

**Board of Directors**

Ann Bailey, Chair  
Emily Baime Michaels, Vice-Chair  
Nick Avdis, Member  
Jose Bodipo-Memba, Member  
Jay Schenirer, Member  
Tara Gandara, Board Secretary

**CADA Administration**

Danielle Foster, Executive Director  
Josh Palmer, Deputy Director  
Noelle Mussen, Finance Director  
Marc de la Vergne, Sustainability,  
Placemaking, & Special Projects Director  
Jill Azevedo, Operations Director

**Legal Counsel**

Jeff Mitchell  
Kronick, Moskovitz, Tiedemann & Girard

Phone: (916) 322-2114

Web: [www.cada.org](http://www.cada.org)

**AGENDA REGULAR MEETING**

**THE CAPITOL AREA DEVELOPMENT  
AUTHORITY  
BOARD OF DIRECTORS**

**FRIDAY, JANUARY 16, 2026  
10:00 A.M.**

**CADA ADMINISTRATIVE OFFICE  
1522 14<sup>TH</sup> STREET, SACRAMENTO, CA 95814**



**Members of the Public are invited to  
participate via ZOOM or in person.**

**To join via Zoom:**

**Go to:** <https://zoom.us/join>

**Or join by phone:** (669) 900-9128 (Pacific Coast)

Find your local number:

<https://us02web.zoom.us/j/kcoHLf55h>

**Meeting ID:** 895 7907 5434

**Request Password (prior to start of meeting):**

[tgandara@cada.org](mailto:tgandara@cada.org)

**1. Roll Call and Just Cause/Emergency Teleconference Information (if applicable)**

**2. Approval of Minutes: December 15, 2025**

**3. Chair’s Oral Report**

- Resolution Honoring Bob Lagomarsino
- Oath of Office for Board Member Jay Schenirer
- CADA Committee Appointments

**4. Executive Director’s Oral Report**

**5. Salary Survey Information**

*Recommended Action:* Informational only. For review and comment.

Contact: Jill Azevedo, Operations Director

**6. Audited Financial Reports – Fiscal Year 2024-2025**

*Recommended Action:* Adopt resolutions accepting and releasing financial reports audited by Cohn Reznick LLP.

Contact: Noelle Mussen, Finance Director

**7. 2026 Employee Handbook**

*Recommended Action:* Adopt a resolution revising the 2026 Employee Handbook.

Contact: Jill Azevedo, Operations Director

**8. Oral Staff Reports/Updates**

- A. Downtown Sacramento Partnership
- B. Downtown Sacramento Revitalization Corporation
- C. Midtown Association
- D. O Street Streetscape (7th – 17th Streets)
- E. Energy and Water Conservation

- F. Other Neighborhood Improvements
- G. 525 S Street – New CADA Warehouse
- H. 14th & N – The Cypress
- I. 1717 S Street – ARY Place
- J. 2000 16<sup>th</sup> Street – Sakura
- K. 805 R Street – Monarch
- L. R Street Partnership

**9. Transmittals**

- A. Ombudsman Report: December 2025
- B. Apartment Status Report: December 2025
- C. Affordable Housing Report: December 2025
- D. Commercial Leases/Vacancies: December 2025
- E. CADA Neighborhood Incident Report: December 2025
- F. Contracts Log: December 2025
- G. Financial Report: None
- H. City Treasurer Monthly Investment Report: November 2025

**10. Opportunity for the Public to Address the Board Regarding Matters Not on the Agenda**

**11. Adjournment**

**Approved for Transmittal:**



**Danielle Foster, Executive Director**

NOTE: THE BOARD MAY TAKE ACTION ON ANY MATTER LISTED ON THE AGENDA. ADDITIONALLY, THE BOARD MAY TAKE ACTION ON ANY MATTER NOT LISTED ON THE AGENDA TO THE EXTENT PERMITTED BY APPLICABLE LAW. PURSUANT TO STATE AND FEDERAL LAW, IF YOU HAVE A REQUEST FOR A DISABILITY-RELATED MODIFICATION OR ACCOMMODATION IN ORDER TO ASSIST YOU IN PARTICIPATING IN THE MEETING, PLEASE CONTACT TARA GANDARA, BOARD SECRETARY AT (916) 322-2114 TO MAKE SUCH A REQUEST. IN ORDER TO ALLOW ADEQUATE TIME TO ACCOMMODATE ANY REQUESTS, CADA ASKS THAT THE REQUEST BE MADE AT LEAST 24 HOURS PRIOR TO THE MEETING.

**MINUTES  
OF  
SPECIAL BOARD MEETING**

**BOARD OF DIRECTORS  
CAPITOL AREA DEVELOPMENT AUTHORITY (CADA)  
CAPITOL AREA COMMUNITY DEVELOPMENT CORPORATION (CACDC)**

**December 15, 2025**

**ITEM 1 – ROLL CALL**

Chair Bailey called the Board Meeting of the CADA Board of Directors and the CACDC to order at 3:00 p.m. at 1522 14<sup>th</sup> Street, Sacramento, CA 95814 and via public video conference.

Member Bodipo-Memba attended via video conference from 164 SE G Street, Grants Pass, OR 97526. No adults were present in the room.

Present: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino, Bailey  
Absent: None

**ITEM 2 – APPROVAL OF MINUTES: October 24, 2025 [CADA & CACDC]**

Member Avdis moved approval of the October 24, 2025 [CADA & CACDC] Board Meeting minutes. Member Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino, Bailey  
NOES: None

**ITEM 3 – CHAIR’S ORAL REPORT**

Nothing to report.

**ITEM 4 – EXECUTIVE DIRECTOR’S ORAL REPORT/PRESIDENT’S ORAL REPORT**

Executive Director, Danielle Foster reported the following:

- Please note a correction on the agenda to be the year 2025.
- This is our last meeting of the year and staff usually brings the audit to this meeting, but staff had some additional requirements due to some federal funding CADA received. The audit will be brought to the January meeting.
- EVT Builders has been working on the window replacements as approved by the Board last month. They are doing well, are almost done, and there was only one small change order as a result of some unexpected dry rot that was found.
- Karen has been doing an excellent job incorporating our logo into things, updating our business cards, and creating more CADA swag.
- CADA’s staff appreciation and holiday event will be this Friday.
- This week is holiday spirit week. Today is crazy sock day. Friday is holiday accessory day.
- Special thanks to Jill Azevedo for all of her work with our end of year activities, especially amidst a very heavy workload. She is balancing a lot and doing an awesome job.
- Special acknowledgement to Paratransit who partners with us this time of year to provide holiday gift boxes for our seniors and some of our low-income residents. Also, they are almost done with phase one of their Kind Project South attainable housing project.

**ITEM 5 — [CADA] ELECTION OF VICE-CHAIR**

Chair Bailey nominated Member Baime Michaels to continue as Vice Chair. The Board concurred and supported Chair Bailey’s recommendation.

Member Avdis moved approval. Member Lagomarsino seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino, Bailey  
NOES: None

**ITEM 6 — [CADA] 2025 BOARD COMMITTEE APPOINTMENTS**

Chair Bailey proposed that the appointments of CADA’s Committee members remain the same:

Nick Avdis and Emily Baime Michaels Development and Construction  
Ann Bailey and Bob Lagomarsino Operations  
Ann Bailey and Bob Lagomarsino Neighborhood and Development

Member Avdis moved approval. Member Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino, Bailey  
NOES: None

**ITEM 7 — [CADA] FY 2025-2026 MID-YEAR BUDGET REVISIONS OF THE GENERAL OPERATIONS BUDGET AND CAPITAL INVESTMENT PROGRAM BUDGETS, INCLUDING ASSESSMENT OF FUND BALANCES**

*Recommended Action:* Adopt a resolution approving the fiscal year 25-26 mid-year revisions to the general operations budget and capital investment program budgets, including assessment of fund balances.

Contact: Noelle Mussen, Finance Director

There was Board discussion regarding Lights Camera Capitol and CADA’s pension plan funding, as well as the additional revenue and positive budget.

No public comments.

Member Lagomarsino moved approval of CADA Resolution 25-44 attached hereto and incorporated herein. Member Bodipo-Memba seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino, Bailey  
NOES: None

**ITEM 8 — [CADA] REJECTION OF BIDS, SUSPENSION OF FORMAL BIDDING, AND APPROVAL OF CONTRACT WITH R.F. MACDONALD CO. FOR THE BOILER SYSTEM REPLACEMENT AT 1400 N STREET (THE DEAN APARTMENTS)**

*Recommended Action:* Adopt a resolution regarding the Boiler System Replacement at 1400 N Street (The Dean Apartments) to:

1. Reject the formal bid received from Intech Mechanical Company LLC in the amount of \$721,000, thereby suspending formal bidding procedures (requires two-thirds vote); and

2. Authorize the Executive Director, or her designee, to enter into a contract with R.F. MacDonald Co. in an amount not to exceed \$380,000 for the boiler system replacement at 1400 N Street.

Contact: Rachel Mercurio, Maintenance Office and Contracts Superintendent  
John Dodson, Facilities Maintenance Superintendent

There was Board discussion regarding R.F. MacDonald's prior work on this boiler, why the bidding contractor's bid was so high, and if CADA's budget was listed in the bid documents.

No public comments.

Member Baime Michaels moved approval of CADA Resolution 25-45 attached hereto and incorporated herein. Member Bodipo-Memba seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino, Bailey  
NOES: None

**ITEM 9 — [CADA] CADA CONTRACTS POLICY AMENDMENT – ADOPT A PRE-QUALIFICATION PROCESS FOR NEW CONSTRUCTION/REHABILITATION AND MAINTENANCE PROJECTS**

*Recommended Action:* Adopt a resolution to approve the development and adoption of a formal contractor pre-qualification process for public works and maintenance projects managed by CADA.

Contact: Rachel Mercurio, Maintenance Office and Contracts Superintendent

There was Board discussion regarding local small businesses and how many solicitations annually this may cover.

No public comments.

Member Avdis moved approval of the amended CADA Resolution 25-46 attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino, Bailey  
NOES: None

**ITEM 10 — [CACDC] ADDITION OF COLLABORATIVE HOUSING SOLUTIONS CA LLC AS MEMBER OF 2000 16TH ST CACDC ASSOCIATION, LLC**

*Recommended Action:* Adopt a resolution authorizing the President to execute an Amended and Restated Operating Agreement for 2000 16th CACDC Association, LLC that admits Collaborative Housing Solutions CA LLC as a member with 21% interest.

Contact: Jack Barnes, Development Manager [CADA]

No Board comments.

No public comments.

Member Lagomarsino moved approval of CACDC Resolution 25-07 attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Lagomarsino, Bailey  
NOES: None

Member Lagomarsino recused himself at 3:30 p.m. due to a conflict of interest on Item 11.

**ITEM 11 — [CADA/CACDC] SONRISA AFFORDABLE HOUSING PROJECT AT 1322 O STREET – LOAN EXTENSIONS**

*Recommended Action:* Adopt a joint resolution authorizing an extension to CADA loans to the Sonrisa Affordable Housing Project at 1322 O Street.

Contact: Jack Barnes, Development Manager [CADA]  
Danielle Foster, Executive Director [CADA], President [CACDC]  
Josh Palmer, Deputy Director [CADA], Vice President [CACDC]

No Board comments.

No public comments.

Member Avdis moved approval of the amended CADA Resolution 25-47 and CACDC Resolution 25-08 attached hereto and incorporated herein. Member Baime Michaels seconded the motion.

AYES: Avdis, Baime Michaels, Bodipo-Memba, Bailey  
NOES: None

Member Lagomarsino rejoined the meeting at 3:37 p.m.

Member Baime Michaels left the meeting at 3:37 p.m.

**ITEM 12 — [CADA] 2026 BOARD MEETINGS AND COMMITTEE MEETING SCHEDULES**

*Recommended Action:* Adopt a resolution setting the 2026 meeting schedule of the CADA Board of Directors and a separate resolution setting the meeting schedule of the Operations, Neighborhood Development and the Development and Construction Committees.

Contact: Tara Gandara, Contracts and Office Manager/ Board Secretary

No Board comments.

No public comments.

Member Avdis moved approval of CADA Resolutions 25-48 and 25-49 attached hereto and incorporated herein. Member Lagomarsino seconded the motion.

AYES: Avdis, Bodipo-Memba, Lagomarsino, Bailey  
NOES: None

Member Baime Michaels rejoined the meeting at 3:39 p.m.

**ITEM 13 — [CADA] APPOINTMENT OF CADA AT-LARGE BOARD MEMBER**

*Recommended Action:* Staff recommends that the Board take the necessary vote and officially appoint an individual to the CADA At-Large Board-Appointed Position.

Contact: Danielle Foster, Executive Director

The three candidates, Bob Lagomarsino, Fedolia "Sparky" Harris, and Jay Schenirer, all gave statements.

The Board asked the candidates "what CADA is not doing currently that it could be doing?" Each candidate responded.

No public comment.

Member Lagomarsino recused himself at 4:07 p.m. due to a conflict of interest.

The Board voted by ballot:

Member Avdis	Jay Schenirer
Member Baime Michaels	Jay Schenirer
Member Bodipo-Memba	Jay Schenirer
Chair Bailey	Bob Lagomarsino

CADA Resolution 25-50 was approved as amended to appoint Jay Schenirer, per the majority vote.

Member Lagomarsino rejoined the meeting at 4:09 p.m.

#### **ITEM 14 - ORAL STAFF REPORTS/UPDATES**

- A. Downtown Sacramento Partnership (DSP): Danielle Foster reported the new expanded boundaries of the DSP begin in January.
- B. Downtown Sacramento Revitalization Corporation (DSRC): Nothing to report.
- C. Midtown Association: Danielle Foster reported that CADA has continued our partnerships into next year with both the Second Saturday art walks and the fresh air programming in Fremont Park. CADA is also excited for the Bloom Project to continue to move forward in Fremont Park.
- D. O Street Streetscape (7th – 17th Streets): Marc de la Vergne reported the following:
  - 900 Block: CADA will be issuing a bid package for the Eames mural project in mid-January 2026.
  - 800, 1400, 1500, 1600 Blocks: The construction drawings are 75% complete and staff is focusing on the irrigation design at the moment. Once that has been completed staff can start applying for state grants in early 2026.
  - 14<sup>th</sup> & O Street: Mr. de la Vergne is working with our consultant to create a draft RFP (request for proposals) for the intersection reconstruction. The plan is to bring the construction contract to the Board in March 2026.
  - 12<sup>th</sup> & O Street: Mr. de la Vergne has been working with Caltrans to do some landscaping work. They have planted three valley oak trees and they have agreed to add some additional plants as per our landscape architect's design suggestions.
- E. Energy and Water Conservation: Marc de la Vergne reported that he will be submitting CADA's biannual sustainability report to DGS. Mr. de la Vergne has also included a sustainability highlights report in the Board packet. To focus on water usage, CADA will be focusing on irrigation starting along O Street. CADA will be looking at our other properties converting turf to climate appropriate plantings.
- F. Other Neighborhood Improvements: Marc de la Vergne reported the following:

- Fremont Park: CADA will be installing the replacement components for the stormwater planter railings that was damaged after the car accident at 16<sup>th</sup> and Q Streets shortly. Mr. de la Vergne is obtaining quotes on the interpretive signage for the stormwater planters now. CADA has created a template for the interpretive signs that can be used for other purposes. For example, CADA's Biele Place used to be the home of the B'nai Israel Temple.
  - 10<sup>th</sup> Street: CADA has completely refreshed the parkway strip opposite Roosevelt Park. CADA has learned from our first effort in terms of very high pedestrian traffic, dogs, and other threats to plants.
  - 525 S Street: As of two days ago, a contract is in place with RCP Construction to renovate the building. If all goes according to plan, CADA will have a new warehouse to move into in late May 2026.
- G. 14th & N – The Cypress: Danielle Foster reported that they are about 50% leased. They are continuing their mapping process to have the top floor be condos in the future, but are leasing them for now. CADA is working on a tour of the property in January.
- H. 1717 S Street – ARY Place: Danielle Foster reported that there is one remaining commercial tenant space that has some interest.
- I. 2000 16th Street – Sakura: Jack Barnes reported that they had a concrete pour this past week. Things are moving along with framing in a week or two. There should be five floors up within five to six months.
- J. 805 R Street – Monarch: Josh Palmer reported that the podium deck has now been completed, shoring is coming down, and scaffolding is going up. Framing has begun on the first floor.
- K. R Street Partnership: Marc de la Vergne reported that they had their annual meeting a week and a half ago. This is where their budget and priorities for the coming year is approved. There was some outreach to the businesses in the area. Their single biggest concern was parking in the area. CADA assisted in helping to implement the increased assessment amounts for all of the different properties. This was an overall increase of 5% for the businesses. They are also focusing on litter removal and pressure washing of the sidewalks. Chair Bailey inquired about the artwork on the parking garage. Ms. Foster commented that CADA is doing this in partnership with Mike Heller who has a landscape architect that is laying out the plan for where the artwork can go on the 1500 block. Mr. de la Vergne, Ms. Foster, and Karen Ulep are working on the concept as to what the artwork could look like and obtaining quotes. Mr. de la Vergne said that the artwork can be described as kinetic, things that move and possibly make sounds as they move.

#### **ITEM 15 – TRANSMITTALS**

Received as transmitted.

#### **ITEM 16 – OPPORTUNITY FOR THE PUBLIC TO ADDRESS THE BOARD REGARDING MATTERS NOT ON THE AGENDA**

Member Baime Michaels inquired about the TableVine space and its condition. Josh Palmer replied that there is an HVAC improvement that CADA will be doing in addition to a plumbing issue that will be resolved. John Dodson advised that the space should be ready within a month.

#### **ITEM 17 – ADJOURNMENT**

The meeting adjourned at 4:28 p.m.

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Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 25 – 44**

Adopted by the Capitol Area Development Authority December 15, 2025

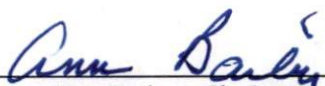
**RESOLUTION ADOPTING THE FISCAL YEAR 2025 -2026  
MID-YEAR REVISION TO THE GENERAL OPERATIONS BUDGET AND  
CAPITAL INVESTMENT PROGRAM (CIP) BUDGETS**

**WHEREAS**, the FY 2025-2026 General Operations Budget and Capital Investment Program Budgets are prepared in accordance with the business development goals set forth in the Authority's Strategic Plan and the Annual Business Plan for FY 2025-2026 and were adopted at the June 2025 Board Meeting; and


**WHEREAS**, the Mid-Year Revisions recommended for adoption have been presented and reviewed at this meeting of the Board of Directors.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Capitol Area Development Authority that the Mid-Year Revisions, that affect the following changes, are hereby adopted:

- Revise the FY 25-26 General Operations Budget to add a net increase of \$1,920,833. This net increase is the result of tax increment received but not utilized in the prior year, adjustments to revenue, and release of funding from closed CIP budgets. This revision is proposed to fund increases for CIP budgets and general expense accounts.
- Revise Development CIP Budgets to:
  - Close out the FY 20-21 Cypress Budget by \$453,758
- Revise Major Construction CIP Budgets to:
  - Finish closing out the FY 22-23 Budget's remaining balance of \$357,433
  - Increase the FY 23-24 Budget by \$50,000
  - Increase the FY 25-26 Budget by \$307,433
- Revise Reserves to:
  - Increase the Development Reserve by \$548,033
  - Increase the Affordable Housing Reserve by \$11,300
  - Increase the Debt Retirement Reserve for Somerset Parkside and Biele Place Special Management Properties by \$500,000
  - Increase the Acquisition Reserve by \$500,000
  - Increase the Capital Improvement Reserve by \$306,500

  
Ann Bailey, Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

**AMENDED RESOLUTION NO. 25 – 45**

Adopted by the Capitol Area Development Authority

December 15, 2025

**RESOLUTION AUTHORIZING REJECTION OF BIDS,  
SUSPENSION OF FORMAL BIDDING, AND APPROVAL  
OF CONTRACT WITH R.F. MACDONALD CO. FOR THE BOILER  
SYSTEM REPLACEMENT AT 1400 N STREET (THE DEAN APARTMENTS)**

**WHEREAS**, the Capitol Area Development Authority (CADA) conducted a formal bid process for the Boiler System Replacement Project at 1400 N Street and received only one bid, submitted by Intech Mechanical Company LLC in the amount of \$721,900;

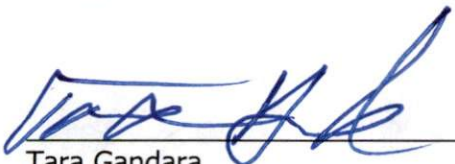
**WHEREAS**, pursuant to CADA's Contracts Policy, competitive bidding may be suspended for rehabilitation work upon a two-thirds (2/3) vote of the Board of Directors when it is determined that doing so is in the best interests of CADA and the Capitol Area Plan; and

**WHEREAS**, R.F. MacDonald Co., a qualified contractor and supplier of boiler equipment, did not submit a bid due to its partnerships within the industry, but has indicated willingness to perform the work and is the most qualified contractor for this specialized project.

**NOW, THEREFORE, BE IT RESOLVED** that the Board of Directors of the Capitol Area Development Authority hereby determines that it is in the best interests of CADA and the Capitol Area Plan to reject the formal bid submitted by Intech Mechanical Company LLC, suspend competitive bidding, and authorize the Executive Director, or her designee, to enter into a contract with R.F. MacDonald Co. in an amount not to exceed \$380,000 for the boiler replacement project at 1400 N Street.

  
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Ann Bailey, Chair

ATTEST:

  
\_\_\_\_\_  
Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 25 – 46**

Adopted by the Capitol Area Development Authority December 15, 2025


**RESOLUTION AUTHORIZING THE DEVELOPMENT AND  
ADOPTION OF A FORMAL CONTRACTOR PRE-QUALIFICATION  
PROCESS FOR MAJOR CONSTRUCTION AND MAINTENANCE SERVICES**

**WHEREAS**, by Resolution No. 25-39, the CADA Board of Directors last amended the CADA Contract Policy in part on September 19, 2025; and


**WHEREAS**, staff recommends that the Board amend the CADA Contract Policy with regard to the development and adoption of a formal contractor pre-qualification process for public works and maintenance projects managed by CADA.

**NOW, THEREFORE, BE IT RESOLVED**, that the CADA Board of Directors does hereby amend the CADA Contract Policy in accordance with recommendations contained in Attachment 3 of the staff report presented to the Board at its December 15, 2025 meeting, as summarized below:

[Finalized redline version of the CADA Contracts Policy inserted here]

  
\_\_\_\_\_  
Ann Bailey, Chair

ATTEST:

  
\_\_\_\_\_  
Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 25 – 07**

Adopted by the Capitol Area Community Development Corporation December 15, 2025

**RESOLUTION AUTHORIZING THE CAPITOL AREA  
COMMUNITY DEVELOPMENT CORPORATION TO ADMIT  
COLLABORATIVE HOUSING SOLUTIONS CA LLC AS A 21%  
MEMBER OF 2000 16<sup>TH</sup> ST CACDC ASSOCIATION, LLC**

**WHEREAS**, the Capitol Area Community Development Corporation ("CACDC") is wholly-owned by the Capitol Area Development Authority ("CADA");

**WHEREAS**, CACDC is the sole member manager of 2000 16<sup>th</sup> St CACDC Association, LLC;

**WHEREAS**, 2000 16<sup>th</sup> St CACDC Association, LLC is the managing general partner of 2000 16<sup>th</sup> St Associates, LP;

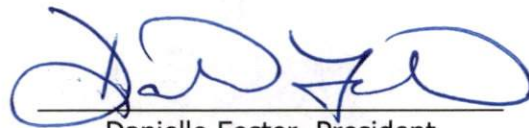
**WHEREAS**, CADA has made two loans totaling \$7.28 million in value to 2000 16<sup>th</sup> St Associates, LP;

**WHEREAS**, 2000 16<sup>th</sup> St Associates, LP closed on construction financing in June 2025;

**WHEREAS**, in order to keep the Project in compliance with tax credit law, CADA needs to be a disaffiliated entity from 2000 16<sup>th</sup> St CACDC Association, LLC to provide its loans, which requires a third-party non-profit entity to be added to the 2000 16<sup>th</sup> St CACDC Association, LLC; and

**WHEREAS**, Collaborative Housing Solutions CA LLC, of which Habitat for Humanity of Greater Sacramento is the sole member, has agreed to be a member of the General Partnership and enter into the 2000 16<sup>th</sup> St CACDC Association, LLC with a 21% ownership interest.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Community Development Corporation that the Board of Directors hereby authorizes the President to execute an Amended and Restated Operating Agreement that admits Collaborative Housing Solutions CA LLC as a 21% member of 2000 16<sup>th</sup> St, CACDC Association, LLC.



Danielle Foster, President

ATTEST:



Tara Gandara  
Secretary to the Board of Directors

**CADA RESOLUTION NO. 25 – 47**  
**CACDC RESOLUTION NO. 25 – 08**

December 15, 2025

Adopted by the:

Capitol Area Development Authority (CADA) Board of Directors  
Capitol Area Community Development Corporation (CACDC) Board of Directors

Joint resolution authorizing action to:

**[CADA]**

1. Extend the maturity date of two CADA loans to the CACDC that were used to fund Sonrisa's additional construction costs.
2. Take any and all actions on behalf of CADA to extend the loan maturity dates, including execution of all necessary documents, including an Amendment to Loan Documents for each loan.

**[CACDC]**

1. Authorize the CACDC President to accept the extensions of the loan maturity dates.
2. Take any and all actions on behalf of the CACDC to extend the loan maturity dates, including execution of all necessary documents, including an Amendment to Loan Documents for each loan.

**WHEREAS**, On February 10, 2023, the CACDC (Borrower) and CADA (Lender) entered into a certain Loan Agreement for a loan in the amount not to exceed \$1,400,000 ("Bridge Loan"), evidenced by an Unsecured Promissory Note made by Borrower in favor of Lender;

**WHEREAS**, On February 10, 2023, Borrower and Lender entered into a certain Loan Agreement for a loan in the amount not to exceed \$425,000 ("Electrical Loan"), evidenced by an Unsecured Promissory Note made by Borrower in favor of Lender;

**WHEREAS**, the proceeds of the Loans were used by Borrower in the mixed-use project known as Sonrisa (the "Project"), owned by O St Investors LP, a California limited partnership, of which Borrower is the Managing Member; and

**WHEREAS**, the outside Maturity Date of both the Bridge Loan and Electrical Loan are June 30, 2025, however, due to delays in the Project, Lender and Borrower desire to extend the outside Maturity Dates of both loans to December 31, 2026, and amend the terms of the Note and Loan Agreement accordingly.

**NOW, THEREFORE, BE IT RESOLVED**, by the Board of Directors of the Capitol Area Development Authority and the Capitol Area Community Development Corporation that:

1. The terms of the Promissory Notes and Loan Agreements for the Bridge Loan and Electrical Loan shall be extended to a new Maturity Date of December 31, 2026, as shown in the attached.


Attachment 1

2. The Executive Director of CADA is authorized to take any and all actions on behalf of CADA to extend the loan maturity date of both loans, including execution of all necessary documents, including an Amendment to Loan Documents for each loan.
3. The President of the CACDC is authorized to take any and all actions on behalf of CADA to extend the loan maturity date of both loans, including execution of all necessary documents, including an Amendment to Loan Documents for each loan.

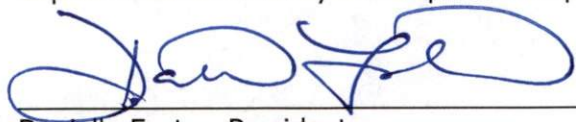
Capitol Area Development Authority

  
Ann Bailey, Chair

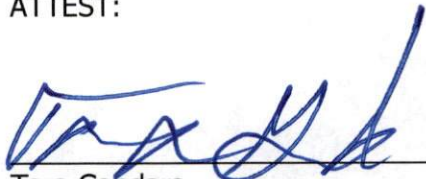
ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

Capitol Area Community Development Corporation

  
Danielle Foster, President

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 25 – 48**

Adopted by the Capitol Area Development Authority December 15, 2025

**RESOLUTION ADOPTING THE 2026 CADA  
BOARD MEETINGS SCHEDULE**

**WHEREAS**, the Board of Directors for the Capitol Area Development Authority will hold regular Board meetings during the calendar year 2026; and

**WHEREAS**, the Board of Directors must establish when these meetings will occur.

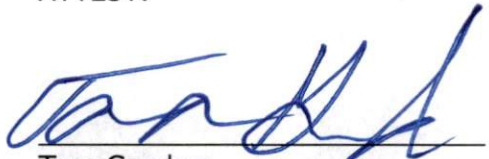
**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority, that the Regular Board Meeting Schedule for 2026 is as follows:

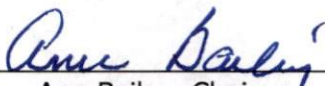
Friday, January 16<sup>th</sup>  
Friday, February 20<sup>th</sup>  
Friday, March 20<sup>th</sup>  
Friday, April 17<sup>th</sup>  
Friday, May 15<sup>th</sup>  
Friday, June 26<sup>th</sup>  
July---NO MEETING  
Friday, August 21<sup>st</sup>  
Friday, September 18<sup>th</sup>  
Friday, October 16<sup>th</sup>  
November ---NO MEETING  
Friday, December 11<sup>th</sup>

All meetings of the CADA Board of Directors are publicly announced and open to the public in accordance with the Ralph M. Brown Act.

The regular Board meetings will take place at the CADA Administrative Office, 1522 14<sup>th</sup> Street, Sacramento, CA beginning at 10:00 a.m. unless otherwise announced.

ATTEST:

  
\_\_\_\_\_  
Tara Gandara  
Secretary to the Board of Directors

  
\_\_\_\_\_  
Ann Bailey, Chair

**RESOLUTION NO. 25 – 49**

Adopted by the Capitol Area Development Authority December 15, 2025

**RESOLUTION ADOPTING THE 2026 CADA BOARD  
COMMITTEE MEETINGS SCHEDULE**

**WHEREAS**, the Board of Directors for the Capitol Area Development Authority will hold regular committee meetings during the calendar year 2026; and

**WHEREAS**, the meeting schedule has been established for the purpose of establishing when these meetings will occur.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority, that the Regular Committee Meetings Schedule for 2026 is as follows:

Operations Committee: 2:00 p.m.  
Neighborhood Development Committee: 3:00 p.m.

Tuesday, January 13<sup>th</sup>  
Tuesday, February 17<sup>th</sup>  
Tuesday, March 17<sup>th</sup>  
Tuesday, April 14<sup>th</sup>  
Tuesday, May 12<sup>th</sup>  
Tuesday, June 23<sup>rd</sup>  
July --- NO MEETING  
Tuesday, August 18<sup>th</sup>  
Tuesday, September 15<sup>th</sup>  
Tuesday, October 13<sup>th</sup>  
November --- NO MEETING  
Tuesday, December 8<sup>th</sup>

Development and Construction Committee: 9:30 a.m.

Wednesday, January 14<sup>th</sup>  
Wednesday, February 18<sup>th</sup>  
Wednesday, March 18<sup>th</sup>  
Wednesday, April 15<sup>th</sup>  
Wednesday, May 13<sup>th</sup>  
Wednesday, June 24<sup>th</sup>  
July --- NO MEETING  
Wednesday, August 19<sup>th</sup>  
Wednesday, September 16<sup>th</sup>  
Wednesday, October 14<sup>th</sup>  
November --- NO MEETING  
Wednesday, December 9<sup>th</sup>

All meetings of the CADA Board of Directors Committees are publicly announced and open to the public in accordance with the Ralph M. Brown Act.

The regular committee meetings will take place at the CADA Administrative Office, 1522 14<sup>th</sup> Street, Sacramento, CA at the designated times set forth above unless otherwise announced.

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors

  
Ann Bailey, Chair

**AMENDED RESOLUTION NO. 25 – 50**


Adopted by the Capitol Area Development Authority (CADA) December 15, 2025

**RESOLUTION APPOINTING AND CONGRATULATING JAY SCHENIRER  
ON HIS APPOINTMENT TO THE CADA BOARD OF DIRECTORS  
AS THE BOARD-APPOINTED AT-LARGE FIFTH MEMBER**

**BE IT RESOLVED BY THE CAPITOL AREA DEVELOPMENT AUTHORITY,** that the Board hereby appoints and congratulates Jay Schenirer on his appointment to the CADA Board of Directors by the CADA Board for the term of the Board-appointed seat ending January 16, 2030.

  
Ann Bailey, Chair

ATTEST:

  
Tara Gandara  
Secretary to the Board of Directors



January 9, 2026

**TO:** Capitol Area Development Authority (CADA) Board of Directors

**SUBJECT: January 9, 2026 Board Meeting  
AGENDA ITEM 5  
SALARY SURVEY INFORMATION**

**CONTACT PERSON:** Jill Azevedo, Operations Director

**RECOMMENDATION:**

Informational only. For review and comment.

**BACKGROUND**

In order to attract and retain qualified staff, it is important for CADA to periodically conduct compensation studies in order for CADA to remain in relative consistency with its benchmark agencies. CADA's practice has been to conduct a salary structure review every five years. CADA has contracted with an outside consultant, Public Sector Personnel Consultants (PSPC) for the past three surveys, to prepare this comprehensive salary review. PSPC has satisfactorily prepared the last three reports and are familiar with CADA's organizational structure and job descriptions, and it is staff's intention to contract with them again for the 2026 salary survey.

A copy of the most-recent 2021 PSPC salary survey report, excluding the appendices, is included as Attachment 1 for your review.

In preparation for this year's salary survey, this item is being brought for a review and discussion on methodology and comparative agencies so that this foundation can be properly established prior to the completion of the report. Attachment 1 provides background on past methodology that is planned to be the basis for this year's report.

**CADA STRATEGIC PLAN**

The proposed action addresses the following 2024-2029 CADA Strategic Plan goals:

- Being an Employer of Choice – Establishing competitive salary ranges and benefits allows the agency to attract and retain qualified staff that have relevant and related public sector experience.

Attachment:

1. 2021 PSPC Salary Survey Report

# RESULTS OF THE 2021 COMPENSATION SURVEY

And Proposed FY 2021/2022 Plan for the  
Capitol Area Development Authority

MARCH 2021



**(888) 522-7772**

[www.pspc.us](http://www.pspc.us)

## 1. EXECUTIVE SUMMARY

It is with pleasure that we present this report describing the results of the 2021 compensation survey and recommended FY 2021/2022 Salary Plan for the Capitol Area Development Authority (“the Authority” or “CADA”).

### A. SUMMARY OF FINDINGS

1. The Authority’s base pay ranges are competitive (within 5% of the prevailing rates) for 28% of the salary survey benchmark job classes in comparison to the designated public and private competitor employers (Table 1, page 4).
2. The Authority’s base pay ranges are not competitive (-5% or more below the prevailing rates) for 72% of its salary survey benchmark job classes in comparison to the designated public and private competitor employers (Table 1, page 4).
3. The extent of variance from the estimated prevailing rates ranges from – 25.48% for the salary range assigned to the classification of Leasing Agent to + 10.25% for the salary range assigned to the classification of Renovation & Rehabilitation Specialist (Table 1, page 4). Actual salaries for incumbents in these positions may vary from the Authority’s current calculated Midpoints and the prevailing rates.
4. Proposed pay range adjustments, established at the average of the market rates can be found on Table 2, page 5.
5. The Authority is offering / providing a competitive level of employee benefits in most all areas surveyed. The Authority provides competitive insurance premium allowance for employee plus family coverage, and pays market-average portion of employee retirement contribution. See Appendix II for additional details.

### B. SUMMARY OF RECOMMENDATIONS

1. Enact a prevailing rate-related salary policy for the Authority (page 5).
2. Establish the Authority’s base salary range competitiveness policy at the average of the estimated prevailing rates (page 5).

## 2. EXTERNAL COMPETITIVENESS COMPARISONS

The following paragraphs and tables compare the Authority's current salary ranges (calculated salary range Midpoint) to those for similar occupations at the public and private employers with whom the Authority competes to obtain and retain high quality staff.

### A. SOURCES OF EXTERNAL DATA

#### *Pay Plans of Individual Employers:*

In order to maintain the statistical reliability of the external prevailing rate database, we obtained the complete salary plans from the following jurisdictions and extracted data on their job classes matching the Authority's salary survey benchmarks.

Folsom, City of	Sacramento Area Council of Governments
Roseville, City of	State of California (BU 1 only)
Sacramento County	Stockton, City of
Sacramento Housing & Redevelopment Agency	West Sacramento, City of
Sacramento, City of	

#### *Private Employers in the Sacramento Area:*

We extracted data on occupational job classes similar to those employed by the Authority in the private sector from the Economic Research Institute's Salary Assessor for the Sacramento area.

### B. SALARY RANGE MIDPOINT COMPARISON

We utilized the standard "structure-to-structure" method to compare the Authority's salary ranges to the prevailing rates. The salary ranges and the prevailing rates are represented by their Midpoints, which are the amounts employers pay for sustained competent job performance.

The Midpoint is the most objective, occupation-specific and consistent component of salary structures among employers, as the varying widths of salary ranges are too great to utilize Minimum or Maximum. Midpoint is not affected by actual salary averages which may reflect longevity, pay-for-performance, and a myriad of subjective salary plan administration characteristics of the comparator employers. When individual salary plans were comprised of steps, the beginning and ending step was added and divided by two (2) to calculate a true midpoint.

**C. BENCHMARK OCCUPATIONS**

The following Authority job classes had a sufficient number of salary survey “matches” to be utilized for pay structure comparison and salary plan development / planning.

Accounting Manager	Facilities Maintenance Manager	Manager - Contracts & Office
Accounting Specialist	Human Resources/Risk Manager	Marketing & Creative Services Manager
Administrative Assistant	Journeyman - Carpenter	Planning / Asset Management Svcs Director
Construction Manager	Journeyman - Electrician	Prep Coordinator
Controller/Finance Director	Journeyman - Plumbing/Carpentry	Property Manager
Deputy Executive Director	Leasing Agent	Renovation & Rehabilitation Specialist
Development Manager	Leasing Services Manager	Resident Services Representative
Development Service Director	Maintenance Office Coordinator	
Executive Director	Maintenance Specialist	

**D. EXTERNAL PREVAILING RATE COMPARISON**

Table 1 following this page summarizes the comparison of the Authority’s current salary structure midpoints for all benchmark job classes, to the prevailing rates of the comparator employers from the salary survey sources.

NOTE: Relationship of +/- 5% to the prevailing rates is considered comparable to the prevailing rates.

<u>Relationship to Prevailing Rates</u>	<u>Benchmark Job Classes</u>	<u>% of Sample</u>	<u>Average Variance</u>
Below	18	72%	- 13.60%
Comparable	6	24%	- 2.73%
Above	1	4%	+ 10.25%

The Authority is a competitive employer (within 5% of the prevailing rates) for 28% of the benchmark job classes, and is not a competitive employer (-5% or more below the prevailing rates) for 72% of the benchmark job classes.

**E. EMPLOYEE BENEFITS COMPARISONS**

Appendix II displays the benefits data provided by the comparators for comparison to the Authority’s benefits practices. CADA is offering / providing a competitive level of employee benefits in most all areas surveyed. CADA provides a competitive premium allowance for employee plus family coverage, and pays a portion of employee retirement contribution that matches market practices/averages.

**Table 1 - EXTERNAL PREVAILING RATES COMPARISON**

**Comparing Base Pay Range Midpoint to Market Midpoint**

CADA Job Title	CADA Midpoint	Market Midpoint	Variance	
			\$	%
Leasing Agent	\$37,044	\$49,712	-\$12,668	-25.48%
Planning / Asset Management Svcs Director	\$108,378	\$132,599	-\$24,221	-18.27%
Resident Services Representative	\$33,600	\$40,770	-\$7,170	-17.59%
Leasing Services Manager	\$58,092	\$69,317	-\$11,225	-16.19%
Human Resources/Risk Manager	\$77,004	\$90,371	-\$13,367	-14.79%
Deputy Executive Director	\$131,598	\$154,421	-\$22,823	-14.78%
Controller/Finance Director	\$108,378	\$125,102	-\$16,724	-13.37%
Administrative Assistant	\$35,976	\$41,522	-\$5,546	-13.36%
Development Service Director	\$108,378	\$124,645	-\$16,267	-13.05%
Development Manager	\$83,244	\$95,588	-\$12,344	-12.91%
Journeyman - Electrician	\$56,340	\$64,328	-\$7,988	-12.42%
Accounting Specialist	\$40,038	\$45,548	-\$5,510	-12.10%
Journeyman - Plumbing/Carpentry	\$56,340	\$63,877	-\$7,537	-11.80%
Maintenance Office Coordinator	\$37,044	\$41,968	-\$4,924	-11.73%
Executive Director	\$156,942	\$176,739	-\$19,797	-11.20%
Accounting Manager	\$73,338	\$82,159	-\$8,821	-10.74%
Construction Manager	\$77,004	\$83,476	-\$6,472	-7.75%
Manager - Contracts & Office	\$68,478	\$73,845	-\$5,367	-7.27%
Journeyman - Carpenter	\$56,340	\$59,186	-\$2,846	-4.81%
Maintenance Specialist	\$45,906	\$47,879	-\$1,973	-4.12%
Prep Coordinator	\$43,716	\$45,113	-\$1,397	-3.10%
Property Manager	\$73,338	\$75,147	-\$1,809	-2.41%
Facilities Maintenance Manager	\$83,244	\$84,177	-\$933	-1.11%
Marketing & Creative Services Manager	\$68,478	\$69,072	-\$594	-0.86%
Renovation & Rehabilitation Specialist	\$67,596	\$61,314	\$6,282	10.25%

### 3. RECOMMENDED FY 2021/2022 BASE SALARY PLAN

The following narratives and tables describe the recommended FY 2021/2022 salary plan for the Authority and its estimated fiscal impact.

#### A. RECOMMENDED FLEXIBLE SALARY COMPETITIVENESS POLICY

Salary *policy* is the Authority's expression of *where* it will place its salary levels in relation to the prevailing rates, expressed as a *percentage* of the external prevailing rates.

##### Permanent Prevailing Rate Salary Policy

We recommend that the Authority adopt a permanent policy to place its salary competitiveness policy at the average of the prevailing rates. "*At the prevailing rates*" is defined as +/- 5% of the survey jobs' averages matching the Authority's benchmark job classes. An illustrative prevailing rate resolution wording is:

"It is the policy of the Authority to place its salary range assignments at or near the prevailing rates paid for similar occupations by the public and private employers with whom we compete for high quality staff, if financially able, based on the non-weighted average rates of the designated comparator employers."

This flexible policy will permit the Authority to consider significant factors relating to internal occupational group relationships, supply and demand in the marketplace for specific occupations, and financial constraints.

#### B. ASSIGNMENT OF JOB CLASSES TO SALARY RANGES

Table 2, on the following page, displays the recommended FY 2021/2022 salary ranges for each of the Authority job classes in descending order. Surveyed job classes were placed as close to the prevailing rates for comparable job classes as was practical without damaging internal equity.

**Table 2 - PROPOSED FY 2021/2022 SALARY RANGES**

<b>Executive</b>	<b>PSPC Draft Range</b>
Executive Director	\$11,614 - \$17,420
Deputy Executive Director	\$10,090 - \$15,133
<b>Directors</b>	
Controller/Finance Director	\$8,163 - \$12,248
Development Services Director	\$8,163 - \$12,248
Planning/Asset Management Services Director	\$8,163 - \$12,248
<b>Managers/Administrators</b>	
Development Manager	\$6,272 - \$9,406
Facilities Maintenance Manager	\$5,550 - \$8,324
Construction Manager	\$5,550 - \$8,324
Human Resources Manager	\$6,272 - \$9,406
Property Manager	\$5,378 - \$8,067
Human Resources Administrator	\$5,378 - \$8,067
Accounting Manager	\$5,378 - \$8,067
Resident Services Manager	\$5,378 - \$8,067
Office Manager	\$4,886 - \$7,326
Marketing and Creative Services Manager	\$4,886 - \$7,326
Accounting Supervisor	\$4,752 - \$6,383
Leasing Services Manager	\$4,752 - \$6,383
Construction Administrator	\$4,752 - \$6,383
Communications Administrator	\$3,945 - \$5,915
<b>Maintenance</b>	
Renovation & Rehabilitation Specialist	\$4,333 - \$6,933
Journey Level Trade	\$4,133 - \$6,196
Maintenance Specialist	\$3,182 - \$4,775
<b>Administrative Services</b>	
Accounting Specialist	\$2,989 - \$4,485
Leasing Agent	\$2,989 - \$4,485
Office Coordinator	\$2,989 - \$4,485
Executive Assistant to Board	\$2,989 - \$4,485
Administrative Assistant	\$2,710 - \$4,066
<b>Resident Services</b>	
Resident Services Specialist	\$2,464 - \$3,696

#### 4. INITIAL IMPLEMENTATION OF FY 2021/2022 SALARY PLAN

The initial implementation of the Authority's updated salary plan for FY 2021/2022 will be controlled by financial resources, and therefore balanced between the desire to pay all journey-level employees at the prevailing rates for their occupations and available funds. The following optional approaches are provided for the Authority to select, or modify, the one best suited to its compensation philosophy, historical practices, and available funds.

##### A. SALARIES BELOW MINIMUM

We recommend that the salary of the any employee whose current amount is less than the Minimum of the salary range for their position's job class be increased to that Minimum amount on the effective date of the updated salary plan.

##### B. ALTERNATIVE APPROACHES TO IN-RANGE ADJUSTMENTS

In-range adjustments could be made after the plan's effective date (and after all salaries have been adjusted up to Minimum) on each employee's individual salary anniversary date, according to one of the following approaches and funding level options.

##### Approach A - Longevity/Percentage Increase

This approach provides in-range increases based on years of Authority service.

<u>Years of Service</u>	<u>-----Variable Funding Level-----</u>		
	<u>Option 1 Increase</u>	<u>Option 2 Increase</u>	<u>Option 3 Increase</u>
Less than 1 year	2.0%	1.5%	1.0%
1 - 5 years	2.5%	2.0%	1.5%
6 - 10 years	3.0%	2.5%	2.0%
11 - 15 years	3.5%	3.0%	2.5%
16 - 20 years	4.0%	3.5%	3.0%
Over 20 years	4.5%	4.0%	3.5%

**Approach B - Longevity/Compa-Ratio**

This approach places individuals at specific positions within the salary range based on their years of Authority service, and does not decrease their current salary amount if it exceeds the designated compa-ratio (relationship of salary to Midpoint).

-----Variable Funding Level-----

<u>Years of Service</u>	<u>Compa- Ratio</u>	<u>Compa- Ratio</u>	<u>Compa- Ratio</u>
Less than 1 year	85%	83%	80%
1 - 5 years	90%	88%	85%
6 - 10 years	95%	93%	90%
11 - 15 years	100%	98%	95%
16 - 20 years	105%	103%	100%
Over 20 years	110%	107%	105%



January 9, 2026

**TO:** Capitol Area Development Authority (CADA) Board of Directors

**SUBJECT: January 16, 2026 Board Meeting  
AGENDA ITEM 6  
AUDITED FINANCIAL STATEMENTS – FISCAL YEAR 2024-20025**

**CONTACT PERSON:** Noelle Mussen, Finance Director

**RECOMMENDATION:**

Staff recommends that the Board, by separate resolutions (Attachment 1), accept the following four audited financial reports as prepared and released by CohnReznick:

- ◆ Capitol Area Development Authority  
Independent Auditor’s Reports FY 2024-2025 (Attachment 2a)
- ◆ Somerset Parkside Apartments (Contract Number 80-RHC-007)  
Independent Auditor’s Reports FY 2024-2025 (Attachment 2b)
- ◆ Biele Place Apartments (Contract Number 80-RHC-032)  
Independent Auditor’s Reports FY 2024-2025 (Attachment 2c)
- ◆ Seventeenth Street Commons (Contract Number 99-024-N)  
Independent Auditor’s Reports FY 2024-2025 (Attachment 2d)

**BACKGROUND**

The attached audited financial reports for Fiscal Year 2024-2025 have been prepared in accordance with the interagency agreement between CADA and the City of Sacramento concerning accounting and audit services performed for CADA. In addition to the Independent Auditor’s Reports that consolidate the results of all operating funds, including special management funds, three stand-alone reports have been prepared for the residential facilities CADA manages under agreements with the Department of Housing and Community Development (HCD) and the California Housing Finance Agency (CalHFA). The HCD properties are Somerset Parkside (10<sup>th</sup> & P Streets – affordable apartments) and Biele Place (1421 15<sup>th</sup> Street – senior affordable apartments), and the remaining property, managed under a regulatory agreement with CalHFA, is 17<sup>th</sup> Street Commons (1618 O Street – affordable apartments). The HCD and CalHFA regulatory agreements require CADA’s audits to include certain supplemental reports and schedules that are not required to be included in standard independent auditor reports. CohnReznick has issued an unqualified opinion letter that is incorporated into its report for this year.

**POLICY**

Audited financial statements are reported in accordance with Generally Accepted Accounting Principles (GAAP). The monthly financial reports that are transmitted to the Board during the year are presented in a modified “cash flow” format rather than in accordance with GAAP. Both on the revenue and expense side, there are factors that are either included in or excluded from GAAP financials but not in CADA’s internal reports. Additionally, Capital Investment Program (CIP) projects (both Major Construction and Development) are budgeted on a multi-year basis and

reported separately. Consequently, direct comparison of results between the General Operations monthly financials and the consolidated audited financials requires identification of reconciling factors. The audited financial statements for CADA and the special management funds are included as Attachments 2a through 2d. Attachment 3 identifies "reconciling factors", or differences, between GAAP and Budget Basis financial reporting. Attachment 4 reflects CADA's General Operations budget-to-actual results for fiscal year 2024-25, exclusive of Capital Investment Program activities. Attachments 2a, 3, and 4 are more fully discussed below. Attachments 2b through 2d are financial reports for the three individual buildings that operate under regulatory agreements with other agencies that require them to be submitted annually for their review.

It should be noted that only three of CADA's four special management properties are currently subject to stand-alone audits (Somerset Parkside, Biele Place, and 17<sup>th</sup> Street Commons). The financial position and activities for the fourth special management property, the Fremont Wilshire Apartments, are maintained in separate special management funds but are not presently required to be independently audited on an annual basis.

## **FINANCIAL IMPACT**

### *Management Discussion and Analysis (Attachment 2a)*

A comprehensive overview of financial highlights and the audited financial statements is included in the Management Discussion and Analysis section of the auditor's report where the report consolidates the results of all operating funds.

### *Statements of Revenues, Expenses and Changes in Fund Net Position (Attachment 2a):*

CADA's audited financials reflect net negative results for the year, with a decrease of \$10,519,261 in its Net Position. This is a \$16.8 million decrease in Net Position compared to last year. Last year, net income was \$6.3 million with CADA experiencing an \$813,000 increase in its Net Position compared to the prior year.

The \$10.5 million decrease in CADA's Net Position reflects Non-Operating Net Revenues of \$8.4 million less an operating loss of \$18.9 million with some from rental, but most coming from development activities. The primary reason for the decrease in FY 2024-25 compared to FY 2023-24 is due to net income increases in Rental Revenue and grants, increases in rental expenses and major increases to Development project expenses, mostly due to the construction start of two major projects: Monarch (241 units) and Sakura (134 units).

Non-Operating Revenues totaled \$8.4 million, which is a net decrease of \$900,000 over last year's revenue of \$9.3 million. This reflects a net increase in Intergovernmental Revenue (including Tax Increment) of \$114,000, and \$123,000 in Interest Income, with a \$40,000 reduction of interest expense. In the prior year there was a \$1.2 million gain on sale of property from the forgiveness of interest on assumed debt which did not occur in the current year.

CADA's Operating Loss was \$18.9 million, which is \$16.8 million more than last year's \$1.1 million loss. The change is primarily due to net increases in total Operating Expense of \$15.8 million, offset by an increase in Operating Revenue of \$3.5 million which included recognized grant income of \$2.4 million.

The increases in Operating Expenses were in most operation accounts with Employee Services expenses increase due to approved salary increases, along with recognizing a full year of expense from filled vacated positions, including the Asset Management Director position (now combined with the Deputy Director position), with increases to general rental expenses in services, supplies, and

repairs of \$667,000, along with the major increases in development expenses for the residual receipt notes for the Monarch project and the Sakura project as compared to the prior year.

The increase in Operating Revenue reflects a \$411,000 net increase in Rental Revenue and an increase in development projects revenue of \$921,000 mostly from reimbursement of predevelopment expenses from prior years.

*Statements of Cash Flow (Attachment 2a):*

Total Cash and Cash Equivalents decreased by \$9.4 million compared to the prior year's increase of \$1.6 million.

Cash outflow from operating activities decreased with inflows from revenues increasing causing a positive net cash inflow of \$125,000, with an increased cash inflow from other receipts which is comprised of receivables for reimbursement of predevelopment expenses from both the Monarch and the Sakura project, which was subsequently paid after year end. This was a large part of the positive cash flow in operating revenues.

The main reason for the increased cash outflow was in financing activities related to capital assets which increased by \$3 million as compared to the prior year and the residual receipt notes from two projects for the net amount of \$13 million. This includes the note to Sakura for \$4 million and the note for \$11.3 million net of the \$3.3 million in grant funds received from the City of Sacramento for the Monarch project.

*Budget Basis to GAAP Basis Net Income Reconciliation (Attachment 3):*

Attachment 2 identifies the reconciling factors between the "GAAP Basis of Accounting," which is the required reporting basis for audited financial statements, and CADA's "Budget Basis of Accounting," or "Modified Cash Basis of Accounting," which is the basis for staff's monthly financial reporting to the Board. This attachment is presented as a cash flow report adjusting out inter-fund activity and includes the CIP Budgets which are usually reported separately from the monthly reports. The Audit Reconciliation section shows the differences between the adjusted cash flow report and the audited change in net assets, or net income, reported on the audited financial statements.

The major adjustments between the GAAP Basis and Cash Basis include the following:

- Removal of debt service and debt-related transactions from cash flow expenses because this is a reduction of outstanding debt on the Statement of Net Position, not a yearly expense.
- The change in the net pension liability and PERS retirement expense through adjustments to Deferred Inflows/Outflows of Resources Related to Pensions.
- The change in the net OPEB liability and OPEB annual expense made through Deferred Inflows/Outflows of Resources Related to OPEB.
- Inclusion of the Allowance for Uncollectible, or bad debt expenses, which removes an asset and increases expenses to recognize cash spent or an asset not received in the current year or a prior year.
- The change in lease accounting, due to government lessees being required to recognize a lease liability and an intangible asset, and government lessors recognizing a lease receivable and a deferred inflow of resources while continuing to report the lease asset in

the financial statements. Leased assets will be recognized as an amortization expense and lessor revenue will be recognized over the term of the lease corresponding with the reduction of the deferred inflow.

- The change in software and other subscription accounting, as these are required to be accounted for as a prepaid subscription asset and amortized over the life of the subscription. (newer accounting requirement)
- Reduction or capitalization of applicable major construction expenses within the Statement of Net Position, net of the related depreciation expense, allowing the recognition of the capitalized major construction expenses to be over the lifetime of the improved asset and not completely within the year the cash was spent

*Budget Comparison:*

As reflected in Attachment 4, CADA's General Operations for FY 2024-2025 were well within budget, ending the year with favorable (positive) variances totaling \$480,886.

**CONTRACT CONSIDERATIONS**

The audit contract with CohnReznick was approved by the Board in June 2021. The contract provides for CohnReznick to provide auditing services for the fiscal years ending 2021 through 2025. Costs of the audit are included in each year's budget.

**ENVIRONMENTAL ISSUES**

Not applicable. The recommended action is not a project pursuant to the California Environmental Quality Act (CEQA) guidelines and does not require environmental review.

**CADA STRATEGIC PLAN**

The Strategic Plan value that is most directly pertinent to this action is Objective I: Ensure Fiscal Strength and Operational Excellence. The completion of Audited financial statement enables CADA to meet its Strategic Plan's goals and objectives, while also continuing to maintain a strong financial position.

Attachments:

1. Resolutions 26-01, 26-02, 26-03, and 26-04
2. Independent Auditor's Reports FY 2024-2025
  - a. Capitol Area Development Authority
  - b. Somerset Parkside Apartments (Contract Number 80-RHC-007 & LRP)
  - c. Biele Place Apartments (Contract Number 80-RHC-032)
  - d. Seventeenth Street Commons (Contract Number 99-024-N)
3. Reconciliation – Budget Basis to GAAP Net Income
4. General Operations – FY 2024-2025, Budget to Actual

**RESOLUTION NO. 26 – 01**

Adopted by the Capitol Area Development Authority

January 16, 2026

**RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF  
INDEPENDENT AUDITOR’S REPORTS – FISCAL YEAR 2024-2025**

**WHEREAS**, the certified public accounting firm of CohnReznick has audited the Authority’s finances and prepared its Authority’s Independent Auditor’s Reports for Fiscal Year 2024-2025; and

**WHEREAS**, CohnReznick has prepared an unqualified opinion letter that is incorporated into this annual report.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority, that the Authority’s Independent Auditor’s Reports for Fiscal Year 2024-2025 audited by CohnReznick are hereby accepted and authorized for release.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 26 – 02**

Adopted by the Capitol Area Development Authority

January 16, 2026

**RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF  
INDEPENDENT AUDITOR’S REPORTS – FISCAL YEAR 2024-2025  
FOR SOMERSET PARKSIDE APARTMENTS**

**WHEREAS**, the certified public accounting firm of CohnReznick has completed its audit of the Authority’s Independent Auditor’s Reports for Fiscal Year 2024-2025 for Somerset Parkside Apartments; and

**WHEREAS**, CohnReznick has prepared an unqualified opinion letter which is incorporated into this annual report.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority, that the Authority’s Independent Auditor’s Reports for Fiscal Year 2024-2025 for Somerset Parkside Apartments audited CohnReznick is hereby accepted and authorized for release.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 26 – 03**

Adopted by the Capitol Area Development Authority

January 16, 2026

**RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF  
INDEPENDENT AUDITOR’S REPORTS – FISCAL YEAR 2024-2025  
FOR BIELE PLACE APARTMENTS**

**WHEREAS**, the certified public accounting firm of CohnReznick has completed its audit of the Authority’s Independent Auditor’s Reports for Fiscal Year 2024-2025 for Biele Place Apartments; and

**WHEREAS** CohnReznick has prepared an unqualified opinion letter which is incorporated into this annual report.

**NOW, THEREFORE, BE IT RESOLVED** by the Capitol Area Development Authority, that the Authority’s Independent Auditor’s Reports for Fiscal Year 2024-2025 for Biele Place Apartments audited by CohnReznick is hereby accepted and authorized for release.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

**RESOLUTION NO. 26 – 04**

Adopted by the Capitol Area Development Authority

January 16, 2026

**RESOLUTION ACCEPTING AND AUTHORIZING RELEASE OF  
INDEPENDENT AUDITOR’S REPORTS – FISCAL YEAR 2024-2025  
FOR SEVENTEENTH STREET COMMONS  
(Contract Number 99-024-N)**

**WHEREAS**, the certified public accounting firm of CohnReznick has completed its audit of the Authority’s Independent Auditor’s Reports for Fiscal Year 2024-2025 for Seventeenth Street Commons (Contract Number 99-024-N); and

**WHEREAS**, CohnReznick has prepared an unqualified opinion letter which is incorporated into this annual report.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority, that the Authority’s Independent Auditor’s Reports for Fiscal Year 2024-2025 for Seventeenth Street Commons (Contract Number 99-024-N) audited by CohnReznick is hereby accepted and authorized for release.

