

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,
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CITY OF SACRAMENTO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS

INTRODUCTORY SECTION (Unaudited)

PAGE

Letter of Transmittal	i
Organization Chart	v
Directory of City Officials	vi
GFOA Certificate	vii

FINANCIAL SECTION

Independent Auditor's Report	1
Management's Discussion and Analysis (Required Supplementary Information - Unaudited)	5

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:	
Statement of Net Position	19
Statement of Activities	20
Fund Financial Statements:	
Balance Sheet - Governmental Funds	24
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	27
Statement of Revenues, Expenditures and Changes in Fund Balances – Governmental Funds	28
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities – Governmental Funds	31
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) with Budget to GAAP Reconciliation – General Fund	32
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual (Non-GAAP Budgetary Basis) with Budget to GAAP Reconciliation – Measure U Fund	33
Statement of Net Position – Proprietary Funds	34
Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds	38
Statement of Cash Flows – Proprietary Funds	40
Statement of Fiduciary Net Position – Fiduciary Funds	44
Statement of Changes in Fiduciary Net Position – Fiduciary Funds	45
Notes to the Basic Financial Statements	47

REQUIRED SUPPLEMENTARY INFORMATION (Unaudited)

Schedule of Changes in Net Pension Liability and Related Ratios – CalPERS Miscellaneous Plan	116
Schedule of Contributions – CalPERS Miscellaneous Plan	118
Schedule of Changes in Net Pension Liability and Related Ratios – CalPERS Safety Plan	120
Schedule of Contributions – CalPERS Safety Plan	122
Schedule of Changes in Net Pension Liability (Asset) and Related Ratios – Sacramento City Employees' Retirement System	124
Schedule of Contributions – Sacramento City Employees' Retirement System	126
Schedule of Changes in Net OPEB Liability and Related Ratios	128
Schedule of Contributions – OPEB	130

CITY OF SACRAMENTO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS, Continued

<i>COMBINING AND INDIVIDUAL FUND FINANCIAL STATEMENTS AND SCHEDULES</i>	<i>PAGE</i>
Other Governmental Funds	
Combining Balance Sheet	133
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	134
Other Special Revenue Funds:	
Combining Balance Sheet	136
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	138
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Transportation and Development Special Revenue Fund	140
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Culture and Leisure Special Revenue Fund	141
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Parks and Recreation Special Revenue Fund	142
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, CCOMWP Special Revenue Fund	143
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual, Special Districts Special Revenue Fund	144
Other Debt Service Funds:	
Combining Balance Sheet	146
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	148
Other Capital Projects Funds:	
Combining Balance Sheet	152
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	154
Permanent Funds:	
Combining Balance Sheet	157
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	158
Other Proprietary Funds	
Other Enterprise Funds:	
Combining Statement of Net Position	160
Combining Statement of Revenues, Expenses and Changes in Net Position	163
Combining Statement of Cash Flows.....	164
Water Fund:	
Combining Schedule of Net Position.....	168
Combining Schedule of Revenues, Expenses and Changes in Net Position	172
Combining Schedule of Cash Flows	174
Wastewater Fund:	
Combining Schedule of Net Position.....	180
Combining Schedule of Revenues, Expenses and Changes in Net Position	184
Combining Schedule of Cash Flows	186

CITY OF SACRAMENTO, CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2025

TABLE OF CONTENTS, Continued

Other Proprietary Funds	PAGE
Community Center Fund:	
Combining Schedule of Net Position.....	192
Combining Schedule of Revenues, Expenses and Changes in Net Position	194
Combining Schedule of Cash Flows	196
Internal Service Funds:	
Combining Statement of Net Position	202
Combining Statement of Revenues, Expenses and Changes in Net Position	205
Combining Statement of Cash Flows.....	206
Other Custodial Funds:	
Combining Statement of Fiduciary Net Position	209
Combining Statement of Changes in Fiduciary Net Position	210

STATISTICAL SECTION (Unaudited)

Net Position by Component – Last Ten Fiscal Years	212
Changes in Net Position – Last Ten Fiscal Years.....	214
Fund Balances, Governmental Funds – Last Ten Fiscal Years.....	220
Changes in Fund Balances, Governmental Funds – Last Ten Fiscal Years	222
Tax Revenues by Source, Governmental Funds – Last Ten Fiscal Years	224
Assessed Value and Estimated Actual Value of Taxable Property – Last Ten Fiscal Years.....	225
Direct and Overlapping Property Tax Rates – Last Ten Fiscal Years	226
Principal Property Taxpayers – Current Fiscal Year and Nine Years Ago	227
Property Tax Levies and Collections – Last Ten Fiscal Years	228
Ratios of Outstanding Debt by Type – Last Ten Fiscal Years.....	230
Ratios of Net General Bonded Debt Outstanding – Last Ten Fiscal Years	232
Direct and Overlapping Governmental Activities Debt – As of June 30, 2025	233
Legal Debt Margin – Last Ten Fiscal Years	234
Pledged-Revenue Coverage – Last Ten Fiscal Years	236
Demographic and Economic Statistics for Sacramento County – Last Ten Years	238
Principal Employers – Current Fiscal Year and Nine Years Ago	239
Successor Agency Trust Fund – Assessed Value of Taxable Property – Last Ten Fiscal Years	240
Successor Agency Trust Fund – Top 10 Parcels Appealing Assessed Valuation – At Risk of Reduction – As of June 30, 2025.....	244
Successor Agency Trust Fund – Principal Property Taxpayers – Current Fiscal Year and Nine Years Ago	254
Successor Agency Trust Fund – Debt Coverage Analysis – Last Ten Fiscal Years	266
Full-time Equivalent Employees by Function/Program – Last Ten Fiscal Years	271
Operating Indicators by Function/Program – Last Ten Fiscal Years	272
Capital Asset Statistics by Function/Program – Last Ten Fiscal Years	273
Miscellaneous Statistics - Current Fiscal Year and Nine Years Ago.....	274

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 37th 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
Finance Manager

Organization Chart as of June 30, 2025

Mayor/Council

Public Safety Accountability
LaTasha Watson

City Attorney
Susana Alcala Wood

Community Advocacy & Public Safety
General Council & Advisory
Litigation & Human Resources
Strategic Project & Research

City Auditor
Farishta Ahrary

Auditing
Research & Analysis
Whistleblower

City Manager
Leyne Milstein, Interim

City Clerk
Mindy Cuppy

Bids & Contracts
Boards & Commissions
Elections
Legislative Support
Records

City Treasurer
John Colville

Citywide Banking
Debt Management
Investments

Assistant to the City Manager
Amy Williams
Chief of Staff

Media & Communications

Governmental Affairs

Performance Measures

Assistant City Manager
Leyne Milstein
Internal Services

Finance
Pete Coletto

Accounting
Budget, Policy and Strategic Planning
Cannabis
Payroll
Procurement Services
Public Improvement Financing
Revenue

Human Resources
Shelley Banks-Robinson

ADA & Leaves
Benefits & Retirement
Diversity & Equity
Employment, Classification & Development
Equal Employment Opportunity
Labor Relations/Policies
Risk Management (Safety & Workers' Compensation)

Information Technology
Darin Arcolino

311 Center
Applications & Data Management
Enterprise Business Systems
Geographic Information Systems
IT Customer Services
Technical Support Services
Technical Administration

Assistant City Manager
Mario Lara
Public Safety

Community Response
Brian Pedro

Alternative 911 Response
Unsheltered Response and Support

Fire
Chris Costamagna

Emergency Medical Services
Fire Prevention
Fire Suppression

Police
Kathy Lester

Field Services
Investigations
Operational Services
Violence Prevention

Emergency Management

Assistant City Manager
Ryan Moore
Municipal Services

Public Works
Matt Eierman

Climate Action & Sustainability
Engineering Services
Facilities/Real Property Management
Fleet Management
Maintenance Services
Parking Services
Sacramento Marina
Solid Waste
Transportation

Utilities
Pravani Vandeyar

Office of Director (Admin Svcs)
Business Services
Engineering & Water Resources
Water Operations & Maintenance
Wastewater & Drainages Operations
and Maintenance

Youth, Parks & Community Enrichment (YPCE)
Jackie Beecham

Community Enrichment
Golf Operations (Contracted)
Park Maintenance/Historic Cemetery
Park Rangers
Planning & Development
Youth Division

Assistant City Manager
Michael Jasso
Community

Community Development
Tom Pace

Animal Care Services
Building
Business Compliance
Housing & Dangerous Buildings
Neighborhood Code Enforcement
Planning

Convention & Cultural Services
Megan Van Voorhis

Center for Sacramento History
Office of Arts and Culture
SAFE Credit Union Convention & Performing Arts District
Old Sacramento Historic District
Crocker Art Museum
Fairytale Town
CLARA Studios for the Performing Arts
Sacramento History Museum
SMUD Museum of Science & Curiosity
Sacramento Zoo

Economic Development
Denise Malveti
Deputy Director

Community Engagement
Community Investment
Economic Development, Innovation, & Entrepreneurship
Housing Policy
Workforce Development
Youth Development

LEGEND

Mayor/Council
Charter Office

Mayor/Council
Office or Program

City Manager
Reporting Department

City Manager
Office or Program

City of Sacramento

Directory of City Officials

June 30, 2025

Kevin McCarty
Mayor

Lisa Kaplan
Councilmember, District 1

Caity Maple
Councilmember, District 5

Roger Dickinson
Councilmember, District 2

Eric Guerra
Mayor Pro Tem, District 6

Karina Talamantes
Vice Mayor, District 3

Rick Jennings, II
Councilmember, District 7

Phil Pluckebaum
Councilmember, District 4

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. Morill

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.

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.

A handwritten signature in blue ink that reads "Macias Gini & O'Connell LLP". The signature is written in a cursive, flowing style.

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

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

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.

