | -    | -                                 |
| 1000 G Street LLC                          | 13,122                       | 4    | 4.16%  | -                 | -    | -                                 |
| Boys/Girls Club of Greater Sacramento Inc. | 5,153                        | 5    | 1.63%  | -                 | -    | -                                 |
| 520-530 9th Street LLC                     | 5,120                        | 6    | 1.62%  | -                 | -    | -                                 |
| 1220 E State LLC                           | 3,315                        | 7    | 1.05%  | 2,800             | 5    | 2.27%                             |
| Savant Solutions Holdings LLC              | 3,224                        | 8    | 1.02%  | -                 | -    | -                                 |
| Felora Corporation                         | 3,017                        | 9    | 0.96%  | -                 | -    | -                                 |
| Ng-Yu Trust                                | 2,503                        | 10   | 0.79%  | -                 | -    | -                                 |
| Blackpine City Flats LLC                   | -                            | -    | -  | 23,473            | 1    | 18.99%                            |
| City PK LLC                                | -                            | -    | -  | 12,359            | 3    | 10.00%                            |
| Realty Advisors Inc.                       | -                            | -    | -  | 7,480             | 4    | 6.05%                             |
| 520 Ninth Street                           | -                            | -    | -  | 2,244             | 6    | 1.82%                             |
| John Dailey Trust/Charles D. Deloney       | -                            | -    | -  | 2,029             | 7    | 1.64%                             |
| GMA Investors LP                           | -                            | -    | -  | 1,765             | 8    | 1.43%                             |
| 700 E Street Building Partnership          | -                            | -    | -  | 1,760             | 9    | 1.42%                             |
| 1001 G State Rehabilitation LP             | -                            | -    | -  | 1,520             | 10   | 1.23%                             |
| Subtotal                                   | 93,701                       |      | 29.72%   | 71,642            |      | 57.96%                            |
| All Other Taxpayers                        | 221,626                      |      | 70.28%   | 51,965            |      | 42.04%                            |
| Total                                      | <u>\$ 315,327</u>            |      | <u>100.00%</u>                                   | <u>\$ 123,607</u> |      | <u>100.00%</u>                    |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Oak Park**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee   | 2025                         |      |  | 2016          |      |                                   |
|--|------------------------------|------|--|---------------|------|-----------------------------------|
|  | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value | Rank | Percentage of Total Taxable Value |
| Regents University CA (CY 4422Y LLC)             | \$ 25,533                    | 1    | 2.08%  | \$ 10,936     | 3    | 2.25%                             |
| University of the Pacific                        | 18,890                       | 2    | 1.54%  | 14,184        | 1    | 2.92%                             |
| Rainbow Baking Co of Sac Valley (BBU INC)        | 14,445                       | 3    | 1.17%  | 12,202        | 2    | 2.51%                             |
| Glenn L Evans Trust                              | 10,403                       | 4    | 0.85%  | -             | -    | -                                 |
| Salvation Army                                   | 8,155                        | 5    | 0.66%  |               |      |                                   |
| Great Chi Investment LLC                         | 5,600                        | 6    | 0.46%  | -             | -    | -                                 |
| Crestwood Medical Center Hospital                | 5,305                        | 7    | 0.43%  | 4,492         | 6    | 0.92%                             |
| Security Public Storage                          | 4,694                        | 8    | 0.38%  | 3,907         | 7    | 0.80%                             |
| JJAJ Ventures LP/Ventures JJAJ                   | 4,137                        | 9    | 0.34%  | -             | -    | -                                 |
| Edmar Invs LLC                                   | 3,918                        | 10   | 0.32%  | 3,310         | 8    | 0.68%                             |
| Broadway/Stockton Food Source Inv LLC            | -                            |      | -  | 5,340         | 4    | 1.10%                             |
| CP Howe/Arden LLC/Stockton Blvd Partners LLC     | -                            |      | -  | 4,647         | 5    | 0.96%                             |
| Broadway Triangle LLC                            | -                            |      | -  | 2,966         | 9    | 0.61%                             |
| University of the Pacific McGeorge School of Law | -                            |      | -  | 2,091         | 10   | 0.43%                             |
| Subtotal   | 101,080                      |      | 8.22%  | 64,075        |      | 13.18%                            |
| All Other Taxpayers                              | 1,129,044                    |      | 91.78%   | 422,032       |      | 86.82%                            |
| Total  | \$ 1,230,124                 |      | 100.00%  | \$ 486,107    |      | 100.00%                           |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