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Ann Bailey, Chair

ATTEST:

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Tara Gandara  
Secretary to the Board of Directors

Attachment 2a

**Capitol Area Development Authority**

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**June 30, 2025 and 2024**

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# Capitol Area Development Authority

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**Capitol Area Development Authority**

**Board of Directors of the Capitol Area Development Authority**

Ann Bailey  
Chair

Emily Baime Michaels  
Vice-Chair

Nicholas Avdis

Robert Lagomarsino

Jose Bodipo-Memba

Danielle Foster  
Executive Director

Leyne Milstein  
Interim City Manager  
Finance  
City of Sacramento

Jeffrey Mitchell  
Legal Counsel  
Kronick Moskowitz  
Tiedemann & Girard

John Colville  
Treasurer  
City of Sacramento

Independent Auditor's Report

To the Board of Directors  
Capitol Area Development Authority

Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of the business-type activities of the Capitol Area Development Authority ("Authority"), as of and for the years ended June 30, 2025 and 2024, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the business-type activities of the Capitol Area Development Authority as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audits 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. 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 Authority and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Responsibilities of Management for the Financial Statements*

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 Authority'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 opinion. 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 Authority'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 Authority'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 cost-sharing defined benefit pension plan schedule of the Authority's proportionate share of the net pension liability, the cost-sharing defined benefit pension plan schedule of the Authority's contributions, the schedule of changes in net OPEB (asset) liability and related ratios, and the schedule of OPEB plan contributions identified 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do

not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Other Information*

Management is responsible for the other information included in the basic financial statements. The other information comprises of the list of the Board of Directors but does not include the basic financial statements and our auditor's report thereon. Our opinion on the basic financial statements does 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 January 7, 2026, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

*CohnReznick LLP*

Sacramento, California  
January 7, 2026

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

As management of the Capitol Area Development Authority (the "Authority" or "CADA"), we offer readers of the Authority's financial statements this narrative overview and analysis of the Authority and its financial activities for the years ended June 30, 2025 and 2024.

The Authority was created by a joint powers agreement between the City of Sacramento and the State of California in 1978. The Authority's primary mission is to implement the residential and commercial component of the State's Capitol Area Plan and the City's R Street Corridor Master Plan. Additionally, the Authority contributes to the ongoing vibrancy and diversity of the Sacramento urban core by creating a neighborhood and supporting catalyst community projects that are environmentally, socially and fiscally sustainable through development activities and by providing professional property management services for the mixed-use, mixed-income properties that it manages and supports through other Authority activities. This mission is funded by rental income generated through the Authority's management of state-owned property and with tax increment revenue generated within the Authority's project area. While not a redevelopment agency, the Authority has legislative powers to collect tax increment from development in the project area.

Readers are encouraged to consider the following information in conjunction with the Authority's financial statements in order to further understand the numbers presented.

#### Financial Highlights

##### Financial Highlights for the Year Ended June 30, 2025

- During the year, the Authority had revenues of approximately \$23 million consisting primarily of \$10 million in rental and other revenues, \$8.2 million in tax increment revenue, \$1.5 million in interest income, \$2.4 million grant revenue and \$913,000 in development fee revenue.
- The Authority had expenses totaling approximately \$33.6 million consisting primarily of \$5.4 million in employee services and benefits, \$6.7 million related to property management operations, \$1.3 million of interest expense on the Authority's debt, \$18.7 million for development projects, and \$1.3 million in depreciation and amortization expense.
- The Authority expended \$2.8 million during the year on major construction projects budgeted for the structures that the Authority manages in the Capitol Area, of which \$2.6 million was capitalized.
- The net other post-employment benefits (OPEB) liability required under Governmental Accounting Standards Board ("GASB") No. 75 (GASB No. 75) has increased from \$750,584 to \$852,880 as of June 30, 2025.
- The net pension liability required under GASB No. 68 remained about the same from \$6.5 million to \$6.4 million as of June 30, 2025.
- The net commercial and ground lease activity required under GASB No. 87 has resulted in a net increase of \$535,059 in lease receivables, with a total lease receivable of \$2.7 million, a decrease of \$82,520 in lease liabilities, and a net decrease of \$84,750 in right-of-use asset, for a total lease liability of \$403,240. These changes were a result of an increase in four commercial tenants and their resulting leases.
- The Authority and its partners closed on financing through California Debt Limitation Allocation Committee ("CDLAC") tax credit program for two affordable housing projects for the Monarch at 805 R Street and the Sakura at 2000 16th Street. Construction started in 2025 and is anticipated to be completed in early 2027. At construction financing closing, the Authority entered into three residential

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

receipts loans in exchange for land and to finance, in part the development of these two projects, with a contribution of \$11.5 million to the 805 R Street project, \$3.28 million and \$4 Million in exchange of land and gap financing for the 2000 16th Street projects. Due to the nature of this type of loan the Authority determined there was not carrying value, so an allowance was set up for the full amount of the loans.

- The Authority purchased a property for a new Maintenance Office at 525 S Street for a total of \$2.98 million with \$750,000 downpayment and \$2.23 million in seller notes amortized over 20 years with a balloon payment of \$1.25 million in the second year. It is assumed that the sale of the current Maintenance Office will fund the required prepayment.
- The Authority's Middle-Income Housing Program to address local workforce housing needs, in partnership with for-profit and non-profit developers loaned \$50,000 in this fiscal year. The first loan of \$25,000 was provided to UC 15G LP for a project at 628 15<sup>th</sup> street and a second loan of \$25,000 to UC 16E LP for the Studio 30 project at 500 16<sup>th</sup> Street.
- In order to ensure it has the financial resources to meet the demands of its mission, the Authority maintains a rolling ten-year financial projection the Authority's staff revises and the Board reviews at least annually. A key element of the Authority's approach to managing its financial resources is maintaining a level of net assets sufficient to fund a minimum of six months of operating expenses and to meet projected planning and pre-development demands for development projects. The Authority's \$23.2 million in net position, as of June 30, 2025, meets this objective.

#### Financial Highlights for the Year Ended June 30, 2024

- During the year, the Authority had revenues of approximately \$20.6 million consisting primarily of \$9.9 million in rental and other revenues, \$8.1 million in tax increment revenue, \$1.4 million in interest income, and \$1.2 million revenue for debt forgiveness.
- The Authority had expenses totaling approximately \$14.3 million consisting primarily of \$5 million in employee services and benefits, \$6.2 million related to property management operations, \$1.4 million of interest expense on the Authority's debt, \$535,000 for development projects, and \$1.2 million in depreciation expense.
- The Authority expended \$1.7 million during the year on major construction projects budgeted for the structures that the Authority manages in the Capitol Area, of which \$1.6 million was capitalized.
- The net other post-employment benefits (OPEB) liability required under Governmental Accounting Standards Board ("GASB") No. 75 (GASB No. 75) has increased from \$451,348 to \$750,584 as of June 30, 2024.
- The net pension liability required under GASB No. 68 has increased from \$6 million to \$6.5 million as of June 30, 2024. This increase in liability reflected the California Public Employees' Retirement System (CalPERS) investment losses from the prior two years.
- The net commercial and ground lease activity required under GASB No. 87 has resulted in a net increase of \$926,760 in lease receivables, with a total lease receivable of \$2.1 million, an increase of \$17,455 in lease liabilities, and a net increase of \$10,609 in right-of-use asset, for a total lease liability of \$485,760. These changes were a result of an increase in five commercial tenants and their resulting leases.

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

- The Authority and its partners closed on financing through California Debt Limitation Allocation Committee ("CDLAC") tax credit program for an affordable housing project at 1717 S Street. The construction was completed and the project was placed in service late 2023.
- The Authority purchased the improvement on the ground lease at the Terraces property for \$3.4 million most of which involved assuming and repaying \$1.4 million of SHRA debt of \$2.6 million, who forgave the other \$1.2 million in accrued interest.
- The Authority has initiated a Middle-Income Housing Program to address local workforce housing needs that will be used in partnership with for-profit and non-profit developers. In this fiscal year a \$100,000 loan was provided to the Kind Project Downtown on 8th and S Streets.

In order to ensure it has the financial resources to meet the demands of its mission, the Authority maintains a rolling ten-year financial projection the Authority's staff revises and the Board reviews at least annually. A key element of the Authority's approach to managing its financial resources is maintaining a level of net assets sufficient to fund a minimum of six months of operating expenses and to meet projected planning and pre-development demands for development projects. The Authority's \$33.7 million in net position, as of June 30, 2024, meets this objective.

#### Overview of the Financial Statements

The Authority's annual report consists of Management's Discussion and Analysis (this section), the basic financial statements, and other supplementary information.

The Authority's basic financial statements include two components: the government-wide financial statements and the notes to the financial statements.

**Government-wide financial statements:** The government-wide financial statements are designed to provide readers with a broad overview of the Authority's finances, in a manner similar to a private-sector business. These statements report on the function of the Authority that is principally supported by property management revenue and intergovernmental revenues.

The *statements of net position* present information on all of the Authority's assets and deferred outflows of resources ("DOR"), and liabilities and deferred inflows of resources ("DIR"), with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the Authority is improving or declining.

The *statements of revenues, expenses, and changes in net position* present information showing how the Authority's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in these statements for some items that will only result in cash flows in future fiscal periods.

**Notes to the financial statements:** The accompanying notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

**Supplementary information:** The supplementary information accompanying the basic financial statements provides additional information on the Authority's pension plan and other post-employment (OPEB) plan that is essential to a full understanding of the data provided in the government-wide financial statements.

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

#### Government-Wide Financial Statements

As noted earlier, net position may serve over time as a useful indicator of a government's improving or declining financial position. In the case of the Authority, assets and DOR exceeded its liabilities and DIR by \$23.2 million as of June 30, 2025.

#### Condensed Statements of Net Position at June 30, 2025 and 2024

	2025	2024	Change	
			\$	%
<b>Assets</b>				
Current and other assets	\$ 60,818,581	\$ 67,321,516	\$ (6,502,935)	-10%
Capital assets, net	17,714,525	16,697,776	1,016,749	6%
<b>Total assets</b>	<b>\$ 78,533,106</b>	<b>\$ 84,019,292</b>	<b>\$ (5,486,186)</b>	<b>-7%</b>
<b>Deferred outflows of resources (DOR)</b>				
DOR - Pensions and OPEB	\$ 2,863,619	\$ 3,306,288	\$ (442,669)	-13%
<b>Liabilities</b>				
Current liabilities	\$ 7,185,655	\$ 3,573,320	\$ 3,612,335	101%
Non-current liabilities	47,956,596	47,378,335	578,261	1%
<b>Total liabilities</b>	<b>\$ 55,142,251</b>	<b>\$ 50,951,655</b>	<b>\$ 4,190,596</b>	<b>8%</b>
<b>Deferred inflows of resources (DIR)</b>				
DIR - Pensions, OPEB and Leases	\$ 3,035,131	\$ 2,635,321	\$ 399,810	15%
<b>Net position</b>				
Net investment in capital assets	\$ 2,009,641	\$ 1,537,222	\$ 472,419	-31%
Restricted for insurance and reserves	1,807,146	1,748,395	58,751	3%
Unrestricted	19,402,556	30,452,987	(11,050,431)	-36%
<b>Total net position</b>	<b>\$ 23,219,343</b>	<b>\$ 33,738,604</b>	<b>\$ (10,519,261)</b>	<b>-31%</b>

#### Analysis of Net Position - June 30, 2025:

The Authority's net position decreased during the current year by \$10.5 million, as a result of consistent rental revenue, intergovernmental revenue and interest income, a one-time grant from the City of Sacramento and reduction in interest expense, offset by large increases in development activity and increasing expenses within employee services and services and supplies.

A portion of the Authority's net position is invested in capital assets. This category, which increased by \$472,419, consists of the cost basis of assets acquired, less depreciation and related debt, net of unspent proceeds. The increase in the net investment in capital assets category of \$472,419 is the net effect of an increase of \$1 million from additions in capital assets, a net change in the related debt due to a decrease of \$1.6 million in debt repayments and an increase of \$2.2 million for new debt.

The historical cost of capital assets increased by \$2.4 million as a result of land transactions, equipment and improvements to buildings. Depreciation expenses reduced the carrying value of the

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

total capital assets by \$ 1.3 million, for a net increase in the net value of capital assets of \$1 million. Additional information on the Authority's capital assets can be found in Note 6 to the Financial Statements.

Liabilities increased by \$4 million due to the annual payments on the bonds and notes payable offset with increases in debt and to the pension and OPEB liabilities due to changes in net plan assets.

#### Condensed Statements of Revenue, Expenses and Changes in Net Position For the Years Ended June 30, 2025 and 2024

	2025	2024	Change	
			\$	%
<b>Revenue</b>				
Operating revenue				
Rental revenue, net	\$ 9,899,248	\$ 9,487,968	\$ 411,280	4%
Other revenue	3,437,344	383,821	3,053,523	796%
Non-operating revenue				
Interest income	1,489,898	1,366,293	123,605	9%
Gain on interest forgiveness	-	1,242,591	(1,242,591)	-100%
Intergovernmental	8,228,101	8,113,859	114,242	1%
<b>Total revenue</b>	<b>\$ 23,054,591</b>	<b>\$ 20,594,532</b>	<b>\$ 2,460,059</b>	<b>12%</b>
<b>Expenses</b>				
Operating expenses				
Employee services and benefits	\$ 5,384,636	\$ 4,948,388	\$ 436,248	9%
Development projects	18,740,828	534,973	18,205,855	3403%
Other	8,105,825	7,398,985	706,840	10%
Non-operating expenses				
Interest expense	1,342,563	1,382,979	(40,416)	-3%
<b>Total expenses</b>	<b>33,573,852</b>	<b>14,265,325</b>	<b>19,308,527</b>	<b>135%</b>
Change in net position	(10,519,261)	6,329,207	(16,848,468)	-266%
Net position, beginning of year	33,738,604	27,409,397	6,329,207	23%
<b>Net position, end of year</b>	<b>\$ 23,219,343</b>	<b>\$ 33,738,604</b>	<b>\$ (10,519,261)</b>	<b>-31%</b>

The Authority's net position in the current year decreased by \$10.5 million as a result of fiscal year ended June 30, 2025. This represents a \$16.85 million decrease compared to the prior year due to slight increases in revenues and large increase in development activities.

Revenue reflects a net increase from the prior year, mainly as a result of the net effect of three revenue sources. The tax increment portion of intergovernmental revenue increased by \$114,242 and reflects a continued increase in property taxes within the Authority's boundaries. Rental revenue increased by \$411,280, with gross rental revenue increasing by \$434,000. This net increase is due to increases within the rental revenue, offset by decrease in parking, commercial and ground lease revenue categories, along with a net increase of \$247,000 in vacancy losses and low-income subsidy, and a decrease in loss to lease of \$224,000. Interest income increased as a result of higher investment earnings compared to the prior year on funds held with the City Treasurer. Along with a grant from the City of Sacramento of \$3.3 million for development activities, the overall impact on revenue was an increase of \$2.5 million in total revenue.

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

Expenses increased by \$19.3 million during the fiscal year ended June 30, 2025, largely due to increases in Development activities, along with smaller increases in employee services, services and supplies categories, and amortization expenses. Increases in development projects expenses of \$18.2 million were due to gap financing loans to two affordable projects the Authority closed escrow in 2025. The increase in employee services expenses of \$436,200 was mainly due to the increase in pension and OPEB expenses along with filling vacant positions and a full year of the Asset Management Director position.

#### Condensed Statements of Net Position at June 30, 2024 and 2023

	2024	2023	Change	
			\$	%
<b>Assets</b>				
Current and other assets	\$ 67,321,516	\$ 65,497,179	\$ 1,824,337	3%
Capital assets, net	16,697,776	12,388,812	4,308,964	35%
<b>Total assets</b>	<b>\$ 84,019,292</b>	<b>\$ 77,885,991</b>	<b>\$ 6,133,301</b>	<b>8%</b>
<b>Deferred outflows of resources (DOR)</b>				
DOR - Pensions and OPEB	\$ 3,306,288	\$ 3,296,895	\$ 9,393	0%
<b>Liabilities</b>				
Current liabilities	\$ 3,573,320	\$ 3,448,366	\$ 124,954	4%
Non-current liabilities	47,378,335	48,184,697	(806,362)	-2%
<b>Total liabilities</b>	<b>\$ 50,951,655</b>	<b>\$ 51,633,063</b>	<b>\$ (681,408)</b>	<b>-1%</b>
<b>Deferred inflows of resources (DIR)</b>				
DIR - Pensions, OPEB and Leases	\$ 2,635,321	\$ 2,140,426	\$ 494,895	23%
<b>Net position</b>				
Net investment in capital assets	\$ 1,537,222	\$ (4,312,065)	\$ 5,849,287	-136%
Restricted for insurance and reserves	1,748,395	1,797,998	(49,603)	-3%
Unrestricted	30,452,987	29,923,464	529,523	2%
<b>Total net position</b>	<b>\$ 33,738,604</b>	<b>\$ 27,409,397</b>	<b>\$ 6,329,207</b>	<b>23%</b>

#### Analysis of Net Position - June 30, 2024:

The Authority's net position increased during the current year by \$6.3 million, as a result of consistent rental revenue, intergovernmental revenue and interest income, a one-time gain in the forgiveness of interest from the assumption of debt on the purchase of property with reductions in development activity and interest expense, offset by increasing expenses within maintenance and repairs.

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

A portion of the Authority's net position is invested in capital assets. This category, which increased by \$5.8 million, consists of the cost basis of assets acquired, less depreciation and related debt, net of unspent proceeds. The increase in the net investment in capital assets category of \$5.8 million is the net effect of an increase of \$4.3 million from additions in capital assets, and a decrease in the related debt due to \$1.5 million in debt repayments.

The historical cost of capital assets increased by \$5.5 million as a result of equipment and improvements to buildings, and software agreements. Depreciation expenses reduced the carrying value of the total capital assets by \$1.2 million, for a net increase in the net value of capital assets of \$4.3 million. Additional information on the Authority's capital assets can be found in Note 6 to the Financial Statements.

Liabilities decreased by \$681,000 due to the annual payments on the bonds and notes payable offset with increases to the pension and OPEB liabilities due to changes in net plan assets.

#### Condensed Statements of Revenue, Expenses and Changes in Net Position For the Years Ended June 30, 2024 and 2023

	2024	2023	Change	
			\$	%
<b>Revenue</b>				
Operating revenue				
Rental revenue, net	\$ 9,487,968	\$ 8,854,804	\$ 633,164	7%
Other revenue	383,821	210,475	173,346	82%
Non-operating revenue				
Interest income	1,366,293	941,607	424,686	45%
Gain on interest forgiveness	1,242,591	-	1,242,591	100%
Gain on sale of property	-	400,000	(400,000)	-100%
Intergovernmental	8,113,859	7,445,407	668,452	9%
Total revenue	<u>\$ 20,594,532</u>	<u>\$ 17,852,293</u>	<u>\$ 2,742,239</u>	<u>15%</u>
<b>Expenses</b>				
Operating expenses				
Employee services and benefits	\$ 4,948,388	\$ 3,504,747	\$ 1,443,641	41%
Development projects	534,973	613,775	(78,802)	-13%
Other	7,398,985	6,800,176	598,809	9%
Non-operating expenses				
Interest expense	1,382,979	1,417,353	(34,374)	-2%
Total expenses	<u>14,265,325</u>	<u>12,336,051</u>	<u>1,929,274</u>	<u>16%</u>
Change in net position	6,329,207	5,516,242	812,965	15%
Net position, beginning of year	<u>27,409,397</u>	<u>21,893,155</u>	<u>5,516,242</u>	<u>25%</u>
Net position, end of year	<u>\$ 33,738,604</u>	<u>\$ 27,409,397</u>	<u>\$ 6,329,207</u>	<u>23%</u>

The Authority's net position in the current year increased by \$6.3 million as a result of fiscal year ended June 30, 2024 operations. This represents a \$812,965 increase compared to the prior year due to slight increases in revenues and slight decreases in development activities and interest expenses.

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

Revenue reflects a net increase from the prior year, mainly as a result of the net effect of three revenue sources. The tax increment portion of intergovernmental revenue increased by \$668,452 and reflects a continued increase in property taxes within the Authority's boundaries. Rental revenue increased by \$633,000, with gross rental revenue increasing by \$648,000. This net increase is due to increases within the rental, parking, and commercial revenue categories, offset by decreases in ground lease revenue, along with a net increase of \$140,800 in vacancy losses and loss to lease, and an increase in low-income subsidies of \$78,500. Interest income increased as a result of higher investment earnings compared to the prior year on funds held with the City Treasurer. Along with the forgiveness of accrued interest of \$1.2 million on assumed debt, the overall impact on revenue was an increase of \$2.7 million in total revenue.

Expenses increased by \$1.9 million during the fiscal year ended June 30, 2024, largely due to increases in employee services, along with increases in maintenance categories, bad debt and amortization expense. Decreases for development projects of \$78,802 were due to more site improvements and offsite infrastructure expenses in the prior year, as compared to the current year. The increase in employee services expenses of \$1.4 million was mainly due to the increase in pension and OPEB expenses along with filling vacant positions and filling the recently opened Asset Management Director position.

#### Capital Asset and Debt Administration

**Capital assets:** As reflected in the Statements of Net Position above, the Authority's investments in capital assets were \$17.7 million and \$16.7 million (net of accumulated depreciation) at June 30, 2025 and 2024, respectively. This investment in capital assets, as reflected in the Notes to the Financial Statements, includes land, construction in progress, buildings and improvements, machinery and equipment, and the right of use assets. Additions during the years ended June 30, 2025 and 2024, totaled \$2.4 million and \$5.5 million, respectively. The 2025 additions included net reduction of (\$2.5 million) in land for the purchase of the 525 S Street warehouse and the close of escrow with the land sold for the 2000 16th Street project, building improvements of \$2.8 million, machinery and equipment costs of \$38,200, and an increase in construction in progress of \$2 million. The 2024 additions included the purchase of the Terraces improvements of \$3.4 million, building improvements of \$1.9 million, machinery and equipment costs of \$36,800, administrative lease costs of \$80,813 and an increase in construction in progress of \$22,279. Depreciation on capital assets totaled \$1.4 million and \$1.2 million, respectively, for the years ended June 30, 2025 and 2024.

Additional information on the Authority's capital assets can be found in Note 6 to the Financial Statements.

**Lease liability:** The Authority has a lease liability of \$403,240 and \$485,760 as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, lease liability decreased by \$82,520 in 2025 and lease liability increased by \$17,455 in 2024.

Additional information on the Authority's lease liability can be found in Notes 5 to the Financial Statements.

**Notes and bonds payable:** As reflected in the Financial Statements and Notes to the Financial Statements, the Authority is responsible for notes and bonds payable totaling \$41.4 million and \$40.7 million as of June 30, 2025 and 2024, respectively. During the years ended June 30, 2025 and 2024, principal payments reduced notes payable by \$226,000 and \$1,571,000, respectively, and bonds payable by \$1.4 million and \$1.4 million, respectively, with the addition of a \$2.3 million note for the purchase of the 525 S Street property.

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

Additional information on the Authority's Long-Term Debt can be found in Notes 7 and 8 to the Financial Statements.

#### **Economic factors and budget process**

The Authority adheres to a balanced budget directive, such that budgeted revenues will always equal budgeted expenses. Budgets are prepared using a modified cash flow concept. Consequently, debt principal payments and capitalized expenditures are included, and non-cash items, such as depreciation and amortization, are not included. At mid-year, the Authority reassesses its budgetary estimates.

The Authority is involved in the development of sites within the Capitol Area and partners on other projects within the City. Site preparation, financing, and development often require more than one fiscal year to complete. Consequently, the Authority operates using both annual General Operations Budgets and multi-year Capital Investment Program Budgets.

The following factors have been considered in preparing the Authority's budget for the fiscal year ended June 30, 2025:

- An increase to the Capitol Area tax increment revenue was budgeted due to the FY 2023-24 fiscal year receipts and anticipated tax levels for FY 2024-2025. This increase appeared to be due to increases in property values over the last fiscal year in the Authority's area, including property sales and a 2% property tax increase imposed by the County Tax Assessor.
- An increase was budgeted for rental revenue to reflect FY 2023-24 rental revenue levels and an estimated 2% increase based on anticipated additional revenue due to approved rent increases for FY 2024-25.
- Budgeted current development projects of \$12.2 million will be funded as part of the General Operations Budget for the fiscal year ended June 30, 2025. Development funding outlays have been increased from the prior year reflecting the use of Bond funds for loans of \$12 million for the 805 R Street and 2000 16<sup>th</sup> Street projects, both of which closed on construction financing during the fiscal year.
- The Authority will continue to maintain its current housing stock through its major construction program with a budgeted amount of \$4.4 million to be funded through the General Operations Budget and the release of prior year funding.
- The Authority budgeted \$216,000 to continue to fund the California Employers' Retiree Benefit Trust administered by the California Public Employees' Retirement System for the Authority's unfunded post-employment health benefit liabilities. This is an increase from the prior year based on the current actuarial analysis.

#### **Future Events that will Financially Impact the Authority**

- For Site 21, The Cypress at 14th and N Streets, the Authority entered into a Disposition and Development Agreement (DDA) with a developer, D&S Development to complete a housing project at this site with the Authority selling the property to the developer in August 2022. The Project is a market rate building with 98 units; this has completed construction and is currently leasing up as of December 2025.

## Capitol Area Development Authority

### Management's Discussion and Analysis (Unaudited) Years Ended June 30, 2025 and 2024

- The Authority, through its non-profit, is continuing to work in partnership with Mutual Housing on two new affordable housing projects. Sakura at 16<sup>th</sup> and T and Monarch at 805 R Street, with both properties being a mix-used, transit-orientated affordable housing development project.
- The Authority has purchased a new maintenance warehouse facility at 525 S Street, through a seller carryback loan with the anticipated proceeds from the planned sale of the current warehouse facility to pay the balloon payment due in August 2026.
- The Authority is continuing to work with the City of Sacramento to plan improvements to Roosevelt Park and Fremont Park.
- The Authority is working with California State University, Sacramento to possibly offer financial assistance to support their development endeavors in the downtown area.
- The Authority is currently working to implement a concept plan for streetscape improvements, art, and street projects on the O Street Corridor.
- The Authority will continue exploring options for the development of other sites, including but not limited to, Block 222, East End Gateway Site 5/6/7, and R Street.
- The Authority will continue to monitor possible development sites for the development of low-income housing in the R Street Corridor.
- The Authority is continuing to investigate additional opportunities for purchasing multi-family properties in the Capitol Area and the R Street Area to address future affordable housing needs and prepare for possible future affordable housing projects.
- The Authority will continue with the Middle-Income Housing Program to address local workforce housing needs that will be carried out in partnership with for-profit and non-profit developers.
- The Authority continues to work on ways to creatively activate vacant and underutilized spaces with arts, small business, community activities and other opportunities that support area vibrancy.
- As the Authority continues to proceed with preparations for future development projects, there will be a high demand to fund pre-development activities, grant-matching funds, toxic remediation and other site preparation activities.

#### Request for Information

This financial report is designed to provide a general overview of the Authority's finances for all interested parties. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the CADA's Finance Director, Noelle Mussen, at 1522 - 14th Street, Sacramento, CA 95814.

## Capitol Area Development Authority

### Statements of Net Position June 30, 2025 and 2024

	<u>Assets</u>	
	<u>2025</u>	<u>2024</u>
Current assets		
Cash and cash equivalents	\$ 46,865,275	\$ 56,356,337
Accounts receivable, net	143,976	56,745
Advance to affiliate, current portion	2,246,584	-
Interest receivable	86,457	-
Lease receivable, current portion	231,118	159,991
Prepaid expenses and other assets	29,014	111,052
Notes receivable, current portion	1,551,994	1,526,994
Restricted cash and cash equivalents		
Tenant and event security deposits	468,093	442,651
Letter of credit reserve	308,363	308,302
Debt covenant reserves	386,854	386,418
Insurance impounds	49,508	48,055
Employee benefits	-	19,794
Funds held for others	55,340	55,340
Total restricted cash and cash equivalents	<u>1,268,158</u>	<u>1,260,560</u>
Total current assets	<u>52,422,576</u>	<u>59,471,679</u>
Noncurrent assets		
Advance to affiliate, long-term	1,101,517	1,101,517
Investment in joint venture	100	100
Lease receivable, net of current portion	2,420,113	1,956,182
Restricted cash and cash equivalents		
Replacements and operating reserves	774,275	717,038
Insurance risk reserve	675,000	675,000
Total restricted cash and cash equivalents	<u>1,449,275</u>	<u>1,392,038</u>
Notes receivable, net of current portion	3,425,000	3,400,000
Capital assets		
Non-depreciable	4,336,493	4,804,963
Depreciable, net	13,378,032	11,892,813
Total capital assets	<u>17,714,525</u>	<u>16,697,776</u>
Total noncurrent assets	<u>26,110,530</u>	<u>24,547,613</u>
Total assets	<u>\$ 78,533,106</u>	<u>\$ 84,019,292</u>
Deferred Outflows of Resources		
Deferred outflows related to pensions	\$ 1,880,999	\$ 2,450,941
Deferred outflows related to OPEB	982,620	855,347
Total deferred outflows of resources	<u>\$ 2,863,619</u>	<u>\$ 3,306,288</u>

**Capitol Area Development Authority**

**Statements of Net Position  
June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
<u>Liabilities</u>		
Current liabilities		
Accounts payable	\$ 3,264,014	\$ 799,918
Lease liability, current portion	86,188	82,571
Prepaid rent	55,211	45,167
Due to state - HCD	176,892	148,592
Accrued benefits payable	75,007	93,848
Accrued interest payable	298,762	307,237
Tenant security deposits	468,093	442,651
Developer deposits	67,642	20,000
Funds held for others	47,247	47,247
Unearned grant revenue	967,461	-
Notes payable, current portion	299,913	226,070
Bonds payable, current portion	1,379,225	1,360,019
	<u>7,185,655</u>	<u>3,573,320</u>
Total current liabilities		
Noncurrent liabilities		
Accrued interest payable	494,187	427,501
Notes payable, net of current portion	5,679,712	3,749,625
Bonds payable, net of current portion	34,012,672	35,391,897
Lease liability, net of current portion	317,052	403,189
Net pension liability	6,413,423	6,450,940
Net OPEB liability	852,880	750,584
Compensated absences payable	186,670	204,599
	<u>47,956,596</u>	<u>47,378,335</u>
Total noncurrent liabilities		
Total liabilities	<u>\$ 55,142,251</u>	<u>\$ 50,951,655</u>
Deferred Inflows of Resources		
Deferred inflows related to pensions	\$ 21,636	\$ 51,122
Deferred inflows related to OPEB	518,987	547,219
Deferred inflows related to leases	2,494,508	2,036,980
	<u>\$ 3,035,131</u>	<u>\$ 2,635,321</u>
Total deferred inflows of resources		
<u>Net Position</u>		
Net Position		
Net investment in capital assets	\$ 2,009,641	\$ 1,537,222
Restricted for insurance and reserves	1,807,146	1,748,395
Unrestricted	19,402,556	30,452,987
	<u>\$ 23,219,343</u>	<u>\$ 33,738,604</u>
Total net position		

See Notes to Financial Statements.

**Capitol Area Development Authority**

**Statements of Revenues, Expenses and Changes in Net Position  
Years Ended June 30, 2025 and 2024**

	2025	2024
Operating revenue		
Rental revenue, net	\$ 9,899,248	\$ 9,487,968
Other revenue		
Development projects	920,988	-
Grant revenue	2,413,614	100,000
Miscellaneous	102,742	283,821
	<u>13,336,592</u>	<u>9,871,789</u>
Total operating revenue		
Operating expense		
Employee services and benefits	5,384,636	4,948,388
Services and supplies	4,065,936	3,440,462
Development projects	18,740,828	534,973
Repairs and maintenance	2,653,532	2,695,766
Bad debt expense	44,624	91,465
Depreciation and amortization	1,341,733	1,171,292
	<u>32,231,289</u>	<u>12,882,346</u>
Total operating expense		
Operating loss	<u>(18,894,697)</u>	<u>(3,010,557)</u>
Non-operating revenue (expense)		
Interest income	1,489,898	1,366,293
Forgiveness of interest	-	1,242,591
Interest and financing expense	(1,342,563)	(1,382,979)
Intergovernmental	8,228,101	8,113,859
	<u>8,375,436</u>	<u>9,339,764</u>
Total non-operating revenue		
Change in net position	<u>(10,519,261)</u>	<u>6,329,207</u>
Net position, beginning of year	<u>33,738,604</u>	<u>27,409,397</u>
Net position, end of year	<u>\$ 23,219,343</u>	<u>\$ 33,738,604</u>

See Notes to Financial Statements.

**Capitol Area Development Authority**

**Statements of Cash Flows  
Years Ended June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>
Cash flows from operating activities		
Rental receipts	\$ 9,699,907	\$ 9,413,167
Other operating receipts	2,205,863	333,821
Tenant security deposits received	153,223	147,480
Payroll and related costs paid	(4,971,676)	(4,629,804)
Services and supplies expenses paid	(3,970,671)	(2,982,904)
Development project expenses paid	(86,300)	(576,063)
Operating and maintenance expenses paid	(2,777,191)	(2,551,453)
Tenant security deposits paid	<u>(127,781)</u>	<u>(117,883)</u>
Net cash provided by (used in) operating activities	<u>125,374</u>	<u>(963,639)</u>
Cash flows from noncapital financing activities		
Intergovernmental	8,256,401	8,132,039
Funds held for others	<u>2,500,000</u>	<u>-</u>
Net cash provided by noncapital financing activities	<u>10,756,401</u>	<u>8,132,039</u>
Cash flows from capital and related financing activities		
Principal payments on bonds and notes payable	(1,586,089)	(2,910,932)
Interest paid on bonds and notes payable	(1,284,352)	(1,324,130)
Principal payments on lease liability	(82,520)	(63,358)
Payments for capital assets	<u>(5,739,580)</u>	<u>(2,638,186)</u>
Net cash used in capital and related financing activities	<u>(8,692,541)</u>	<u>(6,936,606)</u>
Cash flows from investing activities		
Issuance of notes receivable and advances to affiliates	(13,018,902)	-
Interest receipts	<u>1,403,441</u>	<u>1,366,293</u>
Net cash provided by (used in) investing activities	<u>(11,615,461)</u>	<u>1,366,293</u>
Net increase (decrease) in cash and cash equivalents	(9,426,227)	1,598,087
Cash and cash equivalents, beginning of year	<u>59,008,935</u>	<u>57,410,848</u>
Cash and cash equivalents, end of year	<u>\$ 49,582,708</u>	<u>\$ 59,008,935</u>

**Capitol Area Development Authority**

**Statements of Cash Flows  
Years Ended June 30, 2025 and 2024**

	2025	2024
Reconciliation of cash and cash equivalents to the statement of net position		
Cash and cash equivalents	\$ 46,865,275	\$ 56,356,337
Restricted cash and cash equivalents		
Tenant and event security deposits	468,093	442,651
Letter of credit reserve	308,363	308,302
Debt covenant reserves	386,854	386,418
Insurance impounds	49,508	48,055
Employee benefits	-	19,794
Funds held for others	55,340	55,340
Replacements and operating reserves	774,275	717,038
Insurance risk reserve	675,000	675,000
Total cash and cash equivalents	\$ 49,582,708	\$ 59,008,935
Reconciliation of operating loss to net cash provided by (used in) operating activities		
Operating loss	\$ (18,894,697)	\$ (3,010,557)
Adjustments to reconcile operating loss to net cash provided by (used in) operating activities		
Depreciation and amortization	1,341,733	1,171,292
Allowance for loan losses	18,580,000	-
Pension	502,939	487,344
OPEB	(53,209)	(159,712)
Changes in assets and liabilities		
Accounts receivable	(87,231)	63,797
Prepaid expenses and other current assets	(2,215,099)	636,713
Lease receivable	(160,050)	(45,430)
Accounts payable	97,169	(75,932)
Prepaid rent	10,044	(1,703)
Accrued benefits payable	(18,841)	249
Tenant security deposits payable	25,442	29,597
Developer deposits payable	47,642	(50,000)
Unearned grant revenue	967,461	-
Compensated absences payable	(17,929)	(9,297)
Net cash provided by (used in) operating activities	\$ 125,374	\$ (963,639)
Significant noncash capital and related financing activities		
Capital asset additions through accounts payable	\$ 142,732	\$ 243,830
Increase in right of use asset and lease liability	\$ -	\$ 80,813
Assumption of loan and interest for property	\$ -	\$ 2,593,662
Forgiveness of accrued interest	\$ -	\$ 1,242,591
Land exchanged for issuance of note receivable	\$ 3,280,000	\$ -
New debt in exchange for property	\$ 2,230,000	\$ -

See Notes to Financial Statements.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### Note 1 - Summary of significant accounting policies

##### **The financial reporting entity**

The Capitol Area Development Authority ("Authority") was created by a joint powers agreement between the City of Sacramento ("City") and the State of California ("State") in July 1978. The Authority is governed by a five-member board of directors appointed by the City and the State. The Authority is responsible for management, maintenance and renovation of state-owned apartments (approximately 750 units) and commercial structures (approximately 31 leases); management of ground leases involving privately developed housing (approximately 136 units); developing new housing and commercial projects, including neighborhood amenities; and development of new state office and parking facilities upon request and approval of the State.

Accounting principles generally accepted in the United States of America ("GAAP") require that the component units be separated into blended, fiduciary or discretely presented units for reporting purposes. Although legally separate entities, blended component units are, in substance, part of the Authority's operations. Therefore, they are reported as part of the primary government. The primary government is financially accountable for these component units. The component unit presented has a June 30th fiscal year-end.

The component unit blended in the Authority's financial statements is the Capitol Area Community Development Corporation ("CACDC"). This component unit was established for the purpose of assisting the City and State in revitalizing the State Capitol Area by providing financing and assistance for the acquisition, development and managing residential and commercial projects, including affordable housing projects, along with development of public infrastructure.

##### **Basis of presentation**

The Authority is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. The Authority distinguishes operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services in connection with the Authority's ongoing operations. The principal operating revenue of the Authority is rental income from tenants of its housing units. This revenue is recognized on the financial statements net of vacancy loss, low-income subsidies, and loss to leases. Operating expenses for the Authority include employee services, development projects expenses, administrative expenses, maintenance, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted net positions are available, unrestricted resources are used only after restricted resources are depleted.

##### **Intergovernmental revenues**

Pursuant to Government Code Sections 8160 and 8180 through 8193, the Authority annually receives from the County of Sacramento, property tax increments collected within the redevelopment project area. During the fiscal year ended June 30, 2003, legislation was passed that expanded the southern boundary of the Authority's redevelopment project area to include a segment of the R Street corridor. Additionally, the Authority regularly receives annuity payments from other governmental agencies, which provide subsidies for a portion of the low-income households served by the Authority.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### **Risk management**

The Authority participates in a local government agency excess insurance liability pool to meet its commercial general liability, workers' compensation, umbrella liability, municipality and governmental authorities' errors and omissions, and employment practices liability insurance needs. The Authority is self-insured for these coverages to the extent that claim expenses are below the self-insured retention level set by the excess insurance liability carrier. The Authority has primary insurance policies for property, boiler and machinery, flood, fidelity/crime, site-specific pollution liability and automobile physical damage coverage. Public official bonds required by the joint powers agreement that established the Authority are in place. Funds are set-aside by the Authority to cover potential losses and deductibles. Settled claims have not exceeded coverage for the past three years.

#### **Cash and cash equivalents**

The Authority participates in the City's external investment pool. The City Treasurer pools cash and other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is the quoted market price. However, the value of the pool shares in the City that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Authority's position in the pool. The Authority also invests in money market mutual funds through a fiscal agent that are restricted by debt covenants.

Restricted cash and cash equivalents include tenant security deposits, reserves required by debt covenants, insurance impounds, funds held for others, replacement reserves and insurance risk reserves.

For purposes of the statements of cash flows, the Authority considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account and investments with initial maturities of 90 days or less.

#### **Accounts receivable**

Accounts receivable are reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2025 and 2024, the allowance for doubtful accounts is \$595,678 and \$571,741, respectively.

#### **Notes receivable**

The Authority makes loans and advances. Interest on the notes receivable is accrued at least annually. The Authority assesses the collectability of the amounts based upon the terms of the promissory notes and the capacity of the borrowers to repay the funds based upon expected future cash flows. During the year ended June 20, 3025, notes from 805 R Mutual Housing Associates, LP and 2000 16th St Associates, LP for \$11.3 million and \$7.28 million, respectively, were determined to be uncollectible and allowances for loan losses were setup for the full amounts. During the year ended June 30, 2022, a note from 1322 O Street Investor, LP for \$1.5 million was determined to be uncollectible so an allowance for loan losses was setup for the full amount. As of June 30, 2025 and 2024, the Authority's management believes that the remaining outstanding loans are collectible and

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

that the borrowers will be able to repay the loans under the terms of the promissory notes; therefore, no additional allowance for loan losses was considered necessary.

**Capital assets**

Capital assets, which are defined by the Authority as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond one year, are stated at cost. Depreciation is calculated using the straight-line method based on the following estimated useful lives:

Buildings and improvements	5 - 30 years
Machinery and equipment	3 - 10 years
Software arrangements	3 years

The costs of normal maintenance and repair that do not materially extend asset lives, enhance its efficiency or increase or amend asset usefulness are not capitalized.

**Impairment of capital assets**

The Authority reviews its capital assets for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2025, there has been no impairment of the capital assets.

**Compensated absences payable and sick leave**

Employee vacation benefits earned, but not used, are recognized as liabilities of the Authority. Fulltime employees accrue annual leave at rates based on length of service. Full-time employees with less than 3 years of service are allowed to carry a maximum of 160 hours of unused vacation, employees with 3-10 years of service may carry a maximum of 240 hours of unused vacation and employees with 10 years or more of service may carry a maximum of 320 hours of unused vacation. Part-time employees working more than or are on paid status of, 50% a month are eligible to earn and use vacation time at their pro-rata rate according to the percentage of the month they work. The liability for compensated absences reported on the statement of net position consists of leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Compensated absence accruals are considered long-term in nature and totaled \$186,670 and \$204,599 as of June 30, 2025 and 2024, respectively.

Sick leave benefits are earned and accumulated for each full-time employee at a rate of eight hours per month. A part-time employee earns a prorated share of sick leave, depending on the employee's percentage of full-time service. There is no limit to the number of hours of sick leave that an employee may accumulate, however, upon termination an employee is not paid for unused sick leave.

**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 Authority's portion of the California Public Employees' Retirement System ("CalPERS") Miscellaneous 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 (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB (asset) liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the Authority's plan ("OPEB Plan") the assets of which are held by CalPERS and additions to/deductions from the OPEB Plan's fiduciary net position have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

GAAP requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date:	June 30, 2023
Measurement Date:	June 30, 2024
Measurement Period:	July 1, 2023, to June 30, 2024

#### Bonds, notes payable and accrued interest

Bonds and notes payable consist of notes from commercial lenders, banks, local and state agencies. Interest on these notes is accrued at year end.

#### Income taxes

The Authority is exempt from federal and California income taxes.

#### Net position

Net position includes the net earnings from operations, non-operating revenues and expenses, and capital contributions. Net position is classified in the following three components:

- Net Investment in Capital Assets - This component of net position consists of capital assets, net of accumulated depreciation and reduced by outstanding debt and lease liabilities that are attributed to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- Restricted - This component of net position consists of constraints imposed by external creditors, grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation reduced by liabilities relating to those restricted assets.
- Unrestricted - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted."

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### **Fair value**

Authoritative guidance establishes a hierarchy for ranking the quality and reliability of the information used to determine fair values, requiring that assets and liabilities carried at fair value be classified and disclosed in one of the following three categories:

- Level 1: Unadjusted quoted market prices for identical assets or liabilities in active markets.
- Level 2: Unadjusted quoted market prices for similar assets or liabilities in active markets, unadjusted quoted prices for identical or similar assets or liabilities in markets that are not active, or inputs other than quoted prices that are observable for the asset or liability.
- Level 3: Significant unobservable inputs for the asset or liability.

#### **New accounting pronouncements**

During the fiscal year ended June 30, 2025, the Authority has adopted the following new accounting standards issued by the GASB:

- Statement No. 101, "Compensated Absences". Statement No. 101 establishes standards to unify the recognition and measurement model of liabilities for compensated absences. The adoption of this Statement did not have a significant impact on the Authority's financial statements and related disclosures.
- Statement No. 102, "Certain Risk Disclosures". Statement No. 102 requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. The adoption of this Statement did not have a significant impact on the Authority's financial statements and related disclosures.

The Authority is currently analyzing its accounting practices to determine the potential impact on the financial statements for the following GASB Statements:

- Statement No. 103, "Financial Reporting Model Improvements". Statement No. 103 establishes standards 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 requirements of this Statement are effective for the Authority's year ending June 30, 2026.
- Statement No. 104, "Disclosure of Certain Capital Assets". Statement No. 104 requires certain types of capital assets to be disclosed separately by major class of underlying asset in the capital assets note disclosures. The requirements of this Statement are effective for the Authority's year ending June 30, 2026.

#### **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 these estimates.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### Note 2 - Cash, cash equivalents and investments

##### **Custodial credit risk**

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

The California Government Code and the Authority's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the California Government Code requires that a financial institution secure deposits made by state or local governmental units not covered by federal deposit insurance 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. The California Government Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. As a result, for purposes of custodial credit risk the collateral for cash deposits is considered to be held in the Authority's name.

The Authority's funds held with the City of Sacramento investment pool fall under the same requirements as noted above. In addition, the Authority maintains interest-bearing impound deposits and replacement reserve account in the amount of \$218,862 and \$199,982 as of June 30, 2025 and 2024, respectively, with the California Housing Finance Agency ("CalHFA") as required by the Authority's note payable with CalHFA. All such impound deposits are entirely insured or collateralized with securities held by CalHFA in the Authority's name.

At June 30, 2025 and 2024, the bank balance amounts of the Authority's deposits with financial institutions were \$9,710,393 and \$6,552,282, respectively. Bank balances are insured by the Federal Deposit Insurance Corporation (FDIC) up to \$250,000 and for amounts over \$250,000 collateralized with securities by pledging financial institutions in the Authority's name in accordance with the California Government Code as discussed above. \$95,715 is insured with FDIC and remaining \$9,518,962 is uninsured but collateralized as of June 30, 2025.

##### **Interest rate risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, the Authority manages its exposure to interest rate risk by investing the majority of its resources with the City Treasurer, which purchases a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the pool is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations. The City's investment pool is unrated and the weighted average maturity is 1.86 years and 1.19 years as of June 30, 2025 and 2024, respectively.

##### **Credit risk**

Generally, credit risk is the risk that an issuer of a financial instrument 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 Authority's investments in US Treasuries, impound

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

accounts and deposits are not subject to these ratings (NA). It is the Authority's policy to purchase investments with the minimum ratings required by the California Government Code.

As of June 30, 2025, the Authority's deposits, investments and credit ratings are as follows:

	Credit rating	Maturities		Total
		Under 30 days	1 - 5 years	
Cash and cash equivalents				
City investment pool	Not rated	\$ -	\$ 39,083,467	\$ 39,083,467
Money market mutual funds	AAA/Aaa	442,194	-	442,194
Deposits	N/A	-	-	10,057,047
<b>Total</b>		<b>\$ 442,194</b>	<b>\$ 39,083,467</b>	<b>\$ 49,582,708</b>

As of June 30, 2024, the Authority's deposits, investments and credit ratings are as follows:

	Credit rating	Maturities		Total
		Under 30 days	1 - 5 years	
Cash and cash equivalents				
City investment pool	Not rated	\$ -	\$ 51,757,579	\$ 51,757,579
Money market mutual funds	AAA/Aaa	441,758	-	441,758
Deposits	N/A	-	-	6,809,598
<b>Total</b>		<b>\$ 441,758</b>	<b>\$ 51,757,579</b>	<b>\$ 59,008,935</b>

**Fair value classification**

The Authority has determined that the amounts in the City investment pool are reported at net asset value and are not included in the fair value hierarchy categories.

**Note 3 - Notes receivable**

Notes receivable consists of the following at June 30:

	2025	2024
<u>1322 O Street Investor, LP</u>		
Short term promissory note for an amount up to \$1,825,000, of this \$425,000 was made available for electrical construction costs and \$1.4 million was made available as an advance to the partnership for additional construction costs. This note is to be paid off with Tax Credit Investor equity pay-in at conversion.	1,526,994	1,526,994

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

1717 S Street Investor, LP

Promissory note of \$3.3 million for repayment of funds loaned to finance, in part, the development of affordable housing in the R Street area. This note is amortized over 55 years at a 3% interest rate, secured by the property with payments commencing 13 years after the Certificate of Occupancy or the first year after the deferred developer fee is paid in full, whichever comes first, in the amount equal to three (3%) percent of remaining residual cash flow when available.

3,300,000	3,300,000
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Middle-Income Housing Loan Program

Promissory note of \$100,000 for Property at 1901 8<sup>th</sup> Street, in Sacramento, CA. This note matures in 5 years bearing interest at a 3% per annum, secured by junior Deed of Trust, and no payment of principal or interest is required until maturity.

100,000	100,000
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Promissory note of \$25,000 for Property at 1017 L Street, in Sacramento, CA. This note matures in 5 years bearing interest at a 3% per annum, secured by junior Deed of Trust, and no payment of principal or interest is required until maturity.

25,000	-
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Promissory note of \$25,000 for Property at 1017 L Street, in Sacramento, CA. This note matures in 12 months bearing interest at a 3% per annum, secured by junior Deed of Trust, and no payment of principal or interest is required until maturity.

25,000	-
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Total

\$ 4,976,994	\$ 4,926,994
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At the close of escrow on the Warehouse Artist Lofts ("WAL") project, the Authority entered into five residual receipts loans in exchange for property and project assistance for the development of a mix-income multifamily residential rental housing project. During the 2013-2014 fiscal year, the Authority entered into two additional residual receipts loans in exchange for the B&G property adjacent to the WAL project and project assistance for the development of a three-story commercial building. According to the loan terms, the developer will pay 30% of residual receipts to the Authority after the first of either occurs: repayment in full of any deferred developer fee or twelve years for the WAL project and eight years for the B&G building after receipt of a Certificate of Occupancy for each project. These loans will only be repaid from residual receipts and in no event shall the payment to the Authority exceed 30% for the WAL project and 15% for the B&G building.

Due to the nature of these loans the Authority determined that these notes have no carrying value; therefore, they are not reflected on the Statements of Net Position. If payment is received in the future for these loans those payments will be recognized as revenue to the Authority.

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

At the close of escrow for the 1322 O Street project, the Authority entered into a residual receipts loan in exchange to finance, in part, the development of an affordable housing project. Due to the nature of this type of note and the insufficiency of expected future residual receipts of the project, the Authority determined there was no carrying value, so an allowance was set up for the full amount of the loan.

At the close of escrow on 805 R street and 2000 16Th Street projects, the Authority entered into a residual receipts loan in exchange for land and to finance, in part of the development of an affordable housing project. Due to the nature of this type of loan the Authority determined there was no carrying value, so an allowance was set up for the full amount of the loans.

Residual receipt loans consist of the following at June 30, 2025:

R Street LP for the Warehouse Artist Lofts Project

Warehouse residual receipt loan in the amount of \$3,600,000 amortized over 40 years at a 1% interest rate, secured by the Warehouse but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts. \$ 4,068,000

Lots 3&4 residual receipt loan, property adjacent to the Warehouse, in the amount of \$973,000 amortized over 40 years at a 1% interest rate, secured by Lots 3&4 but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts. 1,099,490

Authority Construction residual receipt loan in the amount of \$1.2 million amortized over 40 years at a 1% interest rate, secured by the Warehouse and Lots 3&4 but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts. 1,356,000

Remediation residual receipt loan in the amount of \$774,000 amortized over 40 years at a 1% interest rate, secured by the Warehouse but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts. 874,620

HCD Grant residual receipt loan in the amount of \$4,946,080 amortized over 55 years with zero interest, secured by the Warehouse but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts. 4,946,080

B&G Building Investors, LLC

Land residual receipt loan, property adjacent to the WAL project, in the amount of \$260,000 amortized over 40 years at a 1% interest rate, secured by the property but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts. 293,800

Authority Construction residual receipt loan in the amount of \$500,000 amortized over 40 years at a 1% interest rate, secured by the property but subordinate to the developer's construction loan and permanent loan, and to be repaid from residual receipts. 561,000

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

1322 O Street Investor, LP

Project financing loan, in the amount of \$1.5 million amortized over 55 years at a 4% interest rate, secured by the property with payments commencing 13 years after the Certificate of Occupancy or the first year after the deferred developer fee is paid in full, whichever comes first, in the amount equal to 50 percent of remaining residual cash flow when available.

1,775,000

805 R Mutual Housing Associates, LP

Promissory note of \$11.3 million for repayment of funds loaned to finance, in part, the development of affordable housing in the City of Sacramento. This note is amortized over 55 years at a 3% interest rate, secured by the property with payments commencing after the closing of the permanent loan made by permanent lender, California Housing Finance Agency ("CalHFA") to Borrower (the "Conversion Date"), in an amount equal to 73.86% of the 50% of residual cash flow to be paid when available.

11,300,000

2000 16th Street Associates, LP

Promissory note of \$4 million for repayment of funds loaned to finance, in part, the development of affordable housing in the City of Sacramento. This note is amortized over 55 years at a 3% interest rate, secured by the property with payments commencing after the closing of the permanent loan made by permanent lender, the California Department of Housing and Community Development ("HCD") to Borrower (the "Conversion Date"), in an amount equal to 12.28% of the 50% of residual cash flow to be paid when available.

4,000,000

Promissory note of \$3.28 million for repayment of funds loaned to finance, in part, the development of affordable housing in the City of Sacramento. This note is amortized over 55 years at a 4.77% annual compound rate, secured by the property with payments commencing after the closing of the permanent loan made by permanent lender, the California Department of Housing and Community Development ("HCD") to Borrower (the "Conversion Date"), in an amount equal to 10.06% of the 50% of residual cash flow to be paid when available.

3,280,000

Total

\$ 33,553,990

**Note 4 - Lease of state-owned real and personal property**

The Authority leases and manages real and personal property located in the City of Sacramento from the State under a sixty-year operating lease terminating on October 31, 2038. The related cost of these properties is not included in the Authority's financial statements nor does the Authority pay rent on these properties. The State may terminate the lease in whole or as to any portion at any time by giving the Authority notice in writing at least 180 days prior to the date that any such termination shall be effective.

Exceptions to the 180-day notice of termination are the separate 60-year ground lease(s), which the Authority entered into with the State for the purposes of long-term development. In these instances, the Authority can develop the property itself or enter into a 59-year developmental ground lease

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

with a developer for a specific project. These leases are used as security for the development of the property. Should the ground lease between the Authority and the State be terminated, the developmental ground leases will be honored by the State on behalf of the Authority.

#### Note 5 - Leases and SBITA Agreements

##### Lease payable

Administrative Office: On December 1, 2002, the Authority, as a lessee, had entered a sublease agreement with the Department of General Services (DGS) for the real property located at 1522 14th Street, Sacramento, CA. As the interest rate implicit in the DGS's lease is not readily determinable, the Authority uses the State of California's incremental borrowing rate of 2.85%. The Authority has exercised the first option to extend the agreement and is paying monthly payments of \$6,445 through February 2025. The Authority has a second option to renew for 5 years with a monthly payment of \$6,638.

Copier Lease: On March 14, 2024, the Authority, as a lessee, had entered a lease agreement with the Ubeo Business Service for a copier. As the interest rate implicit in the copier lease is not readily determinable, the Authority uses the State of California's incremental borrowing rate of 2.63%. The Authority is paying monthly payments of \$1,490 through 2029. The Authority has no option to renew the lease.