City of Sacramento Summary of Net Position As of June 30, 2025 and 2024 ⁽¹⁾ (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	3,511	3,363	2,533	2,473	6,044	5,836	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	2,225	2,222	1,086	1,121	3,311	3,343	-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	(446)	(443)	368	309	(78)	(134)	41.8%
Total net position	\$ 1,556	\$ 1,449	\$ 1,467	\$ 1,380	\$ 3,023	\$ 2,829	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

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

City of Sacramento Changes in Net Position For the Fiscal Years Ended June 30, 2025 and 2024 ⁽¹⁾ (in millions)							
	Governmental Activities		Business-type Activities		Total Primary Government		Total Percent Change
	2025	2024	2025	2024	2025	2024	
Revenues							
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%
Total revenues	1,230	1,133	491	466	1,721	1,599	7.6%
Expenses							
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%
Total expenses	1,159	1,115	372	349	1,531	1,464	4.6%
Revenue over (under) expenses	71	18	119	117	190	135	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	\$ 1,556	\$ 1,449	\$ 1,467	\$ 1,380	\$ 3,023	\$ 2,829	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

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

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

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

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

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 4th R Child Development Funds. Total operating revenues increased by \$3 million. 4th 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	<u>\$ 1,953</u>	<u>\$ 1,921</u>	<u>\$ 1,810</u>	<u>\$ 1,826</u>	<u>\$ 3,763</u>	<u>\$ 3,747</u>

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

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):

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

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 & 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

Bond issues:	<u>S & 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
ASSETS			
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	3,511,062	2,533,446	6,044,508
DEFERRED OUTFLOWS OF RESOURCES			
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	323,010	39,726	362,736
LIABILITIES			
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	1,980,268	1,001,206	2,981,474
Total liabilities	2,224,971	1,085,919	3,310,890
DEFERRED INFLOWS OF RESOURCES			
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	26,936	8,371	35,307
Total deferred inflows of resources	53,218	20,251	73,469
NET POSITION			
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	(445,798)	368,311	(77,487)
Total net position	\$ 1,555,883	\$ 1,467,002	\$ 3,022,885

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	Program Revenues					
	Operating Expenses	Indirect Expenses Allocation	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Net (Expense) Revenue
Primary government:						
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	1,178,841	(19,400)	259,557	98,534	179,709	(621,641)
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	353,076	19,400	399,771	5,057	18,606	50,958
Total primary government	\$ 1,531,917	\$ -	\$ 659,328	\$ 103,591	\$ 198,315	\$ (570,683)

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
ASSETS			
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
Total assets	<u>\$ 415,759</u>	<u>\$ 83,704</u>	<u>\$ 160,431</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES			
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	-	-
Total liabilities	<u>51,682</u>	<u>10,570</u>	<u>-</u>
Deferred inflows of resources:			
Unavailable revenue	5,456	-	131,185
Leases	23,519	-	-
Total deferred inflows of resources	<u>28,975</u>	<u>-</u>	<u>131,185</u>
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	-	-
Total fund balances	<u>335,102</u>	<u>73,134</u>	<u>29,246</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 415,759</u>	<u>\$ 83,704</u>	<u>\$ 160,431</u>

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 Governmental Funds	Total Governmental Funds
<u>ASSETS</u>		
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>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>		
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	(65,881)	(38,378)
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)

Fund balances - total governmental funds		\$ 950,069
Amounts reported for governmental activities in the statement of net position are different because:		
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
Capital assets used in governmental activities are not current financial resources and therefore, are not reported in the funds:		
Governmental capital assets	3,816,417	
Less: accumulated depreciation/amortization	<u>(1,963,731)</u>	
		1,852,686
Certain current liabilities are not due and payable in the current period and therefore, are not reported in the funds. Those liabilities consist of the following:		
Interest payable		(4,866)
Deferred outflows and inflows of resources are not recognized in the current period and therefore, not reported in the governmental funds.		
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
Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore, are not reported in the funds.		
Accrued compensated absences	(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)
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.		<u>131,718</u>
Net position of governmental activities		<u>\$ 1,555,883</u>

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
Revenues:			
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	-	-
Total revenues	672,350	138,372	3,494
Expenditures:			
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
Total expenditures	701,844	147,363	11,827
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	-
Total other financing sources (uses)	38,148	1,083	9,400
Changes in fund balances	8,654	(7,908)	1,067
Fund balances, beginning of year	326,448	81,042	28,179
Fund balances, end of year	\$ 335,102	\$ 73,134	\$ 29,246

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 Governmental Funds	Total Governmental Funds
Revenues:		
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
Total revenues	381,479	1,195,695
Expenditures:		
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
Total expenditures	338,535	1,199,569
Excess (deficiency) of revenues over (under) expenditures	42,944	(3,874)
Other financing sources (uses):		
Transfers in	28,080	105,111
Transfers out	(28,229)	(60,049)
Issuance of long-term debt	4,369	7,789
Total other financing sources (uses)	4,220	52,851
Changes in fund balances	47,164	48,977
Fund balances, beginning of year	465,423	901,092
Fund balances, end of year	\$ 512,587	\$ 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	<u>(78,825)</u>	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	<u>27,189</u>	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	<u>(220)</u>	(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.		
		<u>17,118</u>
Change in net position of governmental activities		\$ 114,122

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 Amounts - Budgetary	Variance with Final Budget	Budget to GAAP Reconciliation	Actual Amounts - GAAP
	Original	Final	Basis			Basis
Revenues:						
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
Total revenues	633,228	648,385	672,350	23,965	-	672,350
Expenditures:						
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
Total expenditures	821,907	831,107	716,659	114,448	(14,815)	701,844
Excess (deficiency) of revenues over (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
Total other financing sources (uses)	18,257	31,685	36,327	4,642	1,821	38,148
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
Fund balance, end of year	\$ 156,026	\$ 175,411	\$ 318,466	143,055	\$ 16,636	\$ 335,102

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		Actual Amounts - Budgetary Basis	Variance with Final Budget	Budget to GAAP Reconciliation	Actual Amounts - GAAP Basis
	Original	Final				
Revenues:						
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
Total revenues	140,344	134,445	138,372	3,927	-	138,372
Expenditures:						
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
Total expenditures	195,310	202,434	163,737	38,697	(16,374)	147,363
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
Total other financing sources (uses)	(710)	(597)	(517)	80	1,600	1,083
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
Fund balance, end of year	\$ 25,366	\$ 12,456	\$ 55,160	\$ 42,704	\$ 17,974	\$ 73,134

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
<u>ASSETS</u>				
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	<u>274,943</u>	<u>81,766</u>	<u>99,471</u>	<u>93,383</u>
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	<u>(461,121)</u>	<u>(114,011)</u>	<u>(271,079)</u>	<u>(39,603)</u>
Total noncurrent assets	<u>918,763</u>	<u>228,936</u>	<u>261,286</u>	<u>16,852</u>
Total assets	<u>1,193,706</u>	<u>310,702</u>	<u>360,757</u>	<u>110,235</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
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	<u>19,151</u>	<u>5,462</u>	<u>4,027</u>	<u>5,541</u>

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 Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
<u>ASSETS</u>				
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	<u>46,262</u>	<u>26,559</u>	<u>622,384</u>	<u>185,791</u>
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	<u>446,982</u>	<u>42,864</u>	<u>1,915,683</u>	<u>125,422</u>
Total assets	<u>493,244</u>	<u>69,423</u>	<u>2,538,067</u>	<u>311,213</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
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	<u>2,957</u>	<u>2,588</u>	<u>39,726</u>	<u>3,855</u>

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)

	Business-type Activities - Enterprise Funds			
	Water Fund	Wastewater Fund	Storm Drainage Fund	Solid Waste Fund
<u>LIABILITIES</u>				
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
<u>DEFERRED INFLOWS OF RESOURCES</u>				
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
<u>NET POSITION</u>				
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)

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Community Center Fund	Other Enterprise Funds	Total	
<u>LIABILITIES</u>				
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
<u>DEFERRED INFLOWS OF RESOURCES</u>				
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
<u>NET POSITION</u>				
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	<u>\$ 298,191</u>	<u>\$ 73,814</u>	<u>\$ 85,893</u>	<u>\$ 78,615</u>

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	-	-	-
Total cash and cash equivalents, end of year	<u>\$ 298,191</u>	<u>\$ 73,814</u>	<u>\$ 85,893</u>	<u>\$ 78,615</u>
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)
Net cash provided by (used for) operating activities	<u>\$ 60,664</u>	<u>\$ 12,333</u>	<u>\$ 15,665</u>	<u>\$ 23,882</u>
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	816
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 resource				
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 Trust Fund	Private-Purpose Trust Fund	Investment Pool Custodial Fund	Other Custodial Funds
ASSETS				
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
DEFERRED OUTFLOWS OF RESOURCES				
Loss on refunding of debt	-	638	-	-
LIABILITIES				
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
NET POSITION				
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 Trust Fund	Private-Purpose Trust Fund	Investment Pool Custodial Fund	Other Custodial Funds
Additions:				
Deposits	\$ -	\$ -	\$ 96,361	\$ 2,292
Property taxes	-	27,416	-	-
Special assessments	-	-	-	18,556
Capital contributions	-	-	-	10,467
Other income	-	11	-	-
Contributions:				
Employer	1,362	-	-	-
Employees	1	-	-	-
Investment income:				
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
Investment expenses:				
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
Total additions	26,252	28,606	102,192	39,563
Deductions:				
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	\$ 253,354	\$ (129,961)	\$ 123,446	\$ 110,677

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)

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)

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)

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)

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)

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)

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)

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)

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 accruable number of CTO hours.

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

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)

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)

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)

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

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)

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)

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
Total Cash and Investments	\$ 87,946	\$ 1,170,377	\$ 740,254	\$ 2,841	\$ 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)

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
Total Cash and Investments	\$ 153,024	\$ 8,630	\$ 41,252	\$ 51,454	\$ 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
	\$ 728,520	\$ 16,052

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

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)

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)

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)

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

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:

	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)
Investments by Fair Value Level				
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	-	-
Total Investments by Fair Value Level	<u>1,588,456</u>	<u>\$ 41,746</u>	<u>\$ 1,546,710</u>	<u>\$ -</u>
Investments Measured at Net Asset Value				
Money market mutual funds	<u>36,245</u>			
Investments Uncategorized				
Investment Trust of California (CalTRUST)	179,355			
Local Agency Investment Fund (LAIF)	<u>35,758</u>			
Total Investments Uncategorized	<u>215,113</u>			
Total Investments Held by City	<u>1,839,814</u>			
Investments Held by Fiscal Agent by Fair Value Level				
Corporate bonds/notes	28,803	\$ -	\$ 28,803	\$ -
Negotiable certificates of deposit	<u>14,525</u>	<u>-</u>	<u>14,525</u>	<u>-</u>
Total Investments Held by Fiscal Agent by Fair Value Level	<u>43,328</u>	<u>\$ -</u>	<u>\$ 43,328</u>	<u>\$ -</u>
Investments Held by Fiscal Agent Measured at Net Asset Value				
Money market mutual funds	<u>38,736</u>			
Total Investments Held by Fiscal Agent	<u>82,064</u>			
Total Investments	1,921,878			
Total Bank Deposits	<u>79,540</u>			
Total Cash and Investments	<u>\$ 2,001,418</u>			

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

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	251,339	\$ 156,581	\$ 94,758	\$ -
Investments Measured at Net Asset Value				
Money market mutual funds	395			
Investments at Fair Value not Subject to Fair Value Hierarchy				
City of Sacramento Investment Pool	2,626			
Total Cash and Investments	\$ 254,360			

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)

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
Total cash and investments in City sponsored investment pool and external individual investment accounts	<u>\$ 1,906,772</u>	<u>\$ 1,918,606</u>		

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

	City Sponsored Investment Pool	External Individual Investment Accounts	Total
Statement of Net Position:			
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>
Equity of internal pool participants	\$ 1,682,820	\$ -	\$ 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>
Statement of Changes in Net Position:			
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)

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

NOTE 3 – RECEIVABLES

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

	Taxes	Accounts	Loans	Inter- govern- mental	Leases	Settlement	Interest	Total
Governmental activities								
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
	<u>\$ 66,318</u>	<u>\$ 69,465</u>	<u>\$ 181,598</u>	<u>\$ 93,087</u>	<u>\$ 29,265</u>	<u>\$ -</u>	<u>\$ 6,743</u>	<u>\$ 446,476</u>
Amounts not scheduled for collection during the subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 173,789</u>	<u>\$ 9,139</u>	<u>\$ 26,547</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 209,475</u>
Business-type activities								
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
	<u>\$ 4,792</u>	<u>\$ 71,264</u>	<u>\$ 1,822</u>	<u>\$ 7,850</u>	<u>\$ 9,500</u>	<u>\$ 7,327</u>	<u>\$ 4,028</u>	<u>\$ 106,583</u>

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)

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	515,937	480,996	996,933
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	3,512,919	2,334,659	5,847,578
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	(2,090,759)	(1,010,756)	(3,101,515)
Depreciable/amortizable capital assets, net	1,422,160	1,323,903	2,746,063
Lease and IT subscription assets, net (Note 6)	15,375	4,825	20,200
Total capital assets, net	\$ 1,953,472	\$ 1,809,724	\$ 3,763,196