Source: Sacramento County Assessor

**City of Sacramento  
Successor Agency Trust Fund  
Principal Property Taxpayers - River District  
Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee                             | 2025                         |      |  | 2016              |      |                                   |
|--------------------------------------|------------------------------|------|--|-------------------|------|-----------------------------------|
|                                      | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value     | Rank | Percentage of Total Taxable Value |
| 29SC T9 Phase A Property Owner LLC   | \$ 117,165                   | 1    | 14.02%   | -                 | -    | -                                 |
| California Almond Growers            | 115,171                      | 2    | 13.78%   | \$ 78,438         | 1    | 17.68%                            |
| Bercut-Railyard LLC                  | 42,998                       | 3    | 5.15%  | -                 | -    | -                                 |
| Grove River District LLC             | 41,898                       | 4    | 5.01%  | 35,393            | 2    | 7.98%                             |
| Nome OES LLC                         | 26,500                       | 5    | 3.17%  | -                 | -    | -                                 |
| Raama Investments LLC                | 18,673                       | 6    | 2.23%  | -                 | -    | -                                 |
| AK Industrial II LLC                 | 18,571                       | 7    | 2.22%  | -                 | -    | -                                 |
| Bercut Storage LLC                   | 16,814                       | 8    | 2.01%  | -                 | -    | -                                 |
| Summit 901 B LLC                     | 13,057                       | 9    | 1.56%  | -                 | -    | -                                 |
| Downtown Ford Re LLC                 | 11,445                       | 10   | 1.37%  | -                 | -    | -                                 |
| Mendell Allan/Etal                   | -                            | -    | -  | 9,462             | 3    | 2.13%                             |
| Capitol Station 65 LLC               | -                            | -    | -  | 8,557             | 4    | 1.93%                             |
| New Sac Arena Props LLC              | -                            | -    | -  | 7,320             | 5    | 1.65%                             |
| Dos Rios Venture                     | -                            | -    | -  | 6,434             | 6    | 1.45%                             |
| JMDH Real Estate Sacramento LLC      | -                            | -    | -  | 6,027             | 7    | 1.36%                             |
| BA Hotel LLC                         | -                            | -    | -  | 5,892             | 8    | 1.33%                             |
| Bre/LQ Props LLC                     | -                            | -    | -  | 5,624             | 9    | 1.27%                             |
| Vida N Anello Revocable Living Trust | -                            | -    | -  | 5,455             | 10   | 1.23%                             |
| Subtotal                             | 422,292                      |      | 50.53%   | 168,602           |      | 38.01%                            |
| All Other Taxpayers                  | 413,382                      |      | 49.47%   | 274,981           |      | 61.99%                            |
| Total                                | <u>\$ 835,674</u>            |      | <u>100.00%</u>                                   | <u>\$ 443,583</u> |      | <u>100.00%</u>                    |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - North Sacramento**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee                               | 2025                         |      |  | 2016              |      |                                   |
|--|------------------------------|------|--|-------------------|------|-----------------------------------|
|  | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value     | Rank | Percentage of Total Taxable Value |
| Roseville Life Properties              | \$ 42,430                    | 1    | 3.80%  | \$ -              | -    | -                                 |
| One-Sacramento LLC                     | 31,840                       | 2    | 2.85%  | -                 | -    | -                                 |
| PEG Sacramento Hotel LLC               | 31,137                       | 3    | 2.79%  | -                 | -    | -                                 |
| Costco Wholesale Corporation           | 30,621                       | 3    | 2.74%  | -                 | -    | -                                 |
| Veyron/KDP US Leasing LLC              | 28,440                       | 5    | 2.55%  | -                 | -    | -                                 |
| HS Sacramento Storage LLC              | 25,204                       | 6    | 2.26%  | -                 | -    | -                                 |
| BLR Apartments LLC                     | 20,041                       | 7    | 1.80%  | -                 | -    | -                                 |
| Omninet Sacramento Jardinette LLC/ETAL | 18,861                       | 8    | 1.69%  | -                 | -    | -                                 |
| Sacramento CA I MG LLC                 | 18,465                       | 9    | 1.65%  | -                 | -    | -                                 |
| Sacramento Healthcare Investors LP     | 17,780                       | 10   | 1.59%  | -                 | -    | -                                 |
| Westcore West Sac LP                   | -                            | -    | -  | 36,077            | 1    | 6.56%                             |
| Seven Up Bottling Company              | -                            | -    | -  | 33,618            | 2    | 6.12%                             |
| Price Company                          | -                            | -    | -  | 22,234            | 3    | 4.04%                             |
| North Sacramento Land Company          | -                            | -    | -  | 12,687            | 4    | 2.31%                             |
| McCuen Acoma Street Investors          | -                            | -    | -  | 12,284            | 5    | 2.23%                             |
| Meriliz Incorporated                   | -                            | -    | -  | 7,959             | 6    | 1.45%                             |
| Columbia Woodlake LLC                  | -                            | -    | -  | 7,868             | 7    | 1.43%                             |
| Sent Expo Pointe LLC                   | -                            | -    | -  | 7,800             | 8    | 1.42%                             |
| Recreational Equipment Inc             | -                            | -    | -  | 7,765             | 9    | 1.41%                             |
| Sutter Medical Foundation              | -                            | -    | -  | 6,213             | 10   | 1.13%                             |
| Subtotal                               | 264,819                      |      | 23.73%   | 154,505           |      | 28.10%                            |
| All Other Taxpayers                    | 851,142                      |      | 76.27%   | 395,247           |      | 71.90%                            |
| Total                                  | <u>\$ 1,115,961</u>          |      | <u>100.00%</u>                                   | <u>\$ 549,752</u> |      | <u>100.00%</u>                    |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Franklin Boulevard**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee  | 2025                         |      |  | 2016              |      |                                   |
|---|------------------------------|------|--|-------------------|------|-----------------------------------|
|   | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value     | Rank | Percentage of Total Taxable Value |
| Mulberry Estates LLC                                | \$ 17,319                    | 1    | 1.88%  | \$ -              | -    | -                                 |
| 3100 52nd Avenue LLC                                | 17,000                       | 2    | 1.85%  | -                 | -    | -                                 |
| 6200 Franklin LLC                                   | 15,649                       | 3    | 1.70%  | 15,404            | 1    | 2.99%                             |
| ESS CA-TIVS JV CA Reit Sub Limited Partnership      | 13,357                       | 4    | 1.45%  | -                 | -    | -                                 |
| TForce Properties Incorporated                      | 11,587                       | 5    | 1.26%  | -                 | -    | -                                 |
| Rising South Point Owners LLC                       | 10,347                       | 6    | 1.12%  | -                 | -    | -                                 |
| Hillside Apartments LLC                             | 8,941                        | 7    | 0.97%  | -                 | -    | -                                 |
| Campus Plaza Associates                             | 8,368                        | 8    | 0.91%  | -                 | -    | -                                 |
| Greystone Place Invs LLC                            | 8,109                        | 9    | 0.88%  | -                 | -    | -                                 |
| Sacramento Children's Home (Garfield Beach CVS LLC) | 8,000                        | 10   | 0.87%  | 4,044             | 8    | 0.79%                             |
| Rosedown Associates LLC                             | -                            | -    | -  | 6,199             | 3    | 1.20%                             |
| United States Cold Storage                          | -                            | -    | -  | 10,413            | 2    | 2.02%                             |
| Western Village LP                                  | -                            | -    | -  | 4,697             | 4    | 0.91%                             |
| Extra Space Props Ninety Four Limited Partnership   | -                            | -    | -  | 4,452             | 5    | 0.86%                             |
| SEI/PSP Vi Joint Ventures                           | -                            | -    | -  | 4,374             | 6    | 0.85%                             |
| Bowling Green Associates                            | -                            | -    | -  | 4,220             | 7    | 0.82%                             |
| Con-Way Western Express Inc.                        | -                            | -    | -  | 3,881             | 9    | 0.75%                             |
| 47th Street Associates LLC                          | -                            | -    | -  | 3,789             | 10   | 0.74%                             |
| Subtotal  | 118,677                      |      | 12.88%   | 61,473            |      | 11.94%                            |
| All Other Taxpayers                                 | 802,388                      |      | 87.12%   | 453,350           |      | 88.06%                            |
| Total   | <u>\$ 921,065</u>            |      | <u>100.00%</u>                                   | <u>\$ 514,823</u> |      | <u>100.00%</u>                    |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Stockton Boulevard**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee                                    | 2025                         |      |  | 2016              |      |                                   |
|---|------------------------------|------|--|-------------------|------|-----------------------------------|
|   | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value     | Rank | Percentage of Total Taxable Value |
| Stockton Plaza Partners LLC                 | \$ 24,920                    | 1    | 3.37%  | \$ 14,299         | 1    | 3.74%                             |
| Karma Apartments LLC                        | 18,352                       | 2    | 2.48%  | -                 | -    | -                                 |
| EKG Investors LLC                           | 15,425                       | 3    | 2.09%  | 9,336             | 2    | 2.44%                             |
| Sustained Invs LLC                          | 14,877                       | 4    | 2.01%  | 4,590             | 10   | 1.20%                             |
| Wellspace Health                            | 13,785                       | 5    | 1.87%  | -                 | -    | -                                 |
| ESS Ca-Tivs Jv Ca Reit Sub LP               | 11,366                       | 6    | 1.54%  | -                 | -    | -                                 |
| JMK Family Properties II LP                 | 9,288                        | 7    | 1.26%  | -                 | -    | -                                 |
| Monument Properties Sacramento LLC          | 8,774                        | 8    | 1.19%  | -                 | -    | -                                 |
| Sustained Invs LLC (Garfield Beach CVS LLC) | 7,379                        | 9    | 1.00%  | -                 | -    | -                                 |
| Brittany Arms LLC                           | 7,109                        | 10   | 0.96%  | -                 | -    | -                                 |
| Little Saigon Plaza Sacramento              | -                            | -    | -  | 8,000             | 3    | 2.09%                             |
| John M/Nancy Kehriots Living Trust          | -                            | -    | -  | 7,846             | 4    | 2.05%                             |
| NT Stockton Investors LLC                   | -                            | -    | -  | 6,950             | 5    | 1.82%                             |
| ESS Prisa II LLC                            | -                            | -    | -  | 5,937             | 6    | 1.55%                             |
| Brittany Arms LLC                           | -                            | -    | -  | 5,648             | 7    | 1.48%                             |
| SF Florin LP                                | -                            | -    | -  | 4,893             | 8    | 1.28%                             |
| Ralphs Grocery Company                      | -                            | -    | -  | 4,853             | 9    | 1.27%                             |
| Subtotal                                    | 131,275                      |      | 17.77%   | 72,352            |      | 18.93%                            |
| All Other Taxpayers                         | 607,381                      |      | 82.23%   | 309,842           |      | 81.07%                            |
| Total                                       | <u>\$ 738,656</u>            |      | <u>100.00%</u>                                   | <u>\$ 382,194</u> |      | <u>100.00%</u>                    |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Army Depot**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| Assessee                                | 2025                         |      |  | 2016                |      |                                   |
|---|------------------------------|------|--|---------------------|------|-----------------------------------|
|   | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value       | Rank | Percentage of Total Taxable Value |
| SBM Realty LLC                          | \$ 51,165                    | 1    | 3.89%  | \$ -                | -    | -                                 |
| Elder Crk Transfer/Recovery Inc         | 18,670                       | 2    | 1.42%  | 10,366              | 5    | 1.03%                             |
| Watt Elder Creek Holdings LLC           | 14,056                       | 3    | 1.07%  | -                   | -    | -                                 |
| Pitalo John E                           | 5,531                        | 4    | 0.42%  | -                   | -    | -                                 |
| Hassan/Sons Inc                         | 5,298                        | 5    | 0.40%  | -                   | -    | -                                 |
| BREF2 Elder Creek Road IOS LLC          | 5,253                        | 6    | 0.40%  | -                   | -    | -                                 |
| Power Inn Business Park LLC             | 5,089                        | 7    | 0.39%  | -                   | -    | -                                 |
| Fedex Ground Package System Inc         | 4,512                        | 8    | 0.34%  | -                   | -    | -                                 |
| Elder Creek 18 LLC                      | 4,402                        | 9    | 0.33%  | -                   | -    | -                                 |
| Kennef Estates Housing Associates       | 4,309                        | 10   | 0.33%  | -                   | -    | -                                 |
| RI Florin Perkins LLC                   | -                            | -    | -  | 33,338              | 1    | 3.32%                             |
| US National Leasing LLC                 | -                            | -    | -  | 27,081              | 2    | 2.69%                             |
| Engineered Polymer Solutions Inc.       | -                            | -    | -  | 14,172              | 3    | 1.41%                             |
| Central Valley Industrial Core Holdings | -                            | -    | -  | 11,407              | 4    | 1.13%                             |
| Air Products Manufacturing Corporation  | -                            | -    | -  | 9,720               | 6    | 0.97%                             |
| A/W Investments LLC                     | -                            | -    | -  | 9,170               | 7    | 0.91%                             |
| AFP Inv Partners LLC                    | -                            | -    | -  | 7,926               | 8    | 0.79%                             |
| C/S Logistics Sacramento/Tracy LLC      | -                            | -    | -  | 7,567               | 9    | 0.75%                             |
| Massie/Co                               | -                            | -    | -  | 7,200               | 10   | 0.72%                             |
| Subtotal                                | 118,285                      |      | 9.00%  | 137,947             |      | 13.73%                            |
| All Other Taxpayers                     | 1,196,334                    |      | 91.00%   | 867,093             |      | 86.27%                            |
| <b>Total</b>                            | <b>\$ 1,314,619</b>          |      | <b>100.00%</b>                                   | <b>\$ 1,005,040</b> |      | <b>100.00%</b>                    |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