		2025				
		Lease Liability Current Portion	Lease Liability Noncurrent Portion	Right-of-Use Asset, net	Lease Amortization Expense	Lease Interest Expense
	Administrative Office	\$ 70,036	\$ 267,493	\$ 315,594	\$ 68,857	\$ 11,523
	Copier Lease	16,152	49,559	63,572	15,893	2,142
		\$ 86,188	\$ 317,052	\$ 379,166	\$ 84,750	\$ 13,665
		2024				
		Lease Liability Current Portion	Lease Liability Noncurrent Portion	Right-of-Use Asset, net	Lease Amortization Expense	Lease Interest Expense
	Administrative Office	\$ 66,782	\$ 337,529	\$ 384,450	\$ 68,857	\$ 13,347
	Copier Lease	15,789	65,660	79,466	1,347	2,125
		\$ 82,571	\$ 403,189	\$ 463,916	\$ 70,204	\$ 15,472

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

The following is a summary of the lease payable transactions for the fiscal years ended June 30, 2025 and 2024:

Balance June 30, 2024	Additions	Reduction	Balance June 30, 2025	Amounts due within one year
\$ 485,760	\$ -	\$ (82,520)	\$ 403,240	\$ 86,188

Balance June 30, 2023	Additions	Reduction	Balance June 30, 2024	Amounts due within one year
\$ 468,305	\$ 80,813	\$ (63,358)	\$ 485,760	\$ 82,571

The following is a schedule of future minimum lease payment requirements through the term of the lease agreements noted above subsequent to June 30, 2025:

	Total future required payments	Less amount representing interest	Present value of future minimum lease payments
2026	\$ 97,536	\$ (11,348)	\$ 86,188
2027	97,536	(8,927)	88,609
2028	97,536	(6,438)	91,098
2029	95,745	(3,580)	92,165
2030	46,466	(1,286)	45,180
Total	\$ 434,819	\$ (31,579)	\$ 403,240
		Curent portion	\$ 86,188
		Noncurent portion	317,052
		Total lease liability	\$ 403,240

**Leases receivable**

The Authority, as a lessor, has entered into lease agreements for the use of certain ground and commercial spaces. Terms of the agreements are listed below. As an interest rate implicit in the Authority's leases is not readily determinable, the Authority uses the State of California's incremental borrowing rates of 2.42%, 2.85%, 3.26%, 2.92%, and 3.70% based on the lease expiration date.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

For fiscal years 2025 and 2024, the Authority held the following leases:

	2025				
	Lease Receivable Current Portion	Lease Receivable Noncurrent Portion	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
<u>Commercial lease</u>					
Sam's Market	\$ 24,661	\$ 185,871	\$ 192,315	\$ 28,228	\$ 7,548
Cap City Squeeze	5,867	24,068	27,882	7,329	1,016
Karma Brew	9,997	203,646	201,809	21,216	6,160
Ace's Gyro Shack	25,124	498,295	488,418	48,621	17,263
Café Xocolatl	18,761	64,075	77,482	21,996	2,636
Warren Brake	-	-	-	4,733	9
Smog Diagnostic	-	-	-	-	8
Anchor & Tree	15,974	266,103	260,803	22,625	7,175
16 <sup>th</sup> & O Gateway	18,060	69,766	82,468	18,751	2,351
Silver Lining	34,504	298,471	311,350	10,727	8,488
Karma Loft	9,046	183,894	182,446	22,348	6,438
Verion Tower	30,177	116,249	142,947	30,495	5,865
Le Croissant	5,074	122,779	124,033	8,668	4,755
Society Bistro	18,186	214,861	219,800	22,555	9,699
Yummy Choice	15,687	172,035	182,755	23,436	6,931
<b>Total</b>	<b>\$ 231,118</b>	<b>\$ 2,420,113</b>	<b>\$ 2,494,508</b>	<b>\$ 291,728</b>	<b>\$ 86,342</b>
	2024				
	Lease Receivable Current Portion	Lease Receivable Noncurrent Portion	Deferred Inflows of Resources	Lease Revenue	Lease Interest Revenue
<u>Ground lease</u>					
The Terraces	\$ -	\$ -	\$ -	\$ 26,634	\$ 831
<u>Commercial lease</u>					
Sam's Market	23,892	210,532	217,400	19,936	8,294
Cap City Squeeze	5,704	29,935	33,459	9,316	1,174
University of Beer	-	-	-	7,394	205
Karma Brew	9,195	213,643	217,136	19,545	6,483
Ace's Gyro Shack	23,140	523,417	525,987	45,238	16,876
Café Xocolatl	17,638	82,836	96,853	22,375	3,122
Warren Brake	4,391	-	4,292	53,054	784
Smog Diagnostic	3,767	-	3,682	47,121	673
Anchor & Tree	14,425	282,077	290,896	6,852	2,427
16 <sup>th</sup> & O Gateway	17,053	87,827	101,499	9,936	1,788
Silver Lining	32,464	332,975	349,474	22,017	7,616
Karma Loft	8,322	192,940	196,302	10,953	5,565
<b>Total</b>	<b>\$ 159,991</b>	<b>\$ 1,956,182</b>	<b>\$ 2,036,980</b>	<b>\$ 300,371</b>	<b>\$ 55,838</b>

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### **Development ground lease**

The Terraces - On December 1, 1992, the Authority entered into a 60-year development ground lease agreement with Sixteenth and O Street, a California Limited Partnership, for the property located at 1609-1623 O Street, Sacramento, CA. The Authority is receiving monthly payments through 2051, with an option to terminate commencing on November 30, 2022. The Authority terminated the lease in December 2023.

#### **Commercial lease**

Sam's Market - On March 1, 2018, the Authority entered into a 5-year lease agreement with Sam's Market for the real property located at 1330 O Street, Sacramento, CA. The lease has two 5-year options to extend, tenant exercised the first 5-year extension on July 1, 2023 with the Authority receiving monthly payments through 2028.

Cap City Squeeze - On May 1, 2014, the Authority entered into a 5-year lease agreement with Cap City Squeeze for the real property located at 1426 14th Street, Suite D, Sacramento, CA. The lease has two 5-year options to extend, the tenant exercised both 5-year extensions with the Authority receiving monthly payments through 2030.

University of Beer - On May 1, 2014, the Authority entered into a 5-year lease agreement with University of Beer for the real property located at 1520 16<sup>th</sup> Street, Suite D, Sacramento, CA. The lease has two 5-year options to extend, the tenant exercised the first 5-year extension on May 1, 2019, with the Authority receiving monthly payments through 2024. The Authority granted the tenant termination of lease in November 2023.

Karma Brew - On May 17, 2013, the Authority entered into a 5-year lease agreement with Karma Brew for the real property located at 1530 16<sup>th</sup> Street, Suite A, Sacramento, CA. The lease has two 5-year options to extend, the tenant exercised the first 5-year extension on May 17, 2018, with the Authority receiving monthly payments through 2023. On September 1, 2023, the lease was terminated and the Authority entered into a new 5-year lease agreement with Karma Brew for the real property. The lease has two 5-year options to extend, with the Authority receiving monthly payments through 2038.

Ace's Gyro Shack - On October 1, 2022, the Authority entered into a 10-year lease agreement with Ace's Gyro Shack for the real property located at 1603 10th Street, Sacramento, CA. The lease has one 5-year option to extend, with the Authority receiving monthly payments through 2032.

Café Xocolatl - On April 1, 2023, the Authority entered into a 3-year lease agreement with Café Xocolatl for real property located at 1607 10th Street, Sacramento, CA. The lease has one 3-year option to extend, with the Authority receiving monthly payments through 2026.

Warren Brake - On August 1, 2022, the Authority entered into a 1-year lease agreement with Warren Brake for the real property located at 2000 16<sup>th</sup> Street, Suite B and C, Sacramento, CA. The lease has one 1-year option to extend, the tenant exercised the 1-year extension on July 1, 2023, with the Authority receiving monthly payments through 2024. The Authority granted the tenant termination of lease in September 2024.

Smog Diagnostic - On August 1, 2022, the Authority entered into a 1-year lease agreement with Smog Diagnostic for the real property located at 2000 16th Street, Suite A, Sacramento, CA. The lease has one 1-year option to extend, the tenant exercised the 1-year extension on July 1, 2023, with the Authority receiving monthly payments through 2024. The Authority granted the tenant termination of lease in September 2024.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

Anchor & Tree - On July 3, 2023, the Authority entered into a 5-year lease agreement with Anchor & Tree Roasting Co. for the real property located at 1412 16<sup>th</sup> Street, Sacramento, CA. The lease has one 5-year option to extend, with the Authority receiving monthly payments through 2034.

16th & O Gateway - On November 1, 2023, the Authority entered into a 2-year lease agreement with 16th and O Gateway, a California Limited Partnership for the real property located at 1520 16th Street, Suite B, Sacramento, CA. The lease has two 2-year options to extend, with the Authority receiving monthly payments through 2029.

Silver Lining - On August 9, 2023, the Authority entered into a 5-year lease agreement with Silver Lining, LLC for the real property located at 1414 16th Street, Sacramento, CA. The lease has one 5-year option to extend, with the Authority receiving monthly payments through 2033.

Karma Brew dba Karma Loft - On September 1, 2023, the Authority entered into a new 5-year lease agreement with Karma Brew, LLC (dba "Karma Loft") for the real property located at 1530 16th Street, Suite C, Sacramento, CA. The lease has two 5-year options to extend, with the Authority receiving monthly payments through 2038.

Verizon Tower - On July 31, 2024, the Authority assumed the lease on purchase of 525 S Street property, Sacramento, CA 95811, with Sacramento Valley Limited Partnership (dba "Verizon Wireless"). The original lease was signed on December 4, 2014, for 5-years with four 5-year options to extend. The lease is currently in the second of the four 5-year lease term, receiving monthly payment through 2029.

Le Croissant - On August 1, 2024, the Authority entered into a 5-year lease agreement with Le Croissant for the real property located at 1036 P Street, Sacramento, CA. The lease has two 5-year options to extend, with the Authority receiving monthly payments through 2039.

Society Bistro dba Sapha Kafae - On November 1, 2023, the Authority entered into a 5-year lease agreement with Society Bistro (dba "Sapha Kafae"), for the real property located at 1331 O Street, Sacramento, CA. The lease has one 5-year option to extend, with the Authority receiving monthly payments through 2034.

Yummy Choice - On August 1, 2024, The Authority entered into a 5-year lease agreement with Quoc Nguyen and Tuyettrang Thi Duong (dba "Yummy Choice") for the real property located 1601 10th Street, Sacramento, California, 95814. The lease has one 5-year option to extend, with the Authority receiving monthly payment through 2029.

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

Following is a schedule of future lease payments expected through the terms of the lease agreements noted above subsequent to June 30, 2025:

	<u>Total future rental payments</u>	<u>Less amount representing interest</u>	<u>Present value of future lease payments receivable</u>
2026	\$ 308,881	\$ (77,763)	\$ 231,118
2027	319,746	(70,804)	248,942
2028	330,825	(63,323)	267,502
2029	343,853	(55,287)	288,566
2030	280,949	(47,215)	233,734
2031-2035	1,153,678	(121,819)	1,031,859
2036-2040	369,360	(19,850)	349,510
	<u>\$ 3,107,292</u>	<u>\$ (456,061)</u>	<u>\$ 2,651,231</u>
		Curent portion	\$ 231,118
		Noncurent portion	<u>2,420,113</u>
		Total lease receivable	<u>\$ 2,651,231</u>

**Subscription-Based Information Technology Arrangement**

The Authority identified two software arrangements that require recognition under GASB No. 96. These SBITA were prepaid by the Authority and are recorded as intangible right of use software arrangements in capital assets. For fiscal years 2025 and 2024, the Authority held the following leases:

Goinvest - In October 2020, the Authority entered into a 3-year agreement with Goinvest for the total amount of \$37,300 for their pension module and labor costing module. There is no option to purchase this software.

Softchoice - In March 2023, the Authority entered into a 3-year agreement with Softchoice for the total amount of \$26,214 for Microsoft licensing renewal. There is no option to purchase this software.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

The amortization schedule for SBITA agreements subsequent to June 30, 2025 and 2024 are as follows:

		2025		
		Subscription assets - amortization		
		Beginning balance	Amortization expense	Ending balance
	2026	5,097	5,097	-
	<b>Total</b>	<b>\$ 5,097</b>	<b>\$ 5,097</b>	<b>\$ -</b>
		2024		
		Subscription assets - amortization		
		Beginning balance	Amortization expense	Ending balance
	2025	13,835	8,738	5,097
	2026	5,097	5,097	-
	<b>Total</b>	<b>\$ 18,932</b>	<b>\$ 13,835</b>	<b>\$ 5,097</b>

#### Note 6 - Capital assets

Information on changes in capital assets is presented below:

	Balance June 30, 2024	Increases	Disposition and Transfers	Balance June 30, 2025
Capital assets not being depreciated				
Land	\$ 4,562,385	\$ 755,500	\$ (3,280,000)	\$ 2,037,885
Construction in progress	242,578	2,056,030	-	2,298,608
<b>Total</b>	4,804,963	2,811,530	(3,280,000)	4,336,493
Capital assets being depreciated				
Buildings and improvements	33,645,170	2,788,745	-	36,433,915
Machinery and equipment	839,945	38,207	-	878,152
Intangible right of use lease - admin lease	730,653	-	-	730,653
Intangible right of use lease asset - software	54,189	-	-	54,189
	35,269,957	2,826,952	-	38,096,909
Less accumulated depreciation				
Buildings and improvements	(22,408,391)	(1,178,601)	-	(23,586,992)
Machinery and equipment	(661,662)	(69,644)	-	(731,306)
Intangible right of use lease - admin lease	(266,737)	(84,750)	-	(351,487)
Intangible right of use lease asset - software	(40,354)	(8,738)	-	(49,092)
	(23,377,144)	(1,341,733)	-	(24,718,877)
<b>Total capital assets being depreciated, net</b>	11,892,813	1,485,219	-	13,378,032
<b>Capital assets, net</b>	<b>\$ 16,697,776</b>	<b>\$ 4,296,749</b>	<b>\$ (3,280,000)</b>	<b>\$ 17,714,525</b>

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

	Balance June 30, 2023	Increases	Disposition and Transfers	Balance June 30, 2024
Capital assets not being depreciated				
Land	\$ 4,562,385	\$ -	\$ -	\$ 4,562,385
Construction in progress	220,299	114,258	(91,979)	242,578
<b>Total</b>	<b>4,782,684</b>	<b>114,258</b>	<b>(91,979)</b>	<b>4,804,963</b>
Capital assets being depreciated				
Buildings and improvements	28,304,809	5,248,382	91,979	33,645,170
Machinery and equipment	803,142	36,803	-	839,945
Intangible right of use lease - admin lease	649,840	80,813	-	730,653
Intangible right of use lease asset - software	54,189	-	-	54,189
	29,811,980	5,365,998	91,979	35,269,957
Less accumulated depreciation				
Buildings and improvements	(21,400,735)	(1,007,656)	-	(22,408,391)
Machinery and equipment	(580,077)	(81,585)	-	(661,662)
Intangible right of use lease - admin lease	(196,533)	(70,204)	-	(266,737)
Intangible right of use lease asset - software	(28,507)	(11,847)	-	(40,354)
	(22,205,852)	(1,171,292)	-	(23,377,144)
<b>Total capital assets being depreciated, net</b>	<b>7,606,128</b>	<b>4,194,706</b>	<b>91,979</b>	<b>11,892,813</b>
<b>Capital assets, net</b>	<b>\$ 12,388,812</b>	<b>\$ 4,308,964</b>	<b>\$ -</b>	<b>\$ 16,697,776</b>

**Note 7 - Notes payable**

Notes payable consists of the following at June 30:

	2025	2024	GASB No. 88 Disclosures
<u>State of California Department of General Services ("DGS")</u>			
Issued December 2005: Starting in December of 2009, both interest and principal payments were due. The resulting principal balance amortizes through the year 2028 (a period of 20 years) at 1.98% with consecutive annual payments of principal and interest of \$73,260. Secured by pledge of tax increment revenue.	\$ 279,090	\$ 345,509	A1, B1, C1, D1, E1
Issued December 2005: Starting in December of 2009, both interest and principal payments were due. The resulting principal balance amortizes through the year 2028 (a period of 20 years) at 1.98% with consecutive annual payments of principal and interest of \$23,033. Secured by pledge of tax increment revenue.	87,749	108,631	A1, B1, C1, D1, E1

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

	<u>2025</u>	<u>2024</u>	<u>GASB No. 88 Disclosures</u>
Issued December 2005: Starting in December of 2009, both interest and principal payments were due. The resulting principal balance amortizes through the year 2028 (a period of 20 years) at 1.98% with consecutive annual payments of principal and interest of \$36,307. Secured by pledge of tax increment revenue.	138,321	171,238	A1, B1, C1, D1, E1
<u>California Housing Finance Agency</u>			
Monthly installments of \$7,836, including principal and interest at 5.25% to August 2033, secured by 17th Street Commons project.	628,488	687,820	A1, B2, C2, D2, E2
<u>Sacramento Housing Finance Agency</u>			
Noninterest-bearing note with annual principal payments of \$16,481 beginning December 2003 and maturing in the year 2028, secured by 17th Street Commons project.	82,418	98,899	A1, B2, C2, D2, E3
<u>California Department of Housing and Community Development (HCD)</u>			
Promissory note dated September 1, 2017, of \$1,197,213 payable to HCD, bearing simple interest at 3% per year. The loan matures 16 years from the date of the note (September 2033) at which time all outstanding principal and accrued interest will be due.	1,197,213	1,197,213	A1, B4, C4, D4, E4

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

Promissory note dated September 27, 2019, of \$1,025,653 payable to HCD, bearing simple interest at 3% per year. The loan matures 12 years from the date of the note (October 2030) at which time all outstanding principal and accrued interest will be due.

1,025,653	1,025,653	A1, B5, C6, D6, E6
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California Infrastructure & Economic Development Bank

Tax Allocation Loan for an amount up to \$600,000 secured by the Authority's tax increment. Average annual payments of principal, interest and fees of \$40,000 with a fixed interest rate of 2.77% to September 16, 2032.

310,693	340,732	A1, B1, C5, D5, E5
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Jannie L. Chow and Edward M. Chow

Loan for purchase of property located at 525 S Street for an amount of \$1,784,000 secured by the Deed of Trust and Assignment of Rents. Average annual payments of principal and interest of \$143,153 with a fixed interest rate of 5% to August 1, 2032.

1,784,000	-	A1, B3, C3, D1, E3
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WaterStone Support Foundation, Inc

Loan for purchase of property located at 525 S St for an amount of \$446,000 secured by the Deed of Trust and Assignment of Rents. Average annual payments of principal and interest of \$35,788 with a fixed interest rate of 5% to August 1, 2032.

446,000	-	A1, B3, C3, D1, E3
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Total

\$ 5,979,625	\$ 3,975,695
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**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

Future maturities on notes payable for years subsequent to June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 299,913	\$ 161,186	\$ 461,099
2027	1,559,931	151,157	1,711,088
2028	382,870	78,206	461,076
2029	396,885	64,190	461,075
2030	278,910	49,554	328,464
2031-2035	<u>3,061,116</u>	<u>1,001,131</u>	<u>4,062,247</u>
	<u>\$ 5,979,625</u>	<u>\$ 1,505,424</u>	<u>\$ 7,485,049</u>

The following is a summary of the notes payable transactions for the fiscal years ended June 30, 2025 and 2024:

<u>Balance June 30, 2024</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2025</u>	<u>Amounts due within one year</u>
<u>\$ 3,975,695</u>	<u>\$ 2,230,000</u>	<u>\$ (226,070)</u>	<u>\$ 5,979,625</u>	<u>\$ 299,913</u>
<u>Balance June 30, 2023</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance June 30, 2024</u>	<u>Amounts due within one year</u>
<u>\$ 4,195,593</u>	<u>\$ 1,351,071</u>	<u>\$ (1,570,969)</u>	<u>\$ 3,975,695</u>	<u>\$ 226,070</u>

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

The following is a schedule required disclosures under GASB No. 88:

#### A. Amount of unused lines of credit

A1 The Authority has no open lines of credit

#### B. Assets Pledged as Collateral

B1 Pledge of tax increment revenue  
B2 17th Street Commons project  
B3 Deed of Trust and Assignment of Rents  
B4 Somerset Parkside Apartments project  
B5 Biele Place Apartments project

#### C. Events of default with finance-related consequences

C1 Indebtedness becomes immediately due and payable, the Authority is liable for all costs of collection.  
C2 Indebtedness becomes immediately due and payable, and thereafter until paid bear interest at the rate of 10%.  
C3 Indebtedness becomes immediately due and payable, and thereafter until paid bear interest at the rate of 5%.  
C4 Indebtedness becomes immediately due and payable, and thereafter until paid bear interest at the rate of 10%.  
C5 At the lender discretion, indebtedness may become due or other remedies may be available  
C6 Indebtedness becomes immediately due and payable, and thereafter until paid bear interest at the rate of 10%.

#### D. Subjective Acceleration Clause

D1 No prepayment penalty  
D2 The Authority may not prepay the indebtedness.  
D3 The Authority may prepay the indebtedness only upon the prior written consent of the lender  
D4 With a written request 90 days prior to requested prepayment date, prepayment is allowable after 10 years, prepayment date after 10th year but prior to 11th year, the prepayment amount shall be 102% of the outstanding balance, and if prepayment date is in the 12th year the prepayment amount shall be 101% of the outstanding balance, and no penalty thereafter.  
D5 The Authority may prepay the indebtedness only upon the prior written consent of the lender

#### E. Termination events with finance-related consequences

E1 No Termination Clause  
E2 No Termination Clause  
E3 No Termination Clause  
E4 No Termination Clause  
E5 No Termination Clause  
E6 No Termination Clause

#### Note 8 - Bonds payable

On July 7, 2016, the Authority issued 2016 Tax Allocation Bonds. These bonds fully refunded the Authority's remaining obligations with respect to previously issued 2004 Tax Allocation Revenue Bonds.

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

On June 6, 2017, the Authority issued 2017 Tax Allocation Bonds. This issue fully refunded two outstanding notes one with F & M Bank for the purchase of the Fremont Wilshire Apartments at the corner of 15th & P Street and one with D'Ambrosia for the purchase of the Maintenance office on 701 S Street for principal and interest balances totaling \$1,169,964 and \$1,035,340 respectively.

On December 2020, the Authority issued \$31,455,000 in Tax Allocation Bonds. These bonds were issued to finance future affordable housing projects and other development projects within the Capitol and R Street Areas. The Bonds are secured by a pledge of tax increment revenue, with maturity and interest rates as follows:

<u>Maturity Date</u>	<u>Amount</u>	<u>Interest Rate</u>
10/1/2021	\$ 880,000	0.957%
10/1/2022	715,000	1.027%
10/1/2023	725,000	1.174%
10/1/2024	730,000	1.451%
10/1/2025	745,000	1.621%
10/1/2026	755,000	1.967%
10/1/2027	770,000	2.177%
10/1/2028	785,000	2.458%
10/1/2029	805,000	2.558%
10/1/2030	825,000	2.658%
10/1/2031	850,000	2.778%
10/1/2032	870,000	2.878%
10/1/2033 - 10/1/2035	2,775,000	3.128%
10/1/2036 - 10/1/2040	5,290,000	3.615%
10/1/2041 - 10/1/2045	6,330,000	3.715%
10/1/2046 - 10/1/2050	7,605,000	3.815%
	<u>\$ 31,455,000</u>	

Future debt service requirements for years subsequent to June 30, 2025 are as follows:

	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 1,379,225	\$ 1,181,057	\$ 2,560,282
2027	1,403,553	1,145,246	2,548,799
2028	1,448,008	1,106,328	2,554,336
2029	1,487,591	1,064,232	2,551,823
2030	1,527,307	1,019,446	2,546,753
2031-2035	7,966,213	4,367,716	12,333,929
2036-2040	5,110,000	3,303,746	8,413,746
2041-2045	6,105,000	2,286,054	8,391,054
2046-2050	7,330,000	1,030,896	8,360,896
2051	1,635,000	31,188	1,666,188
	<u>\$ 35,391,897</u>	<u>\$ 16,535,909</u>	<u>\$ 51,927,806</u>

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

The following is a summary of the bonds payable transactions for the fiscal years ended June 30, 2025 and 2024:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Amounts due within one year
TAB payable	\$ 36,751,916	\$ -	\$ (1,360,019)	\$ 35,391,897	\$ 1,379,225
	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Amounts due within one year
TAB payable	\$ 38,091,879	\$ -	\$ (1,339,963)	\$ 36,751,916	\$ 1,360,019

**Note 9 - Compensated absences**

The following is a summary of the compensated absences payable for the fiscal years ended June 30, 2025 and 2024:

	Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025
	\$ 204,599	\$ 76,780	\$ (94,709)	\$ 186,670
	Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024
	\$ 213,896	\$ 81,260	\$ (90,557)	\$ 204,599

**Note 10 - R Street Property and Business Improvement District**

In June 2012, the Authority established the R Street Property and Business Improvement District ("District"). In January 2018, the District was extended for a 10-year term with the approval of the District property owners in accordance with the Property and Business Improvement District Law of 1994. The District will fund services such as security, street maintenance, marketing and advocacy for economic and neighborhood development within the proposed boundaries of the District.

Financing of the District will be provided by the levy of assessments upon real property that benefits from improvements and activities.

The Authority will act as a pass-through of the levied assessments from the County of Sacramento to the managing non-profit. For the years ended June 30, 2025 and 2024, the receipt and disbursement of the levied assessment was netted within Intergovernmental Revenue.

**Note 11 - Agreements with the CACDC**

The Authority entered into an administrative services agreement and development line of credit with the CACDC. The Authority will provide the CACDC with administrative and support services related to the nonprofit operations, facilities, supplies and equipment with no compensation to the Authority.

For development activities CACDC previously received a revolving line of credit from the Authority up to the amount of \$259,000 in FY 15-16. In FY16-17, the Board authorized the execution of an initial loan agreement and promissory note in the amount not to exceed \$2,108,000 and authorized a drawdown to repay the \$259,000 revolving Line of Credit. The terms and security remained the

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

same as the line of credit. In FY 17-18, the Board approved amending the loan agreement and promissory note to increase the loan amount from \$2,108,000 to an amount not to exceed \$2,808,000 and amending repayment to be paid at the close of the project financing in the amount the CACDC received for cost reimbursement, with any remaining amounts to be paid with development fees received during construction.

CADA through the CACDC entered into a joint venture agreement with CFY Development Inc., a third-party developer, to form a limited partnership, 1717 S Street Investors, LP whereby CACDC was a 50% partner. This partnership is for the purpose of purchasing property for the development of a mixed-use, mixed-income project on the site in order to meet a portion of CADA's R Street Area affordable housing requirement. On March 10, 2017, the Partnership closed escrow to purchase the half block of property located on the north side of S Street between 17th and 18th Streets, known as 1717 S Street for the total amount of \$3,124,000, of this amount the CACDC contributed \$2,046,090 into escrow, with \$1,562,000 for the land and \$300,000 to fund a remediation trust fund. This contribution to the partnership was considered investment activity in a joint venture partnership. In October 2020, the partnership agreement was amended to include a tax credit limited partner investor whereas CACDC investment was paid back in the form of a \$3.3 million loan and a \$701,517 long term advance receivable. During the year ended June 30, 2023, the CACDC forwarded an additional \$400,000 advance for additional construction costs on the project.

CADA through the CACDC, entered into a limited partnership agreement, 1322 O Street Investors, LP with CACDC and Cyrus Youssefi as general partners and the tax credit investor as the majority owner as a limited partner to provide financing for an affordable housing project at 1322 O Street. At the time of closing, CADA contributed \$1.5 million in gap financing through a residual receipt note. During the year ended June 30, 2024, the Board approved an additional loan of \$1,825,000, of this \$425,000 was made available for electrical construction costs and \$1.4 million was made available as an advance to the partnership for additional construction costs. This note is to be paid off with Tax Credit Investor equity pay-in at conversion.

CADA through the CACDC, entered into two new limited partnership agreements to form 805 R Mutual Housing Associates LP and 2000 16th St Associates, LP with Mutual Housing and the tax credit investors to provide financing for two affordable housing projects at 805 R street and 2000 16<sup>th</sup> Street projects. At closing the Authority entered into three residual receipts loans in exchange for land and to finance, in part the development of two affordable housing projects, CADA contributed \$11.3 million to the 805 R Street project, \$3.28 million and \$4 Million in exchange of land and gap financing for the 2000 16th Street projects.

#### **Note 12 - Funds held for others**

The Authority acts as fiscal agent for the 17R Orchard Partners, LP trust. Funds for this trust are disbursed in accordance with the trusts' instructions and funds are reported as restricted cash and cash equivalents. The restricted cash balance for the 17 R Orchard Partners, LP is \$55,340 and \$55,340 as of June 30, 2025 and 2024, respectively.

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 13 - Pension plan**

**Plan description**

The Authority contributes to CalPERS, a cost-sharing defined benefit pension plan (the "Plan"). CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by contract with CalPERS in accordance with the provisions of the Public Employees' Retirement Law. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The Authority selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board Approval. CalPERS issues a separate annual comprehensive financial report that includes financial statements and required supplementary information. Copies of the CalPERS annual financial report ("ACFR") may be obtained from the CalPERS Executive Office, 400 P Street, Sacramento, CA 95814.

The California Legislature passed and the Governor signed the "Public Employees' Pension Reform Act of 2013" ("PEPRA") on September 12, 2012. PEPRA contained a number of provisions intended to reduce future pension obligations. PEPRA primarily affects new pension plan members who are enrolled for the first time after December 2012. Benefit provisions and other requirements are established by State statute.

**Benefits provided**

The benefits for the Plan are based on members' years of service, age, final compensation, and benefit formula. Benefits are provided for disability, military service credits, death, and survivors of eligible members or beneficiaries. Members become fully vested in their retirement benefits earned to date after five years of credited service. The PEPRA created two benefit levels for the Authority's employees who qualify for membership in CalPERS. They are outlined below:

	<u>Current Members*</u>	<u>New Members**</u>
Retirement Formula	2% @ 55	2% @ 62
Retirement Contribution	7%	50% of Annual Normal Cost***
Final Compensation Method	Highest 1 Year Average	Highest 3 Year Average

\*Current Member is defined as anyone who is or has been a member of CalPERS or another recognized public retirement system and who has not had more than a six-month break in service.

\*\*New Member is defined as anyone who is or has been a member of CalPERS or another recognized public retirement system and who has not had more than a six-month break in service and was hired by the Authority after January 1, 2013.

\*\*\*Annual Normal cost for New Members is determined annually by CalPERS and is dependent on the benefit levels, actuarial assumptions, and demographics of each plan. The Authority's New Member contribution is 8.27% for 2025 and 8.18% for 2024.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### **Funding policy**

Active plan members are required to contribute 7% of their annual covered salary. The Authority is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. The required employer contribution rates for classic members were 13.31% and 13.26% and for PEPRA members were 8.27% and 8.18% for the years ended June 30, 2025 and 2024, respectively. The Authority has been notified that the required employer contribution rate for classic members will be 13.38% and PEPRA members will be 8.27% for the year ending June 30, 2026 and an annual payment on the Authority's unfunded liability of \$579,311 for classic member and \$10,466 for PEPRA members. The contribution requirements of the plan members are established by State statute and the employer contribution rate is established and may be amended by CalPERS based on actuarial valuations performed by CalPERS actuaries.

#### **Net pension liability**

As of June 30, 2025 and 2024, the Authority reported net pension liability for its proportionate share of the net pension liability of \$6,413,423 and \$6,450,940, respectively.

The Authority's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024 (measurement date), and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. GASB No. 68 requires cost sharing employers to establish an approach to allocate the net pension liability and pension expense to the individual employers within the risk pool. Pools where contribution rates within the pool are based on separate relationships, the proportional allocation should reflect those relationships. The allocation method utilized by CalPERS determines the employer's share by reflecting these relations through the plans they sponsor within the risk pool. Plan liability and asset-related information are used where available, and proportional allocations of individual plan accounts as of the valuation date are used where not available. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2025 for all members was .13260% which increased as compared to the percentage as of June 30, 2024 of .12901%. The Authority's proportionate share of the net pension liability for the Plan as of June 30, 2024 for all members was .12901% which increased as compared to the percentage as of June 30, 2023 of .12880%.

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Pension expense and deferred outflows/inflows of resources related to pensions**

For the years ended June 30, 2025 and 2024, the Authority recognized pension expense of \$1,295,402 and \$1,174,772, respectively. At June 30, 2025 and 2024, the Authority reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	2025	
	Deferred Outflows of resources	Deferred Inflows of resources
Differences between expected and actual experience	\$ 554,492	\$ 21,636
Net difference between projected and actual earnings on pension plan investments	369,208	-
Change in assumptions	164,836	-
Contributions made subsequent to the measurement date	792,463	-
 Total	 \$ 1,880,999	 \$ 21,636
	2024	
	Deferred Outflows of resources	Deferred Inflows of resources
Differences between expected and actual experience	\$ 329,554	\$ 51,122
Net difference between projected and actual earnings on pension plan investments	1,044,481	-
Change in assumptions	389,478	-
Contributions made subsequent to the measurement date	687,428	-
 Total	 \$ 2,450,941	 \$ 51,122

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

The \$792,463 and \$687,428 reported as deferred outflows of resources related to contributions made subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ending June 30, 2026 and 2025, respectively. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized as pension expense (revenue) for years subsequent to June 30, 2025 as follows:

Measurement periods ending June 30,	Amounts
<u>                    </u>	<u>                    </u>
2025	\$ 371,048
2026	814,094
2027	8,283
2028	<u>(126,525)</u>
	<u>\$ 1,066,900</u>

**Amortization of deferred outflows and deferred inflows of resources**

Under GASB No. 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time. The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Net difference between projected  
and actual earnings on pension  
plan investments

5 year straight-line amortization

All other amounts

Straight-line amortization over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Actuarial assumptions**

For the measurement period ended June 30, 2024 (measurement date), the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2024 and the June 30, 2025 total pension liability was based on the following actuarial method and assumptions:

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' membership data for all funds
Post Retirement Benefit Increase	Up to 2.30% <sup>(2)</sup>

<sup>(1)</sup>The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing mortality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

<sup>(2)</sup>The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.30% thereafter

All other actuarial assumptions used in the June 30, 2023, valuation were based on the results of an actuarial experience study for the period from 1997 to 2021, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS website under Forms and Publications.

**Discount rate**

The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutory required rates, actuarially determined. Based on those assumptions, the 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 plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**Long term expected rate of return**

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

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

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 the expected real rates of return by asset class:

Asset class <sup>(a)</sup>	Assumed asset allocation	Real return <sup>(a)(b)</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)
	<u>100%</u>	

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

(b) Figures are based on the 2022 Asset Liability Management study.

**Sensitivity of the Authority's proportionate share of the net pension liability to changes in the discount rate**

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	2025		
	Discount rate - 1% (5.90%)	Current discount rate (6.90%)	Discount rate + 1% (7.90%)
Net pension liability	<u>\$ 10,388,550</u>	<u>\$ 6,413,423</u>	<u>\$ 3,153,199</u>
	2024		
	Discount rate - 1% (5.90%)	Current discount rate (6.90%)	Discount rate + 1% (7.90%)
Net pension liability	<u>\$ 10,410,421</u>	<u>\$ 6,450,940</u>	<u>\$ 3,191,947</u>

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### Note 14 - Post-employment healthcare plan

##### Plan description

The Authority's defined benefit postemployment healthcare plan provides medical benefits to eligible retired employees and eligible family members. The Authority established the irrevocable trust to prefund the other post-employment benefits annual required contribution through the California Employer's Retiree Benefits Trust Program ("CERBT"), an agent multiple-employer plan. Benefit provisions are established and may be amended by the Authority's Board of Directors.

The Authority provides postretirement health insurance coverage in accordance with the Public Employees' Medical and Hospital Care Act ("PEMHCA") to employees through CalPERS. For all employees to be eligible for this benefit, the former employee must be fifty-five years of age, have the credited service based on hire date, and retire from the Authority.

Employees hired prior to May 1, 2005 are eligible for postretirement health insurance coverage under Government Code Section 22892 unless they elect to be covered under Government Code Section 22893. Under Code Section 22892, the retiree and their qualified family members are eligible for health benefits after five (5) years of service for 100% of the annual health benefit contribution adopted by the Authority's Board of Directors. The calendar year employer contribution may not be less than an amount stipulated by the Government Code which is \$158 per month for calendar year 2025.

All employees hired on or after May 1, 2005, as well as those hired prior to May 1, 2005 are eligible for postretirement health insurance coverage under Government Code Section 22893. Coverage under Code Section 22893 is based on the employee's completed years of service at retirement. The Authority contributes 50% of the weighted average of the four basic health benefit plans that had the largest state enrollment, for those employees with a minimum of ten (10) years of service, five (5) of those ten (10) years performed at the Authority. With each additional year of service after 10 years, the retiree will receive an additional 5% of the contribution up to 20 years of service which then entitles them to 100% of the contribution rate. The Authority also provides 90% of the health benefit contribution for the retiree's eligible family members.

##### Employees covered

As of the valuation date of June 30, 2023, there are 27 retirees receiving benefits under the program and no other retiree who is currently waiving coverage. At the same measurement date, the Authority had 43 active employees of which 32 were enrolled in the medical program and 11 were waiving coverage.

##### Funding policy

The obligation of the Authority to contribute to the plan is established and may be amended by the Board of Directors. Employees are not required to contribute to the plan.

##### Contributions

The Authority contributions to the OPEB Plan occur as benefits are paid to retirees and/or to the OPEB trust. The annual contribution is based on the actuarially determined contribution. For the year ended June 30, 2025, the Authority's cash contributions were \$223,833, in payments to the trust and the estimated implied subsidy was \$38,181 resulting in total payments of \$262,014. For the year ended June 30, 2024, the Authority's cash contributions were \$213,917, in payments to the trust and the estimated implied subsidy was \$22,768 resulting in total payments of \$232,768. The Authority has a trust with the California Employers' Retiree Benefit Trust (CERBT) for the purpose of prefunding OPEB obligations for past services.

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Net OPEB (asset) liability**

The Authority's net OPEB (asset) liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 rolled forward to June 30, 2024 based on the following actuarial methods and assumptions:

**Actuarial assumptions**

For the measurement period ended June 30, 2024 (measurement date), the total OPEB liability was based on the following actuarial method and assumptions:

Funding Method:	Entry-Age Normal Cost, level percent of pay
Asset Valuation Method:	Market value of assets
Long Term Return on Assets:	6.55%
Discount Rates:	6.55%
Participants Valued:	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in the valuation
Salary Increases:	3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years
Assumed Wage Inflation:	3.00% per year; used as a component of assumed salary increases
General Inflation Rate:	2.50% per year
Mortality:	CalPERS 2021 Study: MW Scale 2022
Mortality Improvements:	CalPERS 2021 Study; MW Scale 2022
Healthcare Trend Rate:	6.0% for 2026 decreasing to 3.9% in 2075 and later

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### Actuarial assumptions

For the measurement period ended June 30, 2023 (measurement date), the total OPEB liability was based on the following actuarial method and assumptions:

Funding Method:	Entry-Age Normal Cost, level percent of pay
Asset Valuation Method:	Market value of assets
Long Term Return on Assets:	6.15%
Discount Rates:	6.15%
Participants Valued:	Only current active employees and retired participants and covered dependents are valued. No future entrants are considered in the valuation
Salary Increases:	3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years
Assumed Wage Inflation:	3.00% per year; used as a component of assumed salary increases
General Inflation Rate:	2.50% per year
Mortality:	CalPERS 2017 experience study using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, adjusted to back out 15 years of Scale MP-2016 to central year 2015, and then projected.
Mortality Improvements:	MacLeod Watts Scale 2022 applied generationally from 2017.
Healthcare Trend Rate:	6.5% for 2025 decreasing to 3.9% in 2075 and later

#### Discount rate

The discount rate used to measure the total OPEB liability was 6.55% for 2024 and 6.15% for 2023. The projection of cash flows used to determine the discount rate assumed that the Authority contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan assets was applied to all periods of projected benefit payments to determine the total OPEB liability.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

#### Expected long-term return on trust assets

The expected long term return on trust assets was determined using a building-block method and best-estimate ranges of expected future real rates of return for each major asset class. The target allocation and best estimates of geometric real rates of return published by CalPERS for each major class are split for years 1-5 and years 6-20 and are summarized below:

Valuation period as of June 30, 2024

Major Asset Classification	Target Allocation	Years 1-5			Years 6-20		
		General Inflation Rate Assumption	1-5 Year Expected Real Rate of Return	Compound Return Years 1-5	General Inflation Rate Assumption	6-20 Year Expected Real Rate of Return	Compound Return Years 6-20
Global Equity	49%	2.40%	3.90%	6.30%	2.40%	4.70%	7.10%
Fixed Income	23%	2.40%	2.70%	5.10%	2.40%	2.60%	5.00%
Global Real Estate (REITs)	20%	2.40%	3.70%	6.10%	2.40%	4.00%	6.40%
Treasury Inflation Protected Securities	5%	2.40%	1.70%	4.10%	2.40%	1.40%	3.80%
Commodities	3%	2.40%	2.90%	5.30%	2.40%	2.00%	4.40%
Volatility	11.5%		Portfolio	6.1%		Portfolio	6.6%

Valuation period as of June 30, 2023

Major Asset Classification	Target Allocation	Years 1-5			Years 6-20		
		General Inflation Rate Assumption	1-5 Year Expected Real Rate of Return	Compound Return Years 1-5	General Inflation Rate Assumption	6-20 Year Expected Real Rate of Return	Compound Return Years 6-20
Global Equity	49%	2.40%	4.40%	6.80%	2.30%	4.50%	6.80%
Fixed Income	23%	2.40%	-1.00%	1.40%	2.30%	2.20%	4.50%
Global Real Estate (REITs)	20%	2.40%	3.00%	5.40%	2.30%	3.90%	6.20%
Treasury Inflation Protected Securities	5%	2.40%	-1.80%	0.60%	2.30%	1.30%	3.60%
Commodities	3%	2.40%	8.00%	3.20%	2.30%	1.20%	3.50%
Volatility	12.1%		Weighted	5.1%		Weighted	6.3%

The inflation component used to create the table is 2.5% and represents CalPERS' future return expectations adjusted to align with the general inflation assumption.

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Changes in the OPEB (asset) liability**

The changes in the net OPEB (asset) liability for the OPEB Plan are as follows:

	2025		
	Total OPEB liability	Fiduciary net position	Net OPEB (asset) liability
Balance at June 30, 2024	\$ 5,739,803	\$ 4,989,219	\$ 750,584
Changes recognized for the measurement period			
Service cost	279,548	-	279,548
Interest cost	363,032	-	363,032
Expected investment income	-	306,787	(306,787)
Employer contributions	-	232,768	(232,768)
Benefit payments	(232,768)	(232,768)	-
Administrative expenses	-	(1,626)	1,626
Unexpected changes			
Plan experience	536,383	-	536,383
Assumption changes	(294,286)	-	(294,286)
Investment experience	-	244,452	(244,452)
Net changes during the year	651,909	549,613	102,296
Balance at June 30, 2025	<u>\$ 6,391,712</u>	<u>\$ 5,538,832</u>	<u>\$ 852,880</u>
	2024		
	Total OPEB liability	Fiduciary net position	Net OPEB (asset) liability
Balance at June 30, 2023	\$ 5,118,732	\$ 4,667,384	\$ 451,348
Changes recognized for the measurement period			
Service cost	232,285	-	232,285
Interest cost	320,454	-	320,454
Expected investment income	-	285,380	(285,380)
Employer contributions	-	218,629	(218,629)
Administrative expenses	-	(1,356)	1,356
Benefit payments	(195,335)	(195,335)	-
Unexpected changes			
Plan experience	248,517	-	248,517
Assumption changes	15,150	-	15,150
Investment experience	-	14,517	(14,517)
Net changes during the year	621,071	321,835	299,236
Balance at June 30, 2024	<u>\$ 5,739,803</u>	<u>\$ 4,989,219</u>	<u>\$ 750,584</u>

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Sensitivity of the net OPEB (asset) liability to changes in the discount rate**

The following presents the Authority's net OPEB (asset) liability if it were calculated using a discount rate that is one percent point lower or one percent point higher than the current rate as of the measurement date:

Changes in discount rate	Net OPEB (asset) liability for the year ended 6/30/25
1% Decrease (5.55%)	\$ 1,630,049
Current Discount Rate (6.55%)	852,880
1% Increase (7.55%)	201,864
Changes in discount rate	Net OPEB (asset) liability for the year ended 6/30/24
1% Decrease (5.15%)	\$ 1,469,961
Current Discount Rate (6.15%)	750,584
1% Increase (7.15%)	148,381

**Sensitivity of the net OPEB (asset) liability to changes in the Healthcare cost trend rates**

The following presents the Authority's net OPEB (asset) liability if it were calculated using healthcare cost trend rates that are one percent point lower or one percent point higher than the current rate as of the measurement date:

Changes in Healthcare Cost Trend Rates	Net OPEB (asset) liability for the year ended 6/30/25
1% Decrease	\$ 100,663
Current Trend	852,880
1% Increase	1,767,438
Changes in Healthcare Cost Trend Rates	Net OPEB (asset) liability for the year ended 6/30/24
1% Decrease	\$ 75,088
Current Trend	750,584
1% Increase	1,571,864

**Recognition of deferred outflows and deferred inflows of resources**

Gains and losses related to changes in total OPEB (asset) liability and fiduciary net position are recognized in OPEB expense systematically over time.

Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

## Capitol Area Development Authority

### Notes to Financial Statements June 30, 2025 and 2024

The recognition period differs depending on the source of the gain or loss:

- Net differences between projected and actual earnings on OPEB plan investments are recognized over a 5.5-year period using the straight-line method.
- All other amounts are recognized over the expected average remaining service lifetime (EARSL) of all members that are provided with benefits, determined as of the beginning of the measurement period.

#### **OPEB expense and deferred outflows/inflows of resources related to OPEB**

Gains and losses related to changes in total OPEB (asset) liability and fiduciary net position are recognized in OPEB expense systematically over time.

For the fiscal years ended June 30, 2025 and 2024, the Authority recognized OPEB expense of \$208,805 and \$73,056, respectively. As of June 30, 2025 and 2024, the Authority reported deferred outflows/inflows of resources related to OPEB from the following sources:

	2025	
	Deferred outflows of resources	Deferred inflows of resources
Changes of assumptions	\$ 63,743	\$ 245,804
Difference between expected and actual	614,650	273,183
Net differences between projected and actual earnings on plan investments	42,213	-
Contributions made subsequent to the measurement date	262,014	-
Total	\$ 982,620	\$ 518,987
	2024	
	Deferred outflows of resources	Deferred inflows of resources
Changes of assumptions	\$ 110,894	\$ 8,183
Difference between expected and actual	207,575	539,036
Net differences between projected and actual earnings on plan investments	304,110	-
Contributions made subsequent to the measurement date	232,768	-
Total	\$ 855,347	\$ 547,219

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

The \$262,014 and \$232,768 reported as deferred outflows of resources related to contributions made subsequent to the June 30, 2024 and 2023 measurement date will be recognized as a reduction of the net OPEB liability during the Authority's fiscal years ending June 30, 2026 and 2025, respectively. Other amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as expense (revenue) for years subsequent to June 30, 2025 as follows:

Fiscal year ending June 30	Deferred outflows/ (inflows) of resources
2026	\$ (107,659)
2027	197,605
2028	31,527
2029	34,430
2030	42,923
Thereafter	2,793
	<u>\$ 201,619</u>

**Note 15 - Contingencies**

**Lawsuits and Claims**

The Authority is subject to lawsuits and claims, which arise out of the normal course of its activities. In the opinion of management, based upon the opinions of legal counsel, the disposition of any and all such actions of which it is aware, will not have a material effect on the financial position of the Authority.

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 16 - Blended component unit**

Below is a summary of the financial statements as of June 30, 2025 and 2024 of the blended component unit.

	2025	2024
Current assets		
Cash	\$ 932,565	\$ 1,895,853
Other assets	1,763,195	-
	2,695,760	1,895,853
Total current assets		
Non-current assets		
Notes receivables, net	3,300,000	3,300,000
Other assets	1,101,617	1,101,617
	4,401,617	4,401,617
Total non-current assets		
Total assets	\$ 7,097,377	\$ 6,297,470
Current liabilities		
Accounts payable	\$ 108,784	\$ 4,469
Total current liabilities	108,784	4,469
Total liabilities	108,784	4,469
Total net position	6,988,593	6,293,001
Total liabilities and net position	\$ 7,097,377	\$ 6,297,470
Change in net position		
Revenues	\$ 999,945	\$ -
Expenses	329,353	158,097
	670,592	(158,097)
Income (loss) before transfers		
Transfers		
Transfers in	25,000	-
Transfers out	-	-
	25,000	-
Total transfers		
Change in net position	695,592	(158,097)
Net position - beginning	6,293,001	6,451,098
Net position - end	\$ 6,988,593	\$ 6,293,001

**Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

Cash Flow Information

	<u>2025</u>	<u>2024</u>
Operating receipts	\$ 915,438	\$ -
Operating expenses paid	<u>(1,903,725)</u>	<u>(156,937)</u>
Cash flows from operating activities	<u>(988,287)</u>	<u>(156,937)</u>
Cash flows from noncapital financing activities		
Transfers	<u>-</u>	<u>-</u>
Cash flows from noncapital financing activities	<u>-</u>	<u>-</u>
Net decrease in cash	(963,288)	(156,937)
Cash - beginning	<u>1,895,853</u>	<u>2,052,790</u>
Cash - end	<u>\$ 932,565</u>	<u>\$ 1,895,853</u>

**Note 17 - Subsequent events**

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Authority through January 7, 2026, the date the financial statements were available to be issued, and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**Required Supplementary Information**

**Capitol Area Development Authority**  
**Cost-Sharing Defined Benefit Pension Plan**  
**Schedule of the Authority's Proportionate Share of the Net Pension Liability**  
**As of June 30, 2025 Last 10 Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Authority's proportion of the collective net pension liability	0.13260%	0.12901%	0.12880%	0.15406%	0.11081%	0.11055%	0.11038%	0.11312%	0.11367%	0.10455%
Authority's proportionate share of the collective net pension liability	\$ 6,413,423	\$ 6,450,940	\$ 6,026,716	\$ 2,925,314	\$ 5,126,883	\$ 4,730,335	\$ 4,331,810	\$ 4,433,887	\$ 3,804,599	\$ 2,868,163
Authority's covered payroll	\$ 1,880,999	\$ 2,450,941	\$ 2,704,600	\$ 2,600,204	\$ 2,469,638	\$ 2,281,221	\$ 2,234,432	\$ 2,090,603	\$ 2,021,924	\$ 1,987,171
Authority's proportionate share of the collective net pension liability as a percentage of its covered payroll	341%	263%	223%	113%	208%	207%	194%	212%	188%	144%
Plan's fiduciary net position as a percentage of the Plan's total pension liability	79.91266%	77.96524%	78.18532%	90.48915%	77.70624%	76.20700%	76.76623%	75.52761%	76.75248%	81.31677%
Authority's proportionate share of the Plan's aggregate employer contributions	\$ 792,463	\$ 687,248	\$ 701,435	\$ 686,789	\$ 616,274	\$ 556,243	\$ 462,994	\$ 433,748	\$ 356,976	\$ 283,507

**Notes to Schedule**

**Changes of benefit terms.** In 2018, 2019, 2020, 2021, 2022, 2023, 2024, and 2025 there were no changes to the benefit terms.

**Changes in assumptions.** There were no assumption changes in 2025. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the discount rate was reduced from 7.15% to 6.90%. The demographic assumptions and the inflation rate assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. In 2020, 2021, and 2022, there were no changes in assumptions. In 2019, demographic assumptions and inflation rate were changed in accordance with the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. In 2018, the discount rate was reduced from 7.65% to 7.15%.

See Independent Auditor's Report.

**Capitol Area Development Authority**  
**Cost-Sharing Defined Benefit Pension Plan**  
**Schedule of the Authority's Contributions**  
**As of June 30, 2025 Last 10 Fiscal Years**

	2025	2024	2023	2022	2021	2020	2019	2018	2017	2016
Contractually required contribution	\$ 792,463	\$ 687,248	\$ 701,435	\$ 686,789	\$ 616,274	\$ 556,243	\$ 462,994	\$ 433,748	\$ 356,976	\$ 283,507
Contributions in relation to the contractually required contribution	(792,463)	(687,248)	(701,435)	(686,789)	(616,274)	(556,243)	(462,994)	(433,748)	(356,976)	(283,507)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Authority's covered payroll	\$ 3,026,863	\$ 2,785,738	\$ 2,704,600	\$ 2,600,204	\$ 2,469,638	\$ 2,281,221	\$ 2,234,432	\$ 2,090,603	\$ 2,021,924	\$ 1,987,171
Contributions as a percentage of covered payroll	26.18%	24.67%	25.93%	26.41%	24.95%	24.38%	20.72%	20.75%	17.66%	14.27%

**Notes to Schedule:**

Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Inflation	2.30%
Salary Increases	Varies <sup>(1)</sup>
Payroll Growth	3.0%
Investment Rate of Return	6.90% <sup>(2)</sup>
Retirement Age	2021 Experience Study <sup>(3)</sup>
Mortality <sup>(3)</sup>	2021 Experience Study <sup>(4)</sup>

<sup>(1)</sup> Depending on age and service

<sup>(2)</sup> Net of pension plan investment and administrative expenses, including inflation

<sup>(3)</sup> The probabilities of Retirement are based on the 2021 CalPERS Experience Study based on CalPERS demographic data from 2001 to 2019.

<sup>(4)</sup> The probabilities of Mortality are based on the 2021 CalPERS Experience Study which was developed based on CalPERS-specific data from 2001 to 2019. Pre-retirement and post-retirement mortality rates include generational mortality improvements using 80% of Scale MP-2020 published by the Society of Actuaries.

See Independent Auditor's Report.

**Capitol Area Development Authority**

**Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios**

**As of June 30, 2025 Last 10 Years\***

	2025	2024	2023	2022	2021	2020	2019	2018
Total OPEB liability								
Service cost	\$ 279,548	\$ 232,285	\$ 225,519	\$ 230,884	\$ 224,159	\$ 197,834	\$ 191,607	\$ 188,788
Interest on total OPEB liability	363,032	320,454	300,243	377,533	351,625	377,988	353,450	382,973
Changes of assumptions	(294,286)	15,150	-	232,205	-	(121,843)	-	265,905
Differences between expected and actual experience	536,383	248,517	-	(1,183,791)	-	(568,761)	-	(942,103)
Benefit payments	(232,768)	(195,335)	(207,049)	(194,828)	(219,240)	(211,494)	(189,969)	(190,888)
Net change in total OPEB liability	651,909	621,071	318,713	(537,997)	356,544	(326,276)	355,088	(295,325)
Total OPEB liability - beginning	5,739,803	5,118,732	4,800,019	5,338,016	4,981,472	5,307,748	4,952,660	5,247,985
Total OPEB liability - ending (a)	<u>\$ 6,391,712</u>	<u>\$ 5,739,803</u>	<u>\$ 5,118,732</u>	<u>\$ 4,800,019</u>	<u>\$ 5,338,016</u>	<u>\$ 4,981,472</u>	<u>\$ 5,307,748</u>	<u>\$ 4,952,660</u>
Plan fiduciary net position								
Contributions from employer	\$ 232,768	\$ 218,629	\$ 417,416	\$ 395,530	\$ 425,066	\$ 406,132	\$ 396,403	\$ 649,631
Net investment income	551,239	299,897	(692,798)	1,069,137	125,084	196,181	218,384	163,421
Benefit payments	(232,768)	(195,335)	(207,049)	(194,828)	(219,240)	(211,494)	(189,969)	(190,888)
Administrative expenses	(1,626)	(1,356)	(1,306)	(1,471)	(1,739)	(678)	(5,092)	(1,217)
Investment expenses	-	-	-	-	-	-	-	72,294
Net change in plan fiduciary net position	549,613	321,835	(483,737)	1,268,368	329,171	390,141	419,726	693,241
Plan fiduciary net position - beginning	4,989,219	4,667,384	5,151,121	3,882,753	3,553,582	3,163,441	2,743,715	2,050,474
Plan fiduciary net position - ending (b)	<u>\$ 5,538,832</u>	<u>\$ 4,989,219</u>	<u>\$ 4,667,384</u>	<u>\$ 5,151,121</u>	<u>\$ 3,882,753</u>	<u>\$ 3,553,582</u>	<u>\$ 3,163,441</u>	<u>\$ 2,743,715</u>
Net OPEB (asset) liability - ending (a) - (b)	<u>\$ 852,880</u>	<u>\$ 750,584</u>	<u>\$ 451,348</u>	<u>\$ (351,102)</u>	<u>\$ 1,455,263</u>	<u>\$ 1,427,890</u>	<u>\$ 2,144,307</u>	<u>\$ 2,208,945</u>
Plan fiduciary net position as a percentage of total OPEB liability	86.66%	86.92%	91.18%	107.31%	72.74%	71.34%	59.60%	55.40%
Covered-employee payroll	\$2,785,738	\$2,704,600	\$2,600,204	\$2,469,638	\$ 2,281,221	\$ 2,146,924	\$ 2,090,603	\$ 1,975,245
Net OPEB (asset) liability as a percentage of covered employee payroll	30.62%	27.75%	17.36%	-14.22%	63.79%	66.51%	102.57%	111.83%

**Notes to Schedule**

\* Fiscal year 2018 was the first year of implementation of GASB No. 75, therefore only eight years are shown.

See Independent Auditor's Report.

## Capitol Area Development Authority

### Schedule of Changes in Net OPEB (Asset) Liability and Related Ratios

As of June 30, 2025 Last 10 Years\*

**Changes in assumptions.** In 2025, the discount rate increased from 6.15% to 6.55%. In 2024, the discount rate increased from 6.10% to 6.15%, reflecting updated long-term rates of return provided by CalPERS in March 2022. In 2023, there were no changes in assumptions. In 2022, the discount rate decreased from 6.90% to 6.10%; the mortality improvement scale was updated to MacLeod Watts Scale 2022; the healthcare trend was updated to Getzen Model 2022\_b as published by the Society of Actuaries; and the percentage of employees retiring with between 5 and 10 years of Authority service who are assumed to elect coverage decreased from 100% to 50%.

In 2024, the demographic assumptions were updated from those in the 2019 CalPERS experience study to those recommended in the CalPERS 2021 Experience Study report issued November 2021. In 2022, there were no changes in assumptions. In 2021, demographic assumptions were updated to those provided in the CalPERS 2017 Experience Study. Mortality rates were updated to the rates in the midpoint year of the 2017 Experience Study (2015), then projected on a generationally basis by MacLeod Watts Scale 2018. The discount rate decreased from 7% to 6.90%; the salary increase percentage changed from 3.25% to 3% and the inflation percentage changed from 2.75% to 2.5%.