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 Balance	Increases	Decreases	Transfers In/Out	Ending 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 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 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)

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 Balance	Increases	Decreases	Transfers In/Out	Ending 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 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	<u>\$ 1,826,308</u>	<u>\$ 29,552</u>	<u>\$ (46,464)</u>	<u>\$ 328</u>	<u>\$ 1,809,724</u>
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 ⁽¹⁾			
Total business-type activities depreciation/amortization expense		<u>\$ 51,244</u>			

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

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
For the Fiscal Year Ended June 30, 2025
(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 Balance	Increases	Decreases	Ending Balance
Governmental activities				
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	2,278	3,254	(152)	5,380
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	(1,106)	(506)	152	(1,460)
Intangible right-to-use lease assets, net	1,172	2,748	-	3,920
Intangible right-to-use IT subscription assets	21,307	2,239	(457)	23,089
Less accumulated amortization	(6,662)	(5,429)	457	(11,634)
Intangible right-to-use IT subscription assets, net	14,645	(3,190)	-	11,455
Governmental activities intangible right-to-use lease and IT subscription assets, net	\$ 15,817	\$ (442)	\$ -	\$ 15,375
Business-type activities				
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	2,339	1,599	-	3,938
Less accumulated amortization for:				
Right-to-use lease assets:				
Land	(368)	(123)	-	(491)
Buildings	(105)	(115)	-	(220)
Equipment	(166)	(18)	-	(184)
Total accumulated amortization	(639)	(256)	-	(895)
Intangible right-to-use lease assets, net	1,700	1,343	-	3,043
Intangible right-to-use IT subscription assets	2,801	633	(236)	3,198
Less accumulated amortization	(981)	(671)	236	(1,416)
Intangible right-to-use IT subscription assets, net	1,820	(38)	-	1,782
Business-type activities intangible right-to-use lease and IT subscription assets, net	\$ 3,520	\$ 1,305	\$ -	\$ 4,825

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	Right-to-use	
	Lease Assets	IT Subscription 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	<u>\$ 506</u>	<u>\$ 5,429</u>	<u>\$ 5,935</u>

	Business-type Activities		
	Right-to-use	Right-to-use	
	Lease Assets	IT Subscription 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	<u>\$ 256</u>	<u>\$ 671</u>	<u>\$ 927</u>

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

	Beginning Balance	Increases	Decreases	Ending Balance	Due Within One Year
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	<u>\$ 14,073</u>	<u>\$ 5,493</u>	<u>\$ (5,750)</u>	<u>\$ 13,816</u>	<u>\$ 3,826</u>
Business-type activities					
Lease liabilities	\$ 1,724	\$ 1,599	\$ (213)	\$ 3,110	\$ 274
IT subscription liabilities	1,432	633	(783)	1,282	351
Total	<u>\$ 3,156</u>	<u>\$ 2,232</u>	<u>\$ (996)</u>	<u>\$ 4,392</u>	<u>\$ 625</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)

Future minimum lease and IT subscription payments are as follows:

Fiscal Year Ending June 30,	Governmental Activities			
	Lease Payments		IT Subscription Payments	
	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	<u>\$ 3,986</u>	<u>\$ 574</u>	<u>\$ 9,830</u>	<u>\$ 597</u>

Fiscal Year Ending June 30,	Business-type Activities			
	Lease Payments		IT Subscription Payments	
	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	<u>\$ 3,110</u>	<u>\$ 729</u>	<u>\$ 1,282</u>	<u>\$ 86</u>

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)

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 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)

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:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
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)

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 Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
GOVERNMENTAL ACTIVITIES:					
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)

BUSINESS-TYPE ACTIVITIES:	Beginning Balance, As Restated	Additions	Reductions	Ending Balance	Due Within One Year
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	678,900	-	(26,244)	652,656	27,803
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	130,875	-	(6,773)	124,102	3,753
Less deferred amounts:					
Issuance premiums	53,131	-	(3,114)	50,017	2,985
Subtotal, debt, business type activities	862,906	-	(36,131)	826,775	34,541
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	217,651	19,788	(20,812)	216,627	7,655
Total business-type activities	1,080,557	19,788	(56,943)	1,043,402	42,196
Total long-term liabilities	\$ 3,188,335	\$ 204,879	\$ (266,699)	\$ 3,126,515	\$ 145,041

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)

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)
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)
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
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
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)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue and Other Bonds (Continued)

Issued Amount

\$9,115	2016 Lease Financing – H Street Theater Complex (Direct Placement) 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 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 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 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 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)

NOTE 7 – LONG-TERM LIABILITIES (Continued)

Revenue and Other Bonds (Continued)

Issued Amount

- | | |
|-----------|---|
| \$50,465 | <p>2019 Sacramento Tourism Infrastructure District (STID) Assessment Revenue Bonds
 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.</p> |
| \$188,390 | <p>2020 Water Refunding Revenue Bonds
 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.</p> |
| \$27,970 | <p>2020 Wastewater Refunding Revenue Bonds
 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.</p> |
| \$20,985 | <p>2023 Water Refunding Revenue Bonds
 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.</p> |

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)

Notes Payable

Issued Amount

- | | |
|-----------|---|
| \$2,220 | 1985 Sacramento Marina Note Payable, Phase I
Authorized July 1985, issued November 1985, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of \$20 to \$82 through August 2030, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The debt is secured by collateral of the Sacramento Marina. |
| \$3,229 | 1985 Sacramento Marina Note Payable, Phase II
Authorized July 1985, issued September 1987, refinanced August 1998, to the California Department of Boating and Waterways, due in annual installments of \$27 to \$150 through August 2037, bearing an interest rate of 4.5%, for the purpose of financing the expansion of the Sacramento Marina. The debt is secured by collateral of the Sacramento Marina. |
| \$10,477 | 2008 Sacramento Marina Note Payable, South Basin
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
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)
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)
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)

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)

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 Ending June 30,	Revenue and Other Bonds, Direct Placements		Revenue and Other Bonds, 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	-
Totals	<u>\$ 4,510</u>	<u>\$ 529</u>	<u>\$ 404,358</u>	<u>\$ 259,032</u>

Fiscal Year Ending June 30,	Direct Borrowing Notes Payable	
	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
Totals	<u>\$ 15,796</u>	<u>\$ 7,877</u>

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)

Future Debt Service Requirements (Continued)

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

Fiscal Year Ending June 30,	Revenue and Other Bonds, Public Offerings		Direct Borrowing 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	-	-	-
Totals	<u>\$ 702,673</u>	<u>\$ 321,587</u>	<u>\$ 124,102</u>	<u>\$ 18,683</u>

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)

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 Liability (Asset)	Deferred Outflows of Resources	Deferred Inflows 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)

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
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
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
	Prior to	On or after
Hire Date	January 1, 2013	January 1, 2013
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
Total	11,021	3,331

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)

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:

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

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 ^(1,2)
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	100%	

(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)

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	\$ 1,876,594	\$ 1,395,658	\$ 480,936

<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	\$ 2,701,408	\$ 1,852,461	\$ 848,947

Totals of both Miscellaneous and Safety Plans	\$ 4,578,002	\$ 3,248,119	\$ 1,329,883
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City of Sacramento

Notes to the Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

(dollar amounts expressed in thousands)

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:

	Miscellaneous	Safety	Total
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:

	Miscellaneous Plan		Safety Plan		Total	
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
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	-
Total	\$ 100,139	\$ -	\$ 219,463	\$ -	\$ 319,602	\$ -

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:

Fiscal Year Ending June 30,	Miscellaneous Plan	Safety Plan	Total
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)
Total	\$ 35,086	\$ 120,858	\$ 155,944

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

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)

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
Total plan members	<u>663</u>	<u>19</u>	<u>28</u>	<u>710</u>

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 1497% 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)

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%
Total	100.0%	

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)

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 (5%)	Current Discount Rate (6%)	1% increase (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)

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:

	Deferred Inflows of Resources
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 June 30,	Deferred Inflows 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.

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	<u>7,598</u>

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. Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076. 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. 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
For the Fiscal Year Ended June 30, 2025
(dollar amounts expressed in thousands)

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%
Total	100%	

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
Balance at June 30, 2024	\$ 296,692	\$ 84,817	\$ 211,875
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)

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 (5.25%)	Current Rate (6.25%)	1% increase (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 Current Trend Rates	Current Trend Rates	1% Increase in 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 Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 484	\$ 16,058
Changes in assumptions	9,191	3,769
Net difference between projected and actual earnings on plan investments	296	-
Employer contributions made subsequent to the measurement date	23,959	-
Total	<u>\$ 33,930</u>	<u>\$ 19,827</u>

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)

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 June 30,	Deferred Outflows (Inflows) of Resources
2026	\$ (8,345)
2027	(1,601)
2028	(1,615)
2029	796
2030	909
Total	<u>\$ (9,856)</u>

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)

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)

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
Governmental activities:				
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>
Business-type activities:				
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)

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:

	Receivables	Payables	Interfund Balances
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
Notes to the Basic Financial Statements
For the Fiscal Year Ended June 30, 2025
(dollar amounts expressed in thousands)

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:

	2025	2024
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><u>\$ 151,345</u></u>	<u><u>\$ 142,415</u></u>

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

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.

Governmental Activities:		Business-type Activities:	
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
		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)

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 12th 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)

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)

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

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 TETABS, Series A	4,497	18 ⁽¹⁾	(560)	3,955	770
2005 Merged Downtown TE, Series A	114,736	450 ⁽¹⁾	(10,717)	104,469	15,815
2005 Oak Park TE, Series A	2,150	121 ⁽¹⁾	(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
For the Fiscal Year Ended June 30, 2025
(dollar amounts expressed in thousands)

NOTE 15 – SUCCESSOR AGENCY TRUST FUND (Continued)

Future Debt Service Requirements

Annual debt service requirements to maturity are as follows:

Fiscal Year 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: Unaccreted 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 June 30, 2024, as previously reported	Restatement	Net position, as of June 30, 2024, as 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)

NOTE 18 – RESTATEMENT OF BEGINNING NET POSITION (Continued)

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

	Net position, as of June 30, 2024, as previously reported	Restatement	Net position, as of June 30, 2024, as restated
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
	<u>1,380,102</u>	<u>(1,939)</u>	<u>1,378,163</u>
Total	\$ 1,380,102	\$ (1,939)	\$ 1,378,163