Source: Sacramento County Assessor

**City of Sacramento  
Successor Agency Trust Fund  
Principal Property Taxpayers - 65th Street  
Current Fiscal Year and Nine Years Ago  
(in thousands)**

| Assessee                        | 2025                         |      |  | 2016              |      |                                   |
|---------------------------------|------------------------------|------|--|-------------------|------|-----------------------------------|
|                                 | Taxable Value <sup>(1)</sup> | Rank | Percentage of Total Taxable Value <sup>(2)</sup> | Taxable Value     | Rank | Percentage of Total Taxable Value |
| ACEF-Martin Folsom LLC          | \$ 108,081                   | 1    | 12.66%   | \$ -              | -    | -                                 |
| Gem Crossings LLC               | 101,765                      | 2    | 11.92%   | -                 | -    | -                                 |
| NB Element DST                  | 94,073                       | 3    | 11.02%   | -                 | -    | -                                 |
| SSC Sacramento Apartments LLC   | 82,402                       | 4    | 9.65%  | -                 | -    | -                                 |
| Academy on 65th State Owner LLC | 37,446                       | 5    | 4.39%  | -                 | -    | -                                 |
| EPD & BBD Associates LP         | 35,072                       | 6    | 4.11%  | -                 | -    | -                                 |
| Target Corporation              | 32,820                       | 7    | 3.84%  | 27,114            | 2    | 10.88%                            |
| Jackson XXXV LLC                | 24,562                       | 8    | 2.88%  | -                 | -    | -                                 |
| Jackson IV LLC                  | 19,052                       | 9    | 2.23%  | 4,315             | 10   | 1.73%                             |
| Jackson V LLC                   | 18,405                       | 10   | 2.16%  | -                 | -    | -                                 |
| Element Sacramento LLC          | -                            | -    | -  | 59,000            | 1    | 23.68%                            |
| CAV Core Sacramento LLC         | -                            | -    | -  | 13,474            | 3    | 5.41%                             |
| 65th St Village LLC             | -                            | -    | -  | 11,098            | 4    | 4.45%                             |
| CPCA 7716 Folsom Blvd LLC       | -                            | -    | -  | 7,885             | 5    | 3.16%                             |
| Dimension Properties LLC        | -                            | -    | -  | 6,104             | 6    | 2.45%                             |
| American River Self Storage LP  | -                            | -    | -  | 5,054             | 7    | 2.03%                             |
| STU Health Revocable Trust/Etal | -                            | -    | -  | 4,791             | 8    | 1.92%                             |
| 2800 Pico Associates LLC        | -                            | -    | -  | 4,395             | 9    | 1.76%                             |
| Subtotal                        | 553,678                      |      | 64.86%   | 143,230           |      | 57.48%                            |
| All Other Taxpayers             | 299,967                      |      | 35.14%   | 105,945           |      | 42.52%                            |
| Total                           | <u>\$ 853,645</u>            |      | <u>100.00%</u>                                   | <u>\$ 249,175</u> |      | <u>100.00%</u>                    |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

Source: Sacramento County Assessor

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Principal Property Taxpayers - Railyards**  
**Current Fiscal Year and Nine Years Ago**  
(in thousands)

| <b>Assessee</b>                   | <b>2025</b>                         |             |   | <b>2016</b>          |             |  |
|-----------------------------------|-------------------------------------|-------------|---|----------------------|-------------|--|
|                                   | <b>Taxable Value <sup>(1)</sup></b> | <b>Rank</b> | <b>Percentage of Total Taxable Value <sup>(2)</sup></b> | <b>Taxable Value</b> | <b>Rank</b> | <b>Percentage of Total Taxable Value</b> |
| Kaiser Foundation Hosps           | \$ 37,230                           | 1           | 30.72%  | \$ -                 | -           | -  |
| Downtown Railyard Venture LLC     | 21,818                              | 2           | 18.00%  | 24,203               | 1           | 29.80%                                   |
| CFT NV Developments LLC           | 13,464                              | 3           | 11.11%  | -                    | -           | -  |
| Sims Group USA Corporation        | 7,797                               | 4           | 6.43%   | -                    | -           | -  |
| Sutter HOJ LP                     | 5,629                               | 5           | 4.64%   | 3,676                | 6           | 4.53%                                    |
| Ninth & Jefferson Associates LLC  | 5,483                               | 6           | 4.52%   | -                    | -           | -  |
| 1238 Sutter Street LLC            | 5,400                               | 7           | 4.46%   | -                    | -           | -  |
| Sacramento Co Emp Credit Union    | 5,137                               | 8           | 4.24%   | 4,437                | 4           | 5.46%                                    |
| PDRA/Company LLC                  | 4,555                               | 9           | 3.76%   | 3,848                | 5           | 4.74%                                    |
| 930 G Street LLC                  | 3,954                               | 10          | 3.26%   | -                    | -           | -  |
| 906 Newco LLC                     | -                                   | -           | -   | 12,240               | 2           | 15.07%                                   |
| REA Limited Partnership           | -                                   | -           | -   | 5,250                | 3           | 6.46%                                    |
| PLF BLDG LLC                      | -                                   | -           | -   | 3,624                | 7           | 4.46%                                    |
| Strumwasser Michael J/Silvia M    | -                                   | -           | -   | 3,181                | 8           | 3.92%                                    |
| Bowman/Bay Building Joint Venture | -                                   | -           | -   | 2,301                | 9           | 2.83%                                    |
| Legacy Ventures LLC               | -                                   | -           | -   | 1,354                | 10          | 1.67%                                    |
| Subtotal                          | 110,467                             |             | 91.16%  | 64,114               |             | 78.94%                                   |
| All Other Taxpayers               | 10,718                              |             | 8.84%   | 17,104               |             | 21.06%                                   |
| Total                             | <u>\$ 121,185</u>                   |             | <u>100.00%</u>  | <u>\$ 81,218</u>     |             | <u>100.00%</u>                           |

Notes: (1) Based on ownership of locally-assessed secured and unsecured real property net of exemptions.

(2) Based on total adjusted 2024-25 Project Area total taxable value.

Source: Sacramento County Assessor

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**City of Sacramento**  
**Successor Agency Trust Fund**  
**Debt Coverage Analysis**  
**Last Ten Fiscal Years**  
 (in thousands)

**RDA - All Project Areas**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 49,142           | \$ 690                      | \$ 5,766          | \$ 42,686        | \$ 11,794           | 3.62                         | \$ 15,610                | \$ 27,404          | 1.56 (1)                    |
| 2017        | 53,765              | 709                         | 1,201             | 51,855           | 11,793              | 4.40                         | 14,059                   | 25,852             | 2.01                        |
| 2018        | 67,464              | 823                         | 11,550            | 55,091           | 398                 | 138.42                       | 24,270                   | 24,668             | 2.23 (2)                    |
| 2019        | 73,805              | 867                         | 13,766            | 59,172           | 10,423              | 5.68                         | 15,194                   | 25,617             | 2.31 (3)                    |
| 2020        | 84,030              | 955                         | 16,751            | 66,324           | 683                 | 97.11                        | 15,173                   | 15,856             | 4.18 (4)                    |
| 2021        | 87,253              | 991                         | 17,657            | 68,605           | 18,133              | 3.78                         | 29,731                   | 47,864             | 1.43 (5)                    |
| 2022        | 92,562              | 1,023                       | 19,122            | 72,417           | 18,133              | 3.99                         | 6,172                    | 24,305             | 2.98 (6)                    |
| 2023        | 102,291             | 959                         | 21,721            | 79,611           | 17,233              | 4.62                         | 6,323                    | 23,556             | 3.38 (7)                    |
| 2024        | 113,414             | 1,158                       | 25,599            | 86,657           | 16,983              | 5.10                         | 6,508                    | 23,491             | 3.69 (8)                    |
| 2025        | 113,545             | 1,754                       | 25,393            | 86,398           | 19,293              | 4.48                         | 4,506                    | 23,799             | 3.63 (9)                    |

**Merged Downtown**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 27,081           | \$ 372                      | \$ 2,415          | \$ 24,294        | \$ 11,395           | 2.13                         | \$ 146                   | \$ 11,541          | 2.11 (1)                    |
| 2017        | 27,978              | 376                         | 485               | 27,117           | 11,395              | 2.38                         | 146                      | 11,541             | 2.35                        |
| 2018        | 37,146              | 451                         | 5,665             | 31,030           | -                   | -                            | 146                      | 146                | 212.53 (2)                  |
| 2019        | 38,341              | 459                         | 6,191             | 31,691           | 10,025              | 3.16                         | 43                       | 10,068             | 3.15                        |
| 2020        | 41,309              | 481                         | 6,997             | 33,831           | -                   | -                            | 43                       | 43                 | 786.77                      |
| 2021        | 41,241              | 478                         | 6,975             | 33,788           | 16,965              | 1.99                         | 43                       | 17,008             | 1.99                        |
| 2022        | 41,212              | 468                         | 6,965             | 33,779           | 16,965              | 1.99                         | -                        | 16,965             | 1.99                        |
| 2023        | 43,394              | 418                         | 7,526             | 35,450           | 15,815              | 2.24                         | -                        | 15,815             | 2.24                        |
| 2024        | 46,383              | 492                         | 8,630             | 37,261           | 15,815              | 2.36                         | -                        | 15,815             | 2.36                        |
| 2025        | 43,078              | 704                         | 7,566             | 34,808           | 18,125              | 1.92                         | -                        | 18,125             | 1.92                        |

**Del Paso Heights**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 3,190            | \$ 45                       | \$ 384            | \$ 2,761         | \$ -                | -                            | \$ 14                    | \$ 14              | 197.21 (1)                  |
| 2017        | 3,524               | 45                          | 100               | 3,379            | -                   | -                            | 14                       | 14                 | 241.36                      |
| 2018        | 3,978               | 50                          | 638               | 3,290            | -                   | -                            | 14                       | 14                 | 235.00                      |
| 2019        | 4,406               | 52                          | 785               | 3,569            | -                   | -                            | 14                       | 14                 | 254.93                      |
| 2020        | 5,032               | 57                          | 977               | 3,998            | 285                 | 14.03                        | 14                       | 299                | 13.37                       |
| 2021        | 5,491               | 61                          | 1,125             | 4,305            | 770                 | 5.59                         | 14                       | 784                | 5.49                        |
| 2022        | 5,831               | 64                          | 1,235             | 4,532            | 770                 | 5.89                         | -                        | 770                | 5.89                        |
| 2023        | 6,339               | 60                          | 1,383             | 4,896            | 1,020               | 4.80                         | -                        | 1,020              | 4.80                        |
| 2024        | 6,870               | 70                          | 1,569             | 5,231            | 770                 | 6.79                         | -                        | 770                | 6.79                        |
| 2025        | 7,161               | 107                         | 1,663             | 5,391            | 770                 | 7.00                         | -                        | 770                | 7.00                        |

## Notes:

NA Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

(1) Various subordinate debts and a majority of the senior debts were refunded in 2015.