**Capitol Area Development Authority**  
**Schedule of OPEB Plan Contributions**  
**As of June 30, 2025 Last 10 Years\***

	2025	2024	2023	2022	2021	2020	2019	2018
Actuarially Determined Contributions (ADC)	\$ 373,937	\$ 213,917	\$ 206,020	\$ 366,359	\$ 356,557	\$ 372,138	\$ 361,651	\$ 352,468
Contributions in relation to the ADC	(262,014)	(232,768)	(218,629)	(417,416)	(395,530)	(425,066)	(406,132)	(352,468)
Contributions deficiency (excess)	<u>\$ 111,923</u>	<u>\$ (18,851)</u>	<u>\$ (12,609)</u>	<u>\$ (51,057)</u>	<u>\$ (38,973)</u>	<u>\$ (52,928)</u>	<u>\$ (44,481)</u>	<u>\$ -</u>
Covered-employee payroll	\$ 3,026,863	\$ 2,785,738	\$ 2,704,600	\$ 2,600,204	\$ 2,469,638	\$ 2,281,221	\$ 2,146,924	\$ 1,975,245
Contributions as a percentage of covered employee payroll	8.66%	8.36%	8.08%	16.05%	16.02%	18.63%	18.92%	17.84%

**Notes to Schedule of OPEB Plan Contributions**

The actuarial methods and assumptions used to set the actuarially determined contributions for the fiscal year 2025 contribution rates are as follows:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Amortization Method/Period	Level percent of payroll over a closed 30-year period
Asset Valuation Method	Market value of assets
Inflation	2.50%
Salary Increases	3.00% per year; since benefits do not depend on pay, this is used only to allocate the cost of benefits between service years
Payroll Growth	3.0% per year; used as a component of assumed salary increases
Investment Rate of Return	6.55% net of plan investment fees and including inflation
Healthcare cost trend rates	6.0% in 2026, then decreasing to 3.9% by 2075
Retirement age	Tier 1 employees - 2.0% @55 and Tier 2 employees - 2.0% @62. The probabilities of Retirement are based on the 2021 CalPERS Experience Study for the period from 1997 to 2019.
Mortality	Projected with Macleod Watts Scale 2022 applied generationally from 2017.

\* Fiscal year 2018 was the first year of implementation of GASB No. 75, therefore only eight years are shown.

See Independent Auditor's Report.

**Capitol Area Development Authority**  
**Schedule of OPEB Plan Contributions**  
**As of June 30, 2025 Last 10 Years\***

**Changes in assumptions.** In 2025, the discount rate increased from 6.15% to 6.55%. In 2024, the discount rate increased from 6.10% to 6.15%, reflecting updated long-term rates of return provided by CalPERS in March 2022. In 2023, there were no changes in assumptions. In 2022, the discount rate was decreased from 6.90% to 6.10%; the mortality improvement scale was updated to MacLeod Watts Scale 2022; the healthcare trend was updated to Getzen Model 2022\_b as published by the Society of Actuaries; and the percentage of employees retiring with between 5 and 10 years of Authority service who are assumed to elect coverage was decreased from 100% to 50%.

In 2024, the demographic assumptions were updated from those in the 2019 CalPERS experience study to those recommended in the CalPERS 2021 Experience Study report issued November 2021. In 2022, there were no changes in assumptions. In 2021, demographic assumptions were updated to those provided in the CalPERS 2017 Experience Study. Mortality rates were updated to the rates in the midpoint year of the 2017 Experience Study (2015), then projected on a generationally basis by MacLeod Watts Scale 2018. The discount rate was decreased from 7% to 6.90%; the salary increases percentage changed from 3.25% to 3% and the inflation percentage changed from 2.75% to 2.5%.

Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

To the Board of Directors  
Capitol Area Development Authority

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*), the financial statements of the business-type activities of Capitol Area Development Authority ("Authority") as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated January 7, 2026.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Authority's internal control over financial reporting ("internal control") as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Authority's internal control. Accordingly, we do not express an opinion on the effectiveness of the Authority's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Authority's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*CohnReznick LLP*

Sacramento, California  
January 7, 2026



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Attachment 2b  
**Somerset Parkside Apartments**  
**(Contract Number 15-LPR-005)**  
**A Project of the Capitol Area Development Authority**

**Financial Statements**  
**(With Supplementary Information)**  
**and Independent Auditor's Report**

**June 30, 2025 and 2024**

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**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

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Independent Auditor's Report

Board of Directors  
Capitol Area Development Authority  
Sacramento, California

Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of Somerset Parkside Apartments (Contract Number 15-LPR-005) (the "Project"), a project of the Capitol Area Development Authority ("Authority"), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenue, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Somerset Parkside Apartments as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audits 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. 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 Project and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Emphasis of Matter*

As described in Note 1, the financial statements referred to above present only the financial position, the changes in financial position and cash flows of the Project and do not purport to, and do not, present fairly, the financial position of the Authority as of June 30, 2025 and 2024 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Project'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 opinion. 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 Project'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 Project'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 audits.

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The financial data template as required by the California Department of Housing and Community Development ("HCD") is presented for purposes of additional analysis and is 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the financial data templates as required by HCD are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025, on our consideration of the Project'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 Project'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 Project's internal control over financial reporting and compliance.

*CohnReznick LLP*

Sacramento, California  
September 29, 2025

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Statements of Net Position  
June 30, 2025 and 2024**

<u>Assets</u>	<u>2025</u>	<u>2024</u>
Current assets		
Residential accounts receivable, net	\$ 4,918	\$ 2,984
Accounts receivable - other	-	64,888
Restricted cash - tenant security deposits	6,635	8,624
Total current assets	11,553	76,496
Noncurrent assets		
Restricted cash and cash equivalents - replacement reserve	182,713	193,980
Restricted cash and cash equivalents - operating reserve	55,365	55,354
Capital assets		
Construction in progress	347,784	146,094
Building and improvements	1,829,309	1,829,309
Less accumulated depreciation	(1,720,922)	(1,686,241)
Total capital assets	456,171	289,162
Total noncurrent assets	694,249	538,496
Total assets	\$ 705,802	\$ 614,992
<u>Liabilities</u>		
Current liabilities		
Accounts payable	\$ 2,750	\$ 15,179
HCD monitoring fees payable	99,418	85,268
Due to CADA	792,717	552,165
Unearned revenue - prepaid rent	797	2,148
Due to HCD - annuity payable	3,374	3,374
Tenant security deposits	6,635	8,624
Total current liabilities	905,691	666,758
Noncurrent liabilities		
Accrued interest	317,261	281,345
Note payable long term	1,197,213	1,197,213
Total noncurrent liabilities	1,514,474	1,478,558
Total liabilities	\$ 2,420,165	\$ 2,145,316
<u>Net Position</u>		
Net investment in capital assets	\$ (741,042)	\$ (908,051)
Restricted for operating and replacement reserves	238,078	249,334
Unrestricted	(1,211,399)	(871,607)
Total net position	(1,714,363)	(1,530,324)
Total liabilities and net position	\$ 705,802	\$ 614,992

See Notes to Financial Statements.

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Statements of Revenue, Expenses and Changes in Net Position  
Years Ended June 30, 2025 and 2024**

	2025	2024
Operating revenue		
Gross potential rent - residential	\$ 422,498	\$ 376,278
Less: Vacancies	(240,795)	(193,913)
Other income:		
Laundry income	1,698	742
Miscellaneous	5,880	2,646
	189,281	185,753
 Total operating revenue	 189,281	 185,753
Operating expenses		
Administrative	77,605	100,389
Utilities	54,399	53,247
Operating and maintenance	127,739	62,577
Taxes and insurance	28,879	26,926
Depreciation	34,681	34,681
	323,303	277,820
 Total operating expenses	 323,303	 277,820
 Net operating loss	 (134,022)	 (92,067)
Nonoperating revenue (expenses)		
Interest expense	(35,916)	(35,916)
Interest income	49	147
HCD monitoring fee	(14,150)	(3,411)
	(50,017)	(39,180)
 Total nonoperating revenue (expenses)	 (50,017)	 (39,180)
 Change in net position	 (184,039)	 (131,247)
Net position, beginning	(1,530,324)	(1,399,077)
 Net position, end	 \$ (1,714,363)	 \$ (1,530,324)

See Notes to Financial Statements.

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Statements of Cash Flows  
Years Ended June 30, 2025 and 2024**

	2025	2024
Cash flows from operating activities		
Rental receipts	\$ 178,418	\$ 207,499
Other receipts	72,466	(61,500)
Tenant security deposits paid	(1,989)	2,159
Payroll and related costs	(53,726)	(47,084)
Administrative expenses	(23,879)	(53,305)
Utilities	(54,399)	(53,247)
Operating and maintenance	(127,560)	(64,537)
Insurance and taxes	(28,879)	(26,926)
	<u>(39,548)</u>	<u>(96,941)</u>
Net cash used in operating activities		
Cash flows from capital and related financing activities		
Acquisition of capital assets	(214,298)	(103,256)
	<u>(214,298)</u>	<u>(103,256)</u>
Net cash used in capital and related financing activities		
Cash flows from noncapital financing activities		
CADA advances received	240,552	129,790
	<u>240,552</u>	<u>129,790</u>
Net cash provided by noncapital financing activities		
Cash flows from investing activities		
Interest income received	49	147
	<u>49</u>	<u>147</u>
Net cash provided by investing activities		
Net decrease in cash and cash equivalents	(13,245)	(70,260)
Cash and cash equivalents, beginning	257,958	328,218
	<u>257,958</u>	<u>328,218</u>
Cash and cash equivalents, end	<u>\$ 244,713</u>	<u>\$ 257,958</u>

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Statements of Cash Flows  
Years Ended June 30, 2025 and 2024**

	2025	2024
Reconciliation to the statements of net position		
Restricted cash and cash equivalents		
Tenant security deposits	\$ 6,635	\$ 8,624
Replacement reserve	182,713	193,980
Operating reserve	55,365	55,354
Total cash and cash equivalents	\$ 244,713	\$ 257,958
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (134,022)	\$ (92,067)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	34,681	34,681
Changes in assets and liabilities		
Residential accounts receivable	(1,934)	27,112
Accounts receivable - other	64,888	(64,888)
Accounts payable	179	(1,960)
Unearned revenue - prepaid rent	(1,351)	(1,978)
Tenant security deposits	(1,989)	2,159
Net cash used in operating activities	\$ (39,548)	\$ (96,941)
Significant noncash capital and related financing activities		
Increase in accounts payable included in capital assets	\$ -	\$ 12,608

See Notes to Financial Statements.

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 1 - Organization and summary of significant accounting policies**

**General**

Somerset Parkside Apartments (the "Project") is a 26-unit apartment complex located in downtown Sacramento, California. It provides housing for eligible low-income families under the State of California Department of Housing and Community Development ("HCD") Rental Housing Construction Program ("RHCP"). This program provides long-term financing to construct the housing project and monthly annuities to fund operating deficits. Effective September 2016, the Capitol Area Development Authority ("Authority" or "CADA") and HCD terminated the old regulatory agreement (Contract No. 80-RHC-007) and entered into a 16-year term new regulatory agreement for the Project under the Loan Portfolio Restructuring Program (Contract No. 15-LPR-005).

Since April 8, 1982, the Authority manages the Project. The Authority is a joint powers agency with a Board of Directors comprised of appointees of the City of Sacramento ("City") and the State of California. The accompanying financial statements are not intended to present fairly the financial position or changes in financial position and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America ("GAAP").

**Basis of presentation**

The Project is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows occur. The Project distinguishes operating from nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with the Project's ongoing operations. The principal operating revenue of the Project is rental income from tenants of its housing units. This revenue is recognized on the financial statements net of vacancy loss, low-income subsidies, and loss to leases. Operating expenses for the Project include payroll expenses for employee services, administrative expenses, utilities expenses, operating and maintenance expenses, insurance and taxes expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the Project's policy to use restricted resources first, then unrestricted resources as needed.

**Cash, cash equivalents and restricted cash equivalents**

The Project participates in the City's external investment pool. The City Treasurer pools cash and other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of California Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is based upon quoted market prices. However, the value of the pool shares in the City's investment pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Project's position in the pool. The City's investment pool is unrated and the weighted average maturity is 1.86 years and 1.19 years at June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the Project's tenant security deposits are invested in the City's external investment pool. Detailed disclosures, including investment policies and associated risk policies, regarding the

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

Project's cash and investments are included in the notes to the Authority's basic financial statements.

For purposes of the statements of cash flows, the Authority considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account. Restricted cash and cash equivalents includes operating and replacement reserves and tenant security deposits.

**Resident accounts receivable**

Resident accounts receivable are due from tenants and reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2025 and 2024, the allowance for doubtful accounts was \$52,835 and \$51,204, respectively.

**Capital assets**

Capital assets, which are defined by the Authority as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond one year, are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over an estimated useful life of between 5 to 30 years. Maintenance and repair costs are expensed as incurred. The Project does not own land, only the building and improvements on the land and therefore only construction in progress is included in nondepreciable capital assets.

**Impairment of capital assets**

The Authority reviews the capital assets of the Project for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2025, there has been no impairment of the capital assets.

**Rental income**

The Project's rental property is generally leased to tenants under one-year noncancelable operating leases. Rental income is recognized as rents become due. Rental payments received in advance are recorded as unearned revenue.

**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 these estimates.

**Note 2 - Tenant security deposits**

The Project collects security deposits from tenants at the inception of the tenant lease. These deposits, which are reported in the basic financial statements as restricted cash, are refundable to the tenants to the extent there are no unpaid rents or damages to the housing unit. Tenant security deposits held as of June 30, 2025 and 2024 amounted to \$6,635 and \$8,624 respectively.

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 3 - Capital assets**

Information on additions and disposals of capital assets as of June 30, 2025 and 2024 are as follows:

	<u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Capital assets not being depreciated				
Construction in progress	\$ 146,094	\$ 201,690	\$ -	\$ 347,784
Capital assets being depreciated				
Buildings and improvements	1,829,309	-	-	1,829,309
Less accumulated depreciation for Buildings and improvements	<u>(1,686,241)</u>	<u>(34,681)</u>	<u>-</u>	<u>(1,720,922)</u>
Capital assets being depreciated, net	<u>\$ 289,162</u>	<u>\$ 167,009</u>	<u>\$ -</u>	<u>\$ 456,171</u>
	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Capital assets not being depreciated				
Construction in progress	\$ 30,230	\$ 115,864	\$ -	\$ 146,094
Capital assets being depreciated				
Buildings and improvements	1,829,309	-	-	1,829,309
Less accumulated depreciation for Buildings and improvements	<u>(1,651,560)</u>	<u>(34,681)</u>	<u>-</u>	<u>(1,686,241)</u>
Capital assets being depreciated, net	<u>\$ 207,979</u>	<u>\$ 81,183</u>	<u>\$ -</u>	<u>\$ 289,162</u>

**Note 4 - Replacement reserve**

The replacement reserve reported in these financial statements as restricted cash and cash equivalents is funded monthly to provide for future major additions, repairs or replacements. The replacement reserve activity is as follows at June 30:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 193,980	\$ 266,424
Interest earned	38	122
Required deposits	43,299	43,298
Withdrawals	<u>(54,604)</u>	<u>(115,864)</u>
Ending balance	<u>\$ 182,713</u>	<u>\$ 193,980</u>

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 5 - Operating reserve**

The regulatory agreement executed with HCD required the Project to establish an operating reserve to be funded in the initial amount of \$54,905. The operating reserve account is reported in these financial statements as restricted cash and cash equivalents. The operating reserve activity is as follows for the years ended June 30:

	2025	2024
Beginning balance	\$ 55,354	\$ 55,329
Interest earned	11	25
Ending balance	\$ 55,365	\$ 55,354

**Note 6 - Note payable**

In September 2016, the Authority executed the new regulatory agreement with HCD and the Authority entered into a new promissory note in the amount of \$1,197,213 for a term of 16 years. The promissory note is secured by the Project property and bears interest at 3% per annum. No payment is required until maturity in September 2033 at which time all outstanding principal and accrued interest will be due. Payments are not to come from the Project cash flow and the Authority is to provide the funds necessary to pay off the loan at maturity. For the years ended June 30, 2025 and 2024, interest expense was \$35,916 and \$35,916, respectively. Outstanding principal and accrued interest are \$1,197,213 and \$317,261 at June 30, 2025, and \$1,197,213 and \$281,345 at June 30, 2024, respectively.

**Note 7 - Program payments**

As stated in Note 1, the HCD RHCP provides operating funds to the Project to cover the operating costs not covered by rental revenue for the HCD assisted units. In the case the Project operates at a surplus, the net surplus is remitted to HCD or deposited to the replacement reserve subject to HCD approval.

HCD approved the Project's operating budget with certain changes. In determining the qualifying operating costs, HCD disallows certain expenses reflected in these financial statements. Specific items disallowed include vacancy in excess of an approved percentage, interest income on the replacement reserve, depreciation expense, repairs paid out of replacement reserve and asset acquisitions exceeding the authorized budget.

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

For the fiscal years ended June 30, 2025 and 2024, the Project had a net annuity income (expense) of \$0 and \$0, respectively. Net unexpended program payments are reported as due to (from) HCD on the Project's statements of net position. As of June 30, 2025 and 2024, the Authority has HCD project annuities payable of \$3,374 and \$3,374, respectively. The activity in the due to (from) HCD account for the fiscal years ended June 30, are as follows:

	2025	2024
Due to (from) HCD, beginning	\$ 3,374	\$ 3,374
Excess program payments for the year	-	-
Excess program payment received	-	-
Excess program payment cash flow	-	-
HCD corrections and adjustments	-	-
Due to (from) HCD, end	\$ 3,374	\$ 3,374

Under the terms of the new regulatory agreement, the Project is to pay HCD an annual monitoring fee of \$10,127, increasing annually based upon the consumer price index. The annual monitoring fee is subject to the Project generating sufficient cash flow. During the years ended June 30, 2025 and 2024, the Project incurred annual monitoring fees of \$14,150 and \$3,411, which are included in the statements of revenue, expenses and changes in net position. As of June 30, 2025 and 2024, the Project owes HCD monitoring fees payable of \$99,418 and \$85,268, respectively, which are included in the statements of net position.

**Note 8 - Assistance from the Authority**

The Authority ("CADA") has committed to provide funding to the Project to cover deficits and future capital improvement needs with additional annuities paid to the Project. During the year ended June 30, 2025, the Authority made no such contributions. In addition, CADA makes advances to the Project to pay for operating expenses of the Project. Such advances are not interest-bearing and are expected to be repaid one month in arrears. As of June 30, 2025 and 2024, \$792,717 and \$552,165, respectively, is due to CADA and included in the statements of net position.

**Note 9 - Leased property**

The land on which the Project is located is owned by the State of California. On June 12, 1981, a 60-year operating lease was entered into between the Authority and the State of California. This lease is without cost; therefore, it is not reflected in these financial statements.

The State of California or the Authority may terminate the lease at any time by giving a 60-day notice. Should this lease be terminated, the developmental ground lease will be honored by the State of California on behalf of the Authority.

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 10 - Subsequent events**

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Project through September 29, 2025 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**Supplementary Information Required by the California Department of Housing and Community Development (HCD), including Breakout of "Miscellaneous" Account Details**

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Schedules of Operating Revenue**

<u>Account No.</u>	<u>2025</u>	<u>2024</u>
Rental revenue		
5120 Rent revenue - gross potential	\$ 422,498	\$ 376,278
5100T Total rental revenue	422,498	376,278
Vacancies		
5220 Apartments	(240,795)	(193,913)
5200T Total vacancies	(240,795)	(193,913)
5152N Net rental revenue (rent revenue less vacancies)	181,703	182,365
Financial revenue		
5440 Revenue from investments - replacement reserve	49	147
5400T Total financial revenue	49	147
Other revenue		
5910 Laundry and vending	1,698	742
5990 Miscellaneous revenue (if over \$1,500, detail is required)	5,880	2,646
5900T Total other revenue	7,578	3,388
5000T Total revenues	189,330	185,900

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Schedules of Operating Expenses**

<u>Account No.</u>	<u>2025</u>	<u>2024</u>
Administrative expenses		
6210 Advertising and marketing	1,270	1,155
6320 Management fee	22,145	21,500
6330 Manager or superintendent salaries	28,568	24,758
6331 Administrative rent free unit	17,595	15,614
6351 Bookkeeping fees/accounting services	6,000	5,500
6370 Bad debts	2,027	31,862
6263T Total administrative expenses	<u>77,605</u>	<u>100,389</u>
Utilities expense		
6450 Electricity	6,039	7,553
6451 Water	37,654	36,828
6452 Gas	495	347
6453 Sewer	10,211	8,519
6400T Total utilities expense	<u>54,399</u>	<u>53,247</u>
Operating and maintenance expenses		
6510 Payroll	7,563	6,712
6515 Supplies	11,568	13,410
6520 Contracts	65,847	23,172
6530 Security payroll/contract	4,960	4,725
6590 Miscellaneous operating and maintenance expenses (if over \$1,500, detail is required)	37,801	14,558
6500T Total operating and maintenance expenses	<u>127,739</u>	<u>62,577</u>

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Schedules of Operating Expenses**

Account No.	2025	2024
Taxes and insurance		
6710 Real estate taxes	2,010	1,879
6720 Property and liability insurance	26,869	25,047
6700T Total taxes and insurance	28,879	26,926
6000T Total cost of operations before depreciation	288,622	243,139
5060T Income (loss) before depreciation	(99,292)	(57,239)
Depreciation		
6600 Depreciation expense	34,681	34,681
Total depreciation	34,681	34,681
5060N Operating loss	(133,973)	(91,920)
Total expenses	323,303	277,820
Net entity expenses		
7141 Interest on notes payable	35,916	35,916
7190 Other (income) expenses (see detail)	14,150	3,411
7100T Net entity expenses	50,066	39,327
3250 Change in net position	\$ (184,039)	\$ (131,247)

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Detail of Accounts - Schedule of Activities**

	2025	2024
Miscellaneous revenue (Account No. 5990)		
Miscellaneous income - other tenant fees	\$ 5,880	\$ 2,646
	\$ 5,880	\$ 2,646
Miscellaneous operating and maintenance expenses (Account No. 6590)		
Flooring	\$ 6,777	\$ 13,813
Operating budget major repairs	1,754	695
Resident relations	-	50
Cabinets	2,569	-
Emergency relocation	10,629	-
Miscellaneous engineering and architect	6,500	-
Plumbing	9,572	-
	\$ 37,801	\$ 14,558
Other (income) expenses (Account No. 7190)		
HCD monitoring fee	\$ 14,150	\$ 3,411
	\$ 14,150	\$ 3,411

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Year Ended June 30, 2025**

**Cash and cash equivalents**

Cash and cash equivalents	
Unrestricted account	
Operating account	\$ -
	-
Restricted accounts	
Operating reserve	55,365
Tenant security deposits	6,635
Reserve for replacements	182,713
	244,713
Total restricted accounts	244,713
	244,713
Total cash and cash equivalents	\$ 244,713
	244,713

The Project follows the practice of pooling its cash with all of the Authority's projects into a central fund maintained by the Authority. All accounts are segregated on the books of the Authority. The impound and reserve accounts are maintained in interest-bearing accounts.

**Accounts receivable, net**

Account receivable, net consists of the following:

Receivables from tenants and subsidies due within 30 days	\$ 57,753
Allowance for doubtful accounts	(52,835)
	4,918
Accounts receivable, net	\$ 4,918
	4,918

**Reserve for replacement and operating expenses**

In accordance with the provisions of the regulatory agreement, reserves are maintained in accounts to be used for replacements of property. Withdrawals are made upon approval by HCD.

	Replacement reserve	Operating reserve
Balance, June 30, 2024	\$ 193,980	\$ 55,354
Deposits	43,299	-
Interest income	38	11
Approved withdrawals	(54,604)	-
	182,713	55,365
Balance, June 30, 2025	\$ 182,713	\$ 55,365

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Year Ended June 30, 2025**

**Capital assets**

Following are the details of capital assets, which include building and leasehold improvements:

	Construction in progress	Building and improvements	Total
Balance, June 30, 2024	\$ 146,094	\$ 1,829,309	\$ 1,975,403
Additions	201,690	-	201,690
	<u>\$ 347,784</u>	<u>\$ 1,829,309</u>	<u>\$ 2,177,093</u>
Balance, June 30, 2025	<u>\$ 347,784</u>	<u>\$ 1,829,309</u>	<u>\$ 2,177,093</u>

**Accounts payable**

Accounts payable in the amount of \$2,750 represents amounts due to suppliers. All accounts payable are current.

**Gross potential rents**

Qualified tenant rental income	\$ 588,208
Other tenant rental income	-
	<u>588,208</u>
Total gross potential rents	588,208
Less	
Vacancy loss	(240,795)
Loss to lease	(36)
Low income subsidy	(165,674)
	<u>(165,674)</u>
Rental revenues, net	<u>\$ 181,703</u>

**Management fee**

A property management fee of \$22,145 was incurred during the fiscal year ended June 30, 2025 for the property management services provided by the Authority.

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Operating cash flow/surplus cash computation**

The operating cash flow/surplus cash generated by the Project during the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Operation income		
Total income	\$ 189,330	\$ 185,900
Interest earned on restricted reserve accounts	(49)	(147)
	189,281	185,753
Adjusted operating income		
Operating expenses less depreciation	(288,622)	(243,139)
Adjusted net loss	(99,341)	(57,386)
Other activity		
Purchases of capital assets	(201,690)	(115,864)
Withdrawals from replacement reserve account	54,604	115,864
Deposits into replacement reserve account	(43,299)	(43,298)
Total other activity	(190,385)	(43,298)
Operating cash flow/surplus cash (deficit)	\$ (289,726)	\$ (100,684)

**Accumulated limited distributions**

At inception, there were no allocable accumulated limited distributions unpaid. Also, there were no accumulated limited distributions paid during the fiscal years ended June 30, 2025 and 2024.

Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Board of Directors  
Capitol Area Development Authority  
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Governmental Auditing Standards*), the financial statements of Somerset Parkside Apartments (Contract Number 15-LPR-005) ("Project"), a project of the Capitol Area Development Authority ("Authority") which comprise the statement of net position as of June 30, 2025, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended and the related notes to the financial statements, and have issued our report thereon dated September 29, 2025, which included an emphasis of matter paragraph as indicated at page 2.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Project's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Project's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

*CohnReznick LLP*

Sacramento, California  
September 29, 2025

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

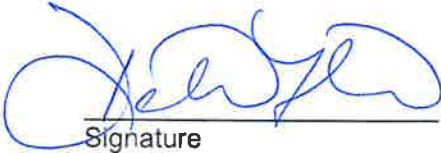
**Schedule of Findings and Responses  
Years Ended June 30, 2025 and 2024**

Our audit disclosed no findings that are required to be reported.

**Somerset Parkside Apartments  
(Contract Number 15-LPR-005)  
A Project of the Capitol Area Development Authority**

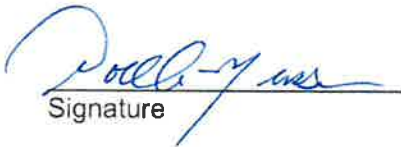
**Certification of Officers  
Years Ended June 30, 2025 and 2024**

We, as officers of Capitol Area Development Authority (Joint Powers Authority), hereby certify that we have examined the accompanying financial statements and supplementary information of Somerset Parkside Apartments as of and for the years ended June 30, 2025 and 2024, and to the best of our knowledge and belief, these financial statements and supplementary information are complete and accurate.

  
Signature

Executive Director  
Title

9/29/25  
Date

  
Signature

Finance Director  
Title

9-29-2025  
Date



**Independent Member of Nexia**

**[cohnreznick.com](http://cohnreznick.com)**

Attachment 2c  
**Biele Place Apartments**  
**(Contract Number 17-LPR-0029)**  
**A Project of the Capitol Area Development Authority**

**Financial Statements**  
**(With Supplementary Information)**  
**and Independent Auditor's Report**

**June 30, 2025 and 2024**

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**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

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Independent Auditor's Report

Board of Directors  
Capitol Area Development Authority

Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of Biele Place Apartments (Contract Number 17-LPR-0029) (the "Project"), a project of the Capitol Area Development Authority ("Authority"), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenue, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Biele Place Apartments as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audits 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. 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 Project and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Emphasis of Matter*

As described in Note 1, the financial statements referred to above present only the financial position, the changes in financial position and cash flows of the Project and do not purport to, and do not, present fairly, the financial position of the Authority as of June 30, 2025 and 2024, and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Project'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 opinion. 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 Project'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 Project'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 audits.

### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

### *Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements of the Project as a whole. The financial data templates as required by the California Department of Housing and Community Development ("HCD") is presented for purposes of additional analysis and is not a required part of the 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. Such 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 auditing standards generally accepted in the United States of America. In our opinion, the financial data templates as required by HCD are fairly stated, in all material respects, in relation to the basic statements as a whole.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025 on our consideration of the Project'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 Project'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 Project's internal control over financial reporting and compliance.



Sacramento, California  
September 29, 2025

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Statements of Net Position  
June 30, 2025 and 2024**

	<u>Assets</u>	
	<u>2025</u>	<u>2024</u>
Current assets		
Residential accounts receivable, net	\$ 424	\$ 2,355
Restricted cash - tenant security deposits	14,008	12,277
Total current assets	<u>14,432</u>	<u>14,632</u>
Noncurrent assets		
Restricted cash and cash equivalents - replacement reserve	315,459	264,404
Restricted cash and cash equivalents - operating reserve	51,384	51,373
	<u>366,843</u>	<u>315,777</u>
Capital assets		
Construction in progress	46,743	-
Building and Improvements	1,569,892	1,569,892
Less accumulated depreciation	(1,345,490)	(1,324,252)
Total capital assets	<u>271,145</u>	<u>245,640</u>
Total noncurrent assets	<u>637,988</u>	<u>561,417</u>
Total assets	<u>\$ 652,420</u>	<u>\$ 576,049</u>
	<u>Liabilities</u>	
Current liabilities		
Accounts payable	\$ 3,331	\$ 5,101
Unearned revenue - prepaid rent	1,200	427
HCD monitoring fees payable	74,100	59,950
Due to CADA	440,013	318,372
Tenant security deposits	14,008	12,277
Total current liabilities	<u>532,652</u>	<u>396,127</u>
Noncurrent liabilities		
Mortgage note payable	1,025,653	1,025,653
Accrued interest - mortgage note payable	176,926	146,156
Total noncurrent liabilities	<u>1,202,579</u>	<u>1,171,809</u>
Total liabilities	<u>\$ 1,735,231</u>	<u>\$ 1,567,936</u>
	<u>Net Position</u>	
Net investment in capital assets	\$ (754,508)	\$ (780,013)
Restricted for replacement and operating reserves	366,843	315,777
Unrestricted	(695,146)	(527,651)
Total net position	<u>(1,082,811)</u>	<u>(991,887)</u>
Total liabilities and net position	<u>\$ 652,420</u>	<u>\$ 576,049</u>

See Notes to Financial Statements.

**Biele Place Apartments**  
**(Contract Number 17-LPR-0029)**  
**A Project of the Capitol Area Development Authority**

**Statements of Revenue, Expenses and Changes in Net Position**  
**Years Ended June 30, 2025 and 2024**

	2025	2024
Operating revenue		
Gross potential rent - residential	\$ 276,234	\$ 252,217
Less Vacancies	(53,815)	(39,655)
Other income		
Laundry income	2,180	1,866
Miscellaneous	2,848	2,692
	227,447	217,120
 Operating expenses		
Administrative	106,269	98,165
Utilities	33,824	31,324
Operating and maintenance	80,206	106,399
Taxes and insurance	31,980	26,653
Depreciation	21,238	18,413
	273,517	280,954
Total operating expenses		
Net operating loss	(46,070)	(63,834)
 Nonoperating revenue (expenses)		
Interest expense	(30,770)	(30,770)
Interest income	66	144
HCD monitoring fee	(14,150)	(14,769)
	(44,854)	(45,395)
Total nonoperating revenue (expenses)		
Change in net position	(90,924)	(109,229)
Net position, beginning	(991,887)	(882,658)
Net position, end	\$ (1,082,811)	\$ (991,887)

See Notes to Financial Statements.

**Biele Place Apartments**  
**(Contract Number 17-LPR-0029)**  
**A Project of the Capitol Area Development Authority**

**Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**

	2025	2024
Cash flows from operating activities		
Rental receipts	\$ 225,123	\$ 215,683
Other receipts	5,028	4,558
Tenant security deposits received (paid)	1,731	(1,880)
Payroll and related costs	(57,244)	(54,864)
Administrative	(59,794)	(53,279)
Utilities	(33,824)	(31,324)
Operating and maintenance	(71,207)	(97,122)
Insurance and taxes	(31,980)	(26,653)
	<u>(22,167)</u>	<u>(44,881)</u>
Net cash used in operating activities		
Cash flows from capital and related financing activities		
Payment of acquisition of capital assets	(46,743)	(51,020)
	<u>(46,743)</u>	<u>(51,020)</u>
Net cash used in capital and related financing activities		
Cash flows from noncapital financing activities		
Advances received from CADA	121,641	94,001
	<u>121,641</u>	<u>94,001</u>
Net cash provided by noncapital financing activities		
Cash flows from investing activities		
Interest receipts	66	144
	<u>66</u>	<u>144</u>
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	52,797	(1,756)
Cash and cash equivalents, beginning	328,054	329,810
	<u>328,054</u>	<u>329,810</u>
Cash and cash equivalents, end	<u>\$ 380,851</u>	<u>\$ 328,054</u>

**Biele Place Apartments**  
**(Contract Number 17-LPR-0029)**  
**A Project of the Capitol Area Development Authority**

**Statements of Cash Flows**  
**Years Ended June 30, 2025 and 2024**

	2025	2024
Reconciliation to the statements of net position		
Restricted cash and cash equivalents		
Tenant security deposits	\$ 14,008	\$ 12,277
Replacement reserve	315,459	264,404
Operating reserve	51,384	51,373
Total cash and cash equivalents	\$ 380,851	\$ 328,054
Reconciliation of operating loss to net cash used in operating activities		
Operating loss	\$ (46,070)	\$ (63,834)
Adjustments to reconcile operating loss to net cash used in operating activities		
Depreciation	21,238	18,413
Changes in assets and liabilities		
Residential accounts receivable	1,931	4,452
Accounts payable	(1,770)	(701)
Unearned revenue - prepaid rent	773	(1,331)
Tenant security deposits	1,731	(1,880)
Net cash used in operating activities	\$ (22,167)	\$ (44,881)

See Notes to Financial Statements.

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 1 - Organization and summary of significant accounting policies**

**General**

Biele Place Apartments (the "Project") is a 35-unit apartment complex located in downtown Sacramento, California. It provides housing for eligible low-income families under the State of California Department of Housing and Community Development ("HCD") Rental Housing Construction Program ("RHCP"). This program provides long-term financing to construct the housing project and monthly annuities to fund operating deficits. The operating subsidy agreement with HCD expired in a prior year. Effective September 2019, the Capitol Area Development Authority ("Authority" or "CADA") and HCD terminated the old regulatory agreement (Contract No. 80-RHC-032) and entered into a 12-year term new regulatory agreement for the Project under the Loan Portfolio Restructuring Program (Contract No. 17-LPR-0029).

In accordance with a regulatory agreement dated December 30, 1982, the Authority manages the Project. The Authority is a joint powers agency with a Board of Directors comprised of appointees of the City of Sacramento ("City") and the State of California. The accompanying financial statements are not intended to present fairly the financial position or changes in financial position and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America ("GAAP").

**Basis of presentation**

The Project is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows occur. The Project distinguishes operating from nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with the Project's ongoing operations. The principal operating revenue of the Project is rental income from tenants of its housing units. This revenue is recognized on the financial statements net of vacancy loss, low-income subsidies, and loss to leases. Operating expenses for the Project include payroll expenses for employee services, administrative expenses, utilities expenses, operating and maintenance expenses, insurance and taxes expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the Project's policy to use restricted resources first, then unrestricted resources as needed.

**Cash, cash equivalents and restricted cash and cash equivalents**

The Authority participates in the City's external investment pool. The City Treasurer pools cash and other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of California Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is based on quoted market prices. However, the value of the pool shares in the City's investment pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Project's position in the pool. The City's investment pool is unrated and the weighted average maturity is 1.86 years and 1.19 years as of June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024, the Project's tenant security deposits are invested in the City's investment pool. Detailed

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

disclosures, including investment policies and associated risk policies, regarding the Project's cash and investments are included in the notes to the Authority's basic financial statements.

For purposes of the statements of cash flows, the Authority considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account. Restricted cash and cash equivalents includes the replacement reserve, operating reserve and tenant security deposits.

**Resident accounts receivable**

Resident accounts receivable are due from tenants and reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2025 and 2024, allowance for doubtful accounts was \$9,398, and \$8,343, respectively.

**Capital assets**

Capital assets, which are defined by the Authority as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond one year, are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over an estimated useful life of between 5 to 30 years. Maintenance and repair costs are expensed as incurred. The Project does not own the land, only the building on the land and therefore only construction in progress is included in nondepreciable capital assets.

**Impairment of capital assets**

The Authority reviews the capital assets of the Project for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2025, there has been no impairment of the capital assets.

**Rental income**

The Project's rental property is generally leased to tenants under one-year noncancelable operating leases. Rental income is recognized as rents become due. Rental payments received in advance are recorded as unearned revenue.

**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 these estimates.

**Note 2 - Tenant security deposits**

The Project collects security deposits from tenants at the inception of the tenant lease. These deposits, which are reported in these financial statements as restricted cash, are refundable to the tenants to the extent there are no unpaid rents or damages to the housing unit. Tenant security deposits held as of June 30, 2025 and 2024 amounted to \$14,008 and \$12,277, respectively.

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 3 - Capital assets**

Information on additions and disposals of capital assets is presented below:

	<u>June 30, 2024</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2025</u>
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 46,743	\$ -	\$ 46,743
Capital assets being depreciated				
Buildings and improvements	1,569,892	-	-	1,569,892
Less accumulated depreciation for				
Buildings and improvements	<u>(1,324,252)</u>	<u>(21,238)</u>	<u>-</u>	<u>(1,345,490)</u>
Capital assets being depreciated, net	<u>245,640</u>	<u>(21,238)</u>	<u>-</u>	<u>224,402</u>
Capital assets, net	<u>\$ 245,640</u>	<u>\$ 25,505</u>	<u>\$ -</u>	<u>\$ 271,145</u>
	<u>June 30, 2023</u>	<u>Increases</u>	<u>Decreases</u>	<u>June 30, 2024</u>
Capital assets not being depreciated				
Construction in progress	\$ 62,000	\$ -	\$ (62,000)	\$ -
Capital assets being depreciated				
Buildings and improvements	1,456,872	51,020	62,000	1,569,892
Less accumulated depreciation for				
Buildings and improvements	<u>(1,305,839)</u>	<u>(18,413)</u>	<u>-</u>	<u>(1,324,252)</u>
Capital assets being depreciated, net	<u>151,033</u>	<u>32,607</u>	<u>62,000</u>	<u>245,640</u>
Capital assets, net	<u>\$ 213,033</u>	<u>\$ 32,607</u>	<u>\$ -</u>	<u>245,640</u>

**Note 4 - Replacement reserve**

The replacement reserve account reported in these financial statements as restricted cash is funded monthly to provide for future major additions, repairs or replacements. The replacement reserve activity is as follows for the years ended June 30:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 264,404	\$ 264,303
Interest earned	55	121
Required deposits	51,000	51,000
Withdrawals	<u>-</u>	<u>(51,020)</u>
Ending balance	<u>\$ 315,459</u>	<u>\$ 264,404</u>

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 5 - Operating reserve**

The new regulatory agreement executed with HCD required the Project to establish an operating reserve to be funded in the initial amount of \$51,210. The operating reserve account is reported in these financial statements as restricted cash. The operating reserve activity is as follows for the years ended June 30:

	2025	2024
Beginning balance	\$ 51,373	\$ 51,350
Interest earned	11	23
Ending balance	\$ 51,384	\$ 51,373

**Note 6 - Note payable**

On September 27, 2019, the Authority executed the new regulatory agreement with HCD and the Authority entered into a new promissory note in the amount of \$1,025,653 for a term of 12 years. The promissory note is secured by the Project property and bears interest at 3% per annum. Payments are to be made out of surplus cash as defined in the regulatory agreement until maturity in September 30, 2030 at which time all outstanding principal and accrued interest will be due. For the years ended June 30, 2025 and 2024, interest expense was \$30,770 and \$30,770, respectively. Outstanding principal and accrued interest are \$1,025,653 and \$176,926 at June 30, 2025, and \$1,025,653 and \$146,156 at June 30, 2024, respectively.

**Note 7 - Due to HCD**

As stated in Note 1, under the old regulatory agreement, HCD RHCP was to provide operating funds to the Project to cover the operating costs not covered by rental revenue. In the case the Project operates at a surplus, the net surplus is remitted to HCD or deposited to the replacement reserve subject to HCD approval. The operating subsidy ended with the new regulatory agreement. Effective with the new regulatory agreement, the project owes HCD a monitoring fee in the annual amount of \$11,233 and increasing annually by the consumer price index. The HCD monitoring fee is payable from net cash flow (surplus cash) of the Project as defined in the regulatory agreement. During the years ended June 30, 2025 and 2024, HCD monitoring fees expensed were \$14,150 and \$14,769, respectively, and as of June 30, 2025 and 2024, \$74,100 and \$59,950 are payable and are included in HCD monitoring fees payable on the statements of net position. The account activities are as follows at June 30:

	2025	2024
Due to HCD, beginning	\$ 59,950	\$ 45,181
Excess cash deposited to operating reserve	-	-
Current year monitoring fee	14,150	14,769
Payments to HCD	-	-
Due to HCD, end	\$ 74,100	\$ 59,950

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 8 - Assistance from the Authority**

The Authority makes contributions to the Project based upon the capital budget needs and receives distributions for any funds in excess of such needs. In addition, CADA makes advances to the Project to pay for operating expenses of the Project. Such advances are not interest-bearing and are expected to be repaid one month in arrears. As of June 30, 2025 and 2024, \$440,013 and \$318,372, respectively, is due to CADA and included in the statements of net position.

**Note 9 - Leased property**

The land on which the Project is located is owned by the State of California. On August 29, 1980, a 60-year operating lease was entered into between the Authority and the State of California. This lease is without cost; therefore, it is not reflected in these financial statements.

The State of California or the Authority may terminate the lease at any time by giving 60 days' notice. Should this lease be terminated, the developmental ground lease will be honored by the State of California on behalf of the Authority.

**Note 10 - Subsequent events**

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Project through September 29, 2025, (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**Supplementary Information Required by the California Department of Housing and Community Development (HCD), including Breakout of "Miscellaneous" Account Details**

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Schedules of Operating Revenue**

<u>Account No.</u>	<u>2025</u>	<u>2024</u>
Rental revenue		
5120 Rent revenue - gross potential	\$ 276,234	\$ 252,217
5100T Total rental revenue	276,234	252,217
Vacancies		
5220 Apartments	(53,815)	(39,655)
5200T Total vacancies	(53,815)	(39,655)
5152N Net rental revenue	222,419	212,562
Financial revenue		
5440 Revenue from investments - replacement reserve	66	144
5400T Total financial revenue	66	144
Other revenue		
5910 Laundry and vending	2,180	1,866
5990 Miscellaneous revenue (if over \$1,500, detail is required)	2,848	2,692
5900T Total other revenue	5,028	4,558
5000T Total revenues	227,513	217,264

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Schedules of Operating Expenses**

Account No.	2025	2024
Administrative expenses		
6204	19,500	7,000
6210	2,604	2,495
6250	662	938
6320	28,120	27,300
6330	33,899	32,490
6331	12,576	12,396
6340	900	1,478
6350	6,000	5,500
6370	2,008	8,568
6263T	<u>106,269</u>	<u>98,165</u>
Utilities expense		
6450	4,267	3,886
6451	20,512	19,700
6452	4,786	4,193
6453	4,259	3,545
6400T	<u>33,824</u>	<u>31,324</u>
Operating and maintenance expenses		
6510	10,769	9,978
6515	11,290	1,264
6520	50,183	88,082
6525	4,259	3,545
6530	3,705	3,530
6500T	<u>80,206</u>	<u>106,399</u>

**Biele Place Apartments**  
**(Contract Number 17-LPR-0029)**  
**A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD**  
**Years Ended June 30, 2025 and 2024**

**Schedules of Operating Expenses**

Account No.	2025	2024
Taxes and insurance		
6710	1,267	1,029
6720	30,713	25,624
6700T	31,980	26,653
6000T	252,279	262,541
5060T	(24,766)	(45,277)
Depreciation		
6600	21,238	18,413
	21,238	18,413
5060N	(46,004)	(63,690)
Net entity expenses		
7142	30,770	30,770
7190	14,150	14,769
7100T	44,920	45,539
3250	\$ (90,924)	\$ (109,229)

**Biele Place Apartments  
 (Contract Number 17-LPR-0029)  
 A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
 Years Ended June 30, 2025 and 2024**

**Detail of Accounts - Schedule of Activities**

	2025	2024
Miscellaneous revenue (Account No. 5990)		
Miscellaneous income - other tenant fees	\$ 2,848	\$ 2,692
	\$ 2,848	\$ 2,692
Other (income) expenses (Account No. 7190)		
HCD monitoring fee	\$ 14,150	\$ 14,769
	\$ 14,150	\$ 14,769

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Cash and cash equivalents**

Cash and cash equivalents		
Unrestricted account		
Operating account	\$	-
Restricted accounts		
Tenant security deposits		14,008
Reserve for replacements		315,459
Operating reserve		51,384
Total restricted accounts		380,851
Total cash, cash equivalents and restricted accounts	\$	380,851

The Project follow the practice of pooling its cash with all of the Authority's projects into a central fund maintained by the Authority. All accounts are segregated on the books of the Authority. The reserve accounts are maintained in interest-bearing accounts.

**Account receivable, net**

Account receivable, net consists of the following:

Receivables from tenants and subsidies due within 30 days	\$	9,822
Allowance for doubtful accounts		(9,398)
Accounts receivable, net	\$	424

**Reserve for replacements and operating expenses**

	Replacement reserve	Operating reserve
Balance, June 30, 2024	\$ 264,404	\$ 51,373
Required deposits	51,000	-
Interest income	55	11
Balance, June 30, 2025	\$ 315,459	\$ 51,384

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD  
Years Ended June 30, 2025 and 2024**

**Capital assets**

Following are the details of capital assets, which include building and leasehold improvements:

	Construction in progress	Building and improvements	Total
Balance, June 30, 2024	\$ -	\$ 1,569,892	\$ 1,569,892
Additions	46,743	-	46,743
Balance, June 30, 2025	\$ 46,743	\$ 1,569,892	\$ 1,616,635

**Accounts payable**

Accounts payable in the amount of \$3,331 represents amounts due to suppliers. All accounts payable are current.

**Gross potential rents**

Qualified tenant rental income	\$ 541,908
Other tenant rental income	-
Total gross potential rents	541,908
Less	
Vacancy loss	(53,815)
Gain (loss) to lease	(4,704)
Low income subsidy	(260,970)
Rental revenues, net	\$ 222,419

**Management fee**

A property management fee of \$28,120 was incurred during the fiscal year ended June 30, 2025 for the property management services provided by the Authority.

**Insurance**

Insurance premiums are current as of June 30, 2025. The annual renewal policy was paid before the due date.

**Biele Place Apartments**  
**(Contract Number 17-LPR-0029)**  
**A Project of the Capitol Area Development Authority**

**Supplementary Information Required by HCD**  
**Years Ended June 30, 2025 and 2024**

**Operating cash flow/surplus cash computation**

The operating cash flow/surplus cash generated by the Project during the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Operation income		
Total income	\$ 227,513	\$ 217,264
Interest earned on restricted reserve accounts	(66)	(144)
Adjusted operation income	227,447	217,120
Operating expenses less depreciation	(252,279)	(262,541)
Adjusted net loss	(24,832)	(45,421)
Other activity		
Purchase of capital assets	(46,743)	(51,020)
Withdrawals for replacement reserve	-	51,020
Deposits into replacement reserve account	(51,000)	(51,000)
Total other activity	(97,743)	(51,000)
Operating cash flow/surplus cash (deficit)	\$ (122,575)	\$ (96,421)

**Accumulated limited distributions**

At inception, there were no allowable accumulated limited distributions unpaid. Also, there were no accumulated limited distributions paid during the fiscal years ended June 30, 2025 and 2024.

Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Board of Directors  
Capitol Area Development Authority  
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Governmental Auditing Standards*), the financial statements of Biele Place Apartments (Contract Number 17-LPR-0029) (the "Project"), a project of the Capitol Area Development Authority ("Authority") which comprise the statement of net position as of June 30, 2025, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2025 which included an emphasis of matter paragraph as indicated at page 2.

#### Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Project's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Project's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

#### Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Project's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

*CohnReznick LLP*

Sacramento, California  
September 29, 2025

**Biele Place Apartments  
(Contract Number 17-LPR-0029)  
A Project of the Capitol Area Development Authority**

**Summary of Findings and Responses  
Years Ended June 30, 2025 and 2024**

Our audit disclosed no findings that are required to be reported.

**Biele Place Apartments**  
**(Contract Number 17-LPR-0029)**  
**A Project of the Capitol Area Development Authority**

**Certification of Officers**  
**Years Ended June 30, 2025 and 2024**

We, as officers of Capitol Area Development Authority (Joint Powers Authority), hereby certify that we have examined the accompanying financial statements and supplementary information of Biele Place Apartments, as of and for the years ended June 30, 2025 and 2024, and to the best of our knowledge and belief, these financial statements and supplementary information are complete and accurate.

  
Signature

Executive Director  
Title

9/29/25  
Date

  
Signature

Finance Director  
Title

9-29-2025  
Date



Independent Member of Nexia

[cohnreznick.com](http://cohnreznick.com)

Attachment 2d  
**Seventeenth Street Commons  
(Contract Number 99-024-N)**  
**A Project of the Capitol Area Development Authority**

**Financial Statements  
(With Supplementary Information)  
and Independent Auditor's Report**

**June 30, 2025 and 2024**

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**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

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Independent Auditor's Report

Board of Directors  
Capitol Area Development Authority  
Sacramento, California

Report on the Audit of the Financial Statements

*Opinion*

We have audited the financial statements of Seventeenth Street Commons (Contract Number 99-024-N) (the "Project"), a project of the Capitol Area Development Authority ("Authority"), which comprise the statements of net position as of June 30, 2025 and 2024, and the related statements of revenue, expenses and changes in net position and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Seventeenth Street Commons as of June 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Basis for Opinion*

We conducted our audits 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 Controller General of the United States. 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 Project and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Emphasis of Matter*

As described in Note 1, the financial statements referred to above present only the financial position, changes in financial position and cash flows of the Project and do not purport to, and do not, present fairly, the financial position of the Authority as of June 30, 2025 and 2024 and the changes in its financial position and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

*Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 Project'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 opinion. 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 Project'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 Project'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 audits.

#### *Required Supplementary Information*

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

*Supplementary Information*

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The financial data templates as required by the California Housing Finance Agency ("CalHFA") is presented for purposes of additional analysis and is 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. Such information has been subjected to the auditing procedures applied in the audits 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 auditing standards generally accepted in the United States of America. In our opinion, the financial data templates as required by CalHFA are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 29, 2025 on our consideration of the Project'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 Project'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 Project's internal control over financial reporting and compliance.

*CohnReznick LLP*

Sacramento, California  
September 29, 2025

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Statements of Net Position  
June 30, 2025 and 2024**

	<u>Assets</u>	
	2025	2024
Current assets		
Cash and cash equivalents	\$ 630,632	\$ 608,795
Accounts receivable, net	4,213	2,950
Restricted cash and cash equivalents		
Insurance impounds	49,508	48,055
Tenant security deposits	21,424	21,169
	70,932	69,224
Total restricted cash and cash equivalents		
Total current assets	705,777	680,969
Noncurrent assets		
Restricted cash - replacement reserve	169,354	151,927
Capital assets		
Building and Improvements	2,655,661	2,650,161
Construction in progress	52,689	-
Less accumulated depreciation	(2,115,871)	(2,027,291)
	592,479	622,870
Total capital assets		
Total noncurrent assets	761,833	774,797
Total assets	\$ 1,467,610	\$ 1,455,766
	<u>Liabilities</u>	
Current liabilities		
Accounts payable	\$ 6,855	\$ 2,796
Prepaid rent	1,306	884
Tenant security deposits	21,424	21,169
Notes payable, current portion	79,005	75,814
	108,590	100,663
Total current liabilities		
Noncurrent liabilities		
Notes payable, net of current portion	631,900	710,906
	740,490	811,569
Total liabilities		
	<u>Net Position</u>	
Net investment in capital assets	(118,426)	(163,850)
Restricted for impounds and replacement reserve	218,862	199,982
Unrestricted	626,684	608,065
	727,120	644,197
Total net position		
Total liabilities and net position	\$ 1,467,610	\$ 1,455,766

See Notes to Financial Statements.

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Statements of Revenue, Expenses and Changes in Net Position  
Years Ended June 30, 2025 and 2024**

	2025	2024
Operating revenue		
Gross potential rent - residential	\$ 510,209	\$ 503,787
Less: vacancies	(65,331)	(103,038)
Other income		
Garage and parking income	11,685	11,760
Laundry income	2,099	1,406
Miscellaneous	805	3,507
	459,467	417,422
 Total operating revenue		
Operating expenses		
Administrative	88,423	54,339
Utilities	41,392	39,422
Operating and maintenance	91,793	138,710
Taxes and insurance	55,180	40,722
Depreciation	88,580	84,118
	365,368	357,311
 Total operating expenses		
Operating income	94,099	60,111
Nonoperating revenue (expenses)		
Interest expense	(34,696)	(37,725)
Interest income	23,520	17,754
	(11,176)	(19,971)
 Total nonoperating revenue (expenses)		
Change in net position	82,923	40,140
Net position, beginning	644,197	604,057
Net position, end	\$ 727,120	\$ 644,197

See Notes to Financial Statements.

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Statements of Cash Flows  
Years Ended June 30, 2025 and 2024**

	2025	2024
Cash flows from operating activities		
Rental receipts	\$ 444,037	\$ 414,593
Other receipts	14,589	16,673
Tenant security deposits received	255	735
Payroll and related costs	(36,864)	(40,398)
Administrative expenses paid	(56,748)	(54,339)
Utilities paid	(41,392)	(39,422)
Operating and maintenance	(82,545)	(92,598)
Insurance and taxes	(55,180)	(40,722)
	186,152	164,522
Net cash provided by operating activities		
Cash flows from capital and related financing activities		
Payments for acquisition of capital assets	(58,189)	(58,615)
Principal payment on debt	(75,815)	(72,785)
Interest paid on debt	(34,696)	(37,725)
	(168,700)	(169,125)
Net cash used in capital and related financing activities		
Cash flows from investing activities		
Interest receipts	23,520	17,754
	23,520	17,754
Net cash provided by investing activities		
Net increase in cash and cash equivalents	40,972	13,151
Cash and cash equivalents, beginning	829,946	816,795
Cash and cash equivalents, end	\$ 870,918	\$ 829,946
Reconciliation to the statements of net position		
Cash and cash equivalents	\$ 630,632	\$ 608,795
Restricted cash and cash equivalents		
Insurance impounds	49,508	48,055
Tenant security deposits	21,424	21,169
Reserve for replacements	169,354	151,927
	169,354	151,927
Total cash and cash equivalents	\$ 870,918	\$ 829,946

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Statements of Cash Flows  
Years Ended June 30, 2025 and 2024**

	2025	2024
Reconciliation of operating income to net cash provided by operating activities		
Operating income	\$ 94,099	\$ 60,111
Adjustments to reconcile operating income to net cash provided by operating activities		
Depreciation	88,580	84,118
Changes in assets and liabilities		
Accounts receivable	(1,263)	14,532
Prepaid expense	-	10,892
Accounts payable	4,059	(5,178)
Prepaid rent	422	(688)
Tenant security deposits	255	735
	<u>\$ 186,152</u>	<u>\$ 164,522</u>
Net cash provided by operating activities	<u>\$ 186,152</u>	<u>\$ 164,522</u>

See Notes to Financial Statements.

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 1 - Organization and summary of significant accounting policies**

**General**

Seventeenth Street Commons (the "Project") is a 28-unit apartment complex located in downtown Sacramento, California. The Project provides at least 20% of the apartments to eligible low-income families under the California Housing Finance Agency ("CalHFA") 80/20 program. Mortgage financing was provided by CalHFA.

In accordance with a regulatory agreement dated December 30, 1982, the Capitol Area Development Authority ("Authority") manages the Project. The Authority is a joint powers agency with a Board of Directors comprised of appointees of the City of Sacramento ("City") and the State of California. The accompanying financial statements are not intended to present fairly the financial position or changes in financial position and cash flows of the Authority in conformity with accounting principles generally accepted in the United States of America ("GAAP").

**Basis of presentation**

The Project is accounted for using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow occurs. The Project distinguishes operating from nonoperating revenue and expenses. Operating revenue and expenses generally result from providing services in connection with the Project's ongoing operations. The principal operating revenue of the Project is rental income from tenants of its housing units. This revenue is recognized on the financial statements net of vacancy loss, low-income subsidies, and loss to leases. Operating expenses for the Project include payroll expenses for employee services, administrative expenses, utilities expenses, operating and maintenance expenses, insurance and taxes expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenue and expenses. When both restricted and unrestricted resources are available for use, it is the Project's policy to use restricted resources first, then unrestricted resources as needed.

**Cash, cash equivalents and restricted cash and cash equivalents**

The Project participates in the City's external investment pool. The City Treasurer pools cash and other City funds and invests to maximize income consistent with safe and prudent investment practices within the guidelines of the City's investment policy. The City, as a charter city, has adopted its own investment guidelines to guide investment of City funds by the Treasurer. These guidelines are consistent with the requirements of California Government Code Section 53601. The City Council provides regulatory oversight of the City's investment pool and reviews its investment policy on a quarterly basis. The estimated fair value of investments in the pool is based upon the quoted market price. However, the value of the pool shares in the City's investment pool that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the Project's position in the pool. The City's investment pool is unrated and the weighted average maturity is 1.86 years and 1.19 years as of June 30, 2025 and 2024, respectively. At June 30, 2025 and 2024 the Project's unrestricted cash and cash equivalents and tenant security deposits, are invested in the City's investment pool. Detailed disclosures, including investment policies and associated risk policies, regarding the Project's cash and investments are included in the notes to the Authority's basic financial statements.