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
Total pension liability					
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)
Net change in total pension liability	33,769	64,576	144,956	68,091	83,088
Total pension liability -- beginning	1,013,277	1,047,046	1,111,622	1,256,578	1,324,669
Total pension liability -- ending (a)	\$ 1,047,046	\$ 1,111,622	\$ 1,256,578	\$ 1,324,669	\$ 1,407,757
Plan fiduciary net position					
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
Net change in fiduciary net position	13,798	4,269	88,950	66,434	58,096
Plan fiduciary net position -- beginning	799,630	813,428	817,697	906,647	973,081
Plan fiduciary net position -- ending (b)	\$ 813,428	\$ 817,697	\$ 906,647	\$ 973,081	\$ 1,031,177
Net pension liability -- ending (a) - (b)	\$ 233,618	\$ 293,925	\$ 349,931	\$ 351,588	\$ 376,580
Plan fiduciary net position as a percentage of the total pension liability	77.69%	73.56%	72.15%	73.46%	73.25%
Covered payroll *	\$ 157,449	\$ 166,403	\$ 176,795	\$ 181,331	\$ 185,823
Net pension liability as a percentage of covered payroll	148.38%	176.63%	197.93%	193.89%	202.66%
Measurement date	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
Total pension liability					
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)
Net change in total pension liability	73,577	76,735	130,345	88,477	99,703
Total pension liability -- beginning	1,407,757	1,481,334	1,558,069	1,688,414	1,776,891
Total pension liability -- ending (a)	\$ 1,481,334	\$ 1,558,069	\$ 1,688,414	\$ 1,776,891	\$ 1,876,594
Plan fiduciary net position					
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	-	-	-	-	-
Net change in fiduciary net position	45,245	239,923	(106,814)	69,874	116,253
Plan fiduciary net position -- beginning	1,031,177	1,076,422	1,316,345	1,209,531	1,279,405
Plan fiduciary net position -- ending (b)	\$ 1,076,422	\$ 1,316,345	\$ 1,209,531	\$ 1,279,405	\$ 1,395,658
Net pension liability -- ending (a) - (b)	\$ 404,912	\$ 241,724	\$ 478,883	\$ 497,486	\$ 480,936
Plan fiduciary net position as a percentage of the total pension liability	72.67%	84.49%	71.64%	72.00%	74.37%
Covered payroll *	\$ 195,700	\$ 203,030	\$ 206,537	\$ 211,684	\$ 229,272
Net pension liability as a percentage of covered payroll	206.90%	119.06%	231.86%	235.01%	209.77%
Measurement date	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 Miscellaneous Plan
Schedule of Contributions
Last Ten Years (in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
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
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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)

	Fiscal Year				
	2021	2022	2023	2024	2025
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)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll *	\$ 203,030	\$ 206,537	\$ 211,684	\$ 229,272	\$ 256,546
Contributions as a percentage of covered payroll	21.64%	23.06%	24.35%	25.11%	25.36%
<u>Notes to the Required Supplementary Information</u>					
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
Total pension liability					
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)
Net change in total pension liability	42,242	90,319	174,232	70,029	123,847
Total pension liability -- beginning	1,518,033	1,560,275	1,650,594	1,824,826	1,894,855
Total pension liability -- ending (a)	<u>\$ 1,560,275</u>	<u>\$ 1,650,594</u>	<u>\$ 1,824,826</u>	<u>\$ 1,894,855</u>	<u>\$ 2,018,702</u>
Plan fiduciary net position					
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
Net change in fiduciary net position	(128)	(15,832)	105,204	79,238	69,287
Plan fiduciary net position -- beginning	1,144,102	1,143,974	1,128,142	1,233,346	1,312,584
Plan fiduciary net position -- ending (b)	<u>\$ 1,143,974</u>	<u>\$ 1,128,142</u>	<u>\$ 1,233,346</u>	<u>\$ 1,312,584</u>	<u>\$ 1,381,871</u>
Net pension liability -- ending (a) - (b)	<u>\$ 416,301</u>	<u>\$ 522,452</u>	<u>\$ 591,480</u>	<u>\$ 582,271</u>	<u>\$ 636,831</u>
Plan fiduciary net position as a percentage of the total pension liability	73.32%	68.35%	67.59%	69.27%	68.45%
Covered payroll *	<u>\$ 112,067</u>	<u>\$ 120,120</u>	<u>\$ 126,438</u>	<u>\$ 132,206</u>	<u>\$ 138,718</u>
Net pension liability as a percentage of covered payroll	371.48%	434.94%	467.80%	440.43%	459.08%
Measurement date	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
Total pension liability					
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)
Net change in total pension liability	110,788	107,161	186,849	123,612	154,296
Total pension liability -- beginning	2,018,702	2,129,490	2,236,651	2,423,500	2,547,112
Total pension liability -- ending (a)	<u>\$ 2,129,490</u>	<u>\$ 2,236,651</u>	<u>\$ 2,423,500</u>	<u>\$ 2,547,112</u>	<u>\$ 2,701,408</u>
Plan fiduciary net position					
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	-	-	-	-	-
Net change in fiduciary net position	54,053	318,230	(142,771)	90,847	150,231
Plan fiduciary net position -- beginning	1,381,871	1,435,924	1,754,154	1,611,383	1,702,230
Plan fiduciary net position -- ending (b)	<u>\$ 1,435,924</u>	<u>\$ 1,754,154</u>	<u>\$ 1,611,383</u>	<u>\$ 1,702,230</u>	<u>\$ 1,852,461</u>
Net pension liability -- ending (a) - (b)	<u>\$ 693,566</u>	<u>\$ 482,497</u>	<u>\$ 812,117</u>	<u>\$ 844,882</u>	<u>\$ 848,947</u>
Plan fiduciary net position as a percentage of the total pension liability	67.43%	78.43%	66.49%	66.83%	68.57%
Covered payroll *	<u>\$ 147,409</u>	<u>\$ 157,333</u>	<u>\$ 168,488</u>	<u>\$ 167,211</u>	<u>\$ 173,882</u>
Net pension liability as a percentage of covered payroll	470.50%	306.67%	482.00%	505.28%	488.23%
Measurement date	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)

	Fiscal Year				
	2016	2017	2018	2019	2020
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)	\$ -	\$ -	\$ -	\$ -	\$ -
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
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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)

	Fiscal Year				
	2021	2022	2023	2024	2025
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)	\$ -	\$ -	\$ -	\$ -	\$ -
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%
<u>Notes to the Required Supplementary Information</u>					
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
Total pension liability					
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)
Net change in total pension liability	(10,337)	(29,263)	(12,209)	(11,596)	(16,406)
Total pension liability -- beginning	376,478	366,141	336,878	324,669	313,073
Total pension liability -- ending (a)	\$ 366,141	\$ 336,878	\$ 324,669	\$ 313,073	\$ 296,667
Plan fiduciary net position					
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)
Net change in fiduciary net position	(16,093)	3,340	(1,901)	(5,041)	(18,431)
Plan fiduciary net position -- beginning	301,263	285,170	288,510	286,609	281,568
Plan fiduciary net position -- ending (b)	\$ 285,170	\$ 288,510	\$ 286,609	\$ 281,568	\$ 263,137
Net pension liability (asset)-- ending (a) - (b)	\$ 80,971	\$ 48,368	\$ 38,060	\$ 31,505	\$ 33,530
Plan fiduciary net position as a percentage of the total pension liability	77.89%	85.64%	88.28%	89.94%	88.70%
Covered payroll *	\$ 1,020	\$ 1,049	\$ 921	\$ 678	\$ 362
Net pension liability (asset) as a percentage of covered payroll	7938.33%	4610.87%	4132.46%	4646.76%	9262.43%
Measurement date	June 30, 2016	June 30, 2017	June 30, 2018	June 30, 2019	June 30, 2020

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
Total pension liability					
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)
Net change in total pension liability	(14,308)	(11,818)	(8,734)	(12,398)	(18,204)
Total pension liability -- beginning	296,667	282,359	270,541	261,807	249,409
Total pension liability -- ending (a)	\$ 282,359	\$ 270,541	\$ 261,807	\$ 249,409	\$ 231,205
Plan fiduciary net position					
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)
Net change in fiduciary net position	47,996	(56,962)	(4,205)	3,531	(143)
Plan fiduciary net position -- beginning	263,137	311,133	254,171	249,966	253,497
Plan fiduciary net position -- ending (b)	\$ 311,133	\$ 254,171	\$ 249,966	\$ 253,497	\$ 253,354
Net pension liability (asset)-- ending (a) - (b)	\$ (28,774)	\$ 16,370	\$ 11,841	\$ (4,088)	\$ (22,149)
Plan fiduciary net position as a percentage of the total pension liability	110.19%	93.95%	95.48%	101.64%	109.58%
Covered payroll *	\$ 270	\$ 189	\$ 103	\$ 87	\$ 91
Net pension liability (asset) as a percentage of covered payroll	-10657.04%	8661.38%	11496.12%	-4698.85%	-24339.56%
Measurement date	June 30, 2021	June 30, 2022	June 30, 2023	June 30, 2024	June 30, 2025

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)

	Fiscal Year				
	2016	2017	2018	2019	2020
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)	\$ -	\$ (315)	\$ (378)	\$ (2,239)	\$ -
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)

	Fiscal Year				
	2021	2022	2023	2024	2025
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)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll *	\$ 270	\$ 189	\$ 103	\$ 87	\$ 91
Contributions as a percentage of covered payroll	1416%	1841%	0%	1608%	1497%
<u>Notes to the Required Supplementary Information</u>					
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
Total OPEB liability				
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)
Net change in total OPEB liability	(9,809)	(16,084)	(107,699)	5,530
Total OPEB liability -- beginning	425,766	415,957	399,873	292,174
Total OPEB liability -- ending (a)	\$ 415,957	\$ 399,873	\$ 292,174	\$ 297,704
Plan fiduciary net position				
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)
Net change in fiduciary net position	11,361	10,582	6,243	10,185
Plan fiduciary net position -- beginning	15,084	26,445	37,027	43,270
Plan fiduciary net position -- ending (b)	\$ 26,445	\$ 37,027	\$ 43,270	\$ 53,455
Net OPEB liability -- ending (a) - (b)	\$ 389,512	\$ 362,846	\$ 248,904	\$ 244,249
Plan fiduciary net position as a percentage of the total OPEB liability	6.36%	9.26%	14.81%	17.96%
Covered payroll	\$ 237,926	\$ 236,885	\$ 245,622	\$ 261,187
Net OPEB liability as a percentage of covered payroll	163.71%	153.17%	101.34%	93.51%
Measurement date	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
Total OPEB liability				
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)
Net change in total OPEB liability	(26,092)	6,014	19,066	8,060
Total OPEB liability -- beginning	297,704	271,612	277,626	296,692
Total OPEB liability -- ending (a)	\$ 271,612	\$ 277,626	\$ 296,692	\$ 304,752
Plan fiduciary net position				
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)
Net change in fiduciary net position	21,352	(3,651)	13,661	18,105
Plan fiduciary net position -- beginning	53,455	74,807	71,156	84,817
Plan fiduciary net position -- ending (b)	\$ 74,807	\$ 71,156	\$ 84,817	\$ 102,922
Net OPEB liability -- ending (a) - (b)	\$ 196,805	\$ 206,470	\$ 211,875	\$ 201,830
Plan fiduciary net position as a percentage of the total OPEB liability	27.54%	25.63%	28.59%	33.77%
Covered payroll	\$ 249,162	\$ 244,497	\$ 242,374	\$ 238,736
Net OPEB liability as a percentage of covered payroll	78.99%	84.45%	87.42%	84.54%
Measurement date	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)

	Fiscal Year			
	2018	2019	2020	2021
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>
Covered payroll	\$ 236,885	\$ 245,622	\$ 261,187	\$ 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
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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 Medicare (Non-Kaiser) - 7.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076 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)

	Fiscal Year			
	2022	2023	2024	2025
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>
Covered payroll	\$ 244,497	\$ 242,374	\$ 238,736	\$ 230,763
Contributions as a percentage of covered payroll	10.09%	9.56%	9.71%	10.38%
<u>Notes to the Required Supplementary Information</u>				
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 Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
<u>ASSETS</u>					
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>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>					
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	(32,448)	-	(33,433)	-	(65,881)
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 Special Revenue Funds	Other Debt Service Funds	Other Capital Projects Funds	Permanent Funds	Total Other Governmental Funds
Revenues:					
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
Total revenues	211,767	2,766	166,116	830	381,479
Expenditures:					
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
Total expenditures	158,516	20,247	159,515	257	338,535
Excess (deficiency) of revenues over (under) expenditures	53,251	(17,481)	6,601	573	42,944
Other financing sources (uses):					
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
Total other financing sources (uses)	(14,683)	17,598	1,305	-	4,220
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	\$ 245,836	\$ 8,088	\$ 250,849	\$ 7,814	\$ 512,587