(2) 1993 Merged Downtown TABS were paid off in 2018.

(3) Total Debt Service includes \$13,166 related to the 2015 Tax Allocation Refunding Bonds, Series A and B not allocated between project areas.

(4) Total Debt Service includes \$21,839 related to the 2015 Tax Allocation Refunding Bonds, Series A and B not allocated between project areas.

(5) Total Debt Service includes \$4,221 related to the 2015 Tax Allocation Refunding Bonds, Series A and B not allocated between project areas. 2015 Tax Allocation Refunding Bonds, Series B were paid off in 2021.

(6) Total Debt Service includes \$4,022 related to the 2015 Tax Allocation Refunding Bond, Series A not allocated between project areas. Beginning in FY22, total debt service also includes \$235 related to 2008 Bank of America Public Capital Corporation Loan which was refinanced, and is not allocated between project areas.

(7) Total Debt Service includes \$4,196 related to the 2015 Tax Allocation Refunding Bond, Series A not allocated between project areas. Total debt service also includes \$235 related to 2008 Bank of America Public Capital Corporation Loan which was refinanced, and is not allocated between project areas.

(8) Total Debt Service includes \$4,379 related to the 2015 Tax Allocation Refunding Bond, Series A not allocated between project areas. Total debt service also includes \$235 related to 2008 Bank of America Public Capital Corporation Loan which was refinanced, and is not allocated between project areas.

(9) Total Debt Service includes \$2,381 related to the 2015 Tax Allocation Refunding Bond, Series A not allocated between project areas. Total debt service also includes \$235 related to 2008 Bank of America Public Capital Corporation Loan which was refinanced, and is not allocated between project areas.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Debt Coverage Analysis**  
**Last Ten Fiscal Years**  
(in thousands)

**Alkali Flat**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 1,111            | \$ 17                       | \$ 67             | \$ 1,027         | \$ -                | -                            | \$ 466                   | \$ 466             | 2.20                        |
| 2017        | 1,347               | 17                          | 26                | 1,304            | -                   | -                            | 469                      | 469                | 2.78                        |
| 2018        | 1,791               | 29                          | 317               | 1,445            | -                   | -                            | 471                      | 471                | 3.07                        |
| 2019        | 2,075               | 24                          | 424               | 1,627            | -                   | -                            | 472                      | 472                | 3.45                        |
| 2020        | 2,278               | 27                          | 496               | 1,755            | -                   | -                            | 474                      | 474                | 3.70                        |
| 2021        | 2,568               | 29                          | 603               | 1,936            | -                   | -                            | 476                      | 476                | 4.07                        |
| 2022        | 2,595               | 28                          | 614               | 1,953            | -                   | -                            | 468                      | 468                | 4.17                        |
| 2023        | 2,780               | 26                          | 674               | 2,080            | -                   | -                            | 470                      | 470                | 4.43                        |
| 2024        | 2,884               | 30                          | 719               | 2,135            | -                   | -                            | 472                      | 472                | 4.52                        |
| 2025        | 2,975               | 46                          | 753               | 2,176            | -                   | -                            | 472                      | 472                | 4.61                        |

**Oak Park**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 4,915            | \$ 70                       | \$ 613            | \$ 4,232         | \$ -                | -                            | \$ 34                    | \$ 34              | 124.47                      |
| 2017        | 5,843               | 75                          | 176               | 5,592            | -                   | -                            | 34                       | 34                 | 164.47                      |
| 2018        | 6,213               | 79                          | 1,091             | 5,043            | -                   | -                            | 34                       | 34                 | 148.32                      |
| 2019        | 7,160               | 84                          | 1,465             | 5,611            | -                   | -                            | 34                       | 34                 | 165.03                      |
| 2020        | 8,079               | 92                          | 1,777             | 6,210            | -                   | -                            | 34                       | 34                 | 182.65                      |
| 2021        | 8,578               | 95                          | 1,961             | 6,522            | -                   | -                            | 34                       | 34                 | 191.82                      |
| 2022        | 9,314               | 101                         | 2,232             | 6,981            | -                   | -                            | -                        | -                  | 0.00                        |
| 2023        | 10,375              | 95                          | 2,592             | 7,688            | -                   | -                            | -                        | -                  | 0.00                        |
| 2024        | 11,387              | 115                         | 2,995             | 8,277            | -                   | -                            | -                        | -                  | 0.00                        |
| 2025        | 11,740              | 176                         | 3,124             | 8,440            | -                   | -                            | -                        | -                  | 0.00                        |

**River District**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 1,544            | \$ 22                       | \$ 288            | \$ 1,234         | \$ -                | -                            | \$ 229                   | \$ 229             | 5.39                        |
| 2017        | 1,633               | 22                          | 29                | 1,582            | -                   | -                            | 229                      | 229                | 6.91                        |
| 2018        | 1,793               | 23                          | 338               | 1,432            | -                   | -                            | 230                      | 230                | 6.23                        |
| 2019        | 2,203               | 25                          | 428               | 1,750            | -                   | -                            | 228                      | 228                | 7.68                        |
| 2020        | 2,897               | 28                          | 614               | 2,255            | -                   | -                            | 228                      | 228                | 9.89                        |
| 2021        | 3,176               | 34                          | 704               | 2,438            | -                   | -                            | 228                      | 228                | 10.69                       |
| 2022        | 3,543               | 38                          | 810               | 2,695            | -                   | -                            | 227                      | 227                | 11.87                       |
| 2023        | 4,428               | 39                          | 1,022             | 3,367            | -                   | -                            | 226                      | 226                | 14.90                       |
| 2024        | 5,239               | 48                          | 1,335             | 3,856            | -                   | -                            | 224                      | 224                | 17.21                       |
| 2025        | 5,640               | 82                          | 1,453             | 4,105            | -                   | -                            | 225                      | 225                | 18.24                       |

## Notes:

NA Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

<sup>(1)</sup> Various subordinate debts and a majority of the senior debts were refunded in 2015.

Source: County of Sacramento, Office of Auditor/Controller

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Debt Coverage Analysis**  
**Last Ten Fiscal Years**  
 (in thousands)

**North Sacramento**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 2,819            | \$ 40                       | \$ 282            | \$ 2,497         | \$ 218              | 11.45                        | \$ 375                   | \$ 593             | 4.21                        |
| 2017        | 2,951               | 41                          | -                 | 2,910            | 218                 | 13.35                        | 374                      | 592                | 4.92                        |
| 2018        | 3,229               | 40                          | 323               | 2,866            | 218                 | 13.15                        | 377                      | 595                | 4.82                        |
| 2019        | 3,824               | 45                          | 388               | 3,391            | 218                 | 15.56                        | 375                      | 593                | 5.72                        |
| 2020        | 4,754               | 53                          | 475               | 4,226            | 218                 | 19.39                        | 372                      | 590                | 7.16                        |
| 2021        | 5,325               | 60                          | 532               | 4,733            | 218                 | 21.71                        | 374                      | 592                | 7.99                        |
| 2022        | 6,528               | 68                          | 652               | 5,808            | 218                 | 26.64                        | 352                      | 570                | 10.19                       |
| 2023        | 7,218               | 65                          | 710               | 6,443            | 218                 | 29.56                        | 347                      | 565                | 11.40                       |
| 2024        | 8,203               | 82                          | 820               | 7,301            | 218                 | 33.49                        | 348                      | 566                | 12.90                       |
| 2025        | 9,007               | 134                         | 900               | 7,973            | 218                 | 36.57                        | 348                      | 566                | 14.09                       |

**Franklin Boulevard**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 1,640            | \$ 23                       | \$ 116            | \$ 1,501         | \$ -                | -                            | \$ 41                    | \$ 41              | 36.61                       |
| 2017        | 2,050               | 25                          | -                 | 2,025            | -                   | -                            | 41                       | 41                 | 49.39                       |
| 2018        | 2,511               | 30                          | 217               | 2,264            | -                   | -                            | 41                       | 41                 | 55.22                       |
| 2019        | 2,826               | 33                          | 256               | 2,537            | -                   | -                            | 41                       | 41                 | 61.88                       |
| 2020        | 3,101               | 36                          | 285               | 2,780            | -                   | -                            | 41                       | 41                 | 67.80                       |
| 2021        | 3,493               | 39                          | 331               | 3,123            | -                   | -                            | 41                       | 41                 | 76.17                       |
| 2022        | 3,980               | 42                          | 387               | 3,551            | -                   | -                            | -                        | -                  | 0.00                        |
| 2023        | 4,915               | 44                          | 490               | 4,381            | -                   | -                            | -                        | -                  | 0.00                        |
| 2024        | 5,418               | 54                          | 554               | 4,810            | -                   | -                            | -                        | -                  | 0.00                        |
| 2025        | 6,098               | 88                          | 657               | 5,353            | -                   | -                            | -                        | -                  | 0.00                        |

**Stockton Boulevard**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 1,933            | \$ 28                       | \$ 526            | \$ 1,379         | \$ 180              | 7.66                         | \$ 149                   | \$ 329             | 4.19                        |
| 2017        | 2,238               | 28                          | 65                | 2,145            | 180                 | 11.92                        | 149                      | 329                | 6.52                        |
| 2018        | 2,598               | 33                          | 770               | 1,795            | 180                 | 9.97                         | 167                      | 347                | 5.17                        |
| 2019        | 2,966               | 35                          | 911               | 2,020            | 180                 | 11.22                        | 169                      | 349                | 5.79                        |
| 2020        | 3,418               | 38                          | 1,072             | 2,308            | 180                 | 12.82                        | 146                      | 326                | 7.08                        |
| 2021        | 3,892               | 43                          | 1,247             | 2,602            | 180                 | 14.46                        | 148                      | 328                | 7.93                        |
| 2022        | 4,372               | 47                          | 1,423             | 2,902            | 180                 | 16.12                        | 251                      | 431                | 6.73                        |
| 2023        | 4,858               | 45                          | 1,593             | 3,220            | 180                 | 17.89                        | 231                      | 411                | 7.83                        |
| 2024        | 5,064               | 53                          | 1,678             | 3,333            | 180                 | 18.52                        | 231                      | 411                | 8.11                        |
| 2025        | 5,521               | 82                          | 1,846             | 3,593            | 180                 | 19.96                        | 231                      | 411                | 8.74                        |

Notes:

NA Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

<sup>(1)</sup> Various subordinate debts and a majority of the senior debts were refunded in 2015.