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

Cash and cash equivalents and restricted cash and cash equivalents include operating accounts, replacement reserves, insurance impounds, and tenant security deposits. Replacement reserves and insurance impound accounts are held in an interest-bearing account by CalHFA. As required by the Authority's regulatory agreement with the CalHFA, the Project remits monthly deposits to cover replacement reserve requirements, hazard insurance, and earthquake insurance expenses. All disbursements from the CalHFA accounts are subject to supervision and approval by CalHFA. All such deposits and reserves are entirely insured or collateralized with securities held by the mortgagor in the Project's name.

The Project also maintains an operating account and tenant security deposits which are held in the City's external investment pool and a financial institution. For purposes of the statements of cash flows, the Project considers cash and cash equivalents to include all pooled cash and investments, including restricted account balances, as these pooled balances have the general characteristic of a demand deposit account.

**Accounts receivable**

Accounts receivable are due from tenants and reported net of an allowance for doubtful accounts. Management's estimate of the allowance is based on historical collection experience and a review of the current status of the receivables. It is reasonably possible that management's estimate of the allowance will change. As of June 30, 2025 and 2024, the allowance for doubtful accounts was \$11,777 and \$10,901, respectively.

**Capital assets**

Capital assets, which are defined by the Authority as assets with an initial, individual cost of more than \$3,000 and an estimated useful life beyond one year, are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over an estimated useful life of 5 to 30 years. Maintenance and repair costs are expensed as incurred. The Project does not own land, only the building on the land therefore only construction in progress is included in nondepreciable capital assets. The Project's building is pledged as security for notes payable.

**Impairment of capital assets**

The Authority reviews the capital assets of the Project for impairment whenever events or changes in circumstances indicate that there has been a decline in service utility that is large in magnitude and outside of the normal life cycle of the capital asset being evaluated. As of June 30, 2025, there has been no impairment of the capital assets.

**Rental income**

The Project's rental property is generally leased to tenants under one-year noncancelable operating leases. Rental income is recognized as rents become due. Rental payments received in advance are recorded as unearned revenue.

**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 these estimates.

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 2 - Cash, cash equivalents, and restricted cash**

The Project's cash and cash equivalents are as follows at June 30:

	2025	2024
City investment pool	\$ 652,056	\$ 629,964
Deposits with CalHFA	218,862	199,982
Total	\$ 870,918	\$ 829,946

**Note 3 - Tenant security deposits**

The Project collects security deposits from tenants at the inception of the tenant lease. These deposits, which are reported in these financial statements as restricted cash and cash equivalents, are refundable to the tenants to the extent there are no unpaid rents or damages to the housing unit. Tenant security deposits held as of June 30, 2025 and 2024 amounted to \$21,424 and \$21,169, respectively.

**Note 4 - Capital assets**

Information on additions and disposals of capital assets is presented below:

	June 30, 2024	Increases	Decreases	June 30, 2025
Capital assets not being depreciated				
Construction in progress	\$ -	\$ 52,689	\$ -	\$ 52,689
Capital assets being depreciated				
Buildings and improvements	\$ 2,650,161	\$ 5,500	\$ -	\$ 2,655,661
Less accumulated depreciation for Buildings and improvements	(2,027,291)	(88,580)	-	(2,115,871)
Capital assets, net	\$ 622,870	\$ (30,391)	\$ -	\$ 592,479
	June 30, 2023	Increases	Decreases	June 30, 2024
Capital assets being depreciated				
Buildings and improvements	2,591,546	58,615	-	2,650,161
Less accumulated depreciation for Buildings and improvements	(1,943,173)	(84,118)	-	(2,027,291)
Capital assets, net	\$ 648,373	\$ (25,503)	\$ -	\$ 622,870

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 5 - Notes payable**

Notes payable secured by the Project consist of the following at June 30:

	2025	2024
<u>Payable to CalFHA</u>		
Monthly installments of \$7,836, including principal and interest at 5.25% annually to maturity in September 2033 and secured by the Project.	\$ 628,487	\$ 687,821
<u>Payable to Sacramento Housing Financing Agency</u>		
Noninterest-bearing note with annual principal payments of \$16,481 beginning December 2003 and maturing in 2029 and secured by the Project.	82,418	98,899
Total	\$ 710,905	\$ 786,720

Future maturities on the notes payable are as follows:

Years ending June 30	Principal	Interest	Total
2026	\$ 79,005	\$ 31,505	\$ 110,510
2027	82,368	28,143	110,511
2028	85,911	24,599	110,510
2029	89,645	20,865	110,510
2030	93,593	16,930	110,523
2031 - 2034	280,383	25,212	305,595
	\$ 710,905	\$ 147,254	\$ 858,159

The following is a summary of the notes payable transactions for the years ended June 30, 2025 and 2024:

Balance June 30, 2024	Additions	Retirements	Balance June 30, 2025	Amounts due within one year
\$ 786,720	\$ -	\$ (75,815)	\$ 710,905	\$ 79,005
Balance June 30, 2023	Additions	Retirements	Balance June 30, 2024	Amounts due within one year
\$ 859,505	\$ -	\$ (72,785)	\$ 786,720	\$ 75,814

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Notes to Financial Statements  
June 30, 2025 and 2024**

**Note 6 - Assistance from the Authority**

In 1999, the Authority commenced major construction rehabilitation of the Project. On August 23, 2003, subsequent to substantial completion of construction rehabilitation, CalHFA paid off the construction loan and outstanding debt financing by providing long-term financing to the Project.

During the fiscal years ended June 30, 2025 and 2024, the Project realized an excess of revenue over expenses (excluding depreciation) of \$171,503 and \$124,258, respectively. During the years ended June 30, 2025 and 2024, the Authority made no contributions to the Project. The Authority has committed to fund any future deficits with contributions, as required.

**Note 7 - Leased property**

The land on which the Project is located is owned by the State of California. On June 12, 1981, a 60-year operating lease was entered into between the Authority and the State of California. This lease is without cost; therefore, it is not reflected in these financial statements.

The State of California or the Authority may terminate the lease at any time by giving 60 days' notice. Should this lease be terminated, the developmental ground lease will be honored by the State of California on behalf of the Authority.

**Note 8 - Subsequent events**

Events that occur after the statement of net position date but before the financial statements were available to be issued must be evaluated for recognition or disclosure. The effects of subsequent events that provide evidence about conditions that existed at the statement of net position date are recognized in the accompanying financial statements. Subsequent events which provide evidence about conditions that existed after the statement of net position date require disclosure in the accompanying notes. Management evaluated the activity of the Project through September 29, 2025 (the date the financial statements were available to be issued) and concluded that no subsequent events have occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

**Supplementary Information Required by the California Housing Finance Agency (CalHFA),  
Including Breakout of "Miscellaneous" Account Details**

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by CalHFA  
Years Ended June 30, 2025 and 2024**

**Schedules of Operating Revenue**

<u>Account No.</u>	<u>2025</u>	<u>2024</u>
Rental revenue		
5120 Rent revenue - gross potential	\$ 510,209	\$ 503,787
5170 Rent revenue - garage and parking	11,685	11,760
5100T Total rental revenue	<u>521,894</u>	<u>515,547</u>
Vacancies		
5220 Apartments	65,331	103,038
5200T Total vacancies	<u>65,331</u>	<u>103,038</u>
5152N Net rental revenue (rent revenue less vacancies)	<u>456,563</u>	<u>412,509</u>
Financial revenue		
5490 Revenue from investments - miscellaneous (if over \$1,500, detail is required)	23,520	17,754
5400T Total financial revenue	<u>23,520</u>	<u>17,754</u>
Other revenue		
5910 Laundry and vending revenue	2,099	1,406
5990 Miscellaneous revenue (if over \$1,500, detail is required)	805	3,507
5900T Total other revenue	<u>2,904</u>	<u>4,913</u>
5000T Total revenue	<u><u>\$ 482,987</u></u>	<u><u>\$ 435,176</u></u>

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by CalHFA  
Years Ended June 30, 2025 and 2024**

**Schedules of Operating Expenses**

<u>Account No.</u>	<u>2025</u>	<u>2024</u>
Administrative expenses		
6204 Management consultants	\$ 11,500	\$ 1,000
6210 Advertising and marketing	2,160	2,268
6320 Management fee	36,180	34,620
6330 Manager or superintendent salaries	19,602	21,481
6331 Administrative rent free unit	12,073	13,230
6351 Bookkeeping fees/accounting services	6,000	5,500
6370 Bad debts	908	10,951
6263T Total administrative expenses	<u>88,423</u>	<u>89,050</u>
Utilities expense		
6450 Electricity	6,682	6,386
6451 Water	31,772	30,828
6452 Gas	2,938	2,208
6400T Total utilities expense	<u>41,392</u>	<u>39,422</u>
Operating and maintenance expenses		
6510 Payroll	5,189	5,687
6515 Supplies	14,294	13,095
6520 Contracts	34,557	29,468
6525 Garbage and trash removal	-	6,777
6530 Security payroll/contract	8,460	8,065
6546 Heating/cooling repairs and maintenance	2,647	-
6560 Decorating and painting	17,115	17,220
6590 Miscellaneous operating and maintenance expenses (if over \$1,500, detail is required)	9,531	23,687
6500T Total operating and maintenance expenses	<u>\$ 91,793</u>	<u>\$ 103,999</u>



**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by CalHFA  
Years Ended June 30, 2025 and 2024**

**Detail of Accounts - Schedule of Activities**

	2025	2024
Revenue from investments - miscellaneous (Account No. 5490)		
Interest income on investment with City	\$ 14,578	\$ 12,926
Interest income received	8,942	4,828
	\$ 23,520	\$ 17,754
Miscellaneous revenue (Account No. 5990)		
Miscellaneous income - other tenant fees	\$ 805	\$ 3,507
	\$ 805	\$ 3,507
Miscellaneous operating and maintenance expenses (Account No. 6590)		
Flooring	\$ 7,544	\$ 16,270
Plumbing	1,987	-
	\$ 9,531	\$ 16,270

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by CalHFA  
Years Ended June 30, 2025 and 2024**

**Cash and cash equivalents**

Cash and cash equivalents	
Unrestricted account	
Operating account	<u>\$ 630,632</u>
Restricted accounts	
Insurance and tax impounds	49,508
Tenant security deposits	21,424
Reserve for replacements	<u>169,354</u>
Total restricted accounts	<u>240,286</u>
Total cash and cash equivalents	<u><u>\$ 870,918</u></u>

The Project follows the practice of pooling its cash with all of the Authority's projects into a central fund maintained by the Authority. All accounts are segregated on the books of the Authority. The impound and reserve accounts are maintained in interest-bearing accounts by CalHFA.

**Accounts receivable, net**

Accounts receivable, net consists of the following:

Receivables from tenants and subsidies due within 30 days	\$ 15,990
Allowance for doubtful accounts	<u>(11,777)</u>
Accounts receivable, net	<u><u>\$ 4,213</u></u>

**Reserve for replacements**

In accordance with the provisions of the regulatory agreement, reserves are maintained in accounts by CalHFA to be used for replacements of property. Withdrawals are made upon approval by CalHFA. Activity during the year ended June 30, 2025 was as follows:

Balance, June 30, 2024	\$ 151,927
Deposits:	
Twelve months at \$882	10,584
Interest income	6,843
Approved withdrawals	<u>-</u>
Balance, June 30, 2025	<u><u>\$ 169,354</u></u>

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by CalHFA  
Years Ended June 30, 2025 and 2024**

**Impound accounts**

	Hazard insurance	Earthquake insurance	Total
Balance, June 30, 2024	\$ 40,715	\$ 7,340	\$ 48,055
Deposits	1,036	11,011	12,047
Interest earned	1,817	282	2,099
CalHFA adjustment	-	-	-
Payments applied	-	(12,693)	(12,693)
Balance, June 30, 2025	<u>\$ 43,568</u>	<u>\$ 5,940</u>	<u>\$ 49,508</u>

**Capital assets**

Following are the details of capital assets, which include construction in progress, building and leasehold improvements:

Capital assets	Construction in progress	Building and improvements	Total
Balance, June 30, 2024	\$ -	\$ 2,650,161	\$ 2,650,161
Additions	<u>52,689</u>	<u>5,500</u>	<u>58,189</u>
Balance, June 30, 2025	<u>\$ 52,689</u>	<u>\$ 2,655,661</u>	<u>\$ 2,708,350</u>

**Accounts payable**

Accounts payable in the amount of \$6,855 represents amounts due to suppliers. All accounts payable are current.

**Gross potential rents**

Qualified tenant rental income	\$ 692,031
Other tenant rental income	<u>-</u>
Total gross potential rents	692,031
Less	
Vacancy loss	(65,331)
Loss to lease	(63,315)
Low-income subsidy	<u>(118,507)</u>
Rental revenues, net	<u>\$ 444,878</u>

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Supplementary Information Required by CalHFA  
Years Ended June 30, 2025 and 2024**

**Management fee**

A property management fee of \$36,180 was incurred during the fiscal year ended June 30, 2025 for the property management services provided by the Authority.

**Operating cash flow/Surplus cash computation**

The operating cash flow/surplus cash generated by the Project during the years ended June 30, 2025 and 2024 is as follows:

	2025	2024
Operation income		
Total income	\$ 482,987	\$ 435,176
Interest earned on restricted reserve accounts	(8,942)	(4,828)
Adjusted operation income	474,045	430,348
Operating expenses less depreciation	(276,788)	(273,193)
Adjusted net income	197,257	157,155
Other activity		
Debt service	(110,511)	(110,510)
Deposits into replacement reserve account	(10,584)	(10,584)
Total other activity	(121,095)	(121,094)
Operating cash flow/surplus cash	\$ 76,162	\$ 36,061

**Accumulated limited distributions**

At inception, there were no allowable accumulated limited distributions unpaid. Also, there were no accumulated limited distributions paid during the fiscal years ended June 30, 2025 and 2024.

Independent Auditor's Report on Internal Control over Financial Reporting and  
on Compliance and Other Matters Based on an Audit of Financial Statements  
Performed in Accordance with *Government Auditing Standards*

Board of Directors  
Capitol Area Development Authority  
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Governmental Auditing Standards*), the financial statements of Seventeenth Street Commons (Contract Number 99-024-N) (the "Project"), a project of the Capitol Area Development Authority ("Authority") which comprise the statement of net position as of June 30, 2025, and the related statements of revenue, expenses and changes in net position and cash flows for the year then ended, and the related notes to the financial statements, and have issued our report thereon dated September 29, 2025 which included an emphasis of matter paragraph as indicated at page 2.

Report on Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Project's internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Project's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Project's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting, that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

## Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Project's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Project's internal control over financial reporting or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control over financial reporting and compliance. Accordingly, this communication is not suitable for any other purpose.

*CohnReznick LLP*

Sacramento, California  
September 29, 2025

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Summary of Findings and Responses  
Years Ended June 30, 2025 and 2024**

Our audit disclosed no findings that are required to be reported.

**Seventeenth Street Commons  
(Contract Number 99-024-N)  
A Project of the Capitol Area Development Authority**

**Certification of Officers  
Years Ended June 30, 2025 and 2024**

We, as officers of Capitol Area Development Authority (Joint Powers Authority), hereby certify that we have examined the accompanying financial statements and supplemental data of Seventeenth Street Commons as of and for the years ended June 30, 2025 and 2024, and, to the best of our knowledge and belief, these financial statements and data are complete and accurate.



Name

Executive Director

Title

9/29/25

Date



Name

Finance Director

Title

9-29-2025

Date



Independent Member of Nexia

[cohnreznick.com](http://cohnreznick.com)

Capitol Area Development Authority (CADA)  
 Summary Statement of Revenue and Expenditures  
 From 7/1/2024 Through 6/30/2025

	<u>Annual Budget</u>	<u>YTD Actual</u>	<u>YTD Variance</u>
<b>FUNDING SOURCES</b>			
Rental Income			
Parking	340,700	342,828	2,128
Ground Lease Revenue	-	6,412	6,412
Residential Rental Revenue	12,215,718	12,938,122	722,404
Commercial Rental Revenue	515,000	532,390	17,390
Rental Vacancy Loss	(1,435,000)	(1,740,433)	(305,433)
Low Income Subsidy	(753,500)	(962,874)	(209,374)
Loss to Lease	(1,501,500)	(1,260,400)	241,100
Other	37,100	47,669	10,569
Total Rental Income	9,418,518	9,903,714	485,196
Tax Increment Revenue			
Tax Increment Revenue	8,036,000	8,256,401	220,401
Total Tax Increment Revenue	8,036,000	8,256,401	220,401
Financial Income			
General Operations Investment Funding			
Interest Income on Investments with City	324,000	546,595	222,595
Other	548,000	943,303	395,303
Total General Operations Investment Funding	872,000	1,489,898	617,898
Total Financial Income	872,000	1,489,898	617,898
Development Project Revenue			
Development Fees Revenue	-	913,488	913,488
Development Project Management Fees	-	7,500	7,500
D&A Grant Proceeds	9,302	2,413,614	2,404,312
Reimbursement Revenue	(43,273)	-	43,273
Total Development Project Revenue	(33,971)	3,334,602	3,368,572
Drawdowns from Reserves			
Equipment Replace Reserve Drawdown	40,000	54,604	14,604
Development Reserve Drawdown for D&A	155,360	-	(155,360)
Total Drawdowns from Reserves	195,360	54,604	(140,756)
Miscellaneous Funding Sources			
	33,600	102,707	69,107
Total Miscellaneous Funding Sources	33,600	102,707	69,107
Total FUNDING SOURCES	18,521,507	23,141,926	4,620,419
<b>OPERATING EXPENSES</b>			
Employee Services & Benefits			
Special Management Salaries	187,494	185,351	2,143
Cafeteria Plan	566,500	500,743	65,757
Workers Compensation	94,500	49,036	45,464
PERS Retirement	1,441,000	1,295,402	145,598
Post Retirement Health Benefit Contributions	158,000	-	158,000
Retiree Health Benefits	216,000	223,834	(7,834)
Other	3,314,496	3,130,269	184,227
Total Employee Services & Benefits	5,977,990	5,384,635	593,355
Outside Services			
Legal Services	184,919	428,953	(244,034)
Insurance	760,000	732,943	27,057
Other	1,239,791	922,815	316,976
Total Outside Services	2,184,710	2,084,711	99,999
Maintenance & Repair			
Service Contracts	444,956	423,123	21,833
Flooring	214,000	75,300	138,700
Other	1,468,715	1,608,740	(140,025)

Capitol Area Development Authority (CADA)  
 Summary Statement of Revenue and Expenditures  
 From 7/1/2024 Through 6/30/2025

Total Maintenance & Repair	2,294,608	2,421,204	(126,596)
Utilities			
Utilities-Garbage	167,500	207,944	(40,444)
Utilities-SMUD/Electricity	179,500	188,542	(9,042)
Utilities-PG&E/Gas	395,300	312,869	82,431
Utilities-Water/Sewer	575,000	651,740	(76,740)
Other	83,000	79,859	3,141
Total Utilities	1,400,300	1,440,954	(40,654)
Overhead			
	614,362	653,019	(38,657)
Debt Service			
Notes Payable Debt Service	754,175	324,136	430,039
Bond Debt Service	2,574,455	2,574,603	(148)
Total Debt Service	3,328,630	2,898,739	429,891
Contributions to Reserves			
	2,620,214	2,843,841	(223,627)
Total Contributions to Reserves	2,620,214	2,843,841	(223,627)
Total OPERATING EXPENSES	18,420,814	17,727,104	693,710
 CAPITAL INVESTMENT PROGRAM			
Major Construction			
	4,380,699	2,775,072	1,605,627
Total Major Construction	4,380,699	2,775,072	1,605,627
Development			
	581,055	15,592,549	(15,011,494)
Total Development	581,055	15,592,549	(15,011,494)
Total CAPITAL INVESTMENT PROGRAM	4,961,753	18,367,620	(13,405,867)
CASH FLOW, Before Resources Utilization	(4,861,060)	(12,952,798)	(8,091,738)
UTILIZATION OF FINANCIAL RESOURCES			
Utilization of Available Fund Balance	4,861,574	4,248,574	(613,000)
Utilization-Released CIP Budget	436,276	429,192	(7,084)
Contribution to Available Fund Balance	(514)	-	514
Cash Flow Adj-CIP Carryforward	(436,276)	(429,192)	7,084
Total UTILIZATION OF FINANCIAL RESOURCES	4,861,060	4,248,574	(612,486)
NET CASH FLOW	-	(8,704,224)	(8,704,224)
Audit Reconciliations			
Change in Encumbrances		(909,487)	
Audit Reconciliations			
Reduction in Outstanding Debt Service			
Reductions in Outstanding Debt Service			
Debt Service-Liability Reduction		226,070	
Interest Expense-Accrual Adjustment		(65,318)	
Bond Debt Svc-Liability Reduction		1,360,018	
Bond Interest-Accrual Adjustment		7,107	
Total Reductions in Outstanding Debt Service		1,527,877	
Total Reduction in Outstanding Debt Service		1,527,877	
Change in Leases & Subscriptions			
Right of Use - Lease Asset		-	
Accumulated Amortization - Right of Use Lease		84,750	
Lease Liability, Current		19,406	

Capitol Area Development Authority (CADA)  
 Summary Statement of Revenue and Expenditures  
 From 7/1/2024 Through 6/30/2025

Lease Liability, Long Term	(101,926)
B/S Adj - Lease Revenue	(4,431)
B/S Adj - Leases Rent Exp	96,185
Amortization Lease Expense	(84,750)
Amortization Subscription Expense	(8,738)
<b>Total Change in Leases &amp; Subscriptions</b>	<b>496</b>
Change in Net Pension Liability	
Net Pension Liability	(37,517)
Net OPEB liability	102,296
<b>Total Change in Net Pension Liability</b>	<b>64,779</b>
Change in Deferred Inflows of Resources	
Deferred Inflows Related to Pension	(29,486)
Deferred Inflow Related to OPEB	(28,232)
Deferred Inflow Related to Leases	457,528
<b>Total Change in Deferred Inflows of Resources</b>	<b>399,810</b>
Impact of Changes in Notes Receivable	
B/S Adj - Developer Loan Funding	15,350,000
Allowance for Uncollectibles	(18,624,624)
<b>Total Impact of Changes in Notes Receivable</b>	<b>(3,274,624)</b>
Impact of Net Changes in Fixed Assets	
Capitalized Acquisitions	
Software - Capitalized or Prepaid	(16,195)
Computer Hardware - Capitalized	38,208
Repair & Maint-Capitalized	5,500
Maint Furn, Mach & Eq-Cap'd	(1,262)
Capitalized Major Construction	2,614,774
<b>Total Capitalized Acquisitions</b>	<b>2,641,025</b>
Depreciation Expense	(1,248,245)
<b>Total Impact of Net Changes in Fixed Assets</b>	<b>1,392,780</b>
Reduction of deferred Outflows of Resources	
Deferred Outflows Related to Pension	569,942
Deferred Outflow Related to OPEB	(127,273)
<b>Total Reduction of deferred Outflows of Resources</b>	<b>442,669</b>
Impact of Changes in Other Balance Sheet Sections	
Net Increase (Decline) in Reserves	
Reserve Drawdowns-Equity Adjustment	(54,604)
Reserve Contributions-Equity Adjustment	2,843,841
<b>Total Net Increase (Decline) in Reserves</b>	<b>2,789,237</b>
Net Contribution to (Utilization of) Fund Balance	
BS Adj - Fund Bal Util or Contrib	(4,248,574)
<b>Total Net Contribution to (Utilization of) Fund Balance</b>	<b>(4,248,574)</b>
<b>Total Impact of Changes in Other Balance Sheet Sections</b>	<b>(1,459,337)</b>
<b>Total Audit Reconciliations</b>	<b>(1,815,037)</b>
<b>AUDITED, CHANGE IN NET ASSETS</b>	<b>(10,519,261)</b>

Capitol Area Development Authority (CADA)  
GENERAL OPERATIONS  
From 7/1/2024 Through 6/30/2025

(In Whole Numbers)

	<u>Budget-Annual</u>	<u>YTD Budget</u>	<u>YTD Year Actual</u>	<u>YTD Variance</u>	
FUNDING SOURCES of General Operations					
Rental Income					
3659	Parking	340,700.00	340,700.00	342,828.00	2,128.00
3663	Ground Lease Revenue	-	-	6,412.00	6,412.00
3670	Residential Rental Revenue	12,215,718.00	12,215,718.00	12,938,122.00	722,404.00
3671	Commercial Rental Revenue	515,000.00	515,000.00	532,390.00	17,390.00
3680	Rental Vacancy Loss	(1,435,000.00)	(1,435,000.00)	(1,740,433.00)	(305,433.00)
3681	Low Income Subsidy	(753,500.00)	(753,500.00)	(962,874.00)	(209,374.00)
3684	Loss to Lease	(1,501,500.00)	(1,501,500.00)	(1,260,400.00)	241,100.00
	Total Rental Income	9,381,418.00	9,381,418.00	9,856,046.00	474,628.00
Other Residential Income					
3672	Coin Op Laundry Revenue	34,500.00	34,500.00	47,634.00	13,134.00
3727	Forfeited Security Deposits	2,100.00	2,100.00	35.00	(2,065.00)
3735	Bad Debt Recovery	500.00	500.00	-	(500.00)
3741	Misc Current Svcs - Mgmt Fees	156,773.00	156,773.00	157,281.00	508.00
3742	Misc Current Svcs - Salaries	227,554.00	227,554.00	246,821.00	19,267.00
	Total Other Residential Income	421,427.00	421,427.00	451,770.00	30,343.00
Tax Increment Revenue					
3599	Tax Increment Revenue	8,036,000.00	8,036,000.00	8,256,401.00	220,401.00
	Total Tax Increment Revenue	8,036,000.00	8,036,000.00	8,256,401.00	220,401.00
Interest and Other Investment Income					
3400	Interest Income on Investments with City	324,000.00	324,000.00	546,595.00	222,595.00
3401	Interest Income Received	-	-	96,211.00	96,211.00
3403	Interest Income-Reserve Allocation	(2,000.00)	(2,000.00)	-	2,000.00
3405	Interest Income - Pool A Tax Exempt	-	-	1,143.00	1,143.00
3406	Interest Income - Pool A Taxable Bond	550,000.00	550,000.00	763,988.00	213,988.00
3407	Lease Interest Revenue	-	-	81,961.00	81,961.00
	Total Interest and Other Investment Income	872,000.00	872,000.00	1,489,898.00	617,898.00
Miscellaneous Revenue					
3709	Miscellaneous Income	33,600.00	33,600.00	102,707.00	69,107.00
3872	D&A Grant Proceeds	10,000.00	10,000.00	2,413,614.00	2,403,614.00
5950	Allowance for Uncollectibles	-	-	(3,324,624.00)	(3,324,624.00)
	Total Miscellaneous Revenue	43,600.00	43,600.00	(808,302.00)	(851,902.00)
Drawdowns from Reserves					

Capitol Area Development Authority (CADA)

GENERAL OPERATIONS

From 7/1/2024 Through 6/30/2025

6311	Development Reserve Drawdown for D&A	155,360.00	155,360.00	-	(155,360.00)
	Total Drawdowns from Reserves	155,360.00	155,360.00	-	(155,360.00)
	Total FUNDING SOURCES of General Operations	18,909,805.00	18,909,805.00	19,245,813.00	336,008.00

General Operations EXPENSE

Employee Services & Benefits

4100	Special Management Salaries	(187,494.00)	(187,494.00)	(185,351.00)	2,143.00
4101	Salaries	(3,393,500.00)	(3,393,500.00)	(3,282,069.00)	111,431.00
4102	Employee Recognition	(37,000.00)	(37,000.00)	(36,609.00)	391.00
4122	Social Security/Medicare	(50,000.00)	(50,000.00)	(55,320.00)	(5,320.00)
4123	Cafeteria Plan	(566,500.00)	(566,500.00)	(500,743.00)	65,757.00
4124	Long Term Disability	(34,000.00)	(34,000.00)	(32,140.00)	1,860.00
4125	State Unemployment	(11,000.00)	(11,000.00)	(8,328.00)	2,672.00
4126	Workers Compensation	(94,500.00)	(94,500.00)	(49,036.00)	45,464.00
4129	Life & AD&D Insurance	(14,200.00)	(14,200.00)	(14,193.00)	7.00
4133	PERS Retirement	(1,441,000.00)	(1,441,000.00)	(1,295,402.00)	145,598.00
4134	Post Retirement Health Benefit Contributions	(158,000.00)	(158,000.00)	-	158,000.00
4135	Retiree Health Benefits	(216,000.00)	(216,000.00)	(223,834.00)	(7,834.00)
4136	OPEB Expense	-	-	53,209.00	53,209.00
4137	Employee Assist Program (EAP)	(2,350.00)	(2,350.00)	(1,641.00)	709.00
	Total Employee Services & Benefits	(6,205,544.00)	(6,205,544.00)	(5,631,456.00)	574,088.00

Outside Services

4210	Prop Mgmt Marketing - Sp Mgmt Credit	4,240.00	4,240.00	4,528.00	288.00
4211	Marketing & Media	(35,000.00)	(35,000.00)	(31,999.00)	3,001.00
4212	Property Management Marketing	(17,276.00)	(17,276.00)	(17,429.00)	(153.00)
4213	Printing and Binding	(2,000.00)	(2,000.00)	(334.00)	1,666.00
4215	Employment Recruitment & Notices	(25,000.00)	(25,000.00)	(31,247.00)	(6,247.00)
4251	Legal Services	(184,919.00)	(184,919.00)	(428,953.00)	(244,034.00)
4254	Accounting and Auditing	(56,150.00)	(56,150.00)	(68,335.00)	(12,185.00)
4255	Community Activities	(80,000.00)	(80,000.00)	(75,031.00)	4,969.00
4256	Community Art Projects	(36,000.00)	(36,000.00)	(9,034.00)	26,966.00
4259	Document Storage & Destruction	(2,000.00)	(2,000.00)	(2,058.00)	(58.00)
4260	Network Administration Services	(98,000.00)	(98,000.00)	(95,766.00)	2,234.00
4261	Payroll Services	(15,000.00)	(15,000.00)	(13,836.00)	1,164.00
4262	Banking & Investment Fees	(13,110.00)	(13,110.00)	(11,625.00)	1,485.00
4265	Admin Other Professional Services	(87,500.00)	(87,500.00)	(34,400.00)	53,100.00
4266	Prop Mgmt Other Professional Services	(131,000.00)	(131,000.00)	(107,847.00)	23,153.00
4267	Asset Mgmt Other Professional Services	(106,000.00)	(106,000.00)	(81,407.00)	24,593.00

Capitol Area Development Authority (CADA)

GENERAL OPERATIONS

From 7/1/2024 Through 6/30/2025

4285	Courtesy Patrol	(149,284.00)	(149,284.00)	(177,915.00)	(28,631.00)
4286	Courtesy Patrol-Sp Mgmt Credit	18,289.00	18,289.00	21,364.00	3,075.00
4291	Insurance - Special Management	(159,000.00)	(159,000.00)	(12,694.00)	146,306.00
4292	Insurance	(760,000.00)	(760,000.00)	(732,943.00)	27,057.00
4293	Self-Insured Losses	(75,000.00)	(75,000.00)	(4,319.00)	70,681.00
4301	Project Banking & Other Fees	(21,000.00)	(21,000.00)	(14,987.00)	6,013.00
4499	Admin Temporary Outside Svcs	(20,000.00)	(20,000.00)	(5,488.00)	14,512.00
4500	Temporary Outside Services	(105,000.00)	(105,000.00)	(122,280.00)	(17,280.00)
4505	Eng/Arch-Miscellaneous	(39,000.00)	(39,000.00)	(19,775.00)	19,225.00
4751	Legal - Dev Project Related	(30,000.00)	(30,000.00)	(14,101.00)	15,899.00
4758	D&A Other Professional Services	(14,000.00)	(14,000.00)	(8,314.00)	5,686.00
4781	D&A Developer Loan Funding	-	-	(50,000.00)	(50,000.00)
	Total Outside Services	(2,238,710.00)	(2,238,710.00)	(2,146,225.00)	92,485.00
	Maintenance & Repair				
4241	Emergency Relocation-Ops Related	(31,500.00)	(31,500.00)	(55,393.00)	(23,893.00)
4263	Operation Location Improvements	(5,000.00)	(5,000.00)	(4,856.00)	144.00
4495	Admin Office - General Maintenance	(37,000.00)	(37,000.00)	(44,491.00)	(7,491.00)
4497	Maint Office Janitorial	(11,000.00)	(11,000.00)	(10,948.00)	52.00
4498	Maint Office - General Maintenance	(10,000.00)	(10,000.00)	(14,419.00)	(4,419.00)
5233	Equipment Rental Expense	(5,000.00)	(5,000.00)	(1,970.00)	3,030.00
5240	Repair & Maint - Misc	(217,000.00)	(217,000.00)	(247,270.00)	(30,270.00)
5243	Landscape-Sp Mgmt Credit	21,235.00	21,235.00	22,619.00	1,384.00
5265	Travel-Fuel on CADA Vehicles	(19,000.00)	(19,000.00)	(18,427.00)	573.00
5266	Travel-Maint Staff Reimburse	(14,000.00)	(14,000.00)	(1,579.00)	12,421.00
5267	Travel-RSR Reimbursement	(2,000.00)	(2,000.00)	(484.00)	1,516.00
5286	Elevator/Bldg Phone & Monitor Service	(6,000.00)	(6,000.00)	(54,911.00)	(48,911.00)
5287	Service Contracts	(444,956.00)	(444,956.00)	(423,123.00)	21,833.00
5290	State Fire Marshal	(45,000.00)	(45,000.00)	(40,348.00)	4,652.00
5291	Flooring	(214,000.00)	(214,000.00)	(75,300.00)	138,700.00
5292	Plumbing	(19,100.00)	(19,100.00)	(61,071.00)	(41,971.00)
5293	Cabinets	(105,000.00)	(105,000.00)	(6,593.00)	98,407.00
5294	Landscaping	(166,937.00)	(166,937.00)	(314,040.00)	(147,103.00)
5295	Pest Services	(45,700.00)	(45,700.00)	(29,394.00)	16,306.00
5296	Countertops	(51,000.00)	(51,000.00)	-	51,000.00
5343	Permits and Fees	(4,500.00)	(4,500.00)	(3,485.00)	1,015.00
5421	Painting	(272,100.00)	(272,100.00)	(454,117.00)	(182,017.00)
5422	Supplies	(23,050.00)	(23,050.00)	(40,758.00)	(17,708.00)
5424	Vehicle Repair and Maint	(10,000.00)	(10,000.00)	(14,003.00)	(4,003.00)

Capitol Area Development Authority (CADA)

GENERAL OPERATIONS

From 7/1/2024 Through 6/30/2025

5461	Prop Mgmt Furn & Appliances	(116,500.00)	(116,500.00)	(152,731.00)	(36,231.00)
5471	Building Supplies - Misc	(351,500.00)	(351,500.00)	(239,470.00)	112,030.00
5492	Clothing and Uniforms	(20,000.00)	(20,000.00)	(7,016.00)	12,984.00
5630	Maintenance Mach & Equip	(58,000.00)	(58,000.00)	(27,847.00)	30,153.00
5821	Operating Budget Major Repairs	(11,000.00)	(11,000.00)	(1,752.00)	9,248.00
	Total Maintenance & Repair	(2,294,608.00)	(2,294,608.00)	(2,323,177.00)	(28,569.00)
	Utilities				
4494	Admin Office Utilities	(28,000.00)	(28,000.00)	(24,119.00)	3,881.00
4496	Maint Office Utilities	(55,000.00)	(55,000.00)	(55,740.00)	(740.00)
5221	Utilities-Garbage	(167,500.00)	(167,500.00)	(207,944.00)	(40,444.00)
5222	Utilities-SMUD/Electricity	(179,500.00)	(179,500.00)	(188,542.00)	(9,042.00)
5223	Utilities-PG&E/Gas	(395,300.00)	(395,300.00)	(312,869.00)	82,431.00
5224	Utilities-Water/Sewer	(575,000.00)	(575,000.00)	(651,740.00)	(76,740.00)
	Total Utilities	(1,400,300.00)	(1,400,300.00)	(1,440,954.00)	(40,654.00)
	Overhead				
4201	Postage and Deliveries	(5,000.00)	(5,000.00)	(2,649.00)	2,351.00
4202	Telephone and Wireless Svcs	(25,000.00)	(25,000.00)	(89,581.00)	(64,581.00)
4203	Cellular Phone Service	(45,000.00)	(45,000.00)	(44,758.00)	242.00
4204	Internet Services	(60,000.00)	(60,000.00)	(56,729.00)	3,271.00
4230	Admin Bldg Rent	(107,000.00)	(107,000.00)	(104,980.00)	2,020.00
4233	Equipment Rental Expense	(2,500.00)	(2,500.00)	(2,441.00)	59.00
4246	JPA Board Expenses	(7,000.00)	(7,000.00)	(2,223.00)	4,777.00
4270	Professional Organizations	(15,000.00)	(15,000.00)	(14,548.00)	452.00
4271	Subscriptions	(2,000.00)	(2,000.00)	(2,369.00)	(369.00)
4272	Education and Training	(24,000.00)	(24,000.00)	(30,139.00)	(6,139.00)
4275	Management Fee	(120,125.00)	(120,125.00)	(137,242.00)	(17,117.00)
4276	Transportation-Admin Staff	(2,500.00)	(2,500.00)	(4,700.00)	(2,200.00)
4331	Resident Relations	(10,160.00)	(10,160.00)	(7,722.00)	2,438.00
4340	Sp Mgmt Prop Taxes, Taxes & Assessments	(10,750.00)	(10,750.00)	(4,808.00)	5,942.00
4341	Property Taxes & Assessments	(122,100.00)	(122,100.00)	(134,258.00)	(12,158.00)
4403	Hospitality	(1,500.00)	(1,500.00)	(236.00)	1,264.00
4411	Office Supplies - General	(15,000.00)	(15,000.00)	(12,173.00)	2,827.00
4415	Software	(83,000.00)	(83,000.00)	(83,018.00)	(18.00)
4417	Computer Hardware	(50,000.00)	(50,000.00)	(42,028.00)	7,972.00
4419	Admin Furn Mach & Equip	(16,000.00)	(16,000.00)	(4,828.00)	11,172.00
4431	Safety - General Admin	(20,500.00)	(20,500.00)	(6,460.00)	14,040.00
4442	Office Equipment leases	(27,000.00)	(27,000.00)	(22,411.00)	4,589.00
	Total Overhead	(771,135.00)	(771,135.00)	(810,300.00)	(39,165.00)

Capitol Area Development Authority (CADA)

GENERAL OPERATIONS

From 7/1/2024 Through 6/30/2025

Debt Service					
4610	Debt Service Principal Paid	(285,574.00)	(285,574.00)	(226,070.00)	59,504.00
4620	Debt Interest Paid	(168,601.00)	(168,601.00)	(56,101.00)	112,500.00
4630	Bond Debt Svc-Principal Pd	(1,360,019.00)	(1,360,019.00)	(1,360,018.00)	1.00
4640	Bond Interest Paid	(1,214,436.00)	(1,214,436.00)	(1,214,585.00)	(149.00)
4650	Tax Increment Pledge	(300,000.00)	(300,000.00)	-	300,000.00
4660	HCD Monitoring Fee	-	-	(28,300.00)	(28,300.00)
4680	Lease Interest Expense	-	-	(13,665.00)	(13,665.00)
	Total Debt Service	<u>(3,328,630.00)</u>	<u>(3,328,630.00)</u>	<u>(2,898,739.00)</u>	<u>429,891.00</u>
Contributions to Reserves					
6211	Development Reserve Contribution	(1,187,358.00)	(1,187,358.00)	(1,377,018.00)	(189,660.00)
6212	Affordable Housing Reserve Contribution	(427,973.00)	(427,973.00)	(461,940.00)	(33,967.00)
6214	Equipment Replace Reserve Contribution	(104,883.00)	(104,883.00)	(104,883.00)	-
6216	Debt Retirement Reserve Contribution	(500,000.00)	(500,000.00)	(500,000.00)	-
6230	Acquisition Reserve Contribution	<u>(400,000.00)</u>	<u>(400,000.00)</u>	<u>(400,000.00)</u>	<u>-</u>
	Total Contributions to Reserves	<u>(2,620,214.00)</u>	<u>(2,620,214.00)</u>	<u>(2,843,841.00)</u>	<u>(223,627.00)</u>
	Total General Operations EXPENSE	<u>(18,859,141.00)</u>	<u>(18,859,141.00)</u>	<u>(18,094,693.00)</u>	<u>764,448.00</u>
Inter-Fund Operation TRANSFERS					
Inter-Fund Operating TRANSFERS IN					
7150	Operations Transfer from F 50-CAP Tax Incr	3,295,974.00	3,295,974.00	1,878,930.00	(1,417,044.00)
7151	Operations Transfer from F 51-CAP Set-Aside	617,825.00	617,825.00	617,825.00	-
7160	Operations Transfer from F60-RSt TI	246,000.00	246,000.00	246,000.00	-
7167	Operations Transfer from F67 - Bond Interest	<u>550,000.00</u>	<u>550,000.00</u>	<u>550,000.00</u>	<u>-</u>
	Total Inter-Fund Operating TRANSFERS IN	4,709,799.00	4,709,799.00	3,292,755.00	(1,417,044.00)
Inter-Fund Operating TRANSFERS OUT					
7210	Operations Transfer to F10-General	<u>(4,709,799.00)</u>	<u>(4,709,799.00)</u>	<u>(3,292,755.00)</u>	<u>1,417,044.00</u>
	Total Inter-Fund Operating TRANSFERS OUT	<u>(4,709,799.00)</u>	<u>(4,709,799.00)</u>	<u>(3,292,755.00)</u>	<u>1,417,044.00</u>
	Total Inter-Fund Operation TRANSFERS	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	OPERATING RESULTS, before Capital Investment Program	<u>50,664.00</u>	<u>50,664.00</u>	<u>1,151,120.00</u>	<u>1,100,456.00</u>
CAPITAL INVESTMENT PROGRAM					
Investment in MAJOR CONSTRUCTION Program					
7410	CIP Transfer to F10-General	(4,712,086.00)	(4,712,086.00)	(4,712,086.00)	-
7441	CIP Transfer to F41 - Fremont/Wilshire	<u>371,387.00</u>	<u>371,387.00</u>	<u>364,303.00</u>	<u>(7,084.00)</u>

Capitol Area Development Authority (CADA)  
GENERAL OPERATIONS  
From 7/1/2024 Through 6/30/2025

	Total Investment in MAJOR CONSTRUCTION Program	(4,340,699.00)	(4,340,699.00)	(4,347,782.00)	(7,084.00)
	Investment in DEVELOPMENT Program				
7610	Dev Program TF to F 10 - General	<u>(571,025.00)</u>	<u>(571,025.00)</u>	<u>(571,025.00)</u>	<u>-</u>
	Total Investment in DEVELOPMENT Program	<u>(571,025.00)</u>	<u>(571,025.00)</u>	<u>(571,025.00)</u>	<u>-</u>
	Total CAPITAL INVESTMENT PROGRAM	<u>(4,911,724.00)</u>	<u>(4,911,724.00)</u>	<u>(4,918,808.00)</u>	<u>(7,084.00)</u>
	UTILIZATION OF FINANCIAL RESOURCES				
6100	Utilization of Available Fund Balance	4,861,574.00	4,861,574.00	4,248,574.00	(613,000.00)
6200	Contribution to Available Fund Balance	<u>(514.00)</u>	<u>(514.00)</u>	<u>-</u>	<u>514.00</u>
	Total UTILIZATION OF FINANCIAL RESOURCES	<u>4,861,060.00</u>	<u>4,861,060.00</u>	<u>4,248,574.00</u>	<u>(612,486.00)</u>
	NET RESULTS OF GENERAL OPERATIONS	<u>-</u>	<u>-</u>	<u>480,886.00</u>	<u>480,886.00</u>



January 9, 2026

**TO:** Capitol Area Development Authority (CADA) Board of Directors

**SUBJECT: January 16, 2026 Board Meeting  
AGENDA ITEM 7  
2026 Employee Handbook**

**CONTACT PERSON:** Jill Azevedo, Operations Director

**RECOMMENDATION:**

Staff recommends the Board adopt a resolution (Attachment 1) revising the CADA Employee Handbook.

**BACKGROUND**

CADA issues its CADA Employee Handbook (“Handbook”) to all full-time and part-time employees when they are hired and annually thereafter. Each employee is required to review and sign that they have review the handbook annually. Staff and CADA counsel review the Handbook annually to ensure CADA remains current with employment law, labor practices, and CADA’s operational needs.

**POLICY**

Changes to the Handbook are either clarifying in nature or are being made to conform to changes in applicable law or related to CADA’s operational needs.

In addition to these changes, staff has made typographical and grammatical corrections.

A complete copy of the Employee Handbook effective retroactively to January 1, 2026 (pending Board action at this meeting), highlighting all changes to the handbook currently in effect, is provided as Attachment 2.

All of the proposed revisions have been reviewed by CADA’s legal counsel.

**FINANCIAL IMPACT**

While there may be some operational impacts, staff anticipates no financial impacts.

**ENVIRONMENTAL ISSUES**

None. The proposed action is an administrative action and is not a project as defined by the California Environmental Quality Act (CEQA).

**CADA STRATEGIC PLAN**

The proposed action addresses the following 2024-2029 CADA Strategic Plan goals:

- Being an Employer of Choice – Establishing policies and procedures that ensure consistency, recognize performance and provide employees with growth opportunities, creates an environment where employees feel empowered to live the agency’s values of Accountability, Customer Service, and Teamwork.

Attachments:

1. Resolution 26-05
2. CADA Employee Handbook proposed to be effective retroactively to January 1, 2026 (with edits showing proposed revisions to the handbook currently in effect)

**RESOLUTION NO. 26 – 05**

Adopted by the Capitol Area Development Authority

January 16, 2026

**RESOLUTION ADOPTING THE 2026 CADA EMPLOYEE HANDBOOK**

**WHEREAS**, at the January 16, 2026 Board Meeting, staff presented the CADA Board of Directors (“Board”) with proposed revisions to the CADA Employee Handbook (“the Handbook”) for Board approval in order to remain current with employment law and labor practices and in order to address CADA’s operational needs;

**WHEREAS**, the Board has considered staff’s recommendation to adopt the revisions to the Handbook; and

**WHEREAS**, on January 16, 2026, the Board adopted the new Handbook, as attached.

**NOW, THEREFORE, BE IT RESOLVED**, by the Capitol Area Development Authority as follows:

1. That the draft Handbook dated January 1, 2026, is hereby adopted as the Employee Handbook.
2. That the draft Handbook dated January 1, 2026, supersedes all previous Handbooks adopted by the Board.
3. That the draft Handbook dated January 1, 2026, shall be effective retroactively to January 1, 2026.

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Ann Bailey, Chair

**ATTEST:**

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Tara Gandara  
Secretary to the Board of Directors



# Employee Handbook

January 20265

This handbook is meant to serve as a useful reference document throughout your employment with CADA. It is not, however, intended to be a contract (express or implied), nor is it intended to otherwise create any legally enforceable obligations on the part of CADA or its employees. This handbook supersedes and replaces all previous personnel policies, practices, and guidelines.

To obtain information regarding specific employment policies or procedures, whether or not they are referred to in this handbook, contact Human Resources. As CADA is a growing and changing organization, it reserves full discretion to add to, modify, or delete provisions of this handbook or the policies or procedures upon which it is based, at any time, with or without prior notice. Only the Executive Director or the Board of Directors has the authority to enter into an employment or other agreement that modifies CADA policy. Any such modification must be in writing.

This handbook is the property of CADA and is intended for your personal use and reference as an employee of CADA. Circulation of this handbook outside of CADA requires prior written approval of the Executive Director.

It is your responsibility to know the policies set forth in this handbook and any subsequently released policy memoranda. Following review and study of this handbook, please sign the Employee Acknowledgement Form and return it to Human Resources. This will provide CADA with a record that you read and received the handbook.

January 1, 202~~6~~<sup>5</sup>

Dear CADA Employee:

We are happy to have you as part of the CADA team. The purpose of this Employee Handbook is to ensure that we share a common understanding of employment policies and procedures. All employees are expected to be familiar with this handbook in order for CADA to function as a cohesive and supportive team.

CADA is somewhat unique in that it is an at-will public agency. Employees are not civil servants. All employees serve at the will of the Executive Director, who, in turn, serves at the will and discretion of our five-member Board of Directors. Employee growth and advancement are based on the merit of an employee's performance.

CADA was created in 1978 by a joint powers agreement between the State of California and the City of Sacramento as a vehicle to implement the plans and objectives of the Capitol Area Plan—a mixed-use plan for the management, development, and disposition of state-owned property located directly south and east of the State Capitol in the City of Sacramento.

CADA's vision is the creation of sustainable neighborhoods that captivate city dwellers and inspire the people of California, providing a range of housing options and community experiences. This is accomplished through the construction of quality urban housing infill developments, art, events, and the excellent management of mixed-use properties.

CADA is an independent public agency that manages its own budget and does not rely upon the State or the City for operational funding. We are responsible for generating revenue through our property management and land development activities necessary to achieve the public mandates set forth in our legislation. We do partner with the State, City, and other community partners to accomplish our community development goals.

We have found that our values of teamwork, accountability, integrity, customer service, and reliability are essential to meeting this rewarding challenge. The opportunity to see the results of our daily actions positively impact so many people's lives is an especially rewarding aspect of working at CADA.

I hope that you find your employment at CADA to be fulfilling.

Sincerely,

Danielle Foster, Executive Director



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## I. Employment Basics

### A. Open Door Policy

At some time, you may have a complaint, suggestion, or question about your job, your working conditions, or the treatment you are receiving. Suggestions for improving CADA are always welcome. Your good faith complaints, questions, and suggestions are of concern to CADA.

Open communication functions best in an atmosphere of trust. In such an environment, most problems can readily be solved and do not evolve into serious conflicts. CADA is committed to responding effectively to employee concerns. Our experience has shown that when employees deal openly and directly with their supervisors, the work environment can be excellent.

Employees are encouraged to see their immediate supervisors with questions or problems relating to their jobs or interactions. Because one supervisor may not always be an appropriate outlet for communication, CADA believes that it is important to provide its employees with other avenues of communication. If you deem it appropriate and useful, you may address your concerns to Human Resources or any other supervisor.

Please remember — don't internalize a problem! Because no solution is possible without candid discussion, employees are encouraged to speak openly and are assured that they may use CADA's ~~open door~~open-door policy without fear of reprisal.

### B. Equal Employment Opportunity

It is the policy of CADA to afford equal employment ~~opportunities~~opportunities to all qualified individuals regardless of:

- ~~Race and/or color, including traits associated with race, including but not limited to hair texture and hairstyles such as afros, braids, locks, and twists.~~
- (included in national origin)
- Age (40 ~~and or over~~older);
- Sex
- Sexual orientation
- Gender
- Gender identity and expression
- Religion, creed, and religious observance, including dress and grooming practices
- ~~Ancestry, National Origin, including language use restrictions;~~
- Citizenship;
- Pregnancy, childbirth, or breastfeeding and related medical conditions
- Reproductive health decision-making includes, but is not limited to, a decision to use or access a particular drug, device, product, or medical service for reproductive health.
- Marital status;
- Registered domestic partner status
- ~~Genetic information, including family medical history~~
- ~~Physical or mental disability~~
- Military or veteran status
- ~~Civil Air Patrol~~
- ~~Political activities or affiliations~~
-

- Citizenship and/or immigration status
- 
- Domestic violence, assault, or stalking victim status
- 
- Medical conditions, including cancer and AIDS/HIV
- 
- Family or medical care leave
- 
- Any other applicable protected class, in accordance with applicable federal, state, and local laws

CADA prohibits discrimination and harassment based on the combination of two or more protected characteristics (intersectionality.) Intersectionality sets forth that different forms of inequality operate together, exacerbate each other, and can result in amplified forms of prejudice and harm. When a person claims multiple bases for discrimination or harassment, it may be necessary to determine whether the discrimination or harassment occurred on the basis of a combination of those factors, not just based on any one protected characteristic by itself.

Equal employment opportunity is not only the law, but also our working policy, and is an integral part of CADA's philosophy. CADA provides equal employment opportunity in all phases of employment, including, but not limited to, recruitment, selection, placement, transfers, training and development, promotions, demotions, compensation, benefits, layoff and terminations, and other conditions or privileges of employment.

CADA is committed to providing a work environment that is free from discrimination and harassment. In keeping with its commitment, CADA maintains a strict policy prohibiting discrimination and harassment, including sexual harassment, on the basis of any of the protected classes listed above.

CADA will seek to make employment opportunities available to qualified individuals with disabilities. CADA will not unlawfully discriminate against any employee on the basis of their disability. Where appropriate, CADA will make reasonable accommodation to permit an otherwise qualified individual with a known disability to perform the essential functions of the job. Employees who become disabled and wish accommodations to perform their job duties must contact Human Resources. CADA reserves the right to require an employee to have a mental or physical examination, at CADA's cost, to determine disability status, ability to perform job functions ("fitness for duty examinations"), or potential reasonable accommodations.-

Employees who believe they need an accommodation must specify, preferably in writing, what barriers or limitations prompted the request. CADA will evaluate information obtained from the employee, and possibly their health care provider or another appropriate health care provider, regarding any reported or apparent barriers or limitations and will then work with the employee to identify possible accommodations, if any, that will help to eliminate or otherwise address the barrier(s) or limitation(s).

CADA may require or grant unpaid disability leave to an employee who is unable to perform an essential job function because of illness or injury or whose condition endangers the health of others.

Further information on state and federal regulations and guidelines on all employment issues, including those of discrimination, harassment, and reasonable accommodation in the workplace, is available in the Human Resources Office.

## **Procedures**

An employee who feels that they have not been afforded equal employment opportunity should immediately contact their supervisor or Human Resources. CADA will promptly undertake an effective, thorough, and objective investigation of the employee's complaint. To the extent appropriate, effort will be made to maintain confidentiality throughout and following the investigation. This investigation will be completed, and a determination will be made by CADA and communicated to you as soon as practical.

If CADA determines that there has been a violation of its equal employment opportunity policy, appropriate action will be taken. CADA will not retaliate against you for filing a good-faith report and will not permit retaliation by management, employees, or co-workers.

## **C. At-Will Employment**

All CADA employees serve at the discretion of the Executive Director. Accordingly, employment by CADA is employment "at will." No supervisor, client, or representative of CADA has any authority to enter into any agreement for employment for any specific period of time or to make any agreement for employment other than at will.

Employment at CADA is also by mutual consent. CADA reserves and retains the right to terminate any employment relationship with any employee, at any time, for any reason, or for no reason, with or without advance notice. The employee also retains the right to terminate their employment at any time, for any reason, or for no reason, with or without advance notice.

Any separate, individual, or written employment contract with CADA for a specific, fixed period of time must be approved, in writing, by the Executive Director or his/her designee.

## **D. Drug and Alcohol Policy**

It is the responsibility of CADA to maintain a safe and effective working environment. Employees who work while impaired by the use of drugs or alcohol present a safety hazard to themselves, their coworkers, and the public. Moreover, the presence of drugs and alcohol in the workplace limits our ability to produce high-quality work. Employees with alcohol or drug dependencies are encouraged to seek assistance.

The following conduct is considered unacceptable behavior:

- Use, possession, manufacture, distribution, transfer, sale, or solicitation of illegal drugs on CADA property, including CADA vehicles, or while conducting CADA business;
- Use, possession, manufacture, distribution, transfer, or sale of alcohol on CADA property, including CADA vehicles or while conducting CADA business (including CADA business lunches or attendance at CADA-sponsored events); and
- Reporting to work, conducting CADA business, or being on CADA property while impaired by the use of alcohol or drugs.

~~Reporting usage of prescription drugs that may impair the employee's ability to safely perform essential functions of their job.~~

If an employee is taking any prescription drugs that may impair their ability to safely perform the essential functions of their job, they must immediately notify their supervisor(s).

CADA reserves the right to investigate any possible violations of this Drug and Alcohol Policy.

~~Upon reasonable suspicion, a~~An investigation may involve medical testing of employees, ~~upon reasonable suspicion,~~ for drug and/or alcohol use in accordance with the applicable law. Supervisors will receive training on the detection of drug and/or alcohol use. If an employee refuses to participate in such an investigation, CADA may take such disciplinary action as it deems appropriate, up to and including termination.

### **E. Policy Against Discrimination/Harassment**

CADA is committed to providing a work environment that is free from discrimination/harassment. In keeping with this commitment, CADA strictly prohibits discrimination/harassment (including sexual harassment) in any form on the basis of:

~~Race and/or color, including traits associated with race, including but not limited to hair texture and hairstyles such as afros, braids, locks, and twists.~~

- ~~Race and/or color, including traits associated with race, including but not limited to hair texture and hairstyles such as afros, braids, locks, and twists~~ (included in national origin)
- Age (40 and over)
- Sex
- Sexual orientation
- Gender
- Gender identity and expression
- Religion, creed and religious observance, including dress and grooming practices
- Ancestry, National Origin, including language use restrictions
- Pregnancy, childbirth, or breastfeeding and related medical conditions
- Reproductive health decision-making includes, but is not limited to, a decision to use or access a particular drug, device, product, or medical service for reproductive health.
- Marital status
- Registered domestic partner status
- Genetic information, including family medical history
- Physical or mental disability
- Military or veteran status
- Civil Air Patrol
- Political activities or affiliations
- Citizenship and/or immigration status
- Domestic violence, assault, or stalking victim status
- Medical conditions, including cancer and AIDS/HIV
- Family or medical care leave

Any other applicable protected class, in accordance with applicable federal, state, and local laws

Discrimination/harassment/retaliation of anyone in or from CADA, on any of these bases, is strictly prohibited whether it be committed by supervisors, managers, co-workers or third parties such as suppliers or customers. Employees should note that conduct need not be unlawful to violate CADA's policy against harassment/discrimination.