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 and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
ASSETS				
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>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
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 Grants Fund	CCOMWP Fund	Special Districts Fund	Cal EPA Fund	Total Other Special Revenue Funds
ASSETS					
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>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
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	(32,250)	-	-	-	(32,448)
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 and Development Fund	Culture and Leisure Fund	Parks and Recreation Fund	Economic Development Fund
Revenues:				
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
Total revenues	43,016	4,262	2,457	18,647
Expenditures:				
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	-
Total expenditures	31,035	4,130	1,654	3,678
Excess (deficiency) of revenues over (under) expenditures	11,981	132	803	14,969
Other financing sources (uses):				
Transfers in	-	745	31	8,913
Transfers out	(1,554)	-	(23)	(21,946)
Issuance of long-term debt	-	-	-	-
Total other financing sources (uses)	(1,554)	745	8	(13,033)
Changes in fund balances	10,427	877	811	1,936
Fund balances (deficits), beginning of year	66,803	2,393	8,766	79,416
Fund balances, end of year	\$ 77,230	\$ 3,270	\$ 9,577	\$ 81,352

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 Grants Fund	CCOMWP Fund	Special Districts Fund	Cal EPA Fund	Total Other Special Revenue Funds
Revenues:					
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
Total revenues	67,040	6,814	69,494	37	211,767
Expenditures:					
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
Total expenditures	52,496	4,911	60,502	110	158,516
Excess (deficiency) of revenues over (under) expenditures	14,544	1,903	8,992	(73)	53,251
Other financing sources (uses):					
Transfers in	-	651	-	-	10,340
Transfers out	(388)	-	(2,690)	-	(26,601)
Issuance of long-term debt	1,578	-	-	-	1,578
Total other financing sources (uses)	1,190	651	(2,690)	-	(14,683)
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
Fund balances, end of year	\$ 42,000	\$ 341	\$ 30,768	\$ 1,298	\$ 245,836

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 Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
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
Total revenues	20,731	25,117	27,863	2,746
Expenditures:				
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)
Total expenditures	42,444	46,812	19,525	27,287
Excess (deficiency) of revenues over (under) expenditures	(21,713)	(21,695)	8,338	30,033
Other financing uses:				
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	\$ 35,029	\$ 35,047	63,903	\$ 28,856
Change in fund balance for Transportation and Development Special Revenue Fund activities for which annual budgets are not adopted			3,266	
Fund balance, beginning of year for non-budgeted activities			10,061	
Fund balance, end of year			\$ 77,230	

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)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
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	-
Total revenues	2,965	3,465	4,262	797
Expenditures:				
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)
Total expenditures	5,170	5,679	4,130	1,549
Excess (deficiency) of revenues over (under) expenditures	(2,205)	(2,214)	132	2,346
Other financing sources:				
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	-
Fund balance (deficit), end of year	\$ 889	\$ 880	\$ 3,270	\$ 2,390

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 Amounts	Variance with 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	681	777	847	70
Expenditures:				
Current:				
Youth, parks, and community enrichment	518	614	917	(303)
Excess (deficiency) of revenues over (under) expenditures	163	163	(70)	(233)
Other financing sources:				
Transfers in	-	31	31	-
Changes in fund balance for budgeted activities	163	194	(39)	(233)
Fund balance, beginning of year for budgeted activities	110	110	110	-
Fund balance, end of year for budgeted activities	<u>\$ 273</u>	<u>\$ 304</u>	71	<u>\$ (233)</u>
Change in fund balance for Parks and Recreation Special Revenue Fund activities for which annual budgets are not adopted.			850	
Fund balance, beginning of year for non-budgeted activities			8,656	
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 Amounts	Variance with 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	<u>\$ 1,246</u>	<u>\$ 756</u>	1,006	<u>\$ 250</u>
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			<u>\$ 341</u>	

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 Amounts	Variance with Final Budget
	Original	Final		
Revenues:				
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
Total revenues	60,610	60,610	69,494	8,884
Expenditures:				
Current:				
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
Total expenditures	60,724	60,856	60,502	354
Excess (deficiency) of revenues over (under) expenditures	(114)	(246)	8,992	9,238
Other financing uses:				
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	-
Fund balance, end of year	\$ 21,610	\$ 21,478	\$ 30,768	\$ 9,290

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)

	2006 Series B Revenue Bond Fund	2006 Series E Revenue Bond Fund	2015 Refunding Revenue Bond Fund
<u>ASSETS</u>			
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	<u>\$ 15,879</u>	<u>\$ 1,506</u>	<u>\$ 2,130</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ -	\$ -	\$ -
Deferred inflows of resources:			
Unavailable revenue	8,351	1,504	-
Leases	2,692	-	-
Total deferred inflows of resources	<u>11,043</u>	<u>1,504</u>	<u>-</u>
Fund balances:			
Nonspendable:			
Leases	171	-	-
Restricted:			
Debt service	3,934	-	-
Committed:			
Debt service	731	2	-
Assigned:			
Debt service	-	-	2,130
Total fund balances	<u>4,836</u>	<u>2</u>	<u>2,130</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 15,879</u>	<u>\$ 1,506</u>	<u>\$ 2,130</u>

City of Sacramento
Other Debt Service Funds
Combining Balance Sheet

June 30, 2025

(in thousands)

	2016 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
<u>ASSETS</u>			
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	<u>\$ 1,575</u>	<u>\$ 1</u>	<u>\$ 21,091</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>			
Liabilities:			
Deposits	\$ 456	\$ -	\$ 456
Deferred inflows of resources:			
Unavailable revenue	-	-	9,855
Leases	-	-	2,692
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>12,547</u>
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	<u>1,119</u>	<u>1</u>	<u>8,088</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 1,575</u>	<u>\$ 1</u>	<u>\$ 21,091</u>

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 Series B Revenue Bond Fund	2006 Series E Revenue Bond Fund	2015 Refunding Revenue 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 (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 SPFA Lease Financing Fund	Other City Debt Fund	Total Other Debt Service Funds
Revenues:			
Intergovernmental	\$ -	\$ -	\$ 678
Interest, rents, and concessions	916	-	2,088
Total revenues	916	-	2,766
Expenditures:			
Debt service:			
Principal	535	-	11,985
Interest and fiscal charges	140	-	8,262
Total expenditures	675	-	20,247
Excess (deficiency) of revenues over (under) expenditures	241	-	(17,481)
Other financing sources:			
Transfers in	-	-	17,598
Changes in fund balances	241	-	117
Fund balances, beginning of year	878	1	7,971
Fund balances, end of year	\$ 1,119	\$ 1	\$ 8,088

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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 Capital Projects Fund	Transportation and Development Fund	Crocker Art Museum Expansion Fund	Capital Grants Fund
<u>ASSETS</u>				
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	<u>\$ 31</u>	<u>\$ 138,949</u>	<u>\$ 164</u>	<u>\$ 37,080</u>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ -	\$ 1,555	\$ -	\$ 18,875
Deposits	-	25	-	-
Due to other funds	-	-	-	10,909
Unearned revenue	-	-	-	5,508
Total liabilities	<u>-</u>	<u>1,580</u>	<u>-</u>	<u>35,292</u>
Deferred inflows of resources:				
Unavailable revenue	<u>-</u>	<u>2,146</u>	<u>-</u>	<u>32,615</u>
Fund balances:				
Restricted:				
Capital projects	31	136,041	164	1,788
Other programs	-	-	-	-
Unassigned	<u>-</u>	<u>(818)</u>	<u>-</u>	<u>(32,615)</u>
Total fund balances (deficit)	<u>31</u>	<u>135,223</u>	<u>164</u>	<u>(30,827)</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 31</u>	<u>\$ 138,949</u>	<u>\$ 164</u>	<u>\$ 37,080</u>

City of Sacramento
Other Capital Projects Funds
Combining Balance Sheet

June 30, 2025
(in thousands)

	Financing Plans Fund	Special Districts Fund	Economic Development Fund	Total Other Capital Projects Funds
<u>ASSETS</u>				
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>
<u>LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</u>				
Liabilities:				
Accounts payable	\$ 8,337	\$ -	\$ 50	\$ 28,817
Deposits	80	-	-	105
Due to other funds	-	-	-	10,909
Unearned revenue	6,979	-	-	12,487
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 Capital Projects Fund	Transportation and Development Fund	Crocker Art Museum Expansion Fund	Capital Grants 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 (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)

	Financing Plans Fund	Special Districts Fund	Economic Development Fund	Total Other Capital Projects Funds
Revenues:				
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
Total revenues	32,316	44,338	270	166,116
Expenditures:				
Current:				
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
Debt service:				
Principal	4,622	-	-	4,622
Interest and fiscal charges	2,791	-	-	2,791
Total expenditures	23,507	57,350	20	159,515
Excess (deficiency) of revenues over (under) expenditures	8,809	(13,012)	250	6,601
Other financing sources (uses):				
Transfers in	142	-	-	142
Transfers out	(1,628)	-	-	(1,628)
Issuance of long-term debt	2,791	-	-	2,791
Total other financing sources (uses)	1,305	-	-	1,305
Changes in fund balances	10,114	(13,012)	250	7,906
Fund balances (deficit), beginning of year	120,095	18,778	10,033	242,943
Fund balances (deficit), end of year	\$ 130,209	\$ 5,766	\$ 10,283	\$ 250,849

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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 HENSCHER 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)

	<u>Ann Land Fund</u>	<u>Bertha Henschel Fund</u>	<u>George Clark Scholarship Fund</u>	<u>Alice Miller Fund</u>	<u>Total Permanent Funds</u>
<u>ASSETS</u>					
Cash and investments held by City	\$ 1,330	\$ 3,989	\$ 2,475	\$ 50	\$ 7,844
Receivables, net:					
Interest	8	26	2	-	36
Total assets	<u>\$ 1,338</u>	<u>\$ 4,015</u>	<u>\$ 2,477</u>	<u>\$ 50</u>	<u>\$ 7,880</u>
<u>FUND BALANCES</u>					
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	<u>1,322</u>	<u>3,965</u>	<u>2,477</u>	<u>50</u>	<u>7,814</u>
Total liabilities and fund balances	<u>\$ 1,338</u>	<u>\$ 4,015</u>	<u>\$ 2,477</u>	<u>\$ 50</u>	<u>\$ 7,880</u>

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)

	Ann Land Fund	Bertha Henschel Fund	George Clark Scholarship Fund	Alice Miller Fund	Total Permanent Funds
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	<u>\$ 1,322</u>	<u>\$ 3,965</u>	<u>\$ 2,477</u>	<u>\$ 50</u>	<u>\$ 7,814</u>

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.