**City of Sacramento**  
**Successor Agency Trust Fund**  
**Debt Coverage Analysis**  
**Last Ten Fiscal Years**  
(in thousands)

**Army Depot**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 3,944            | \$ 56                       | \$ 847            | \$ 3,041         | \$ -                | -                            | \$ 267                   | \$ 267             | 11.39                       |
| 2017        | 4,579               | 58                          | 236               | 4,285            | -                   | -                            | 267                      | 267                | 16.05                       |
| 2018        | 5,428               | 67                          | 1,376             | 3,985            | -                   | -                            | 268                      | 268                | 14.87                       |
| 2019        | 6,755               | 73                          | 1,882             | 4,800            | -                   | -                            | 266                      | 266                | 18.05                       |
| 2020        | 8,590               | 94                          | 2,540             | 5,956            | -                   | -                            | 266                      | 266                | 22.39                       |
| 2021        | 9,002               | 102                         | 2,692             | 6,208            | -                   | -                            | 265                      | 265                | 23.43                       |
| 2022        | 10,119              | 111                         | 3,103             | 6,905            | -                   | -                            | 242                      | 242                | 28.53                       |
| 2023        | 12,597              | 115                         | 3,929             | 8,553            | -                   | -                            | 241                      | 241                | 35.49                       |
| 2024        | 14,870              | 146                         | 4,852             | 9,872            | -                   | -                            | 240                      | 240                | 41.13                       |
| 2025        | 15,173              | 227                         | 4,963             | 9,983            | -                   | -                            | 240                      | 240                | 41.60                       |

**65th Street**

| Fiscal Year | Total Tax Increment | Property Tax Collection Fee | AB 1290 Pass thru | Net Tax Revenues | Senior Debt Service | Senior Debt Service Coverage | Subordinate Debt Service | Total Debt Service | Total Debt Service Coverage |
|-------------|---------------------|-----------------------------|-------------------|------------------|---------------------|------------------------------|--------------------------|--------------------|-----------------------------|
| 2016        | \$ 1,067            | \$ 16                       | \$ 228            | \$ 823           | \$ -                | -                            | \$ 388                   | \$ 388             | 2.12                        |
| 2017        | 1,540               | 19                          | 79                | 1,442            | -                   | -                            | 388                      | 388                | 3.72                        |
| 2018        | 2,578               | 29                          | 784               | 1,765            | -                   | -                            | 387                      | 387                | 4.56                        |
| 2019        | 3,249               | 37                          | 1,036             | 2,176            | -                   | -                            | 386                      | 386                | 5.64                        |
| 2020        | 4,572               | 49                          | 1,518             | 3,005            | -                   | -                            | 389                      | 389                | 7.72                        |
| 2021        | 4,487               | 50                          | 1,487             | 2,950            | -                   | -                            | 387                      | 387                | 7.62                        |
| 2022        | 5,068               | 56                          | 1,701             | 3,311            | -                   | -                            | 375                      | 375                | 8.83                        |
| 2023        | 5,387               | 52                          | 1,802             | 3,533            | -                   | -                            | 377                      | 377                | 9.37                        |
| 2024        | 7,096               | 68                          | 2,447             | 4,581            | -                   | -                            | 379                      | 379                | 12.09                       |
| 2025        | 7,152               | 108                         | 2,468             | 4,576            | -                   | -                            | 375                      | 375                | 12.20                       |

Notes:

NA Subordinate debt was not presented in prior years. Prior years information not available for River District, Franklin Boulevard, Army Depot and 65th Street.

<sup>(1)</sup> Revised to correct 2005 Merged Downtown ML Refunding from senior to subordinate debt.

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**City of Sacramento****Full-time Equivalent Employees by Function/Program****Last Ten Fiscal Years**

| Function/Program                       | 2016         | 2017         | 2018             | 2019         | 2020         | 2021         | 2022              | 2023         | 2024         | 2025         |
|--|--------------|--------------|------------------|--------------|--------------|--------------|-------------------|--------------|--------------|--------------|
| Citywide and community support         | 5            | 5            | 5                | 5            | 5            | 7            | 7                 | 7            | 6            | -            |
| Community development                  | 219          | 227          | 250              | 273          | 288          | 290          | 288               | 315          | 319          | 318          |
| Community response                     | -            | -            | -                | -            | -            | -            | 23 <sup>(2)</sup> | 38           | 37           | 37           |
| Convention and cultural services       | 120          | 116          | 115              | 115          | 115          | 117          | 124               | 123          | 119          | 124          |
| Economic development                   | 11           | 12           | - <sup>(1)</sup> | -            | -            | -            | -                 | -            | -            | -            |
| Fire                                   | 674          | 678          | 672              | 681          | 712          | 713          | 718               | 729          | 761          | 761          |
| General government                     | 370          | 431          | 512              | 531          | 571          | 576          | 583               | 595          | 602          | 602          |
| Youth, parks, and community enrichment | 599          | 683          | 616              | 619          | 702          | 705          | 724               | 717          | 749          | 710          |
| Police                                 | 1,033        | 1,052        | 1,030            | 1,034        | 1,070        | 1,098        | 1,103             | 1,129        | 1,131        | 1,119        |
| Public works                           | 732          | 725          | 723              | 735          | 736          | 744          | 749               | 766          | 769          | 770          |
| Utilities                              | 538          | 528          | 546              | 562          | 575          | 570          | 572               | 573          | 582          | 589          |
| <b>Total</b>                           | <b>4,301</b> | <b>4,457</b> | <b>4,469</b>     | <b>4,555</b> | <b>4,774</b> | <b>4,820</b> | <b>4,891</b>      | <b>4,992</b> | <b>5,075</b> | <b>5,030</b> |

Notes: (1) The Economic Development function was reallocated to the General Government function in FY18.

(2) The Department of Community Response was created in FY22.