This policy prohibits harassment in any form, including:

- Verbal and/or written harassment such as epithets, jokes, derogatory comments or slurs based on the person's race and/or color including traits associated with race, including but not limited to hair texture and hairstyles such as afros, braids, locks, and twists.
- Age (40 and over)
- Sex
- Sexual orientation
- Gender
- Gender identity and expression

- Religion, creed and religious observance, including dress and grooming practices
  - Ancestry, National Origin, including language use restrictions
  - Pregnancy, childbirth, or breastfeeding and related medical conditions
  - Reproductive health decision-making includes, but is not limited to, a decision to use or access a particular drug, device, product, or medical service for reproductive health.
  - Marital status
  - Registered domestic partner status
  - Genetic information, including family medical history
  - Physical or mental disability
  - Military or veteran status
  - Civil Air Patrol
  - Political activities or affiliations
  - Citizenship and/or immigration status
  - Domestic violence, assault, or stalking victim status
  - Medical conditions, including cancer and AIDS/HIV
  - Family or medical care leave
  - Any other applicable protected class, in accordance with applicable federal, state, and local laws
- Physical harassment such as assault, impeding or blocking movement, or any physical interference with normal work or movement when directed at an individual based on one of the categories above; and
  - Visual harassment such as derogatory posters, cartoons or drawings, based on one of the categories above.

Such harassment includes conduct that has the purpose or effect of unreasonably interfering with the individual's work performance; creating an intimidating, hostile, threatening, or offensive working environment; or adversely affecting the employee's performance, performance evaluation, assigned duties, or any other condition of employment or career development.

Supervisors will receive harassment prevention training consistent with State law. Other employees may be required to attend educational seminars on harassment prevention.

### **Sexual Harassment**

Sexual harassment of CADA employees or its independent contractors, by supervisors, managers, co-workers or third parties such as suppliers or customers, is strictly prohibited. Sexual harassment includes, but is not limited to, unwelcome sexual advances, requests for sexual favors, or other verbal, visual, or physical conduct of a sexual nature when:

- Submission to such conduct is made either expressly or by implication a term or condition of an individual's employment;
- Submission to or rejection of such conduct by an individual is used as the basis for employment decisions affecting the individual; or when
- Such conduct has the purpose or effect of unreasonably interfering with an individual's work performance; creating an intimidating, hostile, threatening or offensive working environment; or adversely affecting the employee's performance, evaluation, assigned duties, or any other condition of employment or career development.
- Sexual harassment also includes any act of retaliation against an employee for reports of violations of this policy or for participating in the investigation of a sexual harassment complaint.

Other examples of sexual harassment include unwelcome sexual flirtations or propositions, verbal abuse of a sexual nature, graphic verbal comments about an individual's body, sexually degrading words used to describe an individual, and the display in the work environment of sexually suggestive objects or pictures, posters, jokes, cartoons, or calendar illustrations.

Employees will be required to attend educational seminars on sexual harassment. In accordance with current state law, all supervisors receive at least two ~~(2)~~ hours of sexual harassment training every two years, and within six months of assumption of a supervisory position. All nonsupervisory employees must receive at least one ~~(1)~~-hour of sexual harassment training, and once every two ~~(2)~~-years thereafter. New nonsupervisory employees will be provided sexual harassment training within six ~~6~~-months of hire.

### **Procedures**

An employee who feels that they have been or are being harassed/discriminated against based on one of the above-protected categories, or who is aware of or suspects the occurrence of such harassment/discrimination, or who desires counseling on coping with harassment/discrimination, should immediately contact their supervisor or any other neutral member of management whom they feel comfortable speaking with.

CADA will promptly undertake a fair, thorough, timely, and objective investigation of the harassment/discrimination allegations that provides all parties appropriate due process and reaches reasonable conclusions based on the evidence collected. This investigation will be conducted by qualified personnel or an outside investigator. Substantial effort will be made to maintain confidentiality throughout and following the investigation to the extent appropriate. This investigation will be completed and a determination will be made by CADA and communicated to ~~you~~ [the employee](#) as soon as practical.

If CADA determines that a violation of this policy has occurred, CADA will take appropriate remedial action (e.g., training, discipline up to and including termination) commensurate with the severity of the offense. Appropriate action will also be taken to deter any future harassment/discrimination. CADA will not retaliate against ~~you~~ [an employee](#) for filing a good faith report or participating in a workplace investigation and will not knowingly permit retaliation by management, employees, or co-workers.

CADA encourages employees to report immediately any incidents of harassment forbidden by this policy so that complaints can be quickly and fairly resolved. Supervisors must report all complaints of harassing, discriminatory, or retaliatory misconduct immediately to the Executive Director or Human Resources Manager. Employees should also be aware that the California Civil Rights Department (CDR) and the federal Equal Employment Opportunity Commission investigate and may prosecute complaints of prohibited harassment in employment. If an employee thinks that they have been harassed or retaliated against for resisting or complaining, they may file a complaint with either of these organizations. The nearest offices are listed in the telephone book and available on-line. Additional information on sexual harassment is contained in a brochure on the subject, available to all CADA employees through Human Resources.

CADA also strictly prohibits harassment/discrimination, on the bases stated above, of any member of the general public by any person conducting CADA business or otherwise representing CADA.

### **F. Personnel Information**

All CADA personnel files are the property of CADA. An employee's permanent personnel file contains application materials, payroll records, performance appraisals, supervisory notes and records, and any administrative action related to the employee's employment. With the approval of their supervisor and Human Resources, employees may request materials be placed in their files.

This file is maintained under the supervision of Human Resources. It is confidential, to the extent prescribed by state and federal law, and only those with the responsibility and the need to know will have access to it.

Employees, both current and former, may inspect their personnel file in the presence of a CADA representative at reasonable intervals and during reasonable times (office hours). Employees should contact the Human Resources Department to schedule the time. Written requests to inspect personnel files will be honored no later than 30 days from the date CADA receives the written request. Payroll records will be available within 21 days of the request. Employees may also request copies of any document that they have previously signed.

All employees are required to [promptly](#) notify Human Resources as changes in their personal information occur. Notification of changes of address, telephone number, marital status, number of dependents, insurance beneficiaries, educational accomplishments, or emergency information should be submitted as soon as possible in order to keep payroll, insurance, benefits, and personnel information accurate and as ~~up-to-date~~[up to date](#) as possible.

### **G. Customer Service**

Employees are expected to be polite, courteous, prompt, and attentive to every customer. When an employee encounters an uncomfortable situation that they do not feel capable of handling, a supervisor or manager should be called immediately.

Never regard a customer's question or concern as an interruption or an annoyance. We are a service business and must remember that the customer comes first. Our customers are to be treated courteously and given proper attention and respect at all times. For more information, please refer to CADA's Customer Services Standard Operating Procedures which are available on the shared drive, BambooHR, and printed copies by request.

### **H. Employee Rent of CADA Units Prohibited**

Effective January 1, 2022, no CADA employee may lease any CADA unit. Specifically, current employees are not eligible to apply to lease a CADA unit.

Current CADA tenants are not eligible for employment with CADA. A current tenant may apply to a CADA position, but if successful, the tenant will be required to immediately vacate their unit or else decline CADA's offer for employment. CADA may terminate such an employee who fails to vacate their unit prior to the employee's first day of work. Should an employee who vacated their unit to be employed by CADA in accordance with this policy be terminated, they are not guaranteed the return of the unit.

A CADA employee who leased a CADA unit on or before January 1, 2022, will be exempt from this policy prohibiting current CADA employees from leasing a CADA unit. This exemption only applies so long as the employee remains continuously employed by CADA.

This policy shall not apply to CADA Resident Services Representatives ("RSRs"). For conditions regarding RSRs' occupancy of CADA units as part of their job duties, please see the Resident Services Representative Addendum available from Human Resources. RSRs who wish to have a pet must sign and comply with the terms and conditions of the CADA Lease Pet Addendum, including payment of a pet deposit at a rate of half the monthly market rate rent of their unit.

Effective July 2024, former CADA employees who were previously employed as an [Resident Services Representative \(RSR\)](#) will not be allowed to live in any CADA buildings where they were formerly assigned or lived at in the capacity of a [Resident Services Representative RSR](#), as

it may confuse residents as to whether that individual still represents or works for CADA. Also, as a former employee working daily in those buildings, former RSRs may be aware of confidential information about the site residents that would be inappropriate information for the knowledge of a regular resident.

## II. The Selection Process

### A. Recruitment

Employment searches for all open positions within CADA, with the exception of the Executive Director, are coordinated through Human Resources.

The recruitment and selection techniques utilized shall be impartial, of a practical nature, and shall relate to those subjects which, in the opinion of the Executive Director and Human Resource Manager, fairly measure the capabilities of applicants. Salary offers that are made to prospective applicants must be authorized by the Executive Director.

### B. Employment Applications/Requirements

CADA relies upon the accuracy of information contained in the employment application, as well as the accuracy of other data presented throughout the hiring process and employment. Any misrepresentations, falsifications, or material omissions in any of this information or data may result in the disqualification of an applicant from further consideration for employment or in the termination of employment of a current employee.

CADA reserves the right to condition offers of employment upon results of certain tests that include, but are not limited to, a prospective employee's DMV report, credit report, educational record, drug and alcohol test, criminal history check, and ~~a medical~~ medical examination.

### C. Employment Reference/Background Checks

To ensure that individuals who join CADA are well qualified and have a strong potential to be productive and successful, it is CADA's policy to check the employment references and work history of candidates who apply for position(s) as appropriate and consistent with the law. For candidates with a conditional job offer, background checks and additional verification processes will be conducted in accordance with the law. Verification processes may include, but ~~will not be~~ are not necessarily be limited to, the following: physical, drug/alcohol testing, review of credit history, educational records, and criminal or DMV reports. Specific verification processes may differ on the basis of the job responsibilities for which the applicant is being considered. Background checks will be made in compliance with the California Fair Chance Act. CADA complies with California legal protection for off-duty cannabis use, including testing and prior use.

### D. Employment of Relatives

CADA will reassign or prevent the assignment of employees where there is or would be an immediate supervisory/subordinate relationship, and the employees have a potential employment conflict of interest due to the family relationship.

In addition, CADA will reassign or prevent the management of any consultant or contractor's work assignments by an employee having a family relationship ~~to said~~ with the said consultant or contractor.

### E. Promotions and Transfers

A willingness to learn new skills and to apply them where they are most critically needed can enhance your opportunities at CADA. Advancement opportunities at CADA are based upon individual initiative, ability, and accomplishment, as well as budgetary guidelines and availability of position(s). CADA tries to give its employees ample opportunity through programs of continuing education and training, to broaden their skills and prepare them for more advanced jobs.

Promotion occurs when an employee is placed in a new position that reflects increased responsibility and a higher salary range. The promotion may or may not warrant an increase in salary. Factors taken into consideration with promotions and with regard to salary increases include, but are not limited to, the background and skills of the employee, the current market value for the position, and the employee's current salary.

A transfer is defined as a change in position. Typically, the new position is of the same level of responsibility and salary as the former position.

### III. Hours and Pay

#### A. Workweek

The normal workweek for most CADA employees is eight hours per day, Monday through Friday. The public hours of operation of the Administration Office, located at 1522 14<sup>th</sup> Street, ~~are~~are ~~from~~ 8:00 a.m. ~~through to~~ 5:00 p.m. The public hours of operation of the Maintenance Office, located at 701 S Street, are ~~from~~ 8:15 a.m. ~~through to~~ 12:00 p.m. and 1:00 p.m. ~~through to~~ 4:15 p.m. Employee work schedules, however, are set by the employee's immediate supervisor. Any work schedule that is more than one hour outside of the above limits will be reviewed on a case-by-case basis and must be approved by the Executive Director.

For purposes of computing overtime pay, each workweek begins at 12:01 a.m. on Monday. Staffing needs and operational demands may necessitate variations in starting and ending times, as well as variations in the total hours that may be scheduled each day and week.

Non-exempt employees should report to work no more than 10 minutes prior to their scheduled starting time and must not stay more than 10 minutes after their scheduled stop time without ~~express, express~~ prior authorization from their supervisor. Employees must clock in and out as precisely as possible to their approved and scheduled start and end times unless otherwise approved by their supervisor. Non-exempt employees of the Administrative Office are provided one hour for ~~meal times~~mealtimes. Non-exempt employees of the Maintenance Office are provided ~~one half hour~~30 minutes for ~~meal times~~mealtimes. Non-exempt employees will not return from their lunch periods early unless specifically requested to do so in advance by their supervisor. Lunch break should be taken. Details regarding lunch and rest breaks for non-exempt employees are specified below.

Employees must call their supervisors for each day of absence unless other arrangements have been made with their supervisors. Failure to notify a supervisor in advance of an absence will constitute an unauthorized absence. In addition to contacting their supervisor, for coordination purposes, employees working out of the Administrative Office must also inform the receptionist if they are not going to be at work. Similarly, employees working out of the Maintenance Office should ~~se~~ inform the Maintenance dispatchers of an absence.

Any employee who is on an excused absence for more than three days due to illness or injury must contact Human Resources prior to returning to the workplace and may be required to submit a doctor's release in order to return to work. In certain additional circumstances, it may be reasonable for CADA to ask for documentation from an employee who requested sick time if CADA has information indicating that the employee is not requesting paid sick leave for a valid purpose.

Any employee who is absent for two days without notifying their supervisor is presumed to have voluntarily resigned without notice at the close of the second day.

#### B. Classification and Categories of Employment

CADA is governed by the provisions of the Fair Labor Standards Act, and employees will be compensated accordingly. All employees will be classified as either exempt or non-exempt, as

defined by the provisions of the federal Wage and Hour Law. To determine eligibility for various benefits, the following classifications and categories of employment have been established:

### **Employment Classifications**

**Exempt Employees** -- This classification includes employees who have met the requirements of a professional, administrative, executive, or an outside salesperson, and are therefore exempt from the overtime provisions of the federal Fair Labor Standards Act. Exempt employees are paid on a salary basis; however, exempt employees are required to use vacation, management, or sick leave (if sick leave is appropriate) when they are absent for four (4) or more hours in a day.

**Nonexempt Employees** -- This classification includes employees who are covered by the overtime provisions of the federal Fair Labor Standards Act. This classification of employees is paid hourly and must receive additional pay for overtime work as legally required by federal statute. Overtime pay is calculated in accordance with applicable laws.

### **Employment Categories**

**Full-time Employees** – Unless otherwise noted, an employee who is ordinarily and regularly scheduled to work at least 20 or more hours in a work week is considered full-time and is eligible for CADA's benefit package, subject to the terms, conditions, and limitations of each benefit program.

**Temporary Employees** -- Temporary employees are defined as those employees holding jobs for a limited duration arising out of special projects, additional workloads, or emergencies. Retired Annuitants are a kind of temporary employee who, subject to CalPERS statutes and regulations, may not work more than 960 hours in a fiscal year. An employee will not change from a temporary status to another status unless specifically informed, in writing, of such a change by Human Resources. Temporary employees are not eligible for CADA-sponsored benefits.

**Fractional Employees** -- An employee who works less than full-time, in fractional increments, and is paid on a prorated basis according to the employee's fractional time worked, is considered a fractional employee. Unless otherwise stated herein, if a fractional employee works more than 20 hours per workweek, they will be eligible for CADA's benefit package.

## **C. Timekeeping and Overtime**

### **Timekeeping**

Accurately recording time worked is the responsibility of every non-exempt employee. Federal and state laws require CADA to keep an accurate record of time worked in order to calculate employee pay and benefits. Time worked is defined as the time actually spent on the job performing assigned responsibilities.

Non-exempt employees are required to accurately record the time they begin and end their work as well as the beginning and ending time of any split shift or departure from work for personal reasons on a daily basis. Altering, falsifying, tampering with time records, and destroying or recording time on another employee's time record may result in disciplinary action, up to and including immediate termination of employment.

It is the employee's responsibility to approve and submit their time records to certify the accuracy of all time recorded and to attach all support documents. The supervisor will review and then approve the time record before submitting it for payroll processing. In addition, if corrections or modifications are made to the time record, both the employee and the supervisor must verify the accuracy of the changes by approving the time record.

### **Breaks**

During each workday, non-exempt employees ~~will receive are entitled to two (2)two~~ paid rest periods of 15 minutes each. To the extent possible, employees should, at their discretion, take rest periods as close to the middle of each four-hour work period as possible. Since rest periods are counted as hours worked, employees must not be absent from their workstations beyond the allotted rest period. If employees need to arrange their breaks differently, they should make arrangements with their supervisor.

Employees who work outdoors will be allowed and encouraged, on an as need basis, to take a cool-down rest (or recovery period) in the shade for a period of no less than five ~~(5)~~minutes at a time when they feel the need to do so to protect themselves from overheating. When taking a cool-down rest in a shaded area, employees must be monitored for symptoms of heat illness and will not be required to resume work until all signs or symptoms of heat illness have abated, but in any event, no less than ~~five5~~ minutes plus the time needed to initially access the shaded area.

Although CADA is a public agency not subject to California's meal break requirements, we ask that non-exempt employees take a minimum 30-minute meal period for every ~~five5~~ hours of work. The majority of administrative employees take their meal periods from 12:00 p.m. to 1:00 p.m. The majority of the maintenance employees take their meal periods from 12:00 p.m. to 12:30 p.m. Supervisors will try to accommodate requested scheduling variations based on operating requirements. During the meal period, employees will be relieved of all active responsibilities and restrictions and will not be compensated for that time.

### **Overtime**

When operating requirements or other needs cannot be met during regular working hours, employees may be scheduled to work overtime hours. Advance notification of these mandatory assignments will be provided whenever possible. Overtime assignments will be distributed as equitably as practical to all employees qualified to perform the required work.

**Non-exempt overtime work must be approved before it is performed.** The employee must complete a written request to work additional hours and submit it to the appropriate supervisor for their signature. Approved written requests should be attached to the employee's monthly time sheet. Because CADA is a public agency, non-exempt employees' overtime work is only compensated at the rate of one and one-half the employee's regular rate for hours worked more than 40 hours in one workweek. Failure or refusal to work scheduled overtime or working overtime without prior authorization from the supervisor may result in disciplinary action, up to and including termination of employment.

Paid time off for vacation, sick leave, bereavement leave, compensatory time off, jury duty, or time off to vote will not be counted as hours worked for the purposes of determining overtime for nonexempt employees.

Paid time off for holidays will be counted as hours worked for the purposes of determining overtime for nonexempt employees.

### **Out-of-Class Pay**

Employees who are assigned to work in a higher classification and work in such classification for two ~~(2)2~~ or more consecutive weeks shall be compensated at ~~five 5percent % (5)~~ above the employees' normal pay. Out-of-class assignments will be made on an as-needed basis and in accordance with past practice.

### **D. "On-Call" Employee Requirements**

Designated non-exempt and certain exempt employees may be required to remain available after normal work hours with an electronic paging or telephone system, to respond to emergencies. Non-exempt employees assigned to "on-call" duty will be compensated for standby time at the rate of 1 hour's pay for each weekday, 3 hours' pay for Saturdays and Sundays, and 4 hours' pay

for each holiday, in addition to the time actually worked. While on “on-call” duty, assigned employees must be available to contact the answering service within 15 minutes and must be available to work on-site, in a safe and sober manner, within forty-five minutes. No additional compensation will be paid to exempt employees who are required to remain available after normal [workworking](#) hours with an electronic paging or telephone system.

In the event an on-call [Resident Services Representative RSR](#) or other CADA personnel need to use a CADA vehicle to perform an after-hours task, they must contact their supervisor first.

Emergency maintenance work performed by non-exempt employees who are assigned to be on-call is deemed pre-approved by the supervisor who assigns the employee to be on-call. Emergency work by other employees called by the on-call employee is deemed pre-approved.

#### **E. “Call-back” Employee Requirements**

Any employee who answers a call for service after their regular [work-dayworkday](#) or on a weekend (other than a [RSR Resident Services Representative](#) as they receive on-call pay) will receive a minimum 2 hours of pay per day.

#### **F. Wage and Salary Administration**

##### **Payroll**

Employees are paid on a monthly basis. Paychecks are normally available by 9 a.m. on the last working day of the month. If there is an error or issue with your paycheck, employees should notify Human Resources as soon as possible so [that](#) the error can be corrected or the issue can be resolved.

Human Resources will distribute the time sheet deadline, payday schedule, and list of holidays to all employees.

##### **Payroll Deductions**

The law requires that CADA make certain deductions from an employee’s compensation. Among these are applicable federal withholding, state withholding, and State Disability Insurance (SDI), Social Security, Medicare taxes, and court-ordered garnishments. Social Security is not deducted from paychecks of full-time or fractional employees consistently working more than 20 hours per week or who are participants in the CalPERS Retirement Program.

CADA offers programs and benefits beyond those required by law. Eligible employees may voluntarily authorize deductions from their paychecks to cover the costs of participation in these programs.

Employees must notify Human Resources of changes to their deductions/withholdings by the 20<sup>th</sup> of each month for those changes to be included in that month’s payroll. If you have any questions concerning deductions made from your paycheck, please contact Human Resources.

#### **G. Outside Employment**

“Outside employment” is any employment or self-employment, regardless of hours involved for which pay is received, whether by salary, wages, commission, or sale, if such employment is carried on in addition to the employee’s work for CADA.

CADA expects full commitment from its employees and discourages outside employment; however, employees may hold outside jobs that do not constitute a conflict of interest as long as they meet the performance standards of their job with CADA. Employees should consider the impact that outside employment may have on their health and physical endurance. All employees will be judged by the same performance standards and will be subject to CADA’s

scheduling demands, regardless of any existing outside work requirements.

If CADA determines that an employee's outside work is interfering with job performance or the ability to meet CADA's requirements as they are modified from time to time, the employee may be asked to terminate the outside employment if they wish to remain with CADA.

A full-time or fractional CADA employee may engage in outside employment if, and only if, all of the following conditions are met:

- a. The employee has received written approval byfrom their supervisor, and the Executive Director, which will not be unreasonably denied. If a problem develops at any time subsequent to the written approval, the approval may be withdrawn by the Executive Director. Human Resources will maintain the approval form for each employee engaging in outside employment.
- b. The outside employment is considered compatible with the employee's CADA employment or CADA's activities when such outside employment does not constitute a conflict of interest. "Incompatible employment" is outside employment that is incompatible, inconsistent or in conflict with employee's duties for CADA or any duty or function of CADA. Incompatible employment includes, but is not limited to, outside employment which:
  - Involves the use for private gain of an employee's time while engaged in CADA work or of CADA property, records, equipment, or facilities;
  - Involves the personal receipt of money or gratuities in return for an act performed by the employee in the course of their CADA work;
  - Involves an act subject to review by CADA or CADA personnel;
  - Involves time demands that reduce the employee's efficiency in their CADA workduties;
  - Involves services or goods that directly or indirectly relate to contracts with CADA; or
  - Involves the personal receipt of money or gratuities specifically from any CADA employees, contractors, consultants, tenants, or homeowners of condominiums located on land leased from CADA.
- c. The employee's outside employment or any product of such employment, including, for example, consultation or services relating to plans, proposals, studies, artwork, or construction, is not subject to review and approval by CADA or any personnel acting for CADA. The Executive Director may, nevertheless, establish regulations which permit outside employment which is subject to CADA review, if, and only if, such regulations can assure that the employee will receive no special consideration, and no additional benefit or advantage as a result of their CADA employment.
- ~~d.~~ The outside employment is in accordance with rules and regulations, if any, established by the Executive Director.

e-d.

## H. Compensation Philosophy

In an effort to attract and retain qualified employees, it is CADA's policy to establish competitive salaries and merit increase programs. The Human Resources Manager is responsible for administering the wage and salary program and for recommending necessary salary ranges and position reclassifications. All salary adjustments or increases will be implemented at the recommendation of the employee's direct supervisor and the approval of the Executive Director or their designee.

The salary range limits by job classification will be determined by the Board of Directors. Salaries are included in CADA's annual operating budget, which is reviewed and acted upon by the Board of Directors.

### **I. Performance Evaluation**

Supervisors and employees are strongly encouraged to discuss job performance and goals on an informal, day-to-day basis. Performance evaluations are conducted for those employed with CADA as of February 1. The evaluation review period is July 1 through June 30. Those hired after February 1 may receive an evaluation at the discretion of their supervisor and in consultation with Human Resources. Evaluations may be conducted more frequently at the discretion of the employee's supervisor.

Performance evaluations provide both supervisors and ~~employees~~employees with the opportunity to discuss job tasks and expected levels of performance, identify and correct weaknesses, encourage and recognize strengths, and discuss positive, purposeful approaches for meeting goals. The evaluation is used as an aid to reach fair and equitable decisions regarding rewards, work assignments, training, retention, and termination.

Merit increases, if awarded, are generally effective on July 1. Any merit increases awarded will be based upon a performance evaluation. A favorable evaluation does not guarantee a merit increase. Employees are encouraged to give their views and state their concerns or disagreement with the content of the performance review. Written performance evaluations and any written response to the review will be included in the employee's personnel file.

### **J. Employee Performance Incentive Program**

The Performance Incentive Program (PIP) is designed to recognize and reward employees who have exhibited outstanding performance on a task/duty, whether that be individually or as a member of the team.

Employee participation is vital to this program. If you have any questions or would like to make a recommendation, please contact Human Resources. The recommendation form can be obtained from Human Resources.

## **IV. Benefits**

### **A. Benefits Eligibility**

Eligible employees of CADA are provided a wide range of benefits. A number of the programs (workers' compensation, state disability, and unemployment insurance) cover all employees in the manner prescribed by law.

Benefits eligibility is dependent upon a variety of factors, including employee classification and the number of hours an employee works. Human Resources will identify the programs for which you are eligible. Details of many of these programs can be found elsewhere in this handbook and/or in the summary plan descriptions made available for most benefits.

In order for a full-time employee to accrue vacation and paid holidays an employee must physically work eleven ~~(11)~~, eight-eight (8) hour days in the month or use accrued vacation, sick leave, or other paid leave available to them to equal eleven ~~(11)~~ days in the month. If an employee does not physically work eleven ~~(11)~~ eight-hour ~~eight (8) hour~~ days in the month or does not use paid accrued leave equivalent to at least eleven ~~(11)~~ days, they will not accrue vacation or be paid for any holidays in that period.

The following ~~benefit programs~~benefits are available to eligible employees:

- Cafeteria Plan;
- Medical Insurance through the California Public Employees' Retirement System (CalPERS);
- Dental Insurance;
- Vision Insurance;
- Retirement Plan (CalPERS);
- 457 Deferred Compensation Program (CalPERS);
- Long-term Disability Insurance;
- Life and Accidental Death and Dismemberment Insurance;
- Holidays;
- Vacation;
- Sick Leave;
- Leaves of Absence;
- Direct Deposit of Paychecks;
- Employee Assistance Program;
- Employee Apartment Rent Discount; [and](#)
- Parking (—as available).

## B. Insurance Benefits

### **Cafeteria Plan**

CADA provides a monthly health allowance that may be applied to premiums for medical, dental and vision, as well as a flex spending account for unreimbursed medical and dependent care, and/or other optional insurance plans. Eligible employees (Full Time, and fractional employees consistently working more than 50% of the month) must be on paid status for at least 50% of the month in order to receive their Cafeteria Allowance for that month. Those employees who work or are on paid status at least 50% of a month and have monies remaining in their cafeteria allowance can receive the balance in cash or direct it towards the deferred compensation plan.

**Medical:** All full-time employees and their family members are eligible for medical coverage. Family Members are defined as:

- A spouse or domestic partner who is not currently enrolled in their own right in a CalPERS health plan.
- A child under 26 years of age who has never been married, including an adopted child, a step-child, or a child who lives with the employee in a parent-child relationship and who is economically dependent (requires an Affidavit of Eligibility Form).

All fractional employees consistently working more than 50% of the month or are on paid status 50% of the month also receive this benefit. Employees have a choice of several medical plans from which to choose. Employer contribution amounts and the amounts, if any, available for those who “opt out” are set annually by the Board of Directors. Once hired, an employee will meet with Human Resources for in-depth information regarding the various insurance plans.

In 2005, CADA's Board adopted a resolution implementing the provisions of Government Code 22893, which provides for postretirement health benefits. The principal tenets of Government Code Section 22893 are:

- Retired employees with a minimum of 10 years of service credit (five of those 10 years of service must be performed at CADA) receive 50% of CADA's contribution payable for postretirement health benefits. Each additional service credit year after 10 years increases CADA's contribution by 5%.
- At 20 years of service, the retiring employee is eligible for 100% of CADA's contribution payable for postretirement health benefits.

- For annuitants enrolling alone, the amount of CADA's health care contribution shall be at least 100% of the weighted average of the four health benefit plans that have the largest number of CalPERS "self-alone" enrollments during the previous year.
- For annuitants enrolling family members, CADA shall contribute an additional 90% of the weighted average of the additional premiums required for enrollment of those family members in the four health benefit plans that had the largest CalPERS enrollment, excluding family members, during the previous year.

All employees hired after May 1, 2005, are subject to the provisions of Government Code 22893. Employees hired prior to May 1, 2005, may elect to be subject to the provisions of Government Code 22893 or may continue to have postretirement health benefits in accordance with Government Code 22892. Once an employee elects to be bound by the provisions of 22893, it cannot be withdrawn.

**Dental:** All full-time and fractional employees who consistently work or are on paid status more than 50% of the month are eligible for dental coverage for themselves and their dependents.

**Vision:** All full-time and fractional employees who consistently work or are on paid status more than 50% of the month are eligible for vision coverage for themselves and their dependents.

### **Retirement Plan (CalPERS)**

Full-time employees make contributions to the California Public Employees Retirement System (CalPERS). Current Members contribute 7% percent of their annual salary. New Members hired after January 1, 2013, contribute 50% of the Normal Cost, which is actuarially determined by CalPERS. In addition, CADA makes an employer contribution necessary to fund the benefits for its members, as established by PERS. Upon termination of employment, employees may either receive a refund of their employee contributions, or they may choose to keep these contributions invested with PERS. With the exception of Medicare contributions for employees hired after 1986, full-time employees do not contribute to Social Security. Summary plan descriptions are available from Human Resources. In addition, employees are encouraged to contact PERS directly to receive estimates of their retirement benefits for their personal financial planning.

### **Deferred Compensation (CalPERS)**

All full-time and fractional employees consistently working more than 20 hours per workweek are eligible to participate in the PERS 457 Deferred Compensation Program. This innovative savings plan provides employees with the ability to take an amount of their pay before paying taxes and invest it in their choice of investment funds offered by this plan. The money employees put into this plan reduces their taxable income dollar for dollar, which lowers both their federal and state income tax. Summary plan descriptions are available from Human Resources. In addition, employees are encouraged to contact PERS directly to receive estimates on their retirement benefits for their personal financial planning.

### **Long-term Disability Insurance**

All full-time employees are eligible for long-term disability insurance, which is paid for by CADA. All fractional employees consistently working at least 30 hours per week are also eligible for this benefit.

### **Life and Accidental Death and Dismemberment Insurance**

All full-time employees are eligible to receive life and accidental death and dismemberment insurance, which is paid for by CADA. All fractional employees consistently working at least 30 hours per week are also eligible for this benefit.

## **C. Holidays**

All full-time employees and fractional employees who work more than or are on paid status 50% of

the month in which the holiday occurs are eligible to receive holiday benefits at their normal hourly rate for:

- New Year’s Day
- Martin Luther King Day (third Monday in January)
- Lincoln’s Birthday
- Washington’s Birthday (third Monday in February)
- Cesar Chavez Day
- Memorial Day (last Monday in May)
- Juneteenth
- Independence Day
- Labor Day (first Monday in September)
- Indigenous Peoples’ Day (second Monday in October)
- Veteran’s Day
- Thanksgiving and the day after
- Christmas Eve - ½ day
- Christmas Day
- New Year’s Eve - ½ day

Fractional employees who work less than 50% of the month or are on paid status less than 50% of the month in which the holiday occurs are ineligible for holiday benefits. Fractional employees who work more than or are on paid status 50% of the month accrue pro-rata according to the percentage of the month they work during the holiday month.

If a holiday falls on a weekend, the observed holiday will be published on the CADA Holiday Calendar.

**Religious Observances**

CADA will make every effort to allow reasonable accommodations for employees who need to take time off for religious observances. Approval will depend on whether the request would impose an undue hardship on CADA and its ability to meet its workload

**D. Vacation**

Paid vacation is available to eligible employees to provide opportunities for rest, relaxation, and personal pursuits. Full-time employees are eligible to earn and use vacation time as described in this policy. Fractional employees working more than or are on paid status 50% of a month are eligible to earn and use vacation time at their pro-rata rate (according to the percentage of the month they work). Fractional employees who work less than or are on paid status less than 50% of a month are ineligible for vacation benefits. Vacation cannot be substituted for insufficient sick leave accruals without Human Resource approval.

Employees must submit a Request for Time Off at least ~~two~~2 weeks in advance, and approval will depend on whether the request can be accommodated within CADA’s workload requirements.

The amount of paid vacation time and maximum vacation accrual amounts increase with the length of service.

**Vacation Accrual for Full-time Employees\***

<b>Years of Eligible Service</b>	<b>Vacation Earned per Year (Weeks)</b>	<b>Monthly Accrual (Hours)</b>	<b>Maximum Accrual (Hours)</b>
3 years or	2 weeks	6.66 hours	160 hours

less			
3+ to 10 years	3 weeks	10.0 hours	240 hours
10 years or more	4 weeks	13.3 hours	320 hours

\*Employees working or on paid status more than 50% of the month but less than 100% will earn a pro-rata amount of vacation according to the percentage of the month they work.

If an employee reaches his/her maximum accrual for vacation leave, the employee will not accrue any additional vacation until his/her accrued leave drops below the maximum (unless authorized to exceed their maximum accrual by the Executive Director).

Employees may request to cash out up to a maximum of 40 hours of unused, accrued Vacation time once per year, unless the requested amount would deplete their total unused, accrued Vacation. All such requests must be approved by the Executive Director.

Upon separation, employees will be paid for unused vacation time.

### E. Sick Leave

Sick leave is a form of insurance that employees accumulate in order to provide a cushion for incapacitation due to illness and other situations protected by law. It is intended to be used in the situations described below. An employee may use sick leave:

- ~~Sick leave may be used for~~ For an employee’s personal diagnosis, care, or treatment of an existing health condition or preventive care.
- ~~For Sick leave may also be used for~~ illness and well care of a member of an employee’s family (including the employee’s spouse or registered domestic partner, child, parent, parent of the employee’s spouse or registered domestic partner, grandparent, grandchild, or sibling) or any “designated person”, which is defined as any individual identified by ~~an the~~ employee at the time the employee requests paid sick days. An employee is limited to designating one person per 12-month period. Such designation must be done in writing per CADA policy.
- For certain other types of leaves as identified in this handbook including for an employee who is a victim of domestic violence, sexual assault, or stalking as described by law.

CADA provides paid sick leave to all employees.

Full-time employee who physically work at least eleven eight-hour days in the month or use paid accrued leave equivalent to at least eleven days will accrue sick leave at the rate of eight hours per month. If they do not physically work eleven eight-hour days in the month or do not use paid accrued leave equivalent to at least eleven days, they will accrue sick time at a rate of 1 hour for every 30 hours worked. Accrued sick time is available for use by a new hire during the first pay period of their employment. The accrual amount will result in no less than 24 hours of accrued sick leave by the 120th calendar day of employment or each calendar year and no less than 40 hours of accrued sick leave or paid time off by the 200th calendar day of employment or each calendar year.

Part-time employees will receive 40 hours or 5 days of sick leave upon hire and will receive forty 40 hours or 5 days of sick leave on an annual basis on January 1<sup>st</sup> of each subsequent year. There is no year-to-year accrual of sick leave for part-time employees.

~~Full-time employees who physically work eleven (11) eight (8) hour days in the month or use paid accrued leave equivalent to at least eleven (11) days will accrue sick leave at the rate of eight hours (8) per month. If they do not physically work eleven (11) eight (8) hour days in the month or do not use paid accrued leave equivalent to at least eleven (11) days, they will accrue sick time at a rate of one (1) hour for every thirty (30) hours worked. Accrued sick time is available for use by a new hire during the first pay period of their employment.~~

~~The accrual amount will result in no less than 24 hours of accrued sick leave by the 120th calendar day of employment or each calendar year and no less than 40 hours of accrued sick leave or paid time off by the 200th calendar day of employment or each calendar year. Part-time employees will receive forty (40) hours or 5 days of sick leave upon hire and will receive forty (40) hours or 5 days of sick leave on an annual basis on January 1<sup>st</sup> of each subsequent year. There is no year to year accrual of sick leave for Part-time employees.~~

If the need for paid sick leave is foreseeable, the employee shall provide reasonable advance notification. If the need for paid sick leave is unforeseeable, the employee shall provide notice of the need for the leave as soon as practicable. Employees who are unable to report to work due to illness or injury are to notify their supervisor before the scheduled start of their workday. If the employee fails to notify their supervisor of the absence within one hour of the employee's start time, Human Resources will be notified and will attempt to contact the employee through their emergency contact information. Their supervisor must also be contacted on each additional day of ~~absence, unless~~ absence unless other arrangements have been made with the supervisor. In addition to contacting their supervisor, for coordination purposes, employees working out of the administrative office must also inform the receptionist if they are not going to be at work. Similarly, employees working out of the maintenance office ~~must~~ must inform the maintenance dispatchers.

CADA may require a health care provider's statement verifying the need for three or more consecutive days of sick leave, including, medical appointments, illness, injury and beginning and expected ending dates. Any employee who is on an excused absence for more than three days, due to illness or injury, must contact Human Resources prior to returning to the workplace.

Sick leave is intended solely to provide income protection in the events protected by law and may not be used for any other absence unless specifically approved by the employee's supervisor.

Employees will not be paid for unused sick leave benefits while they are employed, nor at separation from employment. An employee who retires from PERS service, however, will receive additional service credit for any unused sick leave.

If an employee separates from an employer and is rehired by the employer within one year from the date of separation, previously accrued and unused paid sick days shall be reinstated.

Paid sick leave is used in ~~2-hour~~ 2-hour minimum increments and compensated at the regular rate of pay.

#### **F. School Activities**

An employee may take ~~off time~~ time off from work to participate in school activities if all the following conditions are met:

- The employee is a parent, guardian, or grandparent having custody of one or more children in kindergarten or grades one to 12;
- The employee takes off no more than 40 hours each school year and does not exceed ~~eight~~ 8 hours in any calendar month of the school year;

- The employee's absence is related to participation in activities of the school of any dependent children; and
- Before taking off, the employee gives reasonable notice to the employer of the planned absence.

Employees must use vacation [time in](#) order to receive compensation for this time off. Employees who do not have paid time off available will take the time off without pay.

### **G. Catastrophic Leave**

Employees may donate, if they so desire, their vacation leave to another employee with the approval of their supervisor and the supervisor of the employee to whom they wish to donate their hours. Vacation leave should be donated and used by the recipient employee only when there are extraordinary circumstances of need as determined by Human Resources (and in accordance with this policy). Catastrophic leave is not intended to be used for ~~reoccurring~~[recurring](#) minor ~~illnesses, and illnesses and~~ may not exceed 6 work weeks in a 12-month period from when the first Catastrophic leave hour was used by the recipient employee. If an employee is receiving some form of other compensation during this period (e.g., AFLAC, SDI), the employee must inform Human Resources. Such other compensation will be included when determining their Leave eligibility.

A recipient employee must exhaust the majority of their leave accruals but may retain up to a combined total of forty (40) hours of vacation and sick time and still receive donated time. Recipient employees will not accrue vacation or sick leave during this period.

Donated hours will be placed in a "Catastrophic Leave Bank" for use by the recipient employee; the recipient employee will use the hours according to the date of the donation (i.e., those hours donated first will be used first). Any hours remaining in the "Catastrophic Leave Bank" after Human Resources indicates the catastrophic event has concluded shall be returned to the employee who donated the hours.

Donations of accrued vacation leave by an employee to other employees upon termination of their employment are prohibited.

### **H. Management Leave**

In recognition of the need to devote more than ~~forty (40)~~[40](#) hours per week to their duties, management leave in the amount of ~~forty (40)~~[40](#) hours per calendar year shall be granted to those in the manager classification and above each January 1. Managers hired after January 1<sup>st</sup> will receive 3.33 hours for each full month worked through December 31<sup>st</sup> of that year.

[Management leave shall carry over from year to year, subject to a maximum accrual cap of ~~60~~\[40\]\(#\) hours. Once a manager reaches the maximum accrual, no additional management leave will accrue until the balance falls below the cap \(unless authorized to exceed their maximum accrual by the Executive Director\).](#)

[At the end of the employment relationship, managers will be paid for unused management leave.](#)

~~Management leave must be used in the year given; there are no carryover provisions in regard to management leave unless specifically authorized by the Executive Director.~~

### **I. Leaves of Absence**

It is CADA's policy to grant leaves of absence, as described in the following "Types of Leave" section, to all eligible employees on a nondiscriminatory basis. Except as otherwise indicated, all leaves of absence are available on an unpaid basis. All leaves of absence are reviewed and granted or denied at the discretion of the Executive Director.

Subject to any applicable legal restrictions, requests for leaves of absence will be considered on the basis of the employee's length of service, performance, level of responsibility, the reason for the request, and CADA's ability to obtain a satisfactory replacement during the time the employee is away from work.

### **Returning from a Leave of Absence/Abandonment of Employment**

When an employee is granted a leave of absence, an effort will be made to hold the employee's position open for the period of the approved leave. Due to business needs, however, (unless otherwise required by law) there will be times when the position cannot be held open. Under such conditions, it will not be possible to guarantee reinstatement. Subject to any applicable legal restrictions, an employee's reinstatement rights are as follows: If an employee's former position is unavailable when the employee is ready to return from an approved leave, CADA will make every effort to place the employee in a comparable position for which the employee is qualified. If such a position is not available, the employee will be offered the next suitable position for which the employee is qualified, if such a position exists. An employee who does not accept a position offered by CADA will be considered to have voluntarily terminated employment, effective the day such refusal is made.

An employee who accepts other employment, without prior approval, during a leave of absence, or who fails to return on the next regularly scheduled ~~work day~~ workday following the expiration of an approved leave, will be considered to have abandoned their employment and may be terminated. Exceptions will be made for those employees who have obtained an authorized extension prior to the leave of absence expiration date.

### **Status of Benefits During Leave**

No CADA-sponsored benefits are earned or accrued during an unpaid leave of absence. When an employee returns from a leave of absence, eligibility and accrual dates will be adjusted forward to account for the period of the leave.

During an employee's leave, CADA will continue to pay for the employee's participation in CADA's health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave, meaning employees will continue to be responsible for all employee and any dependent health insurance costs. For any unpaid period during a leave of absence, CADA will pay for the employee's participation in CADA's health plans on the employee's behalf. However, the employee will be required to reimburse CADA for such health premiums paid during their unpaid leave. When paid leave is being substituted for unpaid leave for at least 50% of the month, through use of time off accruals, the employee will earn their Cafeteria Allowance, and health premiums will continue to be deducted as usual during that pay period.

### **Misrepresentations**

Any employee who misrepresents their reasons for applying for a leave of absence may face disciplinary action, including termination.

## **Types of Leaves of Absence**

### **1. ~~4.~~ Family Care and Medical Leaves**

Although CADA does not have any employees who are eligible for the federal Family Medical Leave Act ("FMLA"), CADA employees may qualify for leave under the California Family Rights Act ("CFRA"). CADA has implemented this Family Care and Medical Leave policy in order to provide the rights and responsibilities included in the CFRA, as well as many, but not all, of the rights and responsibilities included in the FMLA, as detailed below.

**California Family Rights Act Leave** may be requested for the following situations:

- An eligible employee may take job-protected leave:
- For reason of the birth of a child of the employee or the placement of a child with an employee in connection with the adoption or foster care of the child by the employee.
- Care for a child of any age, spouse, domestic partner, parent, grandparent, grandchild, or sibling with a serious health condition. “Child” means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of an employee or the employee’s domestic partner, or a person to whom the employee stands in loco parentis. “Parent” includes a biological, foster, or adoptive parent, a parent-in-law, a stepparent, a legal guardian, or other person who stood in loco parentis to the employee when the employee was a child.
- Additionally, an employee may take leave to care to include a “designated person.” A designated person means any individual related by blood or whose association with the employee is the equivalent of a family relationship. The designated person may be identified by the employee at the time the employee requests the leave. As allowed by the law, CADA limits an employee to one designated person per 12-month period for CFRA leave.
- Because of an employee’s own serious health condition that makes the employee unable to perform the functions of the position of that employee, except for leave taken for disability on account of pregnancy, childbirth, or related medical conditions.
  - Because of a qualifying exigency related to the covered active duty or call to covered active duty of an employee’s spouse, domestic partner, child, or parent in the Armed Forces of the United States, as specified in Section 3302.2 of the Unemployment Insurance Code.

~~A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either (A) inpatient care in a hospital, hospice, or residential health care facility; or (B) continuing treatment or continuing supervision by a health care provider~~

A serious health condition is an illness, injury, impairment, or physical or mental condition that involves either inpatient care in a hospital, hospice, or residential health care facility; or continuing treatment or continuing supervision by a health care provider. “Child” means a biological, adopted, or foster child, a stepchild, a legal ward, or a child of an employee or the employee’s domestic partner, or a person to whom the employee stands in loco parentis. “Parent” includes a biological, foster, or adoptive parent, a parent-in-law, a stepparent, a legal guardian, or other person who stood in loco parentis to the employee when the employee was a child. A designated person means any individual related by blood or whose association with the employee is the equivalent of a family relationship. The designated person may be identified by the employee at the time the employee requests the leave. CADA limits an employee to one designated person per 12-month period for CFRA leave.

The 12-month period during which the 12 work weeks of leave may be taken under this section shall be the 12-month period measured forward from the date upon which the employee’s first family care or medical leave begins.

Leave Requests. Written requests for a family care or medical leave of absence must be submitted in writing at least 30 days before the leave is to commence or as soon as the reasons for leave become known to the employee if such prior 30-day notice is not possible. All written leave requests must include the anticipated date(s) and duration of the leave. Written requests for extension of such leave must be received by CADA at least five working days before the date on which the employee was originally scheduled to return to work and must state the revised anticipated date(s) and duration of the leave.

Terms of Family Care and Medical Leave. Family care leave taken for the birth, adoption, or foster care placement of a child must be concluded within ~~one~~1 year of the birth, adoption, or placement, and may be taken intermittently in periods of at least two weeks. Family care, medical leave for the serious health condition of the employee's child, parent, parent-in-law, grandparent, grandchild, sibling, spouse, or registered domestic partner, designated person or for the employee's own serious health condition, may also be taken intermittently or on a reduced work schedule when medically necessary. If leave is taken intermittently or on a reduced schedule in order to accommodate planned medical treatment of the employee or family member, CADA retains the discretion to transfer the employee temporarily to an alternative position, with equivalent pay and benefits, which better accommodates the employee's leave schedule.

If the leave is requested in connection with a planned, non-emergency medical treatment, the employee must make a reasonable effort to schedule the treatment ~~so as to~~to minimize the disruption of CADA's operations.

Effect of Family Care and Medical Leave on Health Benefits. During an employee's family care or medical leave, CADA will continue to pay for the employee's participation in CADA's health plans, to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

For any unpaid period during a leave of absence, CADA will pay for the employee's participation in CADA's health plans on the employee's behalf. However, the employee will be required to reimburse CADA for such health premiums paid during their unpaid leave. When paid leave is being substituted for unpaid leave for at least 50% of the month, through use of time off accruals, the employee will earn their Cafeteria Allowance, and health premiums will continue to be deducted as usual during that pay period.

The employee also may, at CADA's option, be required to reimburse CADA for such health premiums paid during the employee's unpaid leave if, upon the employee's return, the employee requests and is granted a reduced work schedule for which such benefits would not be paid by CADA.

Employees on family care or medical leave accrue employment benefits, such as sick leave or vacation benefits, only when paid leave is being substituted for unpaid leave and only if the employee would otherwise be entitled to such accrual.

Certification of Eligibility. Employees must consult with Human Resources to determine their eligibility for the leave, the length and terms of the leave, and reinstatement.

Medical Certification. Any request for medical leave for an employee's own serious health condition or for family care leave to care for a child, spouse, or parent with a serious health condition must be supported by medical certification from a health care provider. The employee must provide the required medical certification within 15 calendar days after CADA's request for certification, unless it is not practicable under the circumstances to do so. Failure to provide the required medical certification may result in the denial of foreseeable leaves until such certification is provided. In the case of unforeseeable leaves, failure to provide the required medical certification within 15 days of being asked to do so may result in a denial of the employee's continued leave. Any request for an extension of the leave also must be supported by an updated medical certification.

Return to Work. Employees returning from family care or medical leave are entitled to reinstatement to the same or comparable position consistent with applicable law. If the employee has been on leave for their own serious health condition, before permitting the employee to return to work, the employee must provide medical certification that they are

able to return to work.

Non-Discrimination. CADA recognizes the value of family care and medical leave and will not discriminate against any employee who chooses to exercise their right to such leave. Details concerning the applicability of the [FMLA and CFRA Family Medical Leave Act and California's Family Rights Act](#) to a particular situation are available from Human Resources.

Substitution of Paid Leave. For qualifying family care or medical leaves of absence, employees are required to substitute vacation for all family care and medical leaves. Sick leave must be used for an employee's own serious health condition and may be used if the leave is for the birth, adoption, or foster care of the employee's child or for the illness of a family member. Employees, however, are not required to exhaust their leave balances and may, at their option, retain up to a maximum of ~~forty (40 40)~~ hours of combined vacation and/or sick leave. The substitution of paid leave for family care or medical leave does not extend the total duration of family care and medical leave to which an employee is entitled to beyond ~~twelve (12) 10~~ weeks in a ~~twelve (12) 12~~-month period.

## **2. Pregnancy Disability Leave**

An employee disabled by pregnancy, childbirth, or a related medical condition may request a pregnancy disability leave. This leave may be for the period the employee's health care provider verifies that the employee is disabled by pregnancy, childbirth, or a related medical condition, and that the employee is unable to perform her job, up to a maximum of ~~four (4 4)~~ months. This leave may run concurrently with any other applicable leave. The employee must consult with CADA and make a reasonable effort to schedule any planned medical treatment or supervision ~~so-as-to-to~~ minimize disruption to CADA's operations. Any scheduling, however, shall be subject to the approval of the employee's health care provider.

CADA will provide reasonable accommodation to an employee disabled by pregnancy, childbirth, or related medical condition, if they so request, on the advice of their health care provider. Such reasonable accommodation may include a temporary transfer to a less strenuous or hazardous position, if the ~~employee-se~~employee requests and is qualified to perform the job, on the advice of her physician. However, CADA will not create an additional position for such an accommodation, nor will CADA discharge any employee or transfer an employee with more seniority.

Leave Requests. For foreseeable events, if possible, the employee must provide 30 days' advance notice of the need for such leave. For events that are unforeseeable 30 days in advance, the employee must notify CADA as soon as practicable.

All leave requests must include the anticipated date(s) and duration of the leave. Any requests for an extension of such leave must be received by CADA at least five working days before the date on which the employee was originally scheduled to return to work and must state the revised anticipated date(s) and duration of the leave.

Terms of Pregnancy Disability Leave. Pregnancy disability leave may be taken intermittently or on a reduced work schedule, when medically advisable, as determined by the employee's health care provider. If it is medically advisable for an employee to take intermittent leave or leave on a reduced work schedule, and it is foreseeable based on planned medical treatment because of pregnancy, CADA may require the employee to transfer to an available alternative position. This alternative position will have the equivalent rate of pay and benefits the employee must be qualified for the position, and it must better accommodate recurring periods of leave than the employee's regular job. The alternative position does not have to have equivalent duties. Transfers to an alternative

position may include altering an existing job to ~~accommodate better~~ better accommodate the employee's need for intermittent leave or a reduced work schedule.

Certification of Eligibility. Employees must consult with Human Resources to determine their eligibility for the leave, the length and terms of the leave, and reinstatement.

Medical Certification. Any request for pregnancy disability leave must be supported by medical certification from a health care provider. The employee must provide the required medical certification within 15 calendar days after CADA's request for certification, unless it is not practicable under the circumstances to do so. Failure to provide the required medical certification may result in the denial of foreseeable leaves until such certification is provided. In the case of unforeseeable leaves, failure to provide the required medical certification within 15 days of being asked to do so may result in a denial of the employee's continued leave. Any request for an extension of the leave also must be supported by an updated medical certification from their health care provider.

Effect of Pregnancy Disability Leave on Health Benefits. During an employee's pregnancy disability leave, CADA will continue to pay for the employee's participation in CADA's health plans, up to a maximum of ~~four (4)~~ 4 months in a 12-month period, to the same extent and under the same terms and conditions as would apply had the employee not taken leave.

If the employee fails to return from the leave for a reason other than the recurrence, continuation, or onset of a health condition that brought about the need or qualifies for family care or medical leave or other circumstances beyond the employee's control, the employee may, at CADA's option, be required to reimburse CADA for any health premiums paid by CADA on the employee's behalf during any unpaid periods of the leave.

Unpaid Leave. Pregnancy disability leave will be unpaid. CADA, however, requires employees to substitute accrued and available sick leave. Employees may elect to use all available paid leave. The substitution of paid leave for pregnancy disability leave does not extend the total duration of leave to which an employee is entitled.

Return to Work. Employees returning from pregnancy-related disability leave are entitled to reinstatement to the same or comparable position consistent with applicable law. CADA retains the right to deny reinstatement when such reinstatement would substantially undermine CADA's ability to operate its business safely and efficiently. An employee who returns to work after a pregnancy disability leave must have a written release from her health care provider. This release must verify that the employee is able to return to work.

Non-Discrimination. CADA recognizes the value of pregnancy disability leave and will not discriminate against any employee who exercises her right to such leave. Details concerning the applicability of the pregnancy-related disability leave provisions in California's Fair Employment and Housing Act to a particular situation are available from Human Resources.

### **3. Unpaid Victims of Violence Leave**

Employees are allowed to take time off because they are a victim or to help a family member who is a victim of a qualifying act of violence. A "qualifying act of violence" is defined as any of the following, regardless of whether anyone is arrested for, prosecuted for, or convicted of committing any crime:

- (a) domestic violence;
- (b) sexual assault;

- (c) stalking;
- (d) Acts, conduct or a pattern of conduct involving injury or death
- (e) Acts, conduct or a pattern of conduct involving a firearm or another dangerous weapon
- (f) Acts, conduct or a pattern of conduct involving reasonably perceived or actual threats of physical injury or death

“Family member” means a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner, or a designated person. The designated person may be identified by the employee at the time the employee requests leave. CADA limits the employee to one designated person per 12-month period.

### **Reasons:**

Employees are able to take time off to:

- (1) To obtain or attempt to obtain any relief for the family member. Relief includes, but is not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the family member of the victim.
- (2) To seek, obtain, or assist a family member to seek or obtain, medical attention for or to recover from injuries caused by a qualifying act of violence.
- (3) To seek, obtain, or assist a family member to seek or obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of a qualifying act of violence.
- (4) To seek, obtain, or assist a family member to seek or obtain psychological counseling or mental health services related to an experience of a qualifying act of violence.
- (5) To participate in safety planning or take other actions to increase safety from future qualifying acts of violence.
- (6) To relocate or engage in the process of securing a new residence due to the qualifying act of violence, including, but not limited to, securing temporary or permanent housing or enrolling children in a new school or childcare.
- (7) To provide care to a family member who is recovering from injuries caused by a qualifying act of violence.
- (8) To seek, obtain, or assist a family member to seek or obtain civil or criminal legal services in relation to the qualifying act of violence.
- (9) To prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding related to the qualifying act of violence.
- (10) To seek, obtain, or provide childcare or care to a care-dependent adult if the childcare or care is necessary to ensure the safety of the child or dependent adult as a result of the qualifying act of violence.

CADA requires that the employee give reasonable advance notice of their intention to take time off unless the advance notice is not feasible.

When an unscheduled absence occurs, CADA may request a certification from the employee within a reasonable time after the absence. Certification may include any of

the following:

(A) A police report indicating that the employee or a family member of the employee was a victim.

(B) A court order protecting or separating the employee or a family member of the employee from the perpetrator of the qualifying act of violence, or other evidence from a court or prosecuting attorney that the employee or a family member of the employee has appeared in court.

(C) Documentation from a licensed medical professional, domestic violence counselor, as defined in Section 1037.1 of the Evidence Code, a sexual assault counselor, as defined in Section 1035.2 of the Evidence Code, victim advocate, licensed health care provider, or counselor that the employee or a family member of the employee was undergoing treatment or seeking or receiving services directly related to the qualifying act of violence.

(D) Any other form of documentation that reasonably verifies that the qualifying act of violence occurred, including, but not limited to, a written statement signed by the employee, or an individual acting on the employee's behalf, certifying that the absence is for a purpose authorized under this provision.

### Duration of Leave:

An employee is allowed to take up to 12 weeks off if the employee is the victim of a qualifying act of violence. An employee whose family member survived a qualifying act of violence is entitled to up to 10 days off work for activities protected by law. Up to five days may be used to help a family member relocate, which includes searching for housing or enrolling children in a new school or childcare.

While the leave is unpaid, employees may use available vacation or paid sick leave to take time off for any of the qualifying reasons. If an employee is also eligible for leave under the FMLA or CFRA, their time off resulting from a qualifying act of violence runs at the same time. That means employees are not entitled to back-to-back leave.

### Reasonable accommodation for victims of qualifying acts of violence:

CADA will provide reasonable accommodations for an employee who is a victim or whose family member is a victim of a qualifying act of violence and requests an accommodation for the safety of the employee while at work.

CADA will engage in a timely, good faith, and interactive process with the employee to determine effective reasonable accommodations. In determining whether the accommodation is reasonable, CADA will consider an exigent circumstance or danger facing the employee or their family member.

Reasonable accommodations may include the implementation of safety measures, including a transfer, reassignment, modified schedule, changed work telephone, permission to carry telephone at work, changed work station, installed lock, assistance in documenting domestic violence, sexual assault, stalking, or another qualifying act of violence that occurs in the workplace, an implemented safety procedure, or another adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, stalking, or other qualifying act of violence, or referral to a victim assistance organization.

CADA is not required to provide a reasonable accommodation to an employee who has not disclosed the employee's status, or the employee's family member's status, as a victim.

The law does not require CADA to undertake an action that constitutes an undue hardship on its business operations, including an action that would violate its duty to furnish and maintain a place of employment that is safe and healthful for all employees.

Upon the request of CADA, an employee requesting a reasonable accommodation shall provide the employer with a written statement signed by the employee or an individual acting on the employee's behalf, certifying that the accommodation is for a purpose of accommodation as described above.