4th 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 Fund	4th R Child Development Fund	Total Other Enterprise Funds
<u>ASSETS</u>			
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
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
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 Fund	4th R Child Development Fund	Total Other Enterprise Funds
<u>LIABILITIES</u>			
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
<u>DEFERRED INFLOWS OF RESOURCES</u>			
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
<u>NET POSITION</u>			
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 Child Development Fund	Total Other Enterprise 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 Fund	4th R Child Development Fund	Total Other Enterprise Funds
Cash flows from operating activities:			
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	7,591	279	7,870
Cash flows from noncapital financing activities:			
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	3,219	349	3,568
Cash flows from capital and related financing activities:			
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	223	-	223
Net cash used for capital and related financing activities	(10,120)	-	(10,120)
Cash flows from investing activities:			
Collection of interest and investment revenue	537	54	591
Net increase in cash and cash equivalents	1,227	682	1,909
Cash and cash equivalents, beginning of year	20,751	2,352	23,103
Cash and cash equivalents, end of year	\$ 21,978	\$ 3,034	\$ 25,012

City of Sacramento
Other Enterprise Funds
Combining Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025
(in thousands)

	Parking Fund	4th R Child Development Fund	Total Other Enterprise Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 6,289	\$ (41)	\$ 6,248
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	1,847	31	1,878
Amortization of intangible assets	-	8	8
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
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>
Noncash investing, capital and financing activities:			
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)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
ASSETS					
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
DEFERRED OUTFLOWS OF RESOURCES					
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 SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	2023 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
ASSETS					
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
DEFERRED OUTFLOWS OF RESOURCES					
Loss on refunding of debt	-	2,836	-	-	5,457
Pensions	-	-	-	-	12,390
OPEB	-	-	-	-	1,304
Total deferred outflows of resources	-	2,836	-	-	19,151

City of Sacramento
Water Fund
Combining Schedule of Net Position
June 30, 2025
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
<u>LIABILITIES</u>					
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
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Gain on debt refunding	-	-	-	-	-
Pensions	-	1,062	-	-	-
OPEB	-	1,630	-	-	-
Leases	-	687	-	-	-
Total deferred inflows of resources	-	3,379	-	-	-
<u>NET POSITION</u>					
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 SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	2023 Water Revenue Refunding Bonds Fund	Eliminations	Total Water Fund
LIABILITIES					
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
DEFERRED INFLOWS OF RESOURCES					
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
NET POSITION					
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)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds 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	-	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	\$ 84,142	\$ 538,874	\$ 10,042	\$ 233,385	\$ 490

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 SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	2023 Water Revenue Refunding Bonds Fund	Eliminations	Total Water 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	-	-	-	-	4,698
Transfers in	8,240	5,197	1,229	(20,726)	302
Transfers out	-	-	-	20,726	(15,251)
Special item	-	-	-	-	13,400
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)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
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	-	(20,729)	-	(30)	-
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	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 SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	2023 Water Revenue Refunding Bonds Fund	Eliminations	Total Water 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)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Water Revenue Bonds Fund	2017 Water Revenue Bonds Fund
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 SRF Loan Fund	2020 Water Revenue Refunding Bonds Fund	2023 Water Revenue Refunding Bonds Fund	Eliminations	Total Water 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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City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2025
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
<u>ASSETS</u>				
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
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
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 Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
<u>ASSETS</u>				
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
<u>DEFERRED OUTFLOWS OF RESOURCES</u>				
Loss on refunding of debt	-	1,989	-	1,989
Pensions	-	-	-	3,083
OPEB	-	-	-	390
Total deferred outflows of resources	-	1,989	-	5,462

City of Sacramento
Wastewater Fund
Combining Schedule of Net Position

June 30, 2025
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
<u>LIABILITIES</u>				
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	-
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	-	277	-	-
OPEB	-	507	-	-
Total deferred inflows of resources	-	784	-	-
<u>NET POSITION</u>				
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 Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
<u>LIABILITIES</u>				
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
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Pensions	-	-	-	277
OPEB	-	-	-	507
Total deferred inflows of resources	-	-	-	784
<u>NET POSITION</u>				
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)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
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	\$ 22,347	\$ 178,038	\$ 12,206	\$ 28,765

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)

	2019 Wastewater Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater Fund
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	\$ 1,261	\$ (23,462)	\$ -	\$ 219,155

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2025
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds Fund
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 Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater 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	<u>509</u>	<u>-</u>	<u>-</u>	<u>73,814</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	509	-	-	7,586
Total cash and cash equivalents, end of year	<u>\$ 509</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 73,814</u>

City of Sacramento
Wastewater Fund
Combining Schedule of Cash Flows
For the Fiscal Year Ended June 30, 2025
(in thousands)

	Development Impact Fee Fund	User Fee Fund	Grant Projects Fund	2013 Wastewater Revenue Bonds 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 Revenue Bonds Fund	2020 Wastewater Revenue Refunding Bonds Fund	Eliminations	Total Wastewater 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
ASSETS					
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
DEFERRED OUTFLOWS OF RESOURCES					
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 Revenue Bonds, Tax-Exempt Fund	2018 TOT Revenue Bonds, Taxable Fund	2019 STID Assessment Revenue Bonds Fund	Total Community Center Fund
<u>LIABILITIES</u>					
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
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Pensions	176	-	-	-	176
<u>NET POSITION</u>					
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

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 Center Fund	2018 TOT Revenue Bonds, Tax-Exempt Fund	2018 TOT Revenue Bonds, Taxable Fund
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	15,951	882	-
Depreciation/amortization	1,436	-	-
Claims and judgments	72	-	-
Total operating expenses	26,983	882	-
Operating loss	(11,917)	(882)	-
Nonoperating revenues (expenses):			
Interest and investment revenue	2,267	113	310
Transient occupancy taxes	35,228	-	-
Interest expense	(154)	(11,780)	(142)
Total nonoperating revenues (expenses)	37,341	(11,667)	168
Income (loss) before transfers	25,424	(12,549)	168
Transfers in	-	15,139	3,471
Transfers out	(22,405)	-	-
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	96,185	16,346	16,476
Total net position, end of year	\$ 99,204	\$ 18,936	\$ 20,115

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)

	2019 STID Assessment Revenue Bonds Fund	Eliminations	Total Community Center Fund
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	\$ 1,761	\$ -	\$ 140,016

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
Cash flows from operating activities:			
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)	-
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	(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)
Cash flows from investing activities:			
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
Reconciliation of cash and cash equivalents to the Schedule of Net Position:			
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 Assessment Revenue Bonds Fund	Eliminations	Total Community 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	<u>\$ 2,040</u>	<u>\$ -</u>	<u>\$ 47,934</u>
Reconciliation of cash and cash equivalents 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	<u>\$ 2,040</u>	<u>\$ -</u>	<u>\$ 47,934</u>

(continued)

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
Reconciliation of operating loss to net cash used for operating activities:			
Operating loss	\$ (11,917)	\$ (882)	\$ -
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>\$ (11,597)</u>	<u>\$ (882)</u>	<u>\$ -</u>
Noncash investing, capital and financing activities:			
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 Assessment Revenue Bonds Fund	Eliminations	Total Community 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 Management Fund	Risk Management Fund	Total Internal Service Funds
<u>ASSETS</u>			
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
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
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 Management Fund	Risk Management Fund	Total Internal Service Funds
<u>LIABILITIES</u>			
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
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
Total noncurrent liabilities	16,799	119,764	136,563
Total liabilities	21,888	160,814	182,702
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Pensions	6	1	7
OPEB	636	5	641
Total deferred inflows of resources	642	6	648
<u>NET POSITION</u>			
Net investment in capital assets	97,981	41	98,022
Unrestricted	46,147	(12,451)	33,696
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)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
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)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Cash flows from operating activities:			
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	25,147	2,587	27,734
Cash flows from noncapital financing activities:			
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	(1,804)	(1,727)	(3,531)
Cash flows from capital and related financing activities:			
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	(28,675)	(92)	(28,767)
Cash flows from investing activities:			
Collection of interest and investment revenue	2,626	5,192	7,818
Net increase (decrease) in cash and cash equivalents	(2,706)	5,960	3,254
Cash and cash equivalents, beginning of year	50,142	91,755	141,897
Cash and cash equivalents, end of year	<u>\$ 47,436</u>	<u>\$ 97,715</u>	<u>\$ 145,151</u>
Reconciliation of cash and cash equivalents to the Statement of Net Position:			
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)

	Fleet Management Fund	Risk Management Fund	Total Internal Service Funds
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ 8,462	\$ (1,320)	\$ 7,142
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:			
Depreciation/amortization expense	17,585	94	17,679
Amortization of intangible assets	66	-	66
Nonoperating claims and judgments	-	(5,034)	(5,034)
Changes in assets, liabilities, and deferred outflows and inflows of resources:			
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	(346)	(120)	(466)
Net cash provided by operating activities	<u>\$ 25,147</u>	<u>\$ 2,587</u>	<u>\$ 27,734</u>
Noncash investing, capital and financing activities:			
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 Investment Accounts	Assessment Districts & Community Facilities Districts	Total Other Custodial Funds
<u>ASSETS</u>			
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	110,677	49,067	159,744
<u>LIABILITIES</u>			
Due to bondholders	-	49,067	49,067
<u>NET POSITION</u>			
Held for individuals, organizations, and other governments	\$ 110,677	\$ -	\$ 110,677

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 Investment Accounts	Assessment Districts & Community Facilities Districts	Total Other Custodial Funds
Additions:			
Deposits	\$ 2,292	\$ -	\$ 2,292
Special assessments	-	18,556	18,556
Fines, forfeits, and penalties	-	4	4
Capital contributions	-	10,467	10,467
Investment income:			
From investment activities:			
Net appreciation in fair value of investments	3,355	-	3,355
Interest	3,188	1,701	4,889
Total investment income	6,543	1,701	8,244
Total additions	8,835	30,728	39,563
Deductions:			
Withdrawals	45,033	-	45,033
Paid to bondholders	-	27,750	27,750
Administrative expenses	-	2,978	2,978
Total deductions	45,033	30,728	75,761
Changes in net position	(36,198)	-	(36,198)
Net position, beginning of year	146,875	-	146,875
Net position, end of year	\$ 110,677	\$ -	\$ 110,677

Statistical Section

Statistical Section

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

Financial Trends Information

These schedules contain trend information to help the reader understand how the City's financial performance and 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 ^{(1) (2) (3) (4)}
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>\$ 1,073,117</u>	<u>\$ 1,040,836</u>	<u>\$ 911,749</u>	<u>\$ 955,131</u>	<u>\$ 1,045,263</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>\$ 952,170</u>	<u>\$ 998,815</u>	<u>\$ 1,034,290</u>	<u>\$ 1,107,244</u>	<u>\$ 1,172,792</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>\$ 2,025,287</u>	<u>\$ 2,039,651</u>	<u>\$ 1,946,039</u>	<u>\$ 2,062,375</u>	<u>\$ 2,218,055</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.

City of Sacramento
Net Position by Component ^{(1) (2) (3) (4)}
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>\$ 1,129,744</u>	<u>\$ 1,356,731</u>	<u>\$ 1,389,285</u>	<u>\$ 1,449,379</u>	<u>\$ 1,555,883</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>\$ 1,214,140</u>	<u>\$ 1,254,938</u>	<u>\$ 1,304,977</u>	<u>\$ 1,380,102</u>	<u>\$ 1,467,002</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>\$ 2,343,884</u>	<u>\$ 2,611,669</u>	<u>\$ 2,694,262</u>	<u>\$ 2,829,481</u>	<u>\$ 3,022,885</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.