Source: City of Sacramento Approved Operating Budgets

**City of Sacramento**  
**Operating Indicators by Function/Program**  
**Last Ten Fiscal Years**

| Function/program  | 2016    | 2017                   | 2018                 | 2019    | 2020                    | 2021                    | 2022                    | 2023                    | 2024                  | 2025    |
|---|---------|------------------------|----------------------|---------|-------------------------|-------------------------|-------------------------|-------------------------|-----------------------|---------|
| <b>Police</b>   |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Adult arrests   | 16,778  | 14,476                 | 13,350               | 13,975  | 12,981                  | 12,070                  | 12,842                  | 10,873                  | 10,411                | 9,001   |
| Citizen initiated calls for service with officer responses        | 149,275 | 148,663                | 152,597              | 161,914 | 163,985                 | 153,740                 | 155,159                 | 149,182                 | 145,370               | 155,199 |
| <b>Fire <sup>(1)</sup></b>  |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of incidents   | 85,742  | 90,018                 | 92,026               | 93,836  | 94,282                  | 99,201                  | 108,924                 | 110,221                 | 108,665               | 108,035 |
| Number of structure fires   | 756     | 735                    | 767                  | 998     | 1,077                   | 1,522                   | 1,199                   | 1,106                   | 479                   | 570     |
| Number of construction inspection/reviews                         | 4,181   | 8,268 <sup>(2)</sup>   | 10,102               | 9,830   | 9,967                   | 8,256                   | 9,517                   | 8,854                   | 10,487                | 7,146   |
| <b>General services</b>   |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of animal licenses issued                                  | 12,016  | 14,428                 | 23,799               | 31,507  | 26,670 <sup>(15)</sup>  | 17,155 <sup>(15)</sup>  | 15,976                  | 19,126                  | 18,016                | 19,219  |
| Number of animal outplacements                                    | 8,789   | 9,248                  | 9,589                | 8,529   | 7,488 <sup>(15)</sup>   | 4,448 <sup>(15)</sup>   | 6,256                   | 7,076                   | 7,318                 | 8,690   |
| <b>Public works</b>   |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of traffic investigations completed                        | 896     | 1,001                  | 1,041                | 613     | 611                     | 997 <sup>(17)</sup>     | 1,075                   | 920                     | 898                   | 906     |
| Number of parking citations issued                                | 192,708 | 183,326                | 197,170              | 200,338 | 156,387 <sup>(14)</sup> | 100,244 <sup>(12)</sup> | 113,214                 | 119,807                 | 140,147               | 199,689 |
| <b>Convention and cultural services</b>                           |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of Community Convention Center events <sup>(22)</sup>      | 408     | 430                    | 372                  | 229     | 38 <sup>(13)</sup>      | - <sup>(11)</sup>       | 174 <sup>(19)</sup>     | 406 <sup>(21)</sup>     | 380                   | 272     |
| Community Convention Center event attendance                      | 744,145 | 905,733 <sup>(3)</sup> | 1,034,980            | 902,110 | 155,633 <sup>(13)</sup> | - <sup>(11)</sup>       | 446,168 <sup>(19)</sup> | 531,284 <sup>(21)</sup> | 877,152               | 971,115 |
| Number of Zoo attendance  | 533,368 | 500,573                | 500,535              | 472,440 | 357,754 <sup>(15)</sup> | 486,707 <sup>(13)</sup> | 568,311                 | 488,627                 | 484,733               | 468,404 |
| <b>Youth, parks, and community enrichment</b>                     |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of students enrolled in START                              | 4,534   | 2,785 <sup>(4)</sup>   | 711 <sup>(6)</sup>   | 477     | 473                     | 648 <sup>(16)</sup>     | 1,770 <sup>(18)</sup>   | 456 <sup>(20)</sup>     | 500                   | 543     |
| Number of students enrolled in 4th R                              | 1,863   | 1,180                  | 2,419 <sup>(7)</sup> | 2,250   | 1,778 <sup>(12)</sup>   | 160 <sup>(10)</sup>     | 1,484 <sup>(18)</sup>   | 1,876                   | 2,686 <sup>(23)</sup> | 2,990   |
| <b>Community development</b>                                      |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of building permits issued <sup>(24)</sup>                 | 17,041  | 18,701                 | 20,582               | 19,365  | 18,513                  | 18,556                  | 19,512                  | 19,451                  | 20,201                | 19,687  |
| Building permit valuation (in million of dollars) <sup>(24)</sup> | 778     | 1,267                  | 1,243                | 1,809   | 1,463                   | 1,451                   | 1,351                   | 1,185                   | 1,110                 | 1,114   |
| Vehicles abated by City   | 772     | 1,644                  | 2,306                | 2,880   | 5,325 <sup>(8)</sup>    | 3,026                   | 3,163                   | 1,955                   | 3,171                 | 3,122   |
| Notice and orders issued on housing and dangerous buildings       | 239     | 206                    | 382                  | 369     | 243 <sup>(9)</sup>      | 177 <sup>(9)</sup>      | 209                     | 272                     | 241                   | 252     |
| <b>Water</b>  |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of accounts  | 136,130 | 139,238                | 140,735              | 142,831 | 144,669                 | 145,769                 | 147,150                 | 148,237                 | 149,069               | 148,349 |
| Amount distributed/pumped (million of gallons) <sup>(14)</sup>    | 27,324  | 28,511                 | 30,800               | 28,478  | 33,845                  | 30,380                  | 30,130                  | 25,884                  | 30,724                | 33,156  |
| <b>Wastewater</b>   |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of accounts  | 76,849  | 77,137                 | 77,521               | 78,125  | 78,583                  | 78,932                  | 79,114                  | 79,287                  | 79,424                | 79,595  |
| Amount distributed/pumped (million of gallons)                    | 10,605  | 10,605                 | 9,025                | 6,356   | 6,619                   | 5,754                   | 6,042                   | 6,360                   | 5,854                 | 5,356   |
| <b>Storm drainage</b>   |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Number of accounts  | 137,754 | 139,198                | 140,934              | 142,858 | 144,168                 | 145,179                 | 146,385                 | 149,005                 | 151,894               | 153,408 |
| Amount distributed/pumped (million of gallons) <sup>(5)</sup>     | 20,225  | 46,964                 | 18,321               | 33,624  | 11,247                  | 7,858                   | 18,921                  | 23,987                  | 19,821                | 14,683  |
| <b>Solid waste</b>  |         |                        |                      |         |                         |                         |                         |                         |                       |         |
| Residential garbage disposed (in tons)                            | 112,497 | 118,355                | 118,437              | 136,049 | 129,359                 | 141,185                 | 136,904                 | 127,791                 | 124,650               | 124,100 |

Notes: (1) The threshold for investigation of a fire is \$30,000.

(2) In FY17, the number of construction inspections doubled.

(3) In FY17, the number of attendance increased due to increase in events held at the center.

(4) In FY17, the number of students enrolled in START decreased due to the closure of 18 sites (10 Sacramento City Unified School District and 8 Twin Rivers Unified School District sites)

(5) Amount of storm drainage distributed/pumped is dependent on rainfall.

(6) In FY18, the number of students enrolled in START decreased due to reduced funding and non renewal of 21st century federal grant.

(7) In FY18, the number of students enrolled in 4th R Program increased due to the addition of new site, i.e. Paso Verde. An average of 100 participants enrolled monthly at this site.

(8) In FY20, the number of vehicles abated by City increased significantly due to several reasons: Increase in complaints of abandoned vehicles, staffing of five ACEO's solely dedicated to the removal of abandoned vehicles from street, and the use of dashboards to decrease response time which led to increased productivity.

(9) In FY20 and FY21, the number of complaints for housing and dangerous buildings declined largely due to COVID-19. Housing and Dangerous building staff were told to be lenient toward property owners, therefore Notice and Orders issued on Housing and Dangerous buildings decreased compared to prior year.

(10) In FY20 and FY21, the number of students enrolled in 4th R decreased due to sites closing related to COVID-19. During FY21, out of the 19 sites, 6 were open and were only allowed up to 30 children per site due to social distancing.

(11) In FY20 and FY21, the number of events and attendance at the Convention Center declined due to two reasons. First, the Convention Center is closed for renovation from July 2019-December 2020. Secondly, due to the COVID-19 outbreak in March 2020, no events are being hosted for the foreseeable future. This resulted in a significant impact on the occupancy rate and operating net results.

(12) In FY20 and FY21, the decrease in the number of parking citations issued was due to business closures during COVID-19.

(13) In FY20, the decrease in the number of zoo attendance was due to COVID-19. The zoo was completely closed from March 14, 2020 to June 12, 2020, and re-opened with capacity constraints. In FY21, as COVID-19 restrictions started to ease, there was an increase in total zoo attendance.

(14) The amount of water pumped, treated and delivered to the water distribution system is a function of customer demand for water. There are many factors that cause fluctuation from year to year such as growth in customer base, requests for wholesale delivery of water rather than other neighboring utilities utilizing their own supply, changes in retail demand for water to support commercial activity or indoor retail use, and changes in irrigation practices.

(15) In FY20 and FY21, there was a decrease in the number of animal licenses issued and the number of animal outplacements due to decreased intake of animals as a result of the COVID-19 pandemic.

(16) In FY21, the number of students enrolled in START increased due to the change in programming related to COVID-19. Staff was able to support more students as they went to their schools. Additionally, a change in the grant due to COVID, every time staff worked with a child they were able to "count" that child as a participant in the program so the pool of participants was a lot larger (entire student body) rather than the normal MOU of 83 students per site.

(17) In FY21, the number of traffic investigations completed increased due to several factors: (1) Unlike prior years, all investigative calls were documented in one place. (2) Increased traffic concerns. (3) The increase in bike rack requests/installations are all investigated and work orders are written. (4) Collision reports have more than doubled, and have needed extra help to document.

(18) In FY22, the increase in the number of students enrolled in START and 4th R was due to students fully returning to in person learning.

(19) In FY22, after renovation, the Convention Center reopened, thus, there was activity.

(20) In FY23, the number of students enrolled in START decreased due to several factors: (1) There was decreased workforce and regular school population numbers. (2) Student health and safety concerns still lingering with families reflect COVID-related quarantines. (3) Schools, teachers, families, and students face a cascading set of challenges that have created an adverse school climate, making students less enthusiastic to be there. (4) Widespread bus driver shortages, which has made it harder to get to school. These factors have led to fewer students than usual regularly attending class, according to data emerging from states and school districts.

(21) In FY23, the increase in the number of events and attendance is due to the fact that in FY22, the Convention center was still operating under post COVID, and not all facilities were open for the entire year.

(22) Number of events includes individual performances.

(23) In the prior year, the number was estimated based on a specific month's attendance. In FY24, a system report was used that more accurately captures registrations.

(24) Building permit data is run as of the close of each fiscal year. Permits may be withdrawn or voided between the time the data was run and the current day. Amounts are not restated in this schedule for prior fiscal years, as the percentage variance in building permit valuation is immaterial.