CADA may also request certification from an employee requesting an accommodation demonstrating the employee's status, or the employee's family member's status, as a victim. Certification may include documents as specified for the purposes of victim's leave. CADA may request recertification of an employee's status, or an employee's family member's status, as a victim, or ongoing circumstances related to the qualifying act of violence, every six months after the date of the previous certification. If an employee no longer needs an accommodation, the employee shall notify the employer that the accommodation is no longer needed.

Any verbal or written statement, police or court record, or other documentation provided to Human Resources identifying an employee or the employee's family member as a victim will be maintained as confidential by CADA and will not be disclosed except as required by federal or state law or as necessary to protect the employee's safety in the workplace.

#### 1.—Paid Family Leave

~~2.— Employees are allowed to take time off because they are a victim/ or to help a family member who is a victim of a qualifying act of violence.~~

- ~~• “Qualifying act of violence” is defined as any of the following, regardless of whether anyone is arrested for, prosecuted for or convicted of committing any crime:~~
- ~~• (a) domestic violence;~~
- ~~• (b) sexual assault;~~
- ~~• (c) stalking; and~~
- ~~• (d) an act, conduct, or pattern of conduct that includes any of the following:~~
- ~~• (i) In which an individual causes bodily injury or death to another individual.~~
- ~~• (ii) In which an individual exhibits, draws, brandishes, or uses a firearm, or other dangerous weapon, with respect to another individual.~~
- ~~• (iii) In which an individual uses, or makes a reasonably perceived or actual threat to use, force against another individual to cause physical injury or death.~~
- ~~• “Family member” means a child, parent, grandparent, grandchild, sibling, spouse, or domestic partner, or a designated person. The designated person may be identified by the employee at the time the employee requests leave, and an employer may limit an employee to one designated person per 12-month period.~~
- ~~• **Reasons:**~~
- ~~• Employees are able to take time off to:~~
- ~~• (1) To obtain or attempt to obtain any relief for the family member. Relief includes, but is not limited to, a temporary restraining order, restraining order, or other injunctive relief, to help ensure the health, safety, or welfare of the family member of the victim.~~
- ~~•~~
- ~~• (2) To seek, obtain, or assist a family member to seek or obtain, medical attention for or to recover from injuries caused by a qualifying act of violence.~~

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- (3) To seek, obtain, or assist a family member to seek or obtain services from a domestic violence shelter, program, rape crisis center, or victim services organization or agency as a result of a qualifying act of violence.
- 
- (4) To seek, obtain, or assist a family member to seek or obtain psychological counseling or mental health services related to an experience of a qualifying act of violence.
- 
- (5) To participate in safety planning or take other actions to increase safety from future qualifying acts of violence.
- 
- (6) To relocate or engage in the process of securing a new residence due to the qualifying act of violence, including, but not limited to, securing temporary or permanent housing or enrolling children in a new school or childcare.
- 
- (7) To provide care to a family member who is recovering from injuries caused by a qualifying act of violence.
- 
- (8) To seek, obtain, or assist a family member to seek or obtain civil or criminal legal services in relation to the qualifying act of violence.
- 
- (9) To prepare for, participate in, or attend any civil, administrative, or criminal legal proceeding related to the qualifying act of violence.
- 
- (10) To seek, obtain, or provide childcare or care to a care-dependent adult if the childcare or care is necessary to ensure the safety of the child or dependent adult as a result of the qualifying act of violence.
- CADA requires that the employee give a reasonable advance notice of their intention to take time off, unless the advance notice is not feasible.
- When an unscheduled absence occurs, CADA may request a certification from the employee within a reasonable time after the absence. Certification may include any of the following:
- (A) A police report indicating that the employee or a family member of the employee was a victim.
- 
- (B) A court order protecting or separating the employee or a family member of the employee from the perpetrator of the qualifying act of violence, or other evidence from a court or prosecuting attorney that the employee or a family member of the employee has appeared in court.
- 
- (C) Documentation from a licensed medical professional, domestic violence counselor, as defined in Section 1037.1 of the Evidence Code, a sexual assault counselor, as defined in Section 1035.2 of the Evidence Code, victim advocate, licensed health care provider, or counselor that the employee or a family member of the employee was undergoing treatment or seeking or receiving services directly related to the qualifying act of violence.
- 
- (D) Any other form of documentation that reasonably verifies that the qualifying act of violence occurred, including, but not limited to, a written statement signed by the employee, or an individual acting on the employee's behalf, certifying that the absence is for a purpose authorized under this provision.
- Duration of Leave:**
- up to 12 weeks in total if the employee is the victim;
- up to 5 days for the purposes of helping a family member relocate, if the family member is a victim and the employee is not a victim;

- ~~up to 10 days total if the employee’s family is a victim who is not deceased, and the employee is not a victim.~~
- ~~The leave is unpaid, but employees may use vacation time or accrued and available paid sick leave concurrently with their time off due to a qualifying reason. This leave runs concurrently with the California Family Rights Act leave if the employee would have been eligible for that type of leave.~~
- ~~Reasonable accommodation for victims of qualifying acts of violence:~~
- ~~CADA will provide reasonable accommodations for an employee who is a victim or whose family member is a victim of a qualifying act of violence and requests an accommodation for the safety of the employee while at work.~~
- ~~CADA will engage in a timely, good faith, and interactive process with the employee to determine effective reasonable accommodations. In determining whether the accommodation is reasonable, CADA will consider an exigent circumstance or danger facing the employee or their family member.~~
- ~~Reasonable accommodations may include the implementation of safety measures, including a transfer, reassignment, modified schedule, changed work telephone, permission to carry telephone at work, changed work station, installed lock, assistance in documenting domestic violence, sexual assault, stalking, or another qualifying act of violence that occurs in the workplace, an implemented safety procedure, or another adjustment to a job structure, workplace facility, or work requirement in response to domestic violence, sexual assault, stalking, or other qualifying act of violence, or referral to a victim assistance organization.~~
- ~~CADA is not required to provide a reasonable accommodation to an employee who has not disclosed the employee’s status, or the employee’s family member’s status, as a victim.~~
- ~~The law does not require CADA to undertake an action that constitutes an undue hardship on its business operations, including an action that would violate its duty to furnish and maintain a place of employment that is safe and healthful for all employees.~~
- ~~Upon the request of CADA, an employee requesting a reasonable accommodation shall provide the employer a written statement signed by the employee or an individual acting on the employee’s behalf, certifying that the accommodation is for a purpose of accommodation as described above.~~
- ~~CADA may also request certification from an employee requesting an accommodation demonstrating the employee’s status, or the employee’s family member’s status, as a victim. Certification may include documents as specified for the purposes of victim’s leave. CADA may request recertification of an employee’s status, or an employee’s family member’s status, as a victim, or ongoing circumstances related to the qualifying act of violence, every six months after the date of the previous certification. If an employee no longer needs an accommodation, the employee shall notify the employer that the accommodation is no longer needed.~~
- ~~Any verbal or written statement, police or court record, or other documentation provided to Human Resources identifying an employee or the employee’s family member as a victim will be maintained as confidential by CADA and will not be disclosed except as required by federal or state law or as necessary to protect the employee’s safety in the workplace.~~

~~3.4.~~ **4. Paid Family Leave**

Paid Family Leave (“PFL”), which is administered by the Employment Development Department (“EDD”), not CADA, is a partial wage replacement benefit paid to workers who suffer a wage loss when they take time off work to (1) care for a seriously ill family member,

including a child, parent/parent-in-law, spouse, sibling, grandparent, grandchildren, domestic partner, or domestic partner's child, (2) bond with a new child during the first year after the birth or placement of the child in connection with foster care or adoption, or (3) participate in approved activities related to the active duty or call to duty of a spouse, domestic partner, child, or parent in the Armed Forces of the United States. Qualified employees are eligible for a maximum of ~~six (6)~~ 6 weeks of benefits in a ~~twelve (12) month~~ 12-month period.

PFL does not create any rights to a leave of absence or ~~reinstatement, but~~ reinstatement but simply provides partial wage replacement for qualified employees who are otherwise eligible for leave such as CFRA or pregnancy leave. Employees must meet all EDD eligibility requirements to qualify for PFL benefits. The PFL program is funded by withholdings from employee paychecks.

An employee who is entitled to leave under the ~~Family Care and Medical Leave~~ FMLA policy must take PFL concurrently with leave taken under those rights.

## **5. ~~5.~~ Organ and Bone Marrow Donation Leave**

Consistent with ~~s~~ State law, CADA will permit an employee to take a paid leave of absence:

(1) Not exceeding 30 ~~work days~~ workdays to an employee who is an organ donor in any ~~one~~ 1-year period, for the purpose of donating their organ to another person. An additional unpaid leave of absence, not exceeding 30 ~~work days~~ workdays in a ~~one~~ 1-year period, may be granted to an employee who is an organ donor for the purpose of donating the employee's organ to another person. The one-year period is measured from the date the employee's leave begins and shall consist of 12 consecutive months; and

(2) Not exceeding ~~5 five (5)~~ 5 work-days to an employee who is a bone marrow donor in any ~~one~~ 1-year period, for the purpose of donating their bone marrow to another person.

This leave may be taken in one or more periods. In order to receive this type of leave of absence, an employee must provide written verification to CADA that ~~s/he~~ the employee is an organ or bone marrow donor and that there is a medical necessity for the donation of the organ or bone marrow.

This leave does not run concurrently with ~~Family Care and Medical Leave~~ FMLA. During the leave, CADA will continue to maintain the employee's group health coverage on the same terms as when the employee is not on leave.

CADA requires as a condition of an employee's initial receipt of organ or bone marrow donation leave that the employee take ~~five (5)~~ 5 days of earned but unused sick or vacation leave for bone marrow donation and ~~two (2)~~ 2 weeks of earned but unused sick or vacation leave for organ donation.

Time off for this leave will not be considered a break in service. When the employee returns to work, CADA will restore ~~him/her~~ the employee to the same or an equivalent position ~~s/he~~ the employee held when the leave commenced, unless CADA declines to restore the employee because of conditions unrelated to the taking of the leave.

## **6. ~~6.~~ Medical Leave of Absence – Work-Related**

A leave of absence will be granted to any full-time or fractional employee who sustains a work-related (occupational) illness or injury for the duration of the work-related illness or

injury until one of the following situations occurs:

- The employee is released for full or partial duty;
- CADA receives satisfactory medical evidence stating that the employee will be permanently unable to return to work; [or](#)
- The employee informs CADA, directly or indirectly, by accepting other employment, by moving out of state, or by other means, that they do not intend to return to work.

Notification requirements for a work-related medical leave are the same as for medical leaves of absence that are not work related. Please [refer to the see below re: Workers' Compensation Insurance section below for more information](#).

## **7. ~~7.~~ Personal Leave of Absence**

An unpaid ~~p~~Personal ~~Leave~~ ~~leave~~ of absence may be granted to an employee in cases where an extended period of time away from the job will be in the best interests of the employee and/or CADA. This policy is intended to outline unpaid ~~Leaves~~ ~~leaves~~ of ~~a~~Absence for reasons other than those covered elsewhere in this Handbook and/or for employees who are not yet eligible for any other leaves outlined in this Handbook.

Written requests for such leave must specify the purpose, start date, and return to work date of the requested leave. Such request should also include any relevant backup documentation to support the request for a ~~p~~Personal ~~l~~Leave of ~~a~~Absence. All such requests should be submitted to the Human Resources Manager at least 30 days before the leave commences, or as soon as possible if the need for the leave was not foreseeable. Such leaves may be granted or denied at the sole discretion of the Executive Director and/or their designee in compliance with applicable laws.

A leave may be granted for a period not to exceed 30 days in a calendar year and may be extended only with the written approval of the Executive Director and/or his/her designee. The procedure for granting extensions shall be the same as that in granting the original leave, provided that the request for extension must be made not later than 5 days prior to the expiration of the original leave.

Whenever an employee who has been granted a Personal Leave of Absence desires to return work before expiration of such leave, the employee shall notify Human Resources at least ~~2 two (2)~~ working days in advance of the return.

No benefits shall accrue during a ~~p~~Personal ~~l~~Leave of ~~a~~Absence, ~~unless~~ ~~absence unless~~ eligible paid leave is substituted. During the periods for which the employee will be absent, arrangements for any benefit premium payments must be made on or before each scheduled payday by the employee in order to maintain insurance coverage.

An employee's failure to return timely from a ~~p~~Personal ~~l~~Leave of absence will be considered a voluntary separation.

## **8. ~~8.~~ Drugs and Alcohol Rehabilitation Leave**

CADA wishes to assist employees who recognize that they have a problem with drugs or alcohol. Employees who have a problem with drugs and alcohol and who decide to enroll voluntarily in a drug and/or alcohol rehabilitation program may be given unpaid time off to participate in the program. If an employee requests time off to participate in such a program, CADA will also make a reasonable effort to keep the fact that the employee is enrolled in a program confidential.

The employee may use any accrued sick leave or vacation, while on drug and alcohol leave. However, additional benefits will not be earned during any unpaid leave of absence.

## 9. ~~9.~~ Sabbatical Leave

After 10 years of employment, an employee may request an unpaid sabbatical leave of up to six months. The Executive Director and the CADA Board of Directors will consider each request on a case-by-case basis.

## 10. ~~10.~~ Bereavement Leave

~~This leave of absence~~ Bereavement leave may be granted to any employee who requires time off due to the death of a loved one. The employee must notify their supervisor immediately, who will then notify Human Resources as to the estimated duration of the leave and estimated return date. All employees working for at least 30 days before taking the leave will be granted up to five days paid time off per calendar year. Requests for leaves of a longer duration will be considered on a case-by-case basis and require the approval of the Executive Director. Upon separation, employees will not be paid for unused bereavement time.

Bereavement leave may be taken intermediately within three months of the death.

## 11. ~~11.~~ Reproductive Loss Leave

All employees who have worked for CADA for 30 days or more before the start of the leave are eligible for reproductive loss leave.

Employees who experience a reproductive loss event as defined by law will be provided with up to five days of time off from work within three months of the event. Notwithstanding the foregoing, if prior to or immediately following a reproductive loss event, an employee is on or chooses to go on leave under another leave entitlement, such as the California Family Rights Act (CFRA) or PFDL, the reproductive loss leave ~~Reproductive Loss Leave~~ will be available for use during the three months following the end date of the Other Leave. The days do not need to be used consecutively. Employees who experience more than one reproductive loss event within a 12-month period, period are limited to 20 days of Reproductive Loss Leave during ~~that~~ that 12-month period.

In order to be paid while using reproductive loss leave ~~Reproductive Loss Leave~~, accrued sick leave shall be used for all employees who have such time available. At the employee's option, unused vacation (if eligible) may be used instead of sick leave. Employees who have no available sick time or choose not to use vacation will not be paid during their reproductive loss leave ~~Reproductive Loss Leave~~.

An employee who wishes to take reproductive loss leave ~~Reproductive Loss Leave~~ should notify their supervisor or Human Resources as soon as possible. CADA will maintain the confidentiality of any employee requesting reproductive loss leave and will not terminate, discriminate, or retaliate against employees for exercising their rights under the law.

## 12. ~~12.~~ Military Leaves of Absence

Any eligible employee will be granted a leave of absence for military duty in accordance with federal and state laws governing such leaves. Qualified spouses of members of the Armed Forces, National Guard, or Reserves may also be eligible for unpaid leave in accordance with state law.

### 13. — 13. Jury/Witness Duty

If an employee is requested to serve for jury or witness duty, they must bring the summons or subpoena to their supervisor within three working days of receipt. If called to jury or witness duty, employees will receive their regular pay for the working hours lost while on such duty, up to a maximum of 10 working days per year, provided the employee submits written verification from the court. The written verification must show the actual days served.— Employees on jury or witness duty for more than 10 working days per year may be placed on unpaid leave for the remainder of time they are absent or may choose to use available accrued paid sick leave. At the Executive Director's discretion, paid jury duty may be extended on a case-by-case basis, considering CADA's operating needs. An employee is to inform their supervisor of any time not served as a juror or witness during the normal work schedule. The supervisor will determine if the employee must return to work for the remainder of the day. The salary of an exempt employee will not be reduced for any week in which the employee works and also misses time to serve on a jury or as a witness.

This policy does not apply to employees who elect to serve as expert witnesses. If an employee elects to do so, they may request to use accrued vacation.

~~This policy does not apply to employees who elect to serve as expert witnesses. If an employee elects to do so, they may request to use accrued vacation.~~

### 14. — 14. Time Off to Vote

Employees are encouraged to fulfill their civic responsibilities by voting. If an employee is unable to vote in a statewide election during their non-working hours, CADA will grant up to two-2 hours of paid time off to vote. Employees must request time off to vote by submitting the Request for Time Off form to their immediate supervisor at least two-2 working days before the Election Day, including the reason that they cannot vote during non-working hours. Employees must submit a voter's receipt on the first working day following the election.

### 15. — 15. Lactation

CADA provides a reasonable amount of break time to accommodate an employee's need to express breast milk for the employee's infant child each time the employee has need to express breast milk during the workday. CADA will make a reasonable effort to provide the employee with the use of a room or other location in close proximity to the employee's work area for the employee to express milk in private. Such space will meet the requirements of the California Labor Code, including a surface to place a breast pump and personal items, a place to sit, access to electricity, a sink with running water, and a refrigerator for storing breast milk.

#### Procedures

An employee may request an accommodation for lactation breaks by submitting a lactation accommodation request form to Human Resources. Human Resources must respond to the employee's accommodation request form submitted by indicating the approval or denial of the break request. The completed request form must be returned to the employee, and a

copy sent to Human Resources.

The requested break time should, if possible, be taken concurrently with other scheduled break periods. Nonexempt employees must clock out for any lactation breaks that do not run concurrently with normally scheduled rest periods. Any such breaks will be unpaid.

CADA reserves the right to deny, in writing, an employee's request for a lactation break if the additional break time will seriously disrupt operations.

Employees have the right to file a complaint with the labor commissioner for any violation of rights provided under Chapter 3.8 of the California Labor Code regarding lactation accommodations.

## **J. Employee Assistance Program**

CADA is concerned about the welfare of our employees. To this end, we provide our employees with access to an Employee Assistance Program (EAP). CADA acknowledges that an employee who recognizes their need for help and takes positive action is likely to be healthier and better able to address the variety of stresses we all inevitably face in life.

All counseling provided in this program is completely confidential. The CADA EAP program provides assistance and counseling for:

- Tax Consultation
- Legal Issues and General Questions
- ~~Child care~~[Childcare](#) and elder care advice and planning
- Marital, family, and relationship problems
- Financial and credit concerns
- Substance abuse
- Emotional, personal, and stress-related concerns

The EAP program is part of CADA's commitment to a healthy, productive work environment. Information regarding this program is available from Human Resources.

## **K. Parking and Transportation**

Employees are provided one free parking space (as inventory allows) or a free Regional Transit pass. This is a benefit for use by CADA employees only. Employees submitting for reimbursement of a transit pass must submit a copy of the transit pass to Human Resources.

Free parking spaces for Maintenance staff are located in the secure parking lot at the Maintenance Warehouse for use during work hours. Free parking spots for RSR's will be at or as close as possible to the building they live in. Free parking spots for Administrative Office staff will be in any available spots within the agency's parking inventory.

Non-RSR employees who are CADA residents may rent a CADA parking space at the regular market rate and can complete the rental process through Leasing. There is no employee discount for rental of parking spaces.

If an employee needs a parking space or wants to relinquish a parking space, they should contact Leasing.

CADA assumes no responsibility or liability regarding any loss or damages to any employee's vehicle or its contents. The employee is also responsible for their own safety and well-being when in the parking areas. Caution should be taken by the employee when entering and leaving the premises.

CADA reserves the right to modify or cancel parking and transportation privileges.

## L. Direct Deposit of Paychecks

As a convenience to our employees, direct deposit of paychecks is available which allows employees to direct deposit their checks to several accounts. In addition to being a timesaving feature for employees, this process assures employees of the timely availability of their funds and allows employees to reserve funds for saving or other personal purposes. CADA reserves the right to pay wages via a physical paycheck, either placed in the employee's work mail cubby or mailed to the employee's mailing address, instead of via direct deposit at any time.

## V. Employee Requirements

### A. Employee Conduct and Work Rules

CADA strives to operate efficiently while providing a safe and pleasant working environment for its employees. To this end, it is necessary to set certain standards of conduct and provide employees with guidance concerning unacceptable behavior. Infractions of these rules will result in disciplinary action, up to and including termination. It must be noted, however, that this list is not exhaustive and merely contains examples of the types of conduct that can lead to the imposition of disciplinary action.

The following conduct is unacceptable:

- Falsification of any CADA document, including information on an application, a physical examination questionnaire, time record, and personnel records, including falsification by omission;
- Operating machinery or equipment in an unsafe manner such that it might endanger the safety of oneself or others;
- Unauthorized possession of or intentional damage to CADA, state, or staff property;
- Altering, falsifying, tampering, removing, or destroying records without permission;
- Discourtesy to anyone;
- Possession of weapons;
- Threats of violence, either implicit or explicit, toward officers, clients, contractors, consultants, or other employees;
- Defamatory remarks or gossip about CADA, other employees, or CADA residents;
- Insubordination;
- Dishonesty;
- Excessive absences or tardiness;
- Failure to observe working schedules, including rest and lunch periods;
- Failure to report personal injury, accident, or damage to CADA equipment;
- Conduct which reflects unfavorably on CADA;
- Unsatisfactory work performance, including, but not limited to, unsatisfactory quantity or quality of work;
- Violation of fire or safety regulations;
- Smoking in unauthorized areas;
- Failure to report having a communicable disease that could endanger other employees or clients;
- Impairment by the use, possession, manufacture, distribution, transfer, or sale or solicitation of illegal drugs during work hours on CADA property, including CADA vehicles, or while conducting CADA business;
- Impairment by the use, possession, manufacture, distribution, transfer, sale of alcohol on CADA property, including CADA vehicles or while conducting CADA business;
- Being under the influence of alcohol or illegal drugs on CADA property, including CADA vehicles, or while conducting CADA business;
- Misuse of CADA funds or property for personal gain or for other unauthorized purposes; and
- Committing or involvement in any act of unlawful harassment of another individual.

CADA is committed to ~~drug~~—a drug-free work environment but does not discriminate against

applicants or employees for off-duty cannabis use. Accordingly, when drug-testing, CADA will not utilize tests that screen nonpsychoactive cannabis metabolites.

## **B. Discipline**

When an employee engages in misconduct or an employee's job performance is unsatisfactory, CADA may initiate disciplinary procedures. The possible disciplinary actions that may be taken include oral reprimand, written reprimand, suspension without pay, demotions and/or termination. A notation or copy of all disciplinary actions will be placed in the employee's personnel file.

Employees are reminded, however, that CADA employment is at-will, and therefore, an employee who has not been disciplined may still be terminated at any time without cause or notice. Stated differently, employees should have no expectation of progressive discipline.

## **C. Dispute Resolution**

Note: ~~This~~ This policy does not apply to complaints involving harassment, discrimination, or retaliation, which are specifically addressed in CADA's harassment prohibition policy.

CADA is committed to on-going, open communication with employees regarding performance, goals, objectives, policies, benefits, and all other issues which have an impact on employees. CADA understands that during the course of agency business, questions, issues, and disputes may arise. CADA urges employees to resolve these issues/disputes through communication and compromise.

Employees who have any such questions, issues, or disputes are encouraged to bring them to the attention of their immediate supervisor. If an employee is unable to resolve the situation with the immediate supervisor, s/he may contact Human Resources for assistance in answering the question or resolving the issue/dispute. If the employee still has questions or concerns, s/he may request a meeting with the CADA Executive Director or his/her designee. The Executive Director or his/her designee will review the question, issue, or dispute and determine the appropriate action. The Executive Director or his/her designee's decision will be considered final and binding. Employees may raise their questions, issues, and disputes without fear of reprisal or discrimination. CADA strives to resolve employee concerns in a fair and equitable manner.

## **D. Attendance and Punctuality**

To maintain a safe and productive work environment, CADA expects employees to be reliable and punctual in reporting for work. Absenteeism and tardiness place a burden on other employees and on CADA. In the rare instance when an employee cannot avoid being late to work or is unable to work as scheduled, s/he must notify the supervisor as far in advance as possible of normal business hours and/or the employee's shift. If the employee is unable to notify their supervisor, they must contact Human Resources. In addition to contacting their supervisor, administrative staff are also required to inform the reception desk, and maintenance staff are required to inform the maintenance dispatcher. With the Executive Director's approval, supervisors may institute additional requirements.

Poor attendance and excessive tardiness are disruptive and unacceptable and may lead to disciplinary action, including termination of employment.

## **E. Safety**

Establishment and maintenance of a safe work environment are the shared responsibility of CADA and all employees of the organization. CADA will take all reasonable steps to assure a safe environment and compliance with federal, state, and local safety regulations. Employees are expected to comply with safety rules and to exercise caution in all their work activities. They must immediately report any unsafe conditions to their supervisor. Not only supervisors, but all employees of the organization are expected to correct unsafe conditions as promptly and as safely as possible.

All accidents that result in injury must be reported to the affected employee's supervisor and to Human Resources, regardless of how insignificant the injury may appear. Such reports are necessary to comply with laws and, if deemed appropriate, to initiate applicable insurance and workers' compensation procedures.

CADA will train employees and provide periodic updates in accordance with CADA's Injury and Illness Prevention Program and Safety Rules. A copy of CADA's Injury and Illness Prevention Program and Safety Rules is available from either the Human Resources Manager or Risk Manager.

Each employee is responsible, once trained, to:

- Be constantly aware of potential problems within the work environment which may cause injury, and report any problems noted to their supervisor;
- Continually familiarize himself or herself with the safe operation of equipment and the safe use of chemicals;
- Obey all safety rules and regulations established by CADA and practice them to the best of their ability; and
- Report immediately to their supervisor all hazards that could cause or have caused injury.

All employees are responsible for complying with the safety procedures as outlined in the written CADA Injury and Illness Prevention Program and Safety Rules. Violations of safe working procedures are cause for disciplinary action, up to and including termination of employment.

### **Workplace Violence Prevention Program**

CADA has a stand-alone Workplace Violence Prevention Plan in accordance with CA Labor Code available to all employees on the H:Drive, in BambooHR, and printed copies by request.

### **F. Workers' Compensation Insurance**

CADA provides a comprehensive workers' compensation insurance program. This program covers any injury or illness sustained in the course of employment that requires medical, surgical, or hospital treatment. Subject to the applicable legal requirements, workers' compensation insurance provides benefits after a short waiting period. If hospitalization is required, benefits are provided immediately.

Any employee who sustains a work-related injury or illness is required to inform their supervisor immediately, regardless of severity. This will enable an employee to receive appropriate treatment, if necessary, as quickly as possible. When, on the advice of their health care provider, an injured employee continues to work their regular duties or is assigned modified duty, the employee is required to schedule the workers' compensation-related time off with their supervisors and to schedule such appointments or time off at times that are the least disruptive to their normal work schedule (early morning, around the lunch hour, late afternoon).

Neither CADA nor the insurance carrier will be liable for the payment of workers' compensation benefits for injuries or illnesses that occur during an employee's voluntary participation in any off-duty recreational, social, or athletic activity.

Employees who wish to use their own health care provider for workers' compensation-related injuries, rather than CADA's workers' compensation health care provider, must complete the pre-designation form from Human Resources (the form must be completed BEFORE any injury occurs). This pre-designation form must also be signed by the employee's health care provider.

For additional information regarding workers' compensation, please refer to the informational guide provided to employees during the hiring process. Additional copies of these documents are available from Human Resources.

### **G. Dress Standards and Personal Hygiene**

In the interest of presenting a professional image to the public, employees are expected to dress in a businesslike manner. The supervisor is responsible for enforcing proper dress and personal hygiene standards. If an employee's dress and/or grooming are determined to be inappropriate, the employee will be counseled by their supervisor. In some cases, the employee's supervisor may send the employee home to change, without pay. Violation of this policy by an employee may result in disciplinary action.

All clothing must be modest, neat, clean, and pressed. The following are examples of inappropriate dress:

- Administrative personnel - Blue jeans that have less than a new appearance. (Note: Blue jeans are only allowed in the Administrative Office on Fridays and if the employee is not participating in board or other formal meetings.)
- Bib overalls;
- Undershirts, tank tops, halter tops, ~~midriff~~midriff, or tube tops;
- Clothing that is torn, has holes, or has any offensive graphics; and
- Sweat suits or athletic apparel, thongs, slippers, or flip-flops.

Hair is to be clean, combed, and neatly trimmed. Sideburns, moustaches, and beards should also be clean and neatly trimmed. Protective hairstyles, including braids, locks, twists, and natural hair, are permitted.

Any exceptions to the dress standards must be approved by the employee's supervisor based on job requirements.

### **Religious Accommodation**

An applicant or employee who requires an accommodation of a sincerely held religious belief or practice (including religious dress and grooming practices, such as religious clothing or hairstyles) should also contact the HR Manager to discuss the need for an accommodation. If the accommodation is reasonable and will not impose an undue hardship, CADA will make the accommodation.

### **H. ~~H~~-Maintenance and Resident Services Representative Dress Requirements**

For reasons of safety and security, staff members who perform building and grounds maintenance must wear CADA-provided uniforms while performing these job functions and follow the guidelines established by their supervisors.

### **I. ~~I~~—Telephone, Cell Phone, and Mail Usage**

To ~~assure~~ensure effective telephone communications, employees should always speak in a courteous and professional manner. Please confirm information received from the ~~caller,~~ and caller and hang up only after the caller has done so.

Cellular telephones will be provided to appropriate employees as designated by the Executive Director. The decision to supply a cellular telephone will be based on the resulting increase in efficiency, as well as the need for and absence of alternative telephones in the physical area(s) in which an employee's job is being performed. Employees are responsible for safeguarding CADA provided cell phones and may, subject to applicable laws, be required to reimburse CADA for

damage/co-pays resulting from grossly negligent behavior. Employees eligible to receive a cellular phone can instead request that CADA provide a monthly monetary allowance so they may purchase their own cellular telephone and service contract. As such, CADA is not responsible for any portion of the monthly bill for those employees who choose to purchase their own cellular telephone and service contract.

To ensure that CADA meets the needs of its residents when a [RSR Resident Services Representative](#) is away from the workplace, CADA may need to access the [RSR Resident Services Representative's](#) cellular telephone voice mailbox. When [RSRs Resident Services Representatives](#) utilize CADA-provided cellular telephones, they are doing so knowing that these systems belong to CADA and the contents of communications are accessible at all times by CADA management for any business purpose without prior notice. As such, RSRs have no reasonable expectation of privacy with respect to their ~~cell phones~~[cellphones](#).

CADA phones are for CADA use. Telephone bills are reviewed by Human Resources and the employee's supervisor to confirm that usage is appropriate. Use of telephones for personal calls, including local calls, is to be kept to a minimum and shall not interfere with an employee's work. Employees may be required to reimburse CADA for any charges resulting from inappropriate use of phones. Consistent with state law, it is unlawful and employees are not permitted to use hand-held cell phones while driving a motor vehicle to write, read or send text-based communications while operating a motor vehicle. Inappropriate or illegal use of phones/electronic devices may also lead to disciplinary action up to, and including, termination of employment.

Additional information regarding the use of cell phones by [RSRs Resident Services Representatives](#) is included in the Resident Services Representative Addendum.

The use of the postage machine for personal correspondence is not permitted and may be grounds for disciplinary action.

## J. J. Information Technology, Internet, and Email Usage

**Privacy and Usage.** Usage of Information Technology, the Internet, and email services are provided to employees to assist them with their CADA work. Unless specifically authorized by their supervisor, non-exempt employees are prohibited from using their CADA email or CADA-provided cell phones in order to conduct CADA-related business when they are away from work and may be disciplined for doing so. Employee privacy does not extend to the employee's work-related conduct or to the use of CADA's equipment or supplies, including, but not limited to, computers, servers, files, emails, phones, cell phones, Personal Digital Assistants, or to any messages, texts, pictures, videos stored on any such CADA property. When employees utilize any such technology, they are doing so knowing that the technology and ~~any~~ anything stored thereon, belong to CADA and the contents and information about usage are accessible at all times by CADA management for any business purpose without prior notice. As such, employees have no reasonable expectation of privacy with respect to such technology. These systems may be subject to periodic unannounced inspections and should be treated like other shared filing systems. Employees must check with their supervisor before any program is downloaded from an Internet site.

All email messages and files saved on the server are CADA records. The contents of any email or file may be disclosed within CADA without an employee's permission. Therefore, employees should not assume that messages are confidential.

**Social Media.** Personal social networking and blogging on CADA owned property, such as computers and cell phones, is prohibited during work time. Checking Facebook, Twitter, or other similar social networking sites, blogging, shopping online, personal surfing of the web or playing

on-line games also should not occur during work time.

Employees may not post defamatory comments or reveal CADA's confidential or trade secret information on any social media site. All CADA policies regarding anti-discrimination and anti-harassment are applicable to employees' use of social media. Misuse of social media and violation of this policy may result in disciplinary action up to and including termination.

**Forbidden Content of Email Communications.** Employees are not permitted to use CADA's Internet or email systems in any way that may be seen as insulting, disruptive, offensive by other persons, or harmful to morale. Examples of forbidden transmissions include sexually-explicit messages, cartoons, or jokes, unwelcome propositions or love letters, ethnic or racial slurs, or any other message that can be construed to be harassment or disparagement of others based on their sex, race, sexual orientation, age, national origin, or religious or political beliefs.

Use of CADA's Information Technology, Internet, and email systems in violation of this policy will result in disciplinary action, up to and including termination of employment.

**Passwords.** Employees may not use passwords that have not been shared with the Controller. Email logins and passwords should remain strictly confidential to the person assigned them. Employees are prohibited from the unauthorized use of the passwords of other employees to gain access to the other employee's email messages and electronic information. Each time a password is changed or updated, the Controller must be informed of the new password. Employees are not permitted to access the electronic communications or data of other employees unless directed to do so by the Controller or, Network Administrator, or his/her designee. The fact that a password has been created does not alter the fact that CADA has the right to access and monitor any CADA system or technology. Passwords do not create a reasonable expectation of privacy.

#### **K. K. — Smoking**

In keeping with state law and CADA's intent to provide a safe and healthy work environment, smoking, including the use of electronic cigarettes, is prohibited inside the workplace. For the purposes of this policy, the workplace is defined as CADA buildings, CADA vehicles, or privately owned vehicles while performing CADA work, if a non-smoking employee is in the vehicle on a work assignment.

On standard breaks, smoking is permitted outside of any CADA building in areas where the smoke will not enter the building.

#### **L. L. — Conflict of Interest**

Employees have an obligation to conduct business within guidelines that prohibit actual or potential conflicts of interest.

An actual or potential conflict of interest occurs when an employee is in a position to influence a decision that may result in a personal gain for that employee or for a relative as a result of CADA's business dealings. For the purposes of this policy, a relative is defined to include the employee's spouse, domestic partner, children, parents, siblings, grandparents, aunts, uncles, nieces, and nephews who have this relationship with the employee either by blood or by marriage.

No "presumption of guilt" is created by the mere existence of a relationship with outside firms. However, if an employee has any influence on transactions involving purchases, contracts, or leases, it is imperative that s/he disclose to an officer of CADA as soon as possible the existence of any actual or potential conflict of interest so that safeguards can be established to protect all parties.

Personal gain may result not only in cases where the employee or relative has a significant

ownership in a firm with which CADA does business but also when an employee or relative receives any monetary compensation, gift, or special consideration as a result of any transaction or business dealings involving CADA. To avoid the appearance of such special consideration, staff are specifically directed to distance themselves if the performance of their job benefits them or their relatives. Examples: 1. For example: (1) acAccounting staff who process payments must have another staff member approve reimbursements to themselves; (2) RSRs ; 2. Resident Services Representative who may have relatives residing in their buildings may not be involved in management issues regarding their tenancy; and (3) -mMarketing agents should have other staff members process relatives' rental applications.

Additionally, no employee may accept a gift, gratuity or discount from any customer, vendor, supplierssuppliers, or other person doing business with CADA if doing so gives the appearance of influencing business decisions, transactions, or service. There are two exceptions: First, an employee may accept the occasional meal of a reasonable and normal value provided in connection with CADA business. (In this instance, the employee must notify their supervisor in a timely manner). Second, as a government entity, CADA may accept gifts of a nominal value that are received for the enjoyment of its employees. Examples would include fruits and candies that are received over the Winter Holidays, as well as game tickets provided to CADA staff by the agency in recognition of their work and to promote staff morale.

All Directors, members of the Executive staff, and other designated employees of CADA must execute the required Conflicts of Interest Disclosure Statement required by the Fair Political Practices Commission, as may be amended from time to time, upon assuming their respective positions with CADA and annually thereafter, and must agree to be bound by its provisions.

CADA employees are prohibited from threatening or discriminating against consultants or contractors for arbitrary or capricious reasons, or particularly for reasons of personal gain.

State law establishes separate and distinct policies regarding the prohibition of certain defined conflicts of interest, as well as the disclosure of income, assets, and business positions. It is the employee's responsibility to comply with these laws and policies and to contact Human Resources regarding these requirements.

#### **M. M.—Solicitation & Distribution**

Consistent with this policy, Employees will refrain from non-CADA related solicitation/distribution during working hours and/or on CADA premises. Employees may engage in such solicitation/distribution only during non-working hours during meal or break periods and only in the Break Room, provided all employees involved are on an approved break. Employees are not permitted directly or indirectly to pressure or coerce other employees to engage in such activities. Use of CADA equipment, including but not limited to phones, copiers, printers, and/or email, is strictly prohibited for purposes of such solicitation/distribution.

Nothing in this handbook will be interpreted, appliedapplied, or enforced to interfere with, restrainrestrain, or coerce employees in the exercise of their rights under Section 7 of the National Labor Relations Act.

#### **N. N.—Proprietary & Confidential Information**

The materials, products, designs, plans, ideas, and data of CADA are the property of CADA and should never be given to an outside firm or individual except through normal channels and with appropriate authorization. CADA employees are also responsible for the safekeeping and securing of confidential information pertaining to CADA employees, prospective employees, tenants, prospective tenants, clients, and contractors. Any improper transfer of material or disclosure of information, even though it is not apparent that an employee has personally gained by such action, constitutes unacceptable conduct. Any employee who participates in such a practice will be subject to disciplinary action, up to and including termination of employment.

## **O. ~~Q.~~—Use of Equipment and Vehicles**

Equipment and vehicles essential in accomplishing job responsibilities are expensive and may be difficult to replace. When using CADA property, employees are expected to exercise care, ensure that the equipment is maintained, and follow all operating instructions, safety standards, and guidelines.

Employees are required to notify their supervisors if any equipment, machines, tools, or vehicles appear to be damaged, defective, or in need of repair. Prompt reporting of damages, defects, and the need for repairs could prevent deterioration of equipment and possible injury to employees and others. A supervisor can answer any questions about an employee's responsibility for maintenance and care of equipment or vehicles used on the job.

Personal use of CADA property is prohibited. Any CADA equipment assigned to an employee must be returned immediately upon CADA's demand and at its sole discretion.

The loss of, and improper, careless, negligent, destructive, or unsafe use or operation of equipment or vehicles, as well as excessive or avoidable traffic and parking violations, may result in disciplinary action, up to, and including, termination of employment.

### **Use of Vehicles**

When available, the Facilities Maintenance Manager or his/her designee, assigns CADA-owned vehicles to maintenance employees for use in the performance of CADA work during normal business hours. In the event an on-call [RSR Resident Services Representative](#) or other CADA personnel need to use a CADA vehicle to perform an after-hours task, they must contact their supervisor first. If CADA-owned vehicles are not available, employees are responsible for providing their own work vehicles.

All CADA employees driving a CADA-owned vehicle or a privately-owned vehicle in the conduct of CADA business must have a valid unexpired California driver's license and proof of appropriate insurance coverage. CADA employees who drive a CADA-owned vehicle or a privately-owned vehicle in the conduct of CADA business must also provide written authorization on a form provided by CADA releasing information on their driving record to CADA.

CADA participates in a system that regularly checks Department of Motor Vehicle records for all employees who drive as part of their job. Additionally, CADA annually requires those employees who drive as part of their job to provide Human Resources with a valid copy of their insurance coverage.

Based on an employee's driving record, including a record that indicates an employee has been convicted of, or pleaded no contest to, reckless driving or driving under the influence of drugs or alcohol within the past five years, CADA may prohibit an employee from driving a CADA-owned vehicle. Such an employee may also be prohibited from driving a privately-owned vehicle in the conduct of CADA business.

Employees are responsible for immediately reporting such incidents or any other incidents which may result in the loss or suspension of their driver's license to Human Resources. Failure to do so may result in disciplinary action up to and including termination of employment. An employee for whom driving is an essential job function and who loses their driver's license, and/or is convicted of, or pleaded no contest to, reckless driving or driving under the influence of alcohol or drugs, or becomes uninsurable as a driver may be terminated.

When traveling on CADA business, whether in a CADA-vehicle or a privately-owned vehicle, all employees shall use safety belts and observe all traffic laws. CADA shall not assume financial responsibility for traffic citations received by employees driving either CADA owned vehicles or privately-owned vehicles on CADA business. Employees shall not use hand-held cell phones while driving a motor vehicle on CADA business. Appropriate hands-free equipment issued by

CADA at the written discretion of the Executive Director may be used while driving when appropriate and necessary.

Employees who are assigned CADA owned vehicles are responsible for attending to routine maintenance, including, but not limited to, gas, tires, and regular safety checks. These routine maintenance expenses will be paid by CADA.

Employees who may be required to use their personal vehicles on CADA business will be reimbursed on a set mileage rate basis once per month. Employees are also required to keep their personal vehicle in a safe working condition if they use their personal vehicle when conducting CADA business. If their vehicle is not in a safe working condition, they may request the use of a CADA vehicle (according to availability and conformance to this Handbook). Any questions pertaining to mileage reimbursement should be addressed to the employee's supervisor or Human Resources.

### **Use of CADA Computer Equipment - Off-site**

Full-time exempt employees interested in accomplishing certain portions of their work from home may request the use of a CADA laptop computer or a standard computer. Such requests may be granted and will continue subject to the supervisor's recommendation, the availability of funds, and the Executive Director's approval.

When the use of a CADA computer for home use is approved, CADA will cite the employee's home address as an additional insured location for the limited coverage of property damage to its computer equipment. CADA will not, however, provide maintenance support for the equipment at these locations. For maintenance purposes, the employee must bring the computer back to CADA. In addition, CADA may require the employee to execute an agreement which sets forth the conditions (i.e., security and care) under which the equipment is being located at their home.

CADA will review this agreement on at least an annual basis. A copy of this agreement will be forwarded to Human Resources for placement in the employee's personnel file.

Any CADA equipment assigned to an employee must be returned immediately upon CADA's demand and at its sole discretion. See CADA's remote work policy for more details.

### **P. P.—Emergency Closing**

Emergency conditions, such as severe weather, fire, flood, or earthquake, can disrupt CADA operations and interfere with work schedules, as well as endanger employees' wellbeing. These extreme circumstances may require the closing of the work facility-. "Emergency condition" does not include a health pandemic.

In the event of emergency situation, CADA will not take or threaten adverse action against any employee for refusing to report to, or leaving, a workplace or worksite within the affected area because the employee has a reasonable belief that the workplace or worksite is unsafe, except as specified. CADA will also not prevent any employee from accessing the employee's mobile device or other communications device for seeking emergency assistance, assessing the safety of the situation, or communicating with a person to confirm their safety.

"A reasonable belief that workplace or worksite is unsafe" means that a reasonable person, under the circumstances known to the employee at the time, would conclude there is a real danger of death or serious injury if that person enters or remains on the premises. The existence of any health and safety regulations specific to the emergency condition and an employer's compliance or noncompliance with those regulations shall be a relevant factor if this information is known to the employee at the time of the emergency condition or the employee received training on the health and safety regulations mandated by law specific to the emergency condition.

When feasible, an employee shall notify the employer of the emergency condition requiring the

employee to leave or refuse to report to the workplace or worksite prior to leaving or refusing to report. When prior notice is not feasible – after leaving or refusing to report as soon as possible.

~~When operations are required to close, the resulting time off from scheduled work will be paid. If, however, CADA is open for business and an employee is unable to return to work due to an emergency condition, the employee may ask to use available paid accrued leave time such as vacation, personal holiday or sick leave,~~

### Emergency Condition

~~In the event of emergency situation, CADA will not take or threaten adverse action against any employee for refusing to report to, or leaving, a workplace or worksite within the affected area because the employee has a reasonable belief that the workplace or worksite is unsafe, except as specified. CADA will also not prevent any employee from accessing the employee's mobile device or other communications device for seeking emergency assistance, assessing the safety of the situation, or communicating with a person to confirm their safety.~~

~~"Emergency condition" means the existence of either of the following:~~

- ~~• Conditions of disaster or extreme peril to the safety of persons or property at the workplace or worksite caused by natural forces or a criminal act.~~
- ~~• An order to evacuate a workplace, a worksite, a worker's home, or the school of a worker's child due to natural disaster or a criminal act~~
- ~~• "Emergency condition" does not include a health pandemic.~~

~~"A reasonable belief that workplace or worksite is unsafe "means that a reasonable person, under the circumstances known to the employee at the time, would conclude there is a real danger of death or serious injury if that person enters or remains on the premises. The existence of any health and safety regulations specific to the emergency condition and an employer's compliance or noncompliance with those regulations shall be a relevant factor if this information is known to the employee at the time of the emergency condition or the employee received training on the health and safety regulations mandated by law specific to the emergency condition.~~

~~When feasible, an employee shall notify the employer of the emergency condition requiring the employee to leave or refuse to report to the workplace or worksite prior to leaving or refusing to report. When prior notice is not feasible — after leaving or refusing to report as soon as possible.~~

### **Q. After-Hours Access**

After-hours access to the Administrative and Maintenance Offices is for official purposes only and is restricted to staff who have been instructed in the security systems in effect.

### **R. Resident Services Representatives Addendum**

On an annual basis, [Resident Services Representatives RSRs](#) are required to sign an updated Resident Services Representative Addendum to the CADA Employee Handbook.

### **S. Storage of Personal Belongings**

Storage spaces in CADA buildings may only be used to store CADA-owned materials, tools, equipment, art supplies, event supplies and swag, maintenance and cleaning products, and other items approved by the Executive Director or their designee. All items being stored shall either be consolidated to 525 S Street into the maintenance inventory system or shall be tracked as part of the CADA Storage Spaces spreadsheet. ;2026.

RSRs ~~Resident Services Representatives (RSRs)~~ each get one storage space for personal belongings and one storage space per assigned building for maintenance and cleaning products/supplies. Each RSR is required to confirm with their supervisor which storage space they are using for each purpose. RSRs are responsible for reporting any damage, malfunction, or loss to their immediate supervisor in a timely manner. Storage spaces are intended for individual use and should not be shared with other employees unless specifically authorized by management.

Other than the one storage space provided to each RSR, no other personal belongings of CADA staff may be stored in CADA building storage. Any property placed in CADA building storage locations is subject to confiscation by CADA, and employees using CADA storage space for their personal storage, unless provided written approval, shall be subject to disciplinary action, up to and including termination.

These storage spaces should be organized and kept tidy, leaving necessary space to comply with building health and safety standards. No permanent alterations or decorations are allowed on the exterior or interior of the storage spaces.

Retention of any personal items in the storage spaces is at the individual's own risk, and CADA will not be responsible for any loss and/or damage. Items left in storage spaces after termination of contractual relationship will be held for 30 days before disposal.

Any storage spaces being used by RSRs (as stated above) will be documented in their annual RSR Addendum. Storage spaces being leased to tenants (the Dean, etc.) must be documented and a lease agreement shall be in place between CADA and the storage user.

CADA reserves the right to reassign storage spaces as needed, with a 30-day notice to affected employees.

## **T. Remote Work Arrangements**

From time to time, CADA management may approve, at its sole discretion, a remote work arrangement for an employee that allows the employee to work a designated portion of the employee's work schedule from home or another remote location. Such remote work arrangements will be governed by CADA's Remote Work Policy. CADA's Remote Work Policy will be made available to employees upon request.

## **VI. General Administrative Policies**

### **A. Mileage Reimbursement**

With supervisory approval, CADA will reimburse an employee for mileage incurred while driving their personal vehicle on CADA business. This reimbursement does not include traveling between home and work unless the employee is responding to an after-hours "on-call" message or is otherwise approved by the Executive Director or his/her designee.

Reimbursement rates may be obtained from Human Resources.

### **B. Expense Reimbursement**

CADA will reimburse employees for business expenses directly related to ~~authorized activity of the organization~~the organization's authorized activity. Employees must receive prior authorization from the appropriate supervisory personnel before incurring any reimbursable expense. Unauthorized or inappropriate expenditures by employees will not be reimbursed by

CADA.

CADA will not reimburse employees on CADA business for parking tickets or other traffic violations. With appropriate receipts, CADA will reimburse employees on CADA business for parking charges paid to parking lots/garages.

### **C. Credit Card Usage**

CADA maintains a restricted number of CADA credit cards for use, as authorized by the Executive Director, in instances where such usage may reduce costs and accounting delays associated with such activities as the purchase of supplies and the ordering of materials or conference registration by mail.

### **D. Personal Property**

CADA will not reimburse employees for damages or loss of employee's personal property which may occur when they are on CADA property or conducting CADA business.

### **E. Expenditure of CADA Funds for Political Purposes**

It is unlawful for CADA to expend any CADA funds on political fundraisers or contributions or for CADA equipment or property to be utilized for political purposes. Accordingly, such expenditures are against CADA policy and are strictly prohibited.

### **F. Advocacy**

CADA limits its advocacy of legislation or positions on local matters to issues materially affecting its operations.

Legislation affecting CADA, as well as proposed positions taken by CADA regarding legislation, must be brought before the CADA Board by the Executive Director or their designee for direction and approval. While CADA employees may advocate for or against any legislation on their own behalf, no CADA employee may advocate any position on behalf of CADA or purport to represent CADA in any such advocacy, unless the Board has granted its approval.

### **G. Media Contact**

Employees will refer all media requests to the Executive Director. As a general rule, the Executive Director or their designee will handle all CADA contacts with the media. Employees are not permitted to communicate with the media on CADA's behalf unless they receive specific prior authorization, in writing, by the Executive Director.

### **H. Years of Service Award**

In recognition of the contribution made by employees as a result of their length of service, CADA will annually award each applicable employee a service award following 5 years of service, and for every 5 years of service thereafter. The awards will be determined by CADA.

### **I. Additional Policies**

The Executive Director may issue additional policies which will remain in effect unless revoked by the CADA Board of Directors or the Executive Director. Copies of such policies, when issued, will be distributed to employees and the CADA Board of Directors.

### **J. Requests for References and Verification of Employment**

Employees must refer all requests, written and verbal, for references and verifications of employment to Human Resources. No other manager, supervisor, or employee is authorized to release references for current or former employees.

CADA discloses only the dates of employment and the title of the last position held of the former employee.

## VII. Separations

### A. Separation from Employment

There will be times when the employment relationship will be terminated, whether by CADA, the employee, or by mutual agreement. Below are examples of the most common circumstances under which an employee is separated:

- Resignation -- Separation initiated by an employee who chooses to leave CADA voluntarily.
- Discharge -- Employment termination initiated by CADA.
- Layoff -- Involuntary employment termination, initiated by CADA, due to a required reduction in force.
- Retirement -- Voluntary retirement from active employment status initiated by the employee.

Although advance notice is not required, CADA requests at least two weeks' written notice of resignation from all employees.

CADA will generally schedule an exit interview for separating employees. The exit interview will provide an opportunity to discuss such issues as employee benefits, COBRA (Title X of the Consolidated Omnibus Reconciliation Act of 1985) benefits, repayment of any outstanding debts to CADA, and return of CADA-owned property. If the employee is occupying a CADA apartment, the rent for this apartment will be adjusted back to the market rate, on a pro-rata basis, effective on the date of separation. Suggestions, complaints, and questions about CADA and an employee's employment with CADA are welcome at this time. All accrued vacation will be paid to the employee in compliance with applicable laws.

### B. Return of CADA Property

Employees are responsible for all CADA property, materials, or written information issued to them or in their possession or control. Employees must return all CADA property that is in their possession or control in the event of separation of employment or immediately upon request.

[Resident Services Representatives RSRs](#) who are provided a CADA apartment as a condition of their employment are required to execute a Resident Services Representative Addendum, which addresses the terms and procedures under which this apartment will be vacated upon termination of their employment.

**CAPITOL AREA DEVELOPMENT AUTHORITY  
At-Will Statement and Employee Acknowledgment**

**A. At-Will Statement**

All CADA employees serve at the discretion of the Executive Director. Accordingly, employment by CADA is employment “at will.” No manager, supervisor, client, or representative of CADA has any authority to enter into any agreement for employment for any specific period of time or to make any agreement for employment other than at will.

Employment at CADA is also by mutual consent. CADA reserves and retains the right to terminate any employment relationship with any employee, at any time, for any reason, or no reason, with or without advance notice. The employee also retains the right to terminate their employment at any time, for any reason, or no reason, with or without notice.

This handbook is not a contract of employment and is subject to change. It may be revoked, altered, amended, or modified at any time by the Board of Directors.

**B. Acknowledgment**

This is to acknowledge that I have received a copy of CADA’s Employee Handbook. - I understand that it contains important information on CADA’s general personnel policies and on my privileges and obligations as an employee. I further understand that I should contact Human Resources to obtain more comprehensive information on CADA’s personnel policies.

I understand that I am governed by its contents, and that those contents may be subject to change. Changes to this document are implemented at the sole and absolute discretion of CADA’s Board of ~~Directors, and~~Directors and may occur with or without prior notification. I further understand that my employment with CADA is for no fixed term and is by mutual consent. Consequently, either CADA or I may terminate the employment relationship at will, at any time, for any reason, or for no reason, with or without advance notice.

\_\_\_\_\_  
Employee Signature

\_\_\_\_\_  
Date

\_\_\_\_\_  
Employee Name (Print)

**Employee copy to be retained in Handbook.**



### APARTMENT STATUS REPORT

APARTMENT STATUS REPORT Month Ending - December 26, 2025	Current Month-End	Previous Month-End	Last Year Month-End	2025	2024	2023
<b>CURRENT MONTH STATUS - OCCUPIED UNITS</b>	<b>12/26/25</b>	<b>11/28/25</b>	<b>12/27/24</b>	<b>Monthly Average</b>	<b>Monthly Average</b>	<b>Monthly Average</b>
<b>Total Units</b>	779	779	779	779	779	779
<b>Occupied</b>	687	695	703	704	694	707
<b>Percentage Occupied</b>	88%	89%	90%	90%	89%	92%
<b>Percentage Leased*</b>	97%	98%	98%	98%	97%	96%
* adjusted for unrentable units						
<b>CURRENT MONTH STATUS - VACANT UNITS</b>	<b>12/26/25</b>	<b>11/28/25</b>	<b>10/31/24</b>	<b>Monthly Average</b>	<b>Monthly Average</b>	<b>Monthly Average</b>
<b>Vacant</b>	92	84	76	75	85	62
<b>Vacant: Rented Pending Move-In</b>	14	16	12	11	12	8
<b>Vacant: Unavailable Units</b>	55	55	46	47	54	21
<b>Vacant: Units Available to Rent</b>	23	29	18	17	19	33
<b>On-Notice: Units to Vacate Within 30 Days</b>	8	4	5	5	11	6
<b>CURRENT MONTH ACTIVITY - TOTAL</b>	<b>12/26/25</b>	<b>11/28/25</b>	<b>10/31/24</b>	<b>YTD</b>	<b>YTD</b>	<b>YTD</b>
<b># of Move-Outs</b>	9	10	12	128	153	120
<b># of Move-Ins</b>	4	15	9	128	144	174
<b># of New Rentals</b>	19	16	10	163	194	204
<b># of 30-Day Notices Received</b>	2	4	5	55	161	122
<b># of Units brought to market</b>	11	16	10	118	131	116

<b>CADA AFFORDABLE HOUSING STATISTICS: December 26,2025</b>	<b>CADA Rent-Assisted</b>	<b>Other / Additional Assisted Units</b>	<b>Total Assisted Units</b>	<b>Market-Rate Units</b>	<b>Total Units</b>
<b>Scattered Site Units:</b>	<b>38</b>	<b>49</b>	<b>87</b>	<b>496</b>	<b>583</b>
<b>Special Management Units:</b>	<b>375</b>	<b>0</b>	<b>375</b>	<b>40</b>	<b>415</b>
17th Street Commons	12	0	12	17	29
Somerset Parkside	26	0	26	0	26
Biele Place	34	0	34	1	35
Fremont/Wilshire	12	0	12	20	32
1619 Q Rooming House	15	0	15	1	16
Sonrisa/1322 O St Investors LP	57	0	57	1	58
The Terraces	60	0	60	0	60
ARY Place	159	0	159	0	159
<b>TOTAL CADA-OWNED UNITS:</b>	<b>413</b>	<b>49</b>	<b>462</b>	<b>536</b>	<b>998</b>
<b>MANAGED AFFORDABLE/MARKET %:</b>			<b>46%</b>		
<b>CADA-DEVELOPED RENT ASSISTED UNITS</b>	<b>Tax Credit</b>	<b>Other</b>	<b>Total Affordable Units</b>	<b>Market Units</b>	<b>Total Units</b>
Stanford Park Townhomes	0	0	0	50	50
1500 Q Street	0	2	2	4	6
17th & O Streets	0	0	0	3	3
17th and N Streets	0	0	0	18	18
Delta Victorians	0	0	0	8	8
Wiese Townhomes	0	0	0	3	3
Admail Express Building	0	0	0	7	7
Governor's Terrace	0	0	0	44	44
Somerset Parkside Condominiums	0	0	0	75	75
Saratoga Townhomes	0	0	0	36	36
Fremont Building	0	11	11	58	69
Capitol Park Homes	0	9	9	55	64
Fremont Mews	49	0	49	70	119
Legado de Ravel	0	0	0	84	84
Site 9B Duplex	0	0	0	2	2
Warehouse Artist Lofts (WAL)	0	86	86	30	116
16Powerhouse	0	0	0	50	50
The Eviva	0	0	0	118	118
Cypress	0	0	0	98	98
<b>TOTAL CADA-DEVELOPED UNITS:</b>	<b>49</b>	<b>108</b>	<b>157</b>	<b>813</b>	<b>970</b>
<b>DEVELOPED AFFORDABLE/MARKET%</b>			<b>16%</b>	<b>84%</b>	<b>100%</b>
<b>TOTAL CADA-MANAGED &amp; DEVELOPED AFFORDABLE HOUSING UNITS</b>					
<b>CADA-OWNED UNITS:</b>	<b>413</b>	<b>49</b>	<b>462</b>	<b>536</b>	<b>998</b>
<b>CADA-DEVELOPED UNITS:</b>	<b>49</b>	<b>108</b>	<b>157</b>	<b>813</b>	<b>970</b>
<b>TOTAL CADA UNITS:</b>	<b>462</b>	<b>157</b>	<b>619</b>	<b>1349</b>	<b>1968</b>
<b>TOTAL AFFORDABLE/MARKET%</b>			<b>31.45%</b>	<b>69%</b>	<b>100%</b>

**CAPITOL AREA DEVELOPMENT AUTHORITY**

**Commercial Listings (Current Vacancies)**

**December 2025**

**Address:** **1520 16<sup>th</sup> Street, Suite D**  
Current Tenant: (Empty) Former University of Beer Business Office

Staff continue to seek tenants for this space. There is interest in this space from a few parties. Staff hopes to have a lease soon.