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

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
<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 ⁽²⁾	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 ⁽³⁾	-	-	-	-	-
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	656,878	658,416	750,910	817,101	897,189
<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	224,419	235,728	251,752	277,860	291,854
Total primary government expenses	\$ 881,297	\$ 894,144	\$ 1,002,662	\$ 1,094,961	\$ 1,189,043

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 ⁽¹⁾
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2021	2022	2023	2024	2025
Expenses					
<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 ⁽²⁾	-	-	-	-	-
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 ⁽³⁾	-	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	990,815	930,642	1,052,400	1,115,010	1,159,441
<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	280,109	282,597	330,222	349,202	372,476
Total primary government expenses	\$ 1,270,924	\$ 1,213,239	\$ 1,382,622	\$ 1,464,212	\$ 1,531,917

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 ⁽¹⁾
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
Program Revenues					
<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 ⁽²⁾	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	303,269	282,611	329,908	351,868	432,836
<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	273,853	288,621	321,218	332,541	353,905
Total primary government program revenues	\$ 577,122	\$ 571,232	\$ 651,126	\$ 684,409	\$ 786,741
Net (Expense) Revenue					
Governmental activities	\$ (353,609)	\$ (375,805)	\$ (421,002)	\$ (465,233)	\$ (464,353)
Business-type activities	49,434	52,893	69,466	54,681	62,051
Total primary government net expenses	\$ (304,175)	\$ (322,912)	\$ (351,536)	\$ (410,552)	\$ (402,302)

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 ⁽¹⁾
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2021	2022	2023	2024	2025
Program Revenues					
<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 ⁽²⁾	-	-	-	-	-
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
Net (Expense) Revenue					
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	\$ (430,325)	\$ (308,429)	\$ (573,782)	\$ (592,142)	\$ (570,683)

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 ⁽¹⁾
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2016	2017	2018	2019	2020
General Revenues and Other					
Changes in Net Position					
<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	383,114	343,524	444,113	508,615	554,485
<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	11,475	(6,248)	(6,212)	18,273	3,497
Total primary government	\$ 394,589	\$ 337,276	\$ 437,901	\$ 526,888	\$ 557,982
Change in Net Position					
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	\$ 90,414	\$ 14,899	\$ 86,365	\$ 116,336	\$ 155,680

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 ⁽¹⁾
Last Ten Fiscal Years

(accrual basis of accounting, in thousands)

	Fiscal Year				
	2021	2022	2023	2024	2025
General Revenues and Other					
Changes in Net Position					
<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	18,647	25,995	40,152	41,976	42,901
Total governmental activities	567,006	599,380	660,908	707,449	735,763
<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	(18,647)	(25,995)	(40,152)	(41,976)	(42,901)
Total business-type activities	(3,070)	(23,166)	(4,533)	19,911	37,881
Total primary government	\$ 563,936	\$ 576,214	\$ 656,375	\$ 727,360	\$ 773,644
Change in Net Position					
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	\$ 133,611	\$ 267,785	\$ 82,593	\$ 135,218	\$ 202,961

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
General Fund					
Nonspendable:					
Prepaid items	\$ 2	\$ 12	\$ 45	\$ -	\$ 1,279
Leases	-	-	-	-	-
Due from other funds	-	3,800	3,800	-	-
Restricted:					
Capital projects	1,860	-	-	-	-
Ambulance service	1,085	-	-	-	-
Other programs	17	17	-	-	-
Committed:					
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
Assigned:					
Unrealized investment gains	732	-	-	381	1,960
Unassigned	26,649	24,739	25,021	32,923	50,007
Total general fund	<u>\$ 149,996</u>	<u>\$ 155,554</u>	<u>\$ 172,369</u>	<u>\$ 210,606</u>	<u>\$ 225,439</u>
All Other Governmental Funds					
Nonspendable:					
Prepaid items	\$ -	\$ -	\$ -	\$ -	\$ 5,715
Leases	-	-	-	-	-
Noncurrent assets	283	193	98	-	-
Permanent fund principal	878	878	878	878	878
Restricted:					
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
Committed:					
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
Assigned:					
Debt service	2,547	2,406	2,008	2,700	2,968
Unrealized investment gains	40	-	-	51	675
Other programs	60	-	360	18	170
Unassigned	(19,657)	(18,037)	(22,656)	(18,503)	(33,465)
Total all other governmental funds	<u>\$ 321,740</u>	<u>\$ 362,710</u>	<u>\$ 347,939</u>	<u>\$ 396,158</u>	<u>\$ 435,565</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
General Fund					
Nonspendable:					
Prepaid items	\$ 1,084	\$ 1,767	\$ 756	\$ 449	\$ 424
Leases	-	1,032	1,743	1,959	2,129
Due from other funds	-	-	-	-	-
Restricted:					
Capital projects	-	-	-	-	-
Ambulance service	-	-	-	-	-
Other programs	-	-	-	-	-
Committed:					
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
Assigned:					
Unrealized investment gains	103	-	-	-	-
Unassigned	30,315	44,080	11,172	30,304	27,503
Total general fund	<u>\$ 239,993</u>	<u>\$ 328,010</u>	<u>\$ 324,479</u>	<u>\$ 326,448</u>	<u>\$ 335,102</u>
All Other Governmental Funds					
Nonspendable:					
Prepaid items	\$ 8,783	\$ 10,267	\$ 29	\$ 16	\$ 14
Leases	-	40	109	152	200
Noncurrent assets	-	-	-	-	-
Permanent fund principal	578	578	578	578	578
Restricted:					
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
Committed:					
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
Assigned:					
Debt service	2,270	2,017	2,056	3,065	2,739
Unrealized investment gains	51	-	-	-	-
Other programs	63	-	-	-	508
Unassigned	(32,460)	(29,423)	(45,591)	(49,061)	(65,881)
Total all other governmental funds	<u>\$ 470,326</u>	<u>\$ 510,704</u>	<u>\$ 554,166</u>	<u>\$ 574,644</u>	<u>\$ 614,967</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)

	Fiscal Year				
	2016	2017	2018	2019	2020
Revenues					
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
Total revenues	709,894	694,431	723,917	838,228	885,734
Expenditures					
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 ⁽¹⁾	9,871	13,270	-	-	-
Youth, parks, and community enrichment ⁽²⁾	37,801	38,707	38,615	40,866	45,791
Community development	34,110	40,499	45,787	54,342	67,128
Community response ⁽³⁾	-	-	-	-	-
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
Total Expenditures	928,058	684,393	756,638	796,914	877,832
Excess (deficiency) of revenues over (under) expenditures	(218,164)	10,038	(32,721)	41,314	7,902
Other financing sources (uses)					
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)	-	-	-	-
Total other financing sources (uses)	318,436	36,491	34,765	38,142	42,455
Special items	(8,830)	-	-	7,000	3,883
Changes in fund balances	\$ 91,442	\$ 46,529	\$ 2,044	\$ 86,456	\$ 54,240
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.

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

(modified accrual basis of accounting, in thousands)

	Fiscal Year				
	2021	2022	2023	2024	2025
Revenues					
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
Total revenues	1,042,782	1,111,146	1,026,108	1,095,753	1,195,695
Expenditures					
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 ⁽¹⁾	-	-	-	-	-
Youth, parks, and community enrichment ⁽²⁾	41,878	49,652	55,084	72,404	61,467
Community development	68,404	64,395	61,028	67,166	92,785
Community response ⁽³⁾	-	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
Total Expenditures	1,030,785	1,061,710	1,046,039	1,146,826	1,199,569
Excess (deficiency) of revenues over (under) expenditures	11,997	49,436	(19,931)	(51,073)	(3,874)
Other financing sources (uses)					
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	-	-	-	-	-
Total other financing sources (uses)	37,318	78,959	59,862	73,520	52,851
Special items	-	-	-	-	-
Changes in fund balances	\$ 49,315	\$ 128,395	\$ 39,931	\$ 22,447	\$ 48,977
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.

City of Sacramento
Tax Revenues by Source, Governmental Funds ⁽¹⁾
Last Ten Fiscal Years

(modified accrual basis of accounting, in thousands)

Fiscal Year	Property ⁽²⁾	Sales & Use ⁽³⁾	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.

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 June 30	Gross Assessed Value ⁽¹⁾				Exemptions	Net Assessed Taxable Value	Total Direct Tax Rate ⁽²⁾
	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.

City of Sacramento
Direct and Overlapping Property Tax Rates ⁽¹⁾
Per \$100 of Assessed Value
Last Ten Fiscal Years

Fiscal Year End June 30	Basic County, City, and School Levy ⁽²⁾	County of Sacramento	Schools	Special Districts	Total
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.

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	\$ 75,074,599		100.00 %	\$ 40,897,784		100.00 %

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 ⁽¹⁾	Collected within the Fiscal Year of the Levy		Collection in Subsequent Year ⁽⁴⁾	Total Collections to Date	
		Amount	Percentage of Levy		Amount	Percentage of Levy
2016	\$ 155,024 ^{(2) (3)}	\$ 153,563	99.06%	\$ 1,461	\$ 155,024	100.00%
2017	149,456 ^{(2) (3)}	147,960	99.00%	1,496	149,456	100.00%
2018	158,378 ^{(2) (3)}	156,689	98.93%	1,689	158,378	100.00%
2019	170,117 ^{(2) (3)}	168,637	99.13%	1,480	170,117	100.00%
2020	185,127 ^{(2) (3)}	183,365	99.05%	1,762	185,127	100.00%
2021	196,743 ^{(2) (3)}	194,957	99.09%	1,786	196,743	100.00%
2022	209,259 ^{(2) (3)}	207,443	99.13%	1,816	209,259	100.00%
2023	225,814 ^{(2) (3)}	223,901	99.15%	1,913	225,814	100.00%
2024	240,913 ^{(2) (3)}	238,774	99.11%	2,139	240,913	100.00%
2025	251,099 ^{(2) (3)}	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 ⁽⁷⁾	IT Subscriptions ⁽⁸⁾	Revenue Bonds	Notes Payable	Leases ⁽⁷⁾	IT Subscriptions ⁽⁸⁾	
2016 ⁽¹⁾	\$ 627,351	\$ 15,290	\$ 7,294	\$ -	\$ 493,406	\$ 26,340	\$ 8,654	\$ -	\$ 1,178,335
2017 ⁽²⁾	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 ⁽³⁾	513,186	14,014	1,011	-	831,547	33,185	2,340	-	1,395,283
2020 ⁽⁴⁾	494,320	16,915	325	-	858,891	56,713	973	-	1,428,137
2021 ⁽⁵⁾	475,282	16,909	199	-	822,397	124,073 ⁽⁶⁾	-	-	1,314,787
2022	459,996	16,702	1,643	-	794,212	143,211 ⁽⁶⁾	2,012	-	1,274,565
2023	443,396	16,385	1,165	10,260	765,573	136,812 ⁽⁶⁾	1,870	1,462	1,240,111
2024 ⁽⁹⁾	426,510	15,954	1,191	12,882	732,031	130,875 ⁽⁶⁾	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

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

(in thousands, except Population and Per Capita)

Fiscal Year	Percentage of Personal Income	Population	Per Capita
2016 ⁽¹⁾	NA	485,683	\$ 2,426
2017 ⁽²⁾	NA	493,025	2,409
2018	NA	501,344	2,231
2019 ⁽³⁾	NA	508,172	2,746
2020 ⁽⁴⁾	NA	510,931	2,795
2021 ⁽⁵⁾	NA	515,673	2,550
2022	NA	518,037	2,460
2023	NA	518,161	2,393
2024 ⁽⁹⁾	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

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 ⁽¹⁾
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			1,796,193
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			170,198
Total Overlapping Debt			1,966,391
City of Sacramento Direct Debt ⁽²⁾			438,480
Total Direct and Overlapping Debt			\$ 2,404,871

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)

Fiscal Year	Water Revenue					
	Gross Revenue	Less: Operating Expenses ⁽¹⁾	Net Revenue	Debt Service Requirements ⁽²⁾		Coverage
				Principal	Interest	
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					
	Gross Revenue	Less: Operating Expenses ⁽¹⁾	Net Revenue	Debt Service Requirements ⁽³⁾		Coverage
				Principal	Interest	
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 ⁽⁴⁾	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.