Source: Various City of Sacramento Departments

**City of Sacramento**  
**Capital Asset Statistics by Function/Program**  
**Last Ten Fiscal Years**

| <b>Function/program</b>   | <b>2016</b> | <b>2017</b> | <b>2018</b> | <b>2019</b> | <b>2020</b>            | <b>2021</b> | <b>2022</b> | <b>2023</b> | <b>2024</b> | <b>2025</b> |
|---|-------------|-------------|-------------|-------------|------------------------|-------------|-------------|-------------|-------------|-------------|
| <b>Police</b>   |             |             |             |             |                        |             |             |             |             |             |
| Number of stations <sup>(1)</sup>                                   | 4           | 4           | 4           | 4           | 4                      | 4           | 4           | 4           | 4           | 4           |
| <b>Police</b>   |             |             |             |             |                        |             |             |             |             |             |
| Number of patrol units <sup>(2)</sup>                               | 231         | 234         | 229         | 190         | 195                    | 224         | 236         | 265         | 278         | 280         |
| Number of aircraft  | 4           | 4           | 5           | 5           | 5                      | 5           | 4           | 4           | 5           | 5           |
| Number of watercraft  | 2           | 5           | 4           | 4           | 4                      | 4           | 4           | 4           | 4           | 4           |
| <b>Fire</b>   |             |             |             |             |                        |             |             |             |             |             |
| Number of stations  | 24          | 24          | 24          | 24          | 24                     | 24          | 24          | 24          | 24          | 24          |
| Number of fire suppression, support or prevention vehicles          | 162         | 162         | 162         | 162         | 162                    | 166         | 153         | 153         | 140         | 140         |
| Number of watercraft  | 1           | 1           | 6           | 6           | 6                      | 6           | 6           | 6           | 5           | 7           |
| <b>Public works</b>   |             |             |             |             |                        |             |             |             |             |             |
| Miles of streets  | 3,059       | 3,075       | 3,062       | 3,118       | 3,118                  | 3,118       | 3,118       | 3,154       | 3,118       | 3,198       |
| Number of street lights   | 42,627      | 42,914      | 43,223      | 43,438      | 38,985 <sup>(12)</sup> | 39,372      | 39,604      | 39,788      | 40,084      | 40,087      |
| Number of City public parking spaces <sup>(3)</sup>                 | 4,775       | 4,775       | 4,775       | 4,775       | 5,489 <sup>(3)</sup>   | 5,620       | 5,283       | 5,635       | 5,635       | 5,635       |
| Number of City leased parking spaces <sup>(9)</sup>                 | 2,298       | 2,298       | 2,298       | 2,298       | 2,349                  | 2,298       | 2,298       | 2,298       | 2,298       | 2,298       |
| Miles of off-street bikeways  | 57          | 57          | 88          | 88          | 88                     | 78          | 78          | 78          | 85          | 85          |
| <b>Youth, parks, and community enrichment</b>                       |             |             |             |             |                        |             |             |             |             |             |
| Number of parks   | 225         | 227         | 227         | 213         | 220                    | 230         | 230         | 235         | 235         | 237         |
| Park acreage <sup>(5)</sup>   | 3,183       | 3,177       | 3,177       | 3,340       | 4,265 <sup>(11)</sup>  | 4,829       | 4,829       | 4,331       | 4,358       | 3,396       |
| Number of community centers <sup>(6)</sup>                          | 13          | 13          | 14          | 14          | 14                     | 13          | 13          | 13          | 14          | 14          |
| Number of swimming pools (including wading pools)                   | 27          | 27          | 27          | 27          | 27                     | 28          | 28          | 28          | 28          | 28          |
| <b>Water</b>  |             |             |             |             |                        |             |             |             |             |             |
| Miles of water mains and distribution lines <sup>(7) (8)</sup>      | 1,599       | 1,604       | 1,607       | 1,603       | 1,607                  | 1,616       | 1,635       | 1,639       | 1,644       | 1,645       |
| <b>Sewers and storm drainage</b>                                    |             |             |             |             |                        |             |             |             |             |             |
| Miles of sanitary sewers and storm drainage                         | 1,869       | 1,876       | 1,960       | 1,961       | 1,967                  | 1,968       | 1,967       | 1,981       | 1,985       | 1,985       |
| <b>Off-street parking</b>   |             |             |             |             |                        |             |             |             |             |             |
| Number of City public garages and open parking lots <sup>(4)</sup>  | 7           | 7           | 7           | 7           | 10                     | 13          | 12          | 14          | 14          | 14          |
| Number of City leased garages and open parking lots <sup>(10)</sup> | 7           | 7           | 7           | 7           | 8                      | 7           | 7           | 7           | 7           | 7           |
| <b>Golf</b>   |             |             |             |             |                        |             |             |             |             |             |
| Number of golf courses  | 6           | 6           | 6           | 6           | 6                      | 6           | 6           | 6           | 6           | 6           |
| <b>Marina</b>   |             |             |             |             |                        |             |             |             |             |             |
| Number of boat harbor slips   | 475         | 475         | 475         | 475         | 475                    | 475         | 475         | 475         | 475         | 475         |

Notes: (1) Police stations refer to stations plus police headquarters.

(2) Patrol units include cars and motorcycles.

(3) City public parking spaces is defined as only those which are City-owned. From FY2020 onwards, spaces reported includes City-owned lots managed by the Parking division.

(4) From FY2020 onwards, City public garages and open parking lots includes City-owned lots managed by the Parking division.

(5) Golf course acreage is not included.

(6) Neighborhood centers are not included.

(7) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Service Mains and Hydrant Mains are excluded.

(8) Does not include miles for private mains and mains owned by other agencies.

(9) City leased parking spaces is defined as owned by other organizations leased by the City.

(10) City leased parking garages, lots and spaces are defined as owned by other organizations leased by the City.

(11) In FY2020, the increase in park acreage is due to several factors. (1) Refined the park acreages via GIS and now using APN lot sizes. (2) Included golf courses, camp Sacramento, and parkway's acreage. (3) Added a few new parks.

(12) The decrease in the number of street lights is due a change in the calculation method. In the prior years, engineers counted SMUD/Park lights, which did not match with OneMap. Beginning in FY20 the figure does not include SMUD/Park lights and is consistent with OneMap.

(13) The decrease in park acreage is due a change in the calculation method. In the prior years, golf course acreage was included as part of the total. Beginning in FY25, golf course acreage is excluded from park acreage total.

# City of Sacramento

## Miscellaneous Statistics

### Current Fiscal Year and Nine Years Ago

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|  |                 |             |
|--|-----------------|-------------|
| Date of incorporation                                      | 1849            |             |
| Date of charter  | 1921            |             |
| Date City became State Capitol                             | 1854            |             |
| Form of government   | Council/Manager |             |
|  | <b>2025</b>     | <b>2016</b> |
| Number of budgeted positions                               | 5,030           | 4,300       |
| Area in square miles                                       | 100             | 99          |
| Elevation in feet  | 33              | 20          |
| City of Sacramento facilities and services:                |                 |             |
| <b>Police</b>  |                 |             |
| Number of stations   | 4               | 4           |
| Number of police personnel sworn / civilian (actual)       | 648/294         | 663/286     |
| Number of patrol units                                     | 280             | 231         |
| <b>Fire</b>  |                 |             |
| Number of stations   | 24              | 24          |
| Number of fire personnel sworn / unsworn                   | 697/85          | 620/54      |
| Number of fire protection, support and prevention vehicles | 140             | 162         |
| <b>Utilities</b>   |                 |             |
| Miles of water mains and distribution lines <sup>(1)</sup> | 1,645           | 1,599       |
| Annual water production in gallons                         | 33 billion      | 27 billion  |
| Miles of sanitary sewers and storm drainage                | 1,985           | 1,869       |
| <b>Public works</b>  |                 |             |
| Miles of streets   | 3,198           | 3,059       |
| Number of street lights                                    | 40,087          | 42,627      |
| Number of City managed parking lots / spaces               | 20/4,425        | 18/4,726    |
| Miles of off-street bikeways                               | 85              | 57          |
| Boat harbor slips  | 475             | 475         |
| <b>Convention and cultural services</b>                    |                 |             |
| Golf courses   | 6               | 6           |
| Zoo animals <sup>(2)</sup>                                 | 367             | 587         |
| Fairytale town attendance for year                         | 194,924         | 254,863     |
| Crocker Art Museum attendance for year                     | 204,701         | 277,178     |
| Community Convention Center attendance for year            | 971,115         | 744,145     |
| <b>Youth, parks, and community enrichment</b>              |                 |             |
| Parks  | 237             | 225         |
| Park acreage <sup>(3)</sup>                                | 3,396           | 3,183       |
| Camp Sacramento attendance for year                        | 2,455           | 2,931       |
| Community centers  | 14              | 13          |
| Neighborhood centers                                       | 4               | 5           |
| Swimming pools   | 28              | 12          |
| Baseball fields <sup>(4)</sup>                             | 99              | 103         |
| Soccer fields  | 160             | 131         |
| Ball courts  | 248             | 202         |
| <b>Library</b>   |                 |             |
| Library branches <sup>(5)</sup>                            | 28              | 12          |
| Library books and audiovisual recordings in circulation    | 1,721,485       | 1,937,053   |

Notes: (1) Water mains are pipes over 12" in size. Pipes 12" or less are considered Distribution Lines. Service Mains and Hydrant Mains are excluded.

(2) Zoo animals number is comprised of animals on-site (either owned by zoo or owned by other entity).

(3) Golf course acreage is not included in this figure.

(4) This includes softball, little league and adult baseball fields.

(5) FY2025 figures include all city and county branches operated by the Sacramento Public Library System. FY2016 figures include only city branches operated by the Sacramento Public Library system.

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Source: Various City of Sacramento departments and publications

**CITY OF SACRAMENTO, CALIFORNIA**

Report to the Honorable Mayor and Members of  
the City Council of the City of Sacramento,  
California

Fiscal Year Ended June 30, 2025



December 19, 2025

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

We are pleased to present this report related to our audit of the basic financial statements of the City of Sacramento, California (the City) as of and for the fiscal year ended June 30, 2025. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the City's financial reporting process.

In addition to the City's basic financial statements, we audit and separately report on the following financial statements or schedules as of and for the year ended June 30, 2025. These components and funds are included in the City's basic financial statements:

- Sacramento City Employees' Retirement System (SCERS)
- Cannabis Business Operation Tax (CBOT) Revenue

This report is intended solely for the information and use of the Honorable Mayor, Members of the City Council, and management, of the City of Sacramento, California, and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the City.



Sacramento, California

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## REQUIRED COMMUNICATIONS

Auditing standards generally accepted in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

### **Our Responsibilities With Regard to the Financial Statement Audit**

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our engagement letter dated June 5, 2025. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

### **Overview of the Planned Scope and Timing of the Financial Statement Audit**

We have previously issued a separate communication dated June 5, 2025 regarding the planned scope and timing of our audit and identified significant risk.

### **Accounting Policies and Practices**

#### **Preferability of Accounting Policies and Practices**

Under accounting principles generally accepted in the United States of America, in certain circumstances, management may select among alternative accounting practices. In our view, in such circumstances, management has selected the preferable accounting practice.

#### **Adoption of, or Change in, Accounting Policies**

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the City. A summary of the significant accounting policies adopted by the City is included in Note 1 to the basic financial statements. As described in Note 1 to the basic financial statements, the City implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences* and GASB Statement No. 102, *Certain Risk Disclosures*. The implementation of GASB Statement No. 101 resulted in the restatement of the beginning net position of \$9.6 million as detailed in Note 18 to the basic financial statements. The implementation of GASB Statement No. 102 did not have a significant impact on the City's basic financial statements.