**Address:** **1501 14<sup>th</sup> Street**  
Former Tenant: Table Vine  
Current Tenant: Empty

Staff has begun the process of preparing the space for a new tenant and is seeking a new tenant for the space.

**Capitol Area Development Authority  
CADA Neighborhood Incident Report  
December 2025:**

**Residential break-ins, vandalism, theft, disturbances:**

- 12/2/25: 17<sup>th</sup> St Commons: While checking the property, courtesy patrol found a large pile of mail in the alley. When the guard checked, all the mail belonged to the tenant of 1420 O St. He returned the mail to 1420 O St and checked the mailboxes, but there was no damage and they were secure.
- 12/2/25: 1625 O St: Courtesy patrol found two individuals loitering on the property and blocking the entrance. Patrol asked them to leave the area, which they did without incident.
- 12/09/25: 1322 O St: Courtesy patrol received a call regarding an individual loitering in the lobby. Patrol arrived and asked the individual to leave, which he did without incident.
- 12/15/25: 1322 O St: Courtesy patrol witnessed an individual throw garbage all over the sidewalk in front of the building. The individual started to walk away when he noticed the guard approaching and the guard advised him if he returns, police will be called.
- 12/15/25: 1228 O St: Courtesy patrol found an individual loitering in the carport with a large amount of stuff. Patrol requested he clean up his belongings and leave the property, which he did without incident.
- 12/16/25: 1215 P St: Courtesy patrol found an individual sleeping in the carport and leaving a large mess. Patrol asked the individual to leave. At first, he argued and refused to leave, then eventually he moved off of the property.
- 12/17/25: 1506 O St: Courtesy patrol received a call that someone was in between the buildings loudly kicking something. Patrol arrived and checked the area, but the individual had already left the property.

**Commercial break-ins, vandalism, theft, disturbances**

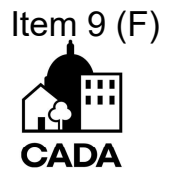
None reported or witnessed.

**Recap of Phone Calls to Lyons Security Service during the month of December 2025**

There were 24 calls during the month December, including:

- 11 calls were to report noise.
- 1 call was to report a mailbox break-in.
- 3 calls were to report someone sleeping on a property.
- 2 calls were to report a suspicious person on a property.
- 1 call was to report a smoke detector going off.
- 2 calls were to report someone loitering on a property.
- 1 call was to report someone in a laundry room trying to start a fire.
- 1 call was to report someone harassing a resident in a parking lot.
- 1 call was to report a garage door not working.
- 1 call was to request an ambulance for an individual near a property.

**CAPITOL AREA DEVELOPMENT AUTHORITY**  
**FY 2025 - 2026**  
**Contract Log as of 1/9/2026**



DATE	CONTRACT NUMBER	Type of Service	#NAME?	CONTRACTOR	PROJECT	LOCATION	AMOUNT	ACCOUNT	ESB
12/5/2025	C26-074	Consulting	Danielle	MRG, LLC	Executive Coaching and Board Engagement Services	1522 14th Street	\$16,450.00	10-001-4272	N
12/15/2025	C25-153.1	Maintenance	Marc	Saenz Landscape Construction Company	Fremont Park Stormwater Planters Renovation	1515 Q Street	\$3,026.00	10-003-5240	N
12/15/2025	C26-075	Maintenance	Rachel M.	Bullseye Leak Detection	Leak Detection	1516 17th Street	\$750.00	38-002-5292-R538-01	Y
12/16/2025	C26-076	Maintenance	Rachel M.	Tricorp Group Construction Services	Gutter Removal and Repair	1420 O St, 1606 15th St, 1209 P St, 1215 P St	\$13,609.49	10-003-5240	N
12/16/2025	C26-077	Maintenance	Rachel M.	R.F. MacDonald Co.	Boiler System Replacement	1400 N Street	\$380,000.00	10-C24-5820-C225-01-013.3	N



# Investment Report NOVEMBER 2025



John Colville, City Treasurer

[Office of the City Treasurer - City of Sacramento](#)

*City of*  
**SACRAMENTO**  
Office of the City Treasurer

Historic City Hall

915 I Street, 3rd Floor

Sacramento, CA 95814

916-808-5168

**Quarterly Investment  
Committee Meeting**

Thursday, January 29, 2026

10:00AM-11:00AM

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# INVESTMENT COMMITTEE MEETING

January 29, 2026  
10:00 AM to 11:00 AM  
City Treasurer's Office  
915 I Street, HCH 3rd Floor  
(916) 808-5168

Meeting called by: John Colville, City Treasurer  
Stacy Hussey, Chief Investment Officer  
Patrick Zalasky, Senior Investment Officer  
Jason Bader, Investment Officer

Invitees: Peter Coletto, Finance Director  
Mirthala Santizo, Budget Manager  
Irene de Jong (Sacramento Housing & Redevelopment Agency- SHRA)  
Tim Kerr (American River Flood Control District - ARFCD)  
Noelle Mussen (Capitol Area Development Authority- CADA)  
Kevin King (Reclamation District No. 1000)  
Peter Coyl and Johnny Ea (Sacramento Public Library Authority- SPLA)  
Kimberli S. Burns (The Natomas Basin Conservancy- TNBC)  
Mike Testa, Daniel Santucci (Visit Sacramento)  
City Treasurer's Office Staff

Please read: **October 30, 2025 Minutes of Meeting**

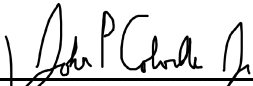
## Agenda

Economic Commentary and Market Conditions	Patrick Zalasky
Monthly Yield Curve Analysis	Patrick Zalasky
Cash Flow Analysis	Patrick Zalasky
Pooled Funds Analysis - City Pool A and SHRA Investment Pool	Patrick Zalasky
Miscellaneous Topics	All

## Additional Information

Special notes: If unable to attend, please feel free to call with any questions or comments.

This report has been reviewed and approved by:

  
\_\_\_\_\_  
City Treasurer

**TO:** Investment Committee Members  
**FROM:** Patrick Zalasky  
**RE:** **Minutes of Quarterly Investment Meeting held via Zoom on October 30, 2025**

**Attendees Present:** Stacy Hussey, John Colville, Katy Nguyen, Jason Bader, Peter Colletto, Kay Worthington, Osvaldo Lopez, Mirthala Santizo, Michael Tamayo, Johnny Ea, and Patrick Zalasky

*This meeting was held via Zoom, as will all subsequent meetings until further notice.*

**1) Cash Positions/Liquidity**

The projected Pool A cash flow is adequate to meet expected obligations over the next six and twelve-month periods. If all non-City Pool A participants withdraw funds, the analysis shows an approximate \$586 million in excess cash for the next 6-month and an approximate \$693 million for the next 12-month period. Hence, cash availability to all pool participants is adequately addressed for the coming six and twelve months.

In compliance with the City's Investment Policy, investment staff continue to maintain a great deal of liquidity to pay the City's bills, including payroll and debt service, representing the bulk of the City's budget. Such liquidity is largely reflected in investments whose maturity dates match payroll and debt service liability due dates going 9 months into the future, plus the maintenance of substantial liquid reserves. The liability-matching strategy and liquid reserves provide a solid liquidity cushion to meet unexpected large expenditures and to provide the basis to make advantageous investments in longer term securities. As of the date of the investment committee meeting, the major payroll and debt service liabilities are funded with sufficient cash in pooled cash accounts, expected property and sales tax receipts, and cash generated by the maturity of specific investments through the end of June 2026.

Cash made up a slightly lower share of the pool than usual (25%) at the end of the quarter. This was mainly due to large outflows to cover the annual CalPERS payment in July and debt service payments in August. The pool's share of cash will increase over the next few months as investments are purchased to match the 2026 payments for those same obligations.

**2) Performance of the Pools**

Investment staff updated the attendees on the performance of Pool A during the first quarter of fiscal year 2026. The earned interest yield of Pool A for July, August, and September was 3.07%, 2.99% and 3.11%, respectively. Monthly Pool A yields currently trail the 4.13% yield earned by the State Treasurer's Local Agency Investment Fund (LAIF) and the 3.95% yield earned by the Medium-Term Fund managed by the Investment Trust of California (CalTRUST). Those funds (and the yields of municipal peers in CA) continue to move consistently downward as bond market yields move lower in reaction to policy changes implemented by The Fed. Pool A is expected to add yield, conversely, as investments with coupons under 1.0% mature over the next six months.

These low coupon investments were purchased with large amounts of excess cash (mainly COVID stimulus funds) received between 2020 and 2021 while market yields were at historic lows. At the time these investments were made, rates across the Yield Curve were near zero and there was some discussion that very short-term yields could go negative. While Pool A yields from the middle of 2020 through early 2023 outpaced LAIF and its California municipal peers due to this strategy, they have recently lagged as the effects of the inverted Yield Curve are fully being felt. Between

October 1, 2025 and March 31, 2026, over \$400 million of investments with coupons and yields below 3.50% (most under 1.50%) will mature and will mostly be replaced with investments with coupons and yields above 3.50%. Pool A is, therefore, poised to move upward with relation to its peers and once again rank near the top of the group.

Pool A investments in cash and other short-term liquid issues represented 25% of the pool at the end of the quarter, which is slightly lower than traditional pool construction. The cash yield on these investments was 3.81%. The Fed recently cut rates twice, which has pushed the yield on cash and short-term investments steadily downward. It is expected that further rate cuts are on the horizon, therefore these cash and short-term rates should continue to creep downward. Core Investments, which are less liquid and generally have maturities further out on the yield curve (Corporate Bonds, Municipal Bonds, Agencies, etc.), had a cash yield of 2.83%, which is a significant improvement over the past few years. Some of this is attributable to low coupon investments maturing, while the rest is due to a steepening of the yield curve as short-term yields move lower.

As usual, investment staff will work to maintain the structure of Pool A with assets that meet the liquidity needs for all pool participants, while using high quality names to add yield when opportunities present themselves.

### 3) **Bond Market Report; Economic Considerations**

The quarter ended just as a government shutdown was beginning. As of the time of this meeting, the government is still closed, with seemingly no progress being made toward a re-opening. As until Congress passes a new budget or a continuing resolution to continue operations under the most recent budget terms, most, if not all, government programs will lack new funding and most, if not all, government employees will go unpaid. Other than the release of data being delayed, there has yet to be a major economic impact, however the longer the impasse between Democrats and Republicans lasts in Congress, the more strain there will likely be on American consumers and markets.

Inflation, based on the most available data, is still running above the Fed's target of 2.0%. It has fallen anywhere between 2.30% and 2.90% for the last twelve months. The labor market, however, has recently shown measured weakness as layoffs increase and creation of new jobs slows. The Fed cut the Federal Funds Rate in September and October by 0.25% each time and is expected to do the same at their meeting in December (there is no meeting in November). Should that happen, the Federal Funds rate will enter 2026 below 4.0%, a level it has not seen since December of 2022.

President Trump's tariff policies have helped to renegotiate new trade deals with many nations but have also led to uncertainty about where the economy could be headed. Many analysts believe the real effect of these policies will start to be seen in the final quarter of 2025 as Americans spend money during the holidays. Should inflation spike, it could have a negative impact across all levels and sectors at the most active time for spending in the U.S. Should that happen, the Fed would not be able to cut rates without risking prices spiking even more. To be fair, there is no certainty to what result will come from these policies, as the United States hasn't levied notable tariffs on trade partners for over a century. There should soon be ample evidence to gauge their effect on the economy, at which time the Fed can act accordingly.

Short-term yields on Treasuries (less than 12-months until maturity) moved lower in response to the rate cuts from The Fed. The 3-month Treasury began the quarter at 4.29% and ended it at

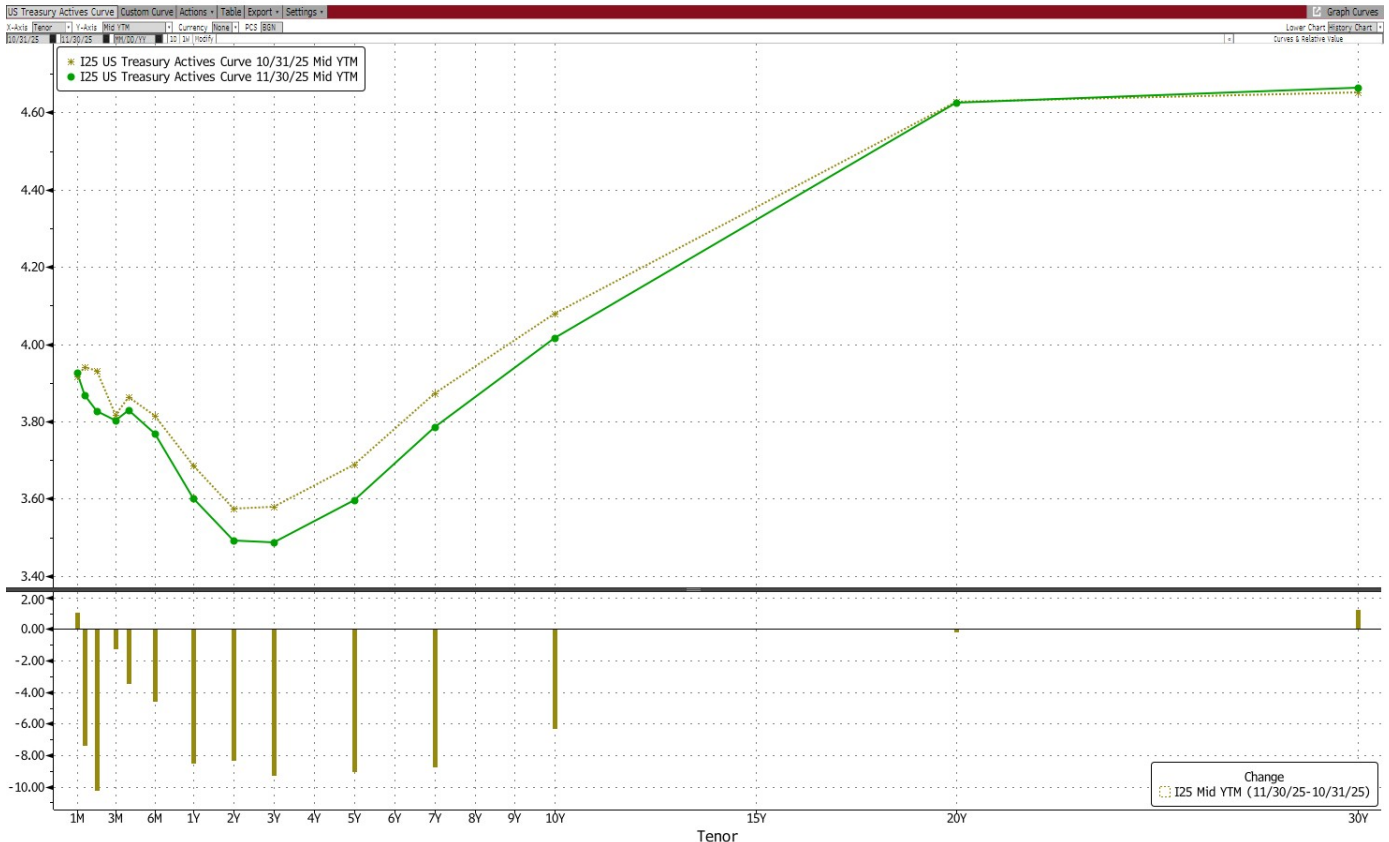
3.93%. Unless inflation spikes again, short-term yields are expected to continue their downward creep.

Yields further out on the curve are always much more volatile, as they are more sensitive to the news of the day and the moods of investors. The five-year Treasury, however, only fell slightly during the quarter, moving from 3.95%, then bounced between 3.80% on July 1 to 3.74% on September 30.

Equity markets moved higher during the quarter. The S&P 500 advanced nearly 7.80% during the quarter, continuing an upward trend that has only briefly been slowed since the end of 2020. American markets are the strongest and most reliable globally and investors are always eager to invest in them. Of note during the quarter, NVIDIA saw its market cap pass \$4.5 Trillion, making it the largest company in history using that measure.

**4) Other business:** None

**Next Meeting:** The next quarterly meeting is scheduled for **Thursday, January 29, 2026, at 10:00 a.m.** via Zoom.



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125 Mid YTM US Treasury Actives Curve 11/30/25		125 Mid YTM US Treasury Actives Curve 10/31/25		125 Mid YTM (Change) 11/30/25-10/31/25	
Tenor	Price	Yield	Price	Yield	Change
1M	3.881	3.8278	3.851	3.917	0.010
3M	3.799	3.8678	3.871	3.941	-0.073
6M	3.751	3.8278	3.851	3.920	-0.200
1Y	3.718	3.8138	3.730	3.816	-0.013
2Y	3.710	3.8298	3.794	3.894	-0.024
3Y	3.650	3.7698	3.844	3.815	-0.044
4Y	3.489	3.6138	3.856	3.856	-0.080
5Y	99-24%	3.4917	3.873	3.873	-0.014
6Y	100-01%	3.4877	3.880	3.880	0.008
7Y	99-21%	3.5977	3.888	3.888	-0.046
8Y	99-25%	3.7857	3.871	3.871	0.117
9Y	99-28	4.0157	4.078	4.078	-0.134
10Y	99-21%	4.0267	4.028	4.028	-0.046
15Y	99-11%	4.0847	4.052	4.052	-0.06%
20Y					
30Y					

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**CITY OF SACRAMENTO - INVESTMENT POOL A  
6-MONTH CASH FLOW ANALYSIS  
December 1, 2025 - May 31, 2026**

*In millions*

<b>Cash Balances:</b>	
CalTRUST	112.457
Fidelity Fund	4.089
Five Star Bank Community Fund	10.034
JP Morgan Chase	1.070
LAIF	0.106
Overnight Sweep	3.627
River City Bank Community Fund	25.086
Less: Required bank balance by policy	(0.500)
<b><i>Cash available at beginning of period:</i></b>	<b>155.969</b>
<b>Projected net cash flow:</b>	
December-25	151.766
January-26	169.731
February-26	67.314
March-26	31.453
April-26	73.562
May-26	128.745
<b><i>Net cash flow during period:</i></b>	<b>622.571</b>
<b><i>Cash in excess of policy: <sub>1</sub></i></b>	<b>778.540</b>
<b>Cash Balances of non-City and/or Pool A Participants:</b>	
<b>SCERS Cash:</b>	
Fixed Bonds	-
Large Cap Growth	-
International	-
Equity Income	-
Retirement Trust Operating Fund	(2.424)
Ann Land/Bertha Henschel Endowment Fund	(0.007)
Ethel Hart Mutual Endowment Fund	(0.185)
George H. Clark Memorial Scholarship Fund	(0.098)
Capitol Area Development Authority (CADA)	(39.080)
American River Flood Control District (ARFCD)	(9.741)
The Natomas Basin Conservancy (TNBC)	(2.508)
Sacramento Public Library Authority (SPLA)	(45.000)
Reclamation District No. 1000	(0.312)
SPLA Hurst Trust	(0.233)
Gifts to Share	(0.893)
Visit Sacramento	(4.261)
Other Misc Non-City Funds (CARES Act, ARP, CalEPA, City/County Office-Water Planning, et	(2.276)
<b><i>Total cash balances of non-City and/or Pool A participants: <sub>2</sub></i></b>	<b>(107.018)</b>
<b><i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 6 months: <sub>3</sub></i></b>	<b>671.522</b>

<sup>1</sup>The City will be able to meet its cash flow needs for the next six months, with \$779 mm to cover on going expenditures

<sup>2</sup> Non-City and/or Pool A participants have \$107 mm invested in Pool A

<sup>3</sup> If all non-City and/or Pool A participants withdraw the entire \$107 mm within the next twelve months, the City will have \$672 mm to cover on going expenditures

**CITY OF SACRAMENTO - INVESTMENT POOL A**  
**12-MONTH CASH FLOW ANALYSIS**  
**December 1, 2025 - November 30, 2026**

*In millions*

Cash Balances:	
CalTRUST	112.457
Fidelity Fund	4.089
Five Star Bank Community Fund	10.034
JP Morgan Chase	1.070
LAIF	0.106
Overnight Sweep	3.627
River City Bank Community Fund	25.086
Less: Required bank balance by policy	(0.500)
<b><i>Cash available at beginning of period:</i></b>	<b>155.969</b>
Projected net cash flow:	
December-25	151.766
January-26	169.731
February-26	67.314
March-26	31.453
April-26	73.562
May-26	128.745
June-26	27.276
July-26	28.507
August-26	(21.758)
September-26	(3.968)
October-26	(12.360)
November-25	(13.410)
<b><i>Net cash flow during period:</i></b>	<b>626.858</b>
<b><i>Cash in excess of policy: <sub>1</sub></i></b>	<b>782.827</b>
Cash Balances of non-City and/or Pool A Participants:	
SCERS Cash:	
Fixed Bonds	-
Large Cap Growth	-
International	-
Equity Income	-
Retirement Trust Operating Fund	(2.424)
Ann Land/Bertha Henschel Endowment Fund	(0.007)
Ethel Hart Mutual Endowment Fund	(0.185)
George H. Clark Memorial Scholarship Fund	(0.098)
Capitol Area Development Authority (CADA)	(39.080)
American River Flood Control District (ARFCD)	(9.741)
The Natomas Basin Conservancy (TNBC)	(2.508)
Sacramento Public Library Authority (SPLA)	(45.000)
Reclamation District No. 1000	(0.312)
SPLA Hurst Trust	(0.233)
Gifts to Share	(0.893)
Visit Sacramento	(4.261)
Other Misc Non-City Funds (CARES Act, ARP, CalEPA, City/County Office-Water Planning	(2.276)
<b><i>Total cash balances of non-City and/or Pool A participants: <sub>2</sub></i></b>	<b>(107.018)</b>
<b><i>Excess or (Shortfall) if all Pool A participants withdraw all funds within 12 months: <sub>3</sub></i></b>	<b>675.809</b>

<sup>1</sup>The City will be able to meet its cash flow needs for the next twelve months, with \$783 mm to cover on going expenditures

<sup>2</sup> Non-City and/or Pool A participants have \$107 mm invested in Pool A

<sup>3</sup> If all non-City and/or Pool A participants withdraw the entire \$107 mm within the next twelve months, the City will have \$676 mm to cover on going expenditures

**City of Sacramento**  
**Investment**  
**Pool A**

# CITY OF SACRAMENTO INVESTMENT POOL A

## MONTHLY REVIEW – NOVEMBER 2025

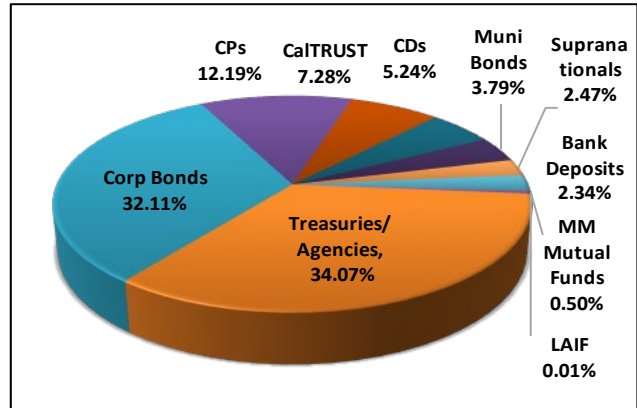
### STRATEGY

The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

### PORTFOLIO STATISTICS

Beginning Market Value	1,577,831,339
Month's Yield or RoR	3.31%
Weighted Average Maturity (Yrs)	2.14
Weighted Average Duration (Yrs)	1.94
Ending Book Value	1,547,133,043
Ending Market Value	1,552,517,975
Percent of Market to Book Value	100.35%
Month's Investment Earnings	4,246,546
Fiscal YTD Investment Earnings	21,225,663

### PORTFOLIO COMPOSITION



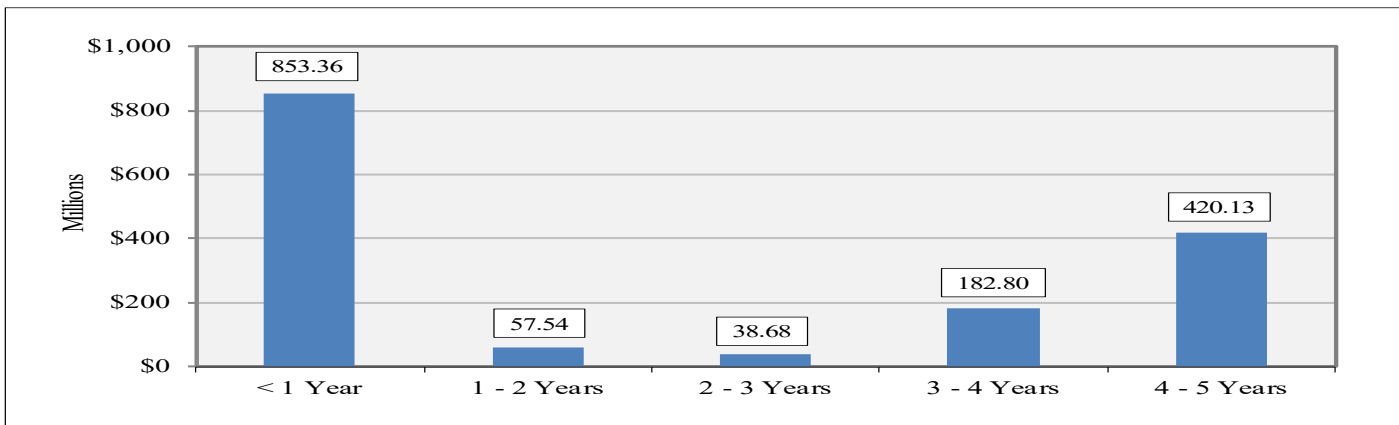
#### External Third-Party Investment Manager

CalTRUST	112,456,517
LAIF	106,447

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	34.07%	2.65%
Corp Bonds	32.11%	3.17%
CPs	12.19%	4.05%
CalTRUST	7.28%	4.01%
CDs	5.24%	1.91%
Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%

### MATURITY SCHEDULE

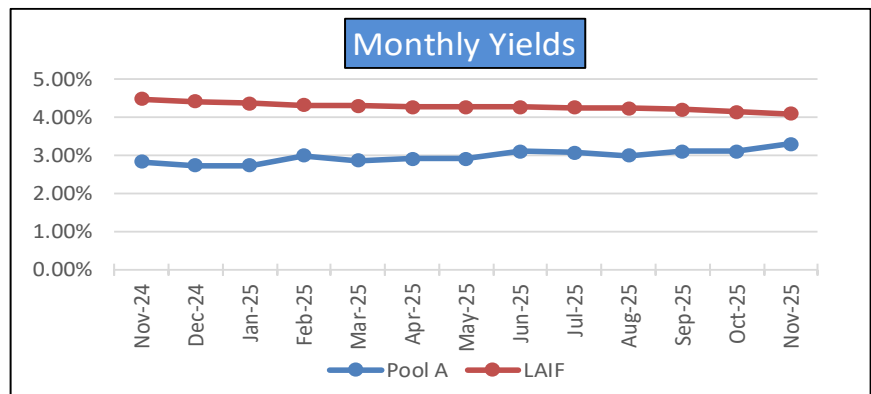
Maturity	Market Value	Pct. Holdings
< 1 Year	853,361,365	54.97%
1 - 2 Years	57,544,517	3.71%
2 - 3 Years	38,684,648	2.49%
3 - 4 Years	182,799,101	11.77%
4 - 5 Years	420,128,344	27.06%
5 Yrs+30 Dys	-	0.00%
<b>Total</b>	<b>1,552,517,975</b>	<b>100.00%</b>



## INTEREST RATE ENVIRONMENT

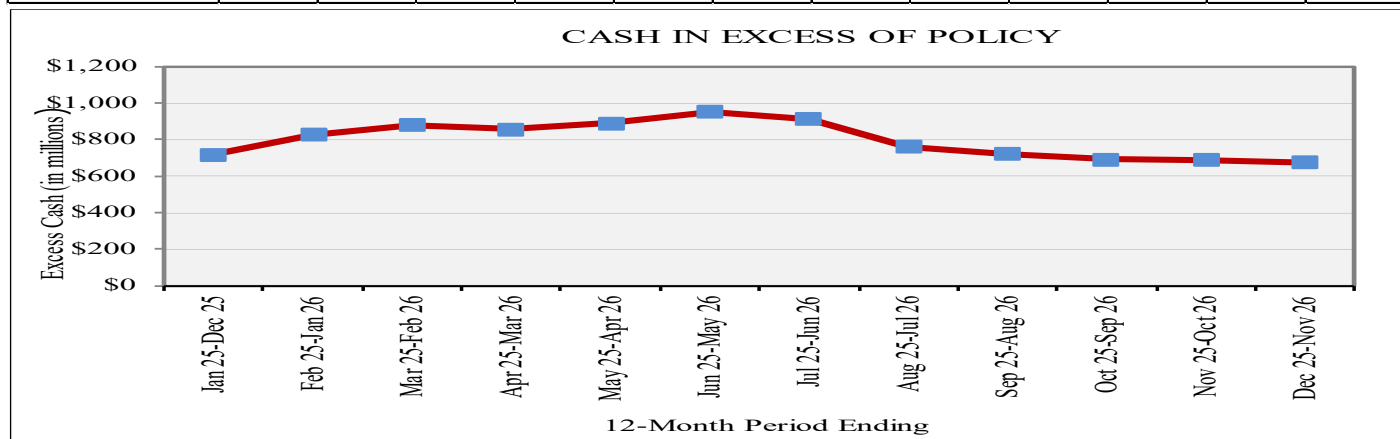
Congress was unable to negotiate an end to the government shutdown until the middle of November; therefore, a lot of the data that influences the actions of policymakers like The Fed were not available for most of the month. November is one of the four months in which The Federal Reserve Board does not meet, so decision making on the direction of economy took a break along with many functions of the government. Americans were already a surly lot, particularly with regard to their members of Congress and the shutdown certainly didn't help, nor did the feeling that prices are not stabilizing quickly enough, particularly heading into the holidays. The University of Michigan Consumer Sentiment Index dropped to 51.1 in November. This is a drop of nearly 40% from November of 2024, which reflected American sentiment heading into the most recent Presidential election. The economy remains in a malaise, and consumers are not very optimistic things will improve soon, although a majority believe that inflation will be near The Fed's target rate of 2.0% by the end of 2026. Treasury yields held steady across the Yield Curve as there were no policy changes, economic data, or major shocks to move markets. The 3-Month Treasury began November at 3.80% and finished it at the same level. The 5-Year Treasury yield, meanwhile, started the month at 3.69% and ended it slightly lower at 3.59%. The investment team will pay close attention to both the actions and messaging of the Fed, while also monitoring market reactions to the policies of the federal government, along with current global events. Investment decisions will be focused on maintaining a portfolio built with high level names that will be stable no matter what domestic and global markets do over the next couple of years. As usual, extra emphasis will be placed on investing only in the companies that have the infrastructure and leadership to navigate through even the most unstable economic environments. When the opportunity arises, value will be added by targeting high quality investments that also provide attractive yields.

Monthly Yields		
Month	Pool A	LAIF
Nov-24	2.84%	4.48%
Dec-24	2.73%	4.43%
Jan-25	2.74%	4.37%
Feb-25	2.99%	4.33%
Mar-25	2.86%	4.31%
Apr-25	2.91%	4.28%
May-25	2.92%	4.27%
Jun-25	3.11%	4.27%
Jul-25	3.07%	4.26%
Aug-25	2.99%	4.25%
Sep-25	3.11%	4.21%
Oct-25	3.11%	4.15%
Nov-25	3.31%	4.10%
FYTD	3.11%	4.19%



## CASH IN EXCESS OF POLICY (IN MILLIONS)

12 Months Cash Flow	Jan 25- Dec 25	Feb 25- Jan 26	Mar 25- Feb 26	Apr 25- Mar 26	May 25- Apr 26	Jun 25- May 26	Jul 25- Jun 26	Aug 25- Jul 26	Sep 25- Aug 26	Oct 25- Sep 26	Nov 25- Oct 26	Dec 25- Nov 26
Excess Cash	\$ 718	\$ 827	\$ 881	\$ 859	\$ 892	\$ 953	\$ 914	\$ 761	\$ 721	\$ 693	\$ 689	\$ 676



City of Sacramento  
**PORTFOLIO APPRAISAL**  
*City Investment Pool A*  
 November 30, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
<b>CASH AND EQUIVALENTS</b>															
	caltrust-lf	Caltrust Liquidity Fund		10,803,019		10,803,019		10,803,019	0.70	4.090	441,843	4.09			
	caltrust-mt	Caltrust Medium-Term		64,230,338		64,230,338		64,230,338	4.16	3.970	2,549,944	3.97			
	caltrust-st	Caltrust Short-Term		37,423,160		37,423,160		37,423,160	2.42	4.050	1,515,638	4.05			
	fidfund	Fidelity Fund		4,089,304		4,089,304		4,089,304	0.26	3.840	157,029	3.84			
	fivestar	Five Star Bank Community Fund		10,034,276		10,034,276		10,034,276	0.65	4.100	411,405	4.10			
	cashjpm	JP Morgan Chase Cash		1,070,006		1,070,006		1,070,006	0.07	1.450	15,515	1.45			
	laifa	Local Agency Investment Fund, Pool A		106,447		106,447		106,447	0.01	4.100	4,364	4.10			
	miscintrec	Misc Interest Receivable		170,533		170,533		170,533	0.01	3.840	6,548	3.84			
	sweep	Overnight Sweep		3,627,399		3,627,399		3,627,399	0.23	3.470	125,871	3.47			
	rivercity	River City Bank Community Fund		25,085,807		25,085,807		25,085,807	1.62	4.260	1,068,655	4.26			
				156,640,289		156,640,289		156,640,289	10.14		6,296,814	4.02			
<b>NON-NEGOTIABLE CERTIFICATES OF DEPOSIT</b>															
30,000,000	3420042541902-1	Safe Credit Union CD 3.760% Due 06-24-30	100.00	30,000,000	100.00	30,000,000	92,712	30,092,712	1.94	3.760	1,128,000	3.79			
<b>CERTIFICATES OF DEPOSIT</b>															
6,000,000	90348jb66	US Bank CD 0.600% Due 01-27-26	100.00	6,000,000	99.47	5,967,901	395	5,968,295	0.39	0.600	36,000	0.60	AA-		
5,000,000	05600xcf5	BMO Harris Bank 0.750% Due 02-26-26	100.00	5,000,000	99.22	4,960,973	9,966	4,970,939	0.32	0.750	37,500	0.75			
5,000,000	90348jm72	UBS Bank CD 0.850% Due 06-16-26	100.00	5,000,000	98.40	4,919,841	1,747	4,921,588	0.32	0.850	42,500	0.85	AA-		12-16-25
10,000,000	78015jmy0	Royal Bank of Canada 4.090% Due 07-06-26	100.00	10,000,000	100.11	10,010,961	109,067	10,120,028	0.65	4.090	409,000	4.09	A1+		
5,000,000	61776nmz3	Morgan Stanley Private Bank 4.100% Due 03-13-28	100.00	5,000,000	100.83	5,041,305	44,932	5,086,237	0.33	4.100	205,000	4.10	A+		
5,000,000	02589ahn5	American Express 4.250% Due 06-12-28	100.00	5,000,000	101.26	5,062,763	100,719	5,163,483	0.33	4.250	212,500	4.25			
5,000,000	46659cln8	JP Morgan Chase Bank NA 4.125% Due 09-30-30	100.00	5,000,000	100.06	5,003,091	35,034	5,038,126	0.32	4.125	206,250	4.12	A1+		09-30-27
5,000,000	61776czb6	Morgan Stanley Bank CD 3.950% Due 10-11-30	100.00	5,000,000	99.54	4,976,917	25,973	5,002,890	0.32	3.950	197,500	3.95	A1+		10-11-26
5,000,000	61776czc4	Morgan Stanley Bank CD 3.900% Due 10-11-30	100.00	5,000,000	99.32	4,965,967	25,644	4,991,611	0.32	3.900	195,000	3.90	A1+		10-11-27
				51,000,000		50,909,721	353,475	51,263,195	3.30		1,541,250	3.03			
<b>COMMERCIAL PAPER</b>															
10,000,000	63873jz94	Natixis NY 4.130% Due 12-09-25	97.12	9,712,047	99.88	9,988,108	0	9,988,108	0.65	4.130	413,000	4.30	A1		
5,000,000	05253aza1	Australia & New Zealand Banking Group 4.100% Due 12-10-25	97.15	4,857,639	99.87	4,993,463	0	4,993,463	0.32	4.100	205,000	4.27	A1		
7,000,000	83369bzs8	Societe Generale 4.020% Due 12-26-25	97.09	6,795,985	99.69	6,978,623	0	6,978,623	0.45	4.020	281,400	4.19	A1		
10,000,000	22533ua60	Credit Agricole Corp 4.090% Due 01-06-26	97.06	9,705,747	99.59	9,958,538	0	9,958,538	0.64	4.090	409,000	4.28	A1		
5,000,000	62479mcq4	MUFG Bank Ltd/NY 4.100% Due 03-24-26	96.98	4,849,097	98.73	4,936,568	0	4,936,568	0.32	4.100	205,000	4.26	A1		
10,000,000	89233hew2	Toyota Motor Credit Corp 4.160% Due 03-30-26	96.93	9,692,622	98.69	9,868,873	0	9,868,873	0.64	4.160	416,000	4.32	A1+		
5,000,000	22533ude0	Credit Agricole Corp 4.170% Due 04-14-26	96.87	4,843,625	98.53	4,926,548	0	4,926,548	0.32	4.170	208,500	4.35	A1		

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*City Investment Pool A*  
 November 30, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
10,000,000	60689gde3	Mizuho Bank Ltd. New York Bra 4.260% Due 04-14-26	96.80	9,680,500	98.49	9,849,260	0	9,849,260	0.64	4.260	426,000	4.44	A1		
10,000,000	83369cg24	Societe Generale 3.800% Due 07-02-26	97.17	9,717,111	97.71	9,771,454	0	9,771,454	0.63	3.800	380,000	3.94	A1		
10,000,000	22533ug64	Credit Agricole Corp 3.820% Due 07-06-26	97.13	9,713,500	97.64	9,764,401	0	9,764,401	0.63	3.820	382,000	3.96	A1		
10,000,000	62479mg72	MUFG Bank Ltd/NY 3.730% Due 07-07-26	97.31	9,730,611	97.66	9,765,614	0	9,765,614	0.63	3.730	373,000	3.86	A1		
10,000,000	09659cgg7	BNP Paribas 3.780% Due 07-16-26	97.47	9,746,950	97.56	9,755,909	0	9,755,909	0.63	3.780	378,000	3.90	A1		
10,000,000	83369cgm0	Societe Generale 3.850% Due 07-21-26	97.41	9,741,194	97.52	9,751,593	0	9,751,593	0.63	3.850	385,000	3.97	A1		
10,000,000	63873kq4	Natixis NY 3.790% Due 07-24-26	97.42	9,742,069	97.47	9,747,105	0	9,747,105	0.63	3.790	379,000	3.91	A1		
10,000,000	05970ugu6	Banco Santander SA 3.770% Due 07-28-26	97.17	9,717,250	97.44	9,744,018	0	9,744,018	0.63	3.770	377,000	3.89	A1		
10,000,000	22533ugu1	Credit Agricole Corp 3.810% Due 07-28-26	97.17	9,717,425	97.42	9,742,240	0	9,742,240	0.63	3.810	381,000	3.93	A1		
10,000,000	45685rgu5	Ing US Funding LLC 3.830% Due 07-28-26	97.13	9,712,750	97.46	9,746,034	0	9,746,034	0.63	3.830	383,000	3.95	A1		
10,000,000	62479mgu1	MUFG Bank Ltd/NY 3.898% Due 07-28-26	97.22	9,722,067	97.45	9,745,264	0	9,745,264	0.63	3.898	389,800	3.91	A1		
10,000,000	78015dgu8	Royal Bank of Canada 3.780% Due 07-28-26	97.21	9,720,700	97.41	9,741,420	0	9,741,420	0.63	3.780	378,000	3.90	A1+		
10,000,000	89119bgu4	Toronto Dominion Bank 3.790% Due 07-28-26	97.38	9,737,858	97.47	9,746,944	0	9,746,944	0.63	3.790	379,000	3.91	A1		
10,000,000	89233hgu2	Toyota Motor Credit Corp 3.850% Due 07-28-26	97.38	9,737,986	97.46	9,746,289	0	9,746,289	0.63	3.850	385,000	3.97	A1+		
				186,594,735		188,268,267	0	188,268,267	12.19		7,513,700	4.05			
<b>U.S. GOVERNMENT BONDS</b>															
5,000,000	91282cbh3	U.S. Treasury Note 0.375% Due 01-31-26	98.83	4,941,406	99.40	4,970,219	6,267	4,976,486	0.32	0.375	18,750	0.62	AA+		
15,000,000	91282cbq3	U.S. Treasury Note 0.500% Due 02-28-26	98.75	14,812,891	99.18	14,876,309	19,061	14,895,369	0.96	0.500	75,000	0.75	AA+		
5,000,000	91282chm6	U.S. Treasury Note 4.500% Due 07-15-26	100.51	5,025,391	100.48	5,023,852	84,986	5,108,838	0.33	4.500	225,000	3.92	AA+		
5,000,000	91282cnn7	U.S. Treasury Note 3.875% Due 07-31-30	100.56	5,028,150	101.20	5,059,766	64,759	5,124,524	0.33	3.875	193,750	3.74	AA+		
5,000,000	91282cpd7	U.S. Treasury Note 3.625% Due 10-31-30	99.42	4,971,094	100.09	5,004,297	15,521	5,019,818	0.32	3.625	181,250	3.75	AA+		
				34,778,931		34,934,441	190,594	35,125,036	2.26		693,750	2.05			
<b>FEDERAL HOME LOAN BANK</b>															
5,000,000	3130akjw7	Federal Home Loan Bank 0.600% Due 12-15-25	100.00	5,000,000	99.84	4,991,855	13,833	5,005,688	0.32	0.600	30,000	0.60	AA+		12-06-25
5,000,000	3130akje7	Federal Home Loan Bank 0.560% Due 12-30-25	99.97	4,998,750	99.70	4,984,883	11,744	4,996,628	0.32	0.560	28,000	0.57	AA+		12-06-25
5,000,000	3130akn85	Federal Home Loan Bank 0.550% Due 01-20-26	99.80	4,990,000	99.53	4,976,672	10,007	4,986,679	0.32	0.550	27,500	0.59	AA+		
10,000,000	3130akq74	Federal Home Loan Bank 0.625% Due 01-22-26	100.00	10,000,000	99.53	9,952,599	22,396	9,974,995	0.64	0.625	62,500	0.62	AA+		
5,000,000	3130akng7	Federal Home Loan Bank 0.550% Due 01-28-26	100.00	5,000,000	99.46	4,973,116	9,396	4,982,512	0.32	0.550	27,500	0.55	AA+		
5,000,000	3130akpc4	Federal Home Loan Bank 0.600% Due 01-28-26	100.00	5,000,000	99.47	4,973,504	10,250	4,983,754	0.32	0.600	30,000	0.60	AA+		

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*City Investment Pool A*  
 November 30, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	3130akpq3	Federal Home Loan Bank 0.580% Due 01-28-26	100.00	5,000,000	99.47	4,973,349	9,908	4,983,257	0.32	0.580	29,000	0.58	AA+		
5,000,000	3130akvr4	Federal Home Loan Bank 0.550% Due 02-12-26	100.00	5,000,000	99.33	4,966,601	8,326	4,974,927	0.32	0.550	27,500	0.55	AA+		
5,000,000	3130al5x8	Federal Home Loan Bank 0.650% Due 02-24-26	100.00	5,000,000	99.25	4,962,323	8,757	4,971,080	0.32	0.650	32,500	0.65	AA+		
5,000,000	3130al6j8	Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	99.24	4,962,041	8,420	4,970,461	0.32	0.625	31,250	0.62	AA+		
5,000,000	3130al7m0	Federal Home Loan Bank 0.625% Due 02-24-26	100.00	5,000,000	99.24	4,962,041	8,420	4,970,461	0.32	0.625	31,250	0.62	AA+		
5,000,000	3130alae4	Federal Home Loan Bank 0.580% Due 02-25-26	100.00	5,000,000	99.22	4,961,086	7,733	4,968,820	0.32	0.580	29,000	0.58	AA+		
5,000,000	3130algs7	Federal Home Loan Bank 0.850% Due 03-10-26	100.00	5,000,000	99.18	4,958,953	9,562	4,968,515	0.32	0.850	42,500	0.85	AA+		12-10-25
5,000,000	3130aleh3	Federal Home Loan Bank 0.700% Due 03-16-26	100.00	5,000,000	99.06	4,953,217	7,292	4,960,509	0.32	0.700	35,000	0.70	AA+		12-16-25
5,000,000	3130almv3	Federal Home Loan Bank 1.000% Due 03-30-26	100.00	5,000,000	99.10	4,954,970	8,472	4,963,442	0.32	1.000	50,000	1.00	AA+		12-30-25
5,000,000	3130alxp4	Federal Home Loan Bank 1.200% Due 04-28-26	100.00	5,000,000	98.90	4,945,230	5,500	4,950,730	0.32	1.200	60,000	1.20	AA+		01-28-26
5,000,000	3130am2f8	Federal Home Loan Bank 1.125% Due 04-29-26	100.00	5,000,000	98.87	4,943,325	5,000	4,948,325	0.32	1.125	56,250	1.12	AA+		01-29-26
5,000,000	3130amcl4	Federal Home Loan Bank 1.020% Due 05-19-26	100.00	5,000,000	98.70	4,935,030	1,700	4,936,730	0.32	1.020	51,000	1.02	AA+		02-19-26
1,750,000	3130amcb6	Federal Home Loan Bank 1.000% Due 05-22-26	100.00	1,750,000	98.65	1,726,296	437	1,726,734	0.11	1.000	17,500	1.00	AA+		02-22-26
5,000,000	3130amjc7	Federal Home Loan Bank 1.000% Due 05-26-26	100.00	5,000,000	98.62	4,930,880	694	4,931,574	0.32	1.000	50,000	1.00	AA+		02-26-26
5,000,000	3130amjn3	Federal Home Loan Bank 1.030% Due 05-26-26	100.00	5,000,000	98.66	4,932,825	715	4,933,540	0.32	1.030	51,500	1.03	AA+		02-26-26
3,000,000	3130ampt3	Federal Home Loan Bank 1.030% Due 06-23-26	100.00	3,000,000	98.51	2,955,179	13,562	2,968,741	0.19	1.030	30,900	1.03	AA+		12-23-25
5,000,000	3130awtq3	Federal Home Loan Bank 4.625% Due 09-11-26	100.81	5,040,400	100.70	5,034,916	51,389	5,086,305	0.33	4.625	231,250	3.92	AA+		
5,000,000	3130anynd4	Federal Home Loan Bank 1.000% Due 09-30-26	100.00	5,000,000	97.78	4,889,090	8,472	4,897,562	0.32	1.000	50,000	1.00	AA+		12-30-25
5,000,000	3130aprp2	Federal Home Loan Bank 1.570% Due 11-23-26	100.00	5,000,000	97.97	4,898,280	1,744	4,900,024	0.32	1.570	78,500	1.57	AA+		12-23-25
5,000,000	3130b4rc7	Federal Home Loan Bank 4.500% Due 07-27-29	100.00	5,000,000	101.05	5,052,518	77,500	5,130,018	0.33	4.500	225,000	4.50	AA+		07-27-27
5,000,000	3130b3bn2	Federal Home Loan Bank 4.250% Due 10-05-29	100.00	5,000,000	100.04	5,001,973	33,056	5,035,029	0.32	4.250	212,500	4.25	AA+		10-05-26
10,000,000	3130b4rf0	Federal Home Loan Bank 4.750% Due 02-04-30	99.89	9,988,750	100.77	10,077,130	154,375	10,231,505	0.65	4.750	475,000	4.78	AA+		02-04-27
5,000,000	3130b54w5	Federal Home Loan Bank 4.750% Due 02-12-30	100.00	5,000,000	101.10	5,055,128	71,910	5,127,038	0.33	4.750	237,500	4.75	AA+		02-12-27
5,000,000	3130b6dl7	Federal Home Loan Bank 4.530% Due 05-28-30	100.00	5,000,000	100.29	5,014,693	1,887	5,016,580	0.32	4.530	226,500	4.53	AA+		05-28-26
5,000,000	3130b6v60	Federal Home Loan Bank 4.570% Due 07-08-30	99.97	4,998,500	100.33	5,016,265	90,765	5,107,031	0.32	4.570	228,500	4.58	AA+		07-08-26
				159,766,400		158,915,969	673,226	159,589,194	10.29		2,795,400	1.74			
<b>FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)</b>															
5,000,000	3135g06n8	Fannie Mae 0.650% Due 12-17-25	100.00	5,000,000	99.84	4,992,136	14,806	5,006,941	0.32	0.650	32,500	0.65	AA+		

City of Sacramento  
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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	3135g06r9	Fannie Mae 0.550% Due 01-28-26	100.00	5,000,000	99.47	4,973,459	9,396	4,982,855	0.32	0.550	27,500	0.55	AA+		
5,000,000	3135gavu2	Fannie Mae 4.000% Due 10-07-27	99.63	4,981,500	99.94	4,997,203	30,000	5,027,203	0.32	4.000	200,000	4.13	AA+		01-07-26
5,000,000	3136gah2	Fannie Mae 4.500% Due 02-18-28	100.00	5,000,000	100.06	5,002,835	64,375	5,067,210	0.32	4.500	225,000	4.50	AA+		02-18-26
5,000,000	3136gavy2	Fannie Mae 4.080% Due 10-01-29	100.00	5,000,000	99.87	4,993,595	34,000	5,027,595	0.32	4.080	204,000	4.08	AA+		10-01-26
5,000,000	3135gax55	Fannie Mae 4.250% Due 10-22-29	99.99	4,999,500	100.08	5,004,023	23,021	5,027,044	0.32	4.250	212,500	4.25	AA+		10-22-26
5,000,000	3136ga2n8	Fannie Mae 4.625% Due 12-11-29	99.90	4,995,000	100.02	5,001,010	109,201	5,110,211	0.32	4.625	231,250	4.74	AA+	c	12-11-25
5,000,000	3136gad22	Fannie Mae 4.300% Due 03-04-30	100.00	5,000,000	100.69	5,034,696	51,958	5,086,654	0.33	4.300	215,000	4.30	AA+		03-04-27
5,000,000	3136gahs1	Fannie Mae 4.340% Due 05-28-30	100.00	5,000,000	100.73	5,036,319	1,808	5,038,127	0.33	4.340	217,000	4.34	AA+		05-28-27
5,000,000	3136gaw21	Fannie Mae 3.920% Due 07-01-30	100.00	5,000,000	99.99	4,999,454	33,211	5,032,665	0.32	3.920	196,000	3.91	AA+		07-01-27
5,000,000	3136gam30	Fannie Mae 4.065% Due 08-12-30	99.95	4,997,500	100.45	5,022,676	61,540	5,084,215	0.33	4.065	203,250	4.08	AA+		08-12-26
5,000,000	3136galv9	Fannie Mae 4.000% Due 08-14-30	99.67	4,983,750	99.94	4,997,169	59,444	5,056,613	0.32	4.000	200,000	4.07	AA+		08-14-26
5,000,000	3136garg6	Fannie Mae 4.000% Due 09-09-30	100.00	5,000,000	99.78	4,988,851	45,556	5,034,406	0.32	4.000	200,000	4.00	AA+		09-09-26
5,000,000	3136gas42	Fannie Mae 4.000% Due 09-10-30	100.00	5,000,000	99.96	4,998,015	45,000	5,043,015	0.32	4.000	200,000	4.00	AA+		09-10-26
5,000,000	3136garw1	Fannie Mae 4.000% Due 09-12-30	99.80	4,990,000	99.71	4,985,640	43,889	5,029,529	0.32	4.000	200,000	4.04	AA+		03-12-26
5,000,000	3136gatq2	Fannie Mae 4.030% Due 09-30-30	100.00	5,000,000	99.85	4,992,412	34,143	5,026,555	0.32	4.030	201,500	4.03	AA+		09-30-26
5,000,000	3136gc3v5	Fannie Mae 4.125% Due 11-06-30	100.00	5,000,000	100.20	5,010,050	14,323	5,024,373	0.32	4.125	206,250	4.12	AA+		11-06-26
				84,947,250		85,029,542	675,671	85,705,213	5.51		3,171,750	3.76			
<b>FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)</b>															
5,000,000	3134gxfv1	Freddie Mac 0.625% Due 12-17-25	100.00	5,000,000	99.85	4,992,645	14,236	5,006,881	0.32	0.625	31,250	0.62	AA+		
5,000,000	3134gxlf9	Freddie Mac 0.550% Due 02-12-26	100.00	5,000,000	99.32	4,966,115	8,326	4,974,441	0.32	0.550	27,500	0.55	AA+		
5,000,000	3134ha6a6	Freddie Mac 4.550% Due 02-11-28	100.22	5,011,150	99.97	4,998,734	69,514	5,068,248	0.32	4.550	227,500	4.47	AA+		02-11-26
10,000,000	3134hbsx0	Freddie Mac 4.500% Due 05-23-30	99.96	9,996,250	100.62	10,062,308	10,000	10,072,308	0.65	4.500	450,000	4.51	AA+		11-23-26
5,000,000	3134hbyb1	Freddie Mac 4.750% Due 07-15-30	100.00	5,000,000	100.10	5,005,235	89,722	5,094,958	0.32	4.750	237,500	4.75	AA+		01-15-26
5,000,000	3134hbb59	Freddie Mac 4.640% Due 07-30-30	100.00	5,000,000	100.18	5,009,107	77,978	5,087,085	0.32	4.640	232,000	4.64	AA+		04-30-26
5,000,000	3134hbw31	Freddie Mac 4.000% Due 10-08-30	100.00	5,000,000	100.06	5,003,039	29,444	5,032,483	0.32	4.000	200,000	4.00	AA+		04-08-27
5,000,000	3134hbx48	Freddie Mac 4.000% Due 10-09-30	99.92	4,996,250	100.17	5,008,669	28,889	5,037,558	0.32	4.000	200,000	4.02	AA+		04-09-27
				45,003,650		45,045,852	328,110	45,373,962	2.92		1,605,750	3.57			

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
<b>FEDERAL AGRICULTURAL MORTGAGE CORP.</b>															
Not Classified															
5,000,000	31424we40	Farmer Mac 4.300% Due 12-12-25	99.99	4,999,500	100.01	5,000,299	100,931	5,101,230	0.32	4.300	215,000	4.32			
3,000,000	31422x8	Farmer Mac 0.700% Due 12-17-25	100.00	3,000,000	99.85	2,995,493	9,567	3,005,059	0.19	0.700	21,000	0.70			
3,000,000	31422x1	Farmer Mac 0.690% Due 02-25-26	100.00	3,000,000	99.25	2,977,407	5,520	2,982,927	0.19	0.690	20,700	0.69			
5,000,000	31422x6	Farmer Mac 1.300% Due 11-23-26	100.00	5,000,000	97.68	4,883,995	1,444	4,885,440	0.32	1.300	65,000	1.30			02-23-26
5,000,000	31424wb1	Farmer Mac 4.450% Due 10-15-29	100.00	5,000,000	100.39	5,019,312	28,431	5,047,743	0.33	4.450	222,500	4.45			10-15-26
5,000,000	31424w73	Farmer Mac 4.480% Due 06-17-30	100.00	5,000,000	100.78	5,039,087	102,044	5,141,131	0.33	4.480	224,000	4.48			06-17-27
5,000,000	31424w94	Farmer Mac 4.080% Due 07-11-30	100.00	5,000,000	101.36	5,068,240	79,333	5,147,573	0.33	4.080	204,000	4.08			07-11-28
5,000,000	31424wr61	Farmer Mac 4.020% Due 09-03-30	100.00	5,000,000	100.05	5,002,747	49,133	5,051,880	0.32	4.020	201,000	4.02			09-03-27
5,000,000	31424w3k6	Farmer Mac 3.900% Due 11-26-30	100.00	5,000,000	100.17	5,008,676	2,708	5,011,385	0.32	3.900	195,000	3.90			11-26-27
				40,999,500		40,995,255	379,112	41,374,367	2.65		1,368,200	3.35			
				40,999,500		40,995,255	379,112	41,374,367	2.65		1,368,200	3.35			
<b>FEDERAL FARM CREDIT BANK - FRMMT</b>															
Not Classified															
5,000,000	3133emqx3	Federal Farm Credit Bank 0.590% Due 02-17-26	100.00	5,000,000	99.29	4,964,521	8,522	4,973,043	0.32	0.590	29,500	0.59	AA+		12-06-25
5,000,000	3133emsk9	Federal Farm Credit Bank 0.840% Due 03-02-26	99.92	4,996,250	99.25	4,962,491	10,383	4,972,874	0.32	0.840	42,000	0.86	AA+		12-06-25
5,000,000	3133emsh6	Federal Farm Credit Bank 0.790% Due 