Source: City of Sacramento's internal financial documents.

City of Sacramento
Pledged-Revenue Coverage
Last Ten Fiscal Years
(in thousands)

Storm Drainage Revenue						
Fiscal Year	Gross Revenue	Less: Operating Expenses ⁽¹⁾	Net Revenue	Debt Service Requirements ⁽²⁾		Coverage
				Principal	Interest	
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 ⁽⁶⁾	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

Transient Occupancy Tax (TOT) Revenue						
Fiscal Year	Gross Revenue	Less: Operating Expenses ⁽⁵⁾	Net Revenue	Debt Service Requirements ⁽³⁾		Coverage
				Principal	Interest	
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

Sacramento Tourism Infrastructure District (STID) Assessment Revenue						
Fiscal Year	Gross Revenue	Less: Operating Expenses ⁽⁵⁾	Net Revenue	Debt Service Requirements ⁽⁴⁾		Coverage
				Principal	Interest	
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

Year	Population (A)	Personal Income (in millions of dollars)	Per Capita Personal Income (B)	Median Age	Education Level in Years of Schooling	School Enrollment (C)	Unemployment Rate (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	5.3

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.

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) ⁽¹⁾	Rank	Percentage of Total Employment (B) ⁽²⁾	Employees (A) ⁽¹⁾	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 ^{(1) (2)}
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^{(1) (2)}
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^{(1) (2)}
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^{(1) (2)}
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 ^{(1) (2)}
Merged Downtown
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	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%
Total	<u>\$ 922,153</u>	<u>\$ 440,429</u>	<u>\$ (481,724)</u>	<u>52.24%</u>

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 ^{(1) (2)}
Del Paso Heights
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	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%
Total	<u>\$ 3,712</u>	<u>\$ 2,128</u>	<u>\$ (1,584)</u>	<u>42.67%</u>

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 ^{(1) (2)}
Oak Park
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	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%
Total	<u>\$ 473</u>	<u>\$ 380</u>	<u>\$ (93)</u>	<u>19.66%</u>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

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(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
River District
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
BERCUT STORAGE	\$ 3,842	\$ 1,921	\$ (1,921)	46.46%
CALIBER COLLISION	293	146	(147)	3.56%
Total	<u>\$ 4,135</u>	<u>\$ 2,067</u>	<u>\$ (2,068)</u>	<u>50.01%</u>

Notes: (1) These are outstanding appeals; there is no estimate of outcome.

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(3) Based on Assessor's report "At-Risk Assessed Valuation Through Appeals Process" as of July 1, 2025.

Source: Sacramento County Assessor

City of Sacramento
Successor Agency Trust Fund
Top 10 Parcels Appealing Assessed Valuation - At Risk of Reduction ^{(1) (2)}
North Sacramento
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
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%
Total	<u>\$ 171,094</u>	<u>\$ 104,305</u>	<u>\$ (66,789)</u>	<u>39.04%</u>

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 ^{(1) (2)}
Franklin Boulevard
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	Value Difference	Percentage of Total Taxable Value
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%
Total	<u>\$ 35,636</u>	<u>\$ 18,963</u>	<u>\$ (16,673)</u>	<u>46.79%</u>

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 ^{(1) (2)}
Stockton Boulevard
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	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%
Total	<u>\$ 34,313</u>	<u>\$ 18,177</u>	<u>\$ (16,136)</u>	<u>47.03%</u>

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 ^{(1) (2)}
65th Street
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	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%
Total	<u>\$ 263,851</u>	<u>\$ 143,503</u>	<u>\$ (120,348)</u>	<u>45.61%</u>

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 ^{(1) (2)}
Army Depot
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	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%
Total	<u>\$ 200,863</u>	<u>\$ 71,751</u>	<u>\$ (129,112)</u>	<u>64.28%</u>

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 ^{(1) (2)}
Railyards
As of June 30, 2025
(in thousands)

Assessee	Taxable Value ⁽³⁾	Assessee's Value ⁽³⁾	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%
Total	<u>\$ 50,588</u>	<u>\$ 24,806</u>	<u>\$ (25,681)</u>	<u>50.77%</u>

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
Principal Property Taxpayers - Merged Downtown
Current Fiscal Year and Nine Years Ago
(in thousands)

Assessee	2025			2016		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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 ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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.

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 ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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	\$ 315,327		100.00%	\$ 123,607		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.

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 ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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	<u>\$ 1,230,124</u>		<u>100.00%</u>	<u>\$ 486,107</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 - River District
Current Fiscal Year and Nine Years Ago
(in thousands)

Assessee	2025			2016		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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	\$ 835,674		100.00%	\$ 443,583		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 - North Sacramento
Current Fiscal Year and Nine Years Ago
(in thousands)

Assessee	2025			2016		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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 ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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 ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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 Kehriotis 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 ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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%
Total	\$ 1,314,619		100.00%	\$ 1,005,040		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.

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 ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	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.

City of Sacramento
Successor Agency Trust Fund
Principal Property Taxpayers - Railyards
Current Fiscal Year and Nine Years Ago
(in thousands)

Assessee	2025			2016		
	Taxable Value ⁽¹⁾	Rank	Percentage of Total Taxable Value ⁽²⁾	Taxable Value	Rank	Percentage of Total Taxable Value
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	\$ 121,185		100.00%	\$ 81,218		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.

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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	(1)
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	(1)
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	(1)
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.

(1) 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)

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 ⁽¹⁾
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 ⁽¹⁾
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.

⁽¹⁾ 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	(1)
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	(1)
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.

(1) 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 ⁽²⁾	38	37	37
Convention and cultural services	120	116	115	115	115	117	124	123	119	124
Economic development	11	12	- ⁽¹⁾	-	-	-	-	-	-	-
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
Total	<u>4,301</u>	<u>4,457</u>	<u>4,469</u>	<u>4,555</u>	<u>4,774</u>	<u>4,820</u>	<u>4,891</u>	<u>4,992</u>	<u>5,075</u>	<u>5,030</u>

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.

City of Sacramento
Operating Indicators by Function/Program
Last Ten Fiscal Years

Function/program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
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
Fire ⁽¹⁾										
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 ⁽²⁾	10,102	9,830	9,967	8,256	9,517	8,854	10,487	7,146
General services										
Number of animal licenses issued	12,016	14,428	23,799	31,507	26,670 ⁽¹⁵⁾	17,155 ⁽¹⁵⁾	15,976	19,126	18,016	19,219
Number of animal outplacements	8,789	9,248	9,589	8,529	7,488 ⁽¹⁵⁾	4,448 ⁽¹⁵⁾	6,256	7,076	7,318	8,690
Public works										
Number of traffic investigations completed	896	1,001	1,041	613	611	997 ⁽¹⁷⁾	1,075	920	898	906
Number of parking citations issued	192,708	183,326	197,170	200,338	156,387 ⁽¹⁴⁾	100,244 ⁽¹²⁾	113,214	119,807	140,147	199,689
Convention and cultural services										
Number of Community Convention Center events ⁽²²⁾	408	430	372	229	38 ⁽¹³⁾	- ⁽¹¹⁾	174 ⁽¹⁹⁾	406 ⁽²¹⁾	380	272
Community Convention Center event attendance	744,145	905,733 ⁽³⁾	1,034,980	902,110	155,633 ⁽¹³⁾	- ⁽¹¹⁾	446,168 ⁽¹⁹⁾	531,284 ⁽²¹⁾	877,152	971,115
Number of Zoo attendance	533,368	500,573	500,535	472,440	357,754 ⁽¹⁵⁾	486,707 ⁽¹³⁾	568,311	488,627	484,733	468,404
Youth, parks, and community enrichment										
Number of students enrolled in START	4,534	2,785 ⁽⁴⁾	711 ⁽⁶⁾	477	473	648 ⁽¹⁶⁾	1,770 ⁽¹⁶⁾	456 ⁽²⁰⁾	500	543
Number of students enrolled in 4th R	1,863	1,180	2,419 ⁽⁷⁾	2,250	1,778 ⁽¹²⁾	160 ⁽¹⁰⁾	1,484 ⁽¹⁸⁾	1,876	2,686 ⁽²³⁾	2,990
Community development										
Number of building permits issued ⁽²⁴⁾	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) ⁽²⁴⁾	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 ⁽⁸⁾	3,026	3,163	1,955	3,171	3,122
Notice and orders issued on housing and dangerous buildings	239	206	382	369	243 ⁽⁹⁾	177 ⁽⁹⁾	209	272	241	252
Water										
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) ⁽¹⁴⁾	27,324	28,511	30,800	28,478	33,845	30,380	30,130	25,884	30,724	33,156
Wastewater										
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
Storm drainage										
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) ⁽⁵⁾	20,225	46,964	18,321	33,624	11,247	7,858	18,921	23,987	19,821	14,683
Solid waste										
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/installs 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

Function/program	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police										
Number of stations ⁽¹⁾	4	4	4	4	4	4	4	4	4	4
Police										
Number of patrol units ⁽²⁾	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
Fire										
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
Public works										
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 ⁽¹²⁾	39,372	39,604	39,788	40,084	40,087
Number of City public parking spaces ⁽³⁾	4,775	4,775	4,775	4,775	5,489 ⁽³⁾	5,620	5,283	5,635	5,635	5,635
Number of City leased parking spaces ⁽⁹⁾	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
Youth, parks, and community enrichment										
Number of parks	225	227	227	213	220	230	230	235	235	237
Park acreage ⁽⁵⁾	3,183	3,177	3,177	3,340	4,265 ⁽¹¹⁾	4,829	4,829	4,331	4,358	3,396
Number of community centers ⁽⁶⁾	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
Water										
Miles of water mains and distribution lines ^{(7) (8)}	1,599	1,604	1,607	1,603	1,607	1,616	1,635	1,639	1,644	1,645
Sewers and storm drainage										
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
Off-street parking										
Number of City public garages and open parking lots ⁽⁴⁾	7	7	7	7	10	13	12	14	14	14
Number of City leased garages and open parking lots ⁽¹⁰⁾	7	7	7	7	8	7	7	7	7	7
Golf										
Number of golf courses	6	6	6	6	6	6	6	6	6	6
Marina										
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

Date of incorporation	1849	
Date of charter	1921	
Date City became State Capitol	1854	
Form of government	Council/Manager	
	2025	2016
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:		
Police		
Number of stations	4	4
Number of police personnel sworn / civilian (actual)	648/294	663/286
Number of patrol units	280	231
Fire		
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
Utilities		
Miles of water mains and distribution lines ⁽¹⁾	1,645	1,599
Annual water production in gallons	33 billion	27 billion
Miles of sanitary sewers and storm drainage	1,985	1,869
Public works		
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
Convention and cultural services		
Golf courses	6	6
Zoo animals ⁽²⁾	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
Youth, parks, and community enrichment		
Parks	237	225
Park acreage ⁽³⁾	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 ⁽⁴⁾	99	103
Soccer fields	160	131
Ball courts	248	202
Library		
Library branches ⁽⁵⁾	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.

Source: Various City of Sacramento departments and publications