#### **Significant Accounting Policies**

We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

#### **Significant Unusual Transactions**

We did not identify any significant unusual transactions.

## **Management's Judgments and Accounting Estimates**

Summary information about the process used by management in formulating particularly sensitive accounting estimates and about our conclusions regarding the reasonableness of those estimates is in the attached Summary of Significant Accounting Estimates.

## **Audit Adjustments and Uncorrected Misstatements**

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

We are not aware of any uncorrected misstatements other than misstatements that are clearly trivial.

## **Departure From the Auditor's Standard Report**

### **Emphasis-of-Matter Paragraph**

During the year, the City adopted GASB Statement No. 101, *Compensated Absences*. In light of this matter, we included the emphasis-of-matter paragraph below in the auditor's report.

#### ***Emphasis of Matter***

Effective July 1, 2024, the City adopted the provisions of Governmental Accounting Standards Board Statement No. 101, *Compensated Absences*. The implementation of GASB Statement No. 101 resulted in the restatement of the beginning net position of \$9.6 million as detailed in Note 18 to the basic financial statements. Our opinions are not modified with respect to this matter.

## **Other Information Included in Annual Comprehensive Financial Reports**

Our responsibility for other information included in annual comprehensive financial reports is to read the information and consider whether its content or the manner of its presentation is materially inconsistent with the financial information covered by our auditor's report, whether it contains a material misstatement of fact or whether the other information is otherwise misleading. We read the City's Introductory and Statistical Section and did not identify material inconsistencies with the audited basic financial statements.

## **Observations About the Audit Process**

### **Disagreements With Management**

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the basic financial statements.

### **Consultations With Other Accountants**

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

### **Significant Issues Discussed With Management**

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

### **Significant Difficulties Encountered in Performing the Audit**

We did not encounter any significant difficulties in dealing with management during the audit.

## Shared Responsibilities for Independence

Independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and *Government Accountability Office* (GAO) independence rules. For Macias Gini & O'Connell LLP (MGO) to fulfill its professional responsibility to maintain and monitor independence, management, the Honorable Mayor and Members of the City Council of the City of Sacramento, California, and MGO each play an important role.

## Our Responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. MGO is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.
- Maintain a system of quality management over compliance with independence rules and firm policies.

## The City's Responsibilities

- Timely inform MGO, before the effective date of transactions or other business changes, of the following:
  - New affiliates, directors, or officers.
  - Changes in the organizational structure or the reporting entity impacting affiliates such as subsidiaries, partnerships, related entities, investments, joint ventures, component units, and jointly governed organizations.
- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.
- Understand and conclude on the permissibility, prior to the City and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with MGO.
- Not entering into arrangements of nonaudit services resulting in MGO being involved in making management decisions on behalf of the City.
- Not entering into relationships resulting in close family members of MGO covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the City.

## Internal Control and Compliance Matters

We have separately communicated on internal control and compliance over financial reporting identified during our audit of the basic financial statements, as required by *Government Auditing Standards*. This communication is attached as Exhibit A.

The financial and compliance audit of the City's major federal awards in accordance with the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* at 2 CFR 200 (Uniform Guidance) is in process and is expected to be issued no later than March 31, 2026.

## Significant Written Communications Between Management and Our Firm

We have requested certain written representations from management in a letter dated December 19, 2025.

## SIGNIFICANT ACCOUNTING ESTIMATES

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. You may wish to monitor throughout the year the process used to determine and record these accounting estimates. The following summarizes the significant accounting estimates reflected in the City's basic financial statements.

### Significant Accounting Estimates

|   |   |
|---|---|
| <b>Measurement of investments at fair value</b>   | <p>The City's investments are accounted for in accordance with the provisions of GASB Statement No. 72, <i>Fair Value Measurement and Application</i>, and accordingly, its fair value measurements are categorized within the fair value hierarchy established by the standard. The following levels indicate the hierarchy of inputs used to measure fair value and the primary valuation methodologies used for financial instruments measured at fair value on a recurring basis:</p> <ul style="list-style-type: none"><li>• Level 1 – Investments whose values are based on quoted prices (unadjusted) for identical assets in active markets that a government can access at the measurement date.</li><li>• Level 2 – Investments whose values are based on inputs – other than quoted prices including prices included within level 1 – that are observable for an asset, either directly or indirectly.</li><li>• Level 3 – Investments whose values are based on unobservable inputs for an asset and may require a degree of professional judgment.</li></ul> <p>MGO compared investment values from quoted market information and using pricing applications and models obtained from custodian bank, fiscal agents or other sources and determined that they were reasonable.</p> |
| <b>Estimated allowance for losses on accounts receivable</b>  | <p>Estimated allowance for losses on accounts receivable was based on historical experience.</p> <p>MGO evaluated the methodologies and assumptions used in making the estimated allowance for losses and tested subsequent cash receipts of significant accounts receivable and determined the estimates were reasonable.</p>  |
| <b>Depreciation and amortization of capital assets, including depreciation/amortization methods and useful lives assigned to depreciable/amortizable property</b> | <p>Useful lives, or in the case of intangible right-to-use lease and subscription-based information technology assets, the shorter of useful lives or the lease/subscription term, for depreciable/amortizable capital assets were determined by management based on the nature of the capital asset. Depreciation/amortization was calculated on the straight-line method.</p> <p>MGO assessed the reasonableness of the useful lives based on the nature of the capital assets and performed substantive analytical procedures on depreciation/amortization expense and determined the estimates were reasonable.</p>   |

## Significant Accounting Estimates

|  |   |
|--|---|
| <b>Accrual and disclosure of self-insurance claims liabilities</b>   | <p>Estimated liabilities are based on the estimated ultimate cost of settling claims, including effects of inflation and other social and economic factors. The estimated actuarial liability is then discounted by the City's expected rate of return and anticipated timing of cash outlays to determine the present value of the liability.</p> <p>MGO evaluated the methodologies and assumptions used to develop the actuarial estimate through data testing. MGO also obtained legal confirmation and obtained evidence relevant to the period in which the underlying cause for legal action occurred, the degree of probability of an unfavorable outcome, and the amount or range of potential loss.</p> |
| <b>Measurement of the pension contributions, net pension liability, pension expense, and pension-related deferred outflows and inflows of resources</b>                    | <p>Pension plans' employer and employee contributions requirements, net pension liability, and related deferred outflows and inflows of resources were based on actuarial valuations prepared by third party specialists for the Sacramento City Employees' Retirement System (SCERS) and by CalPERS.</p> <p>MGO agreed the calculations to the actuarial valuations prepared by third party specialists for SCERS and by CalPERS, and tested the reasonableness of allocations to various City funds.</p>  |
| <b>Measurement of the other postemployment benefits (OPEB) contributions, net OPEB liability, OPEB expense and OPEB-related deferred outflows and inflows of resources</b> | <p>OPEB plan's employer and employee contributions requirements, net OPEB liability, and related deferred outflows and inflows of resources were based on actuarial valuations prepared by the City's actuarial specialist.</p> <p>MGO agreed the calculations to actuarial valuations prepared by the City's actuarial specialist and tested the reasonableness of allocations to various City funds.</p>  |
| <b>Measurement of the right-to-use lease and subscription assets and liabilities</b>   | <p>The discount rate used for the calculation of the right-to-use lease and subscription assets and liabilities are based on the City's estimated incremental borrowing rate which is the estimated interest rate that the City would be charged for entering into lease and subscription agreements.</p> <p>We evaluated the discount rates used and determined they were reasonable.</p>  |
| <b>Landfill postclosure care liability</b>   | <p>Landfill postclosure care cost estimates are based on historical actual costs and may change due to inflation or deflation, technology, or applicable laws and regulations.</p> <p>We evaluated the historical actual costs used in preparation of the estimate and determined they were reasonable.</p>   |

## Significant Accounting Estimates

### **Accrued compensated absences liability**

The calculation of the accrued compensated absences liability is based on accumulated employee leave hours at current pay rates, factoring in historical usage pattern and payout, and includes certain salary-related payments that are directly and incrementally associated with payments for leave.

We evaluated the pay rates used, the historical usage pattern and payout, and the salary-related payments and determined they were reasonable.

**EXHIBIT A**

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

**Independent Auditor's Report on Internal Control Over Financial Reporting  
and on Compliance and Other Matters Based on an Audit of Financial  
Statements Performed in Accordance With *Government Auditing Standards***

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

We have audited, 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*, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Sacramento, California (City), as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated December 19, 2025.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Macias Gini & O'Connell LLP*

Sacramento, California

December 19, 2025

**EXHIBIT B**

**Recent Accounting Pronouncements**

## RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of the date of this communication but are not yet effective and may affect the future financial reporting by the City.

| Pronouncement  | Summary  |
|--|--|
| GASB Statement No. 103,<br><i>Financial Reporting Model Improvements</i> | <p>The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues.</p> <p>Statement No. 103 is effective for the City's fiscal year ending June 30, 2026.</p> |
| GASB Statement No. 104,<br><i>Disclosure of Certain Capital Assets</i>   | <p>The objective of this Statement is to provide users of governmental financial statements with essential information about certain types of capital assets.</p> <p>Statement No. 103 is effective for the City's fiscal year ending June 30, 2026.</p>   |
| GASB Statement No. 105,<br><i>Subsequent Events</i>                      | <p>The primary objective of this statement is to improve the financial reporting requirements for subsequent events, thereby enhancing consistency in their application and better meeting the information needs of financial statement users.</p> <p>Statement No. 105 is effective for the City's fiscal year ending June 30, 2027.</p>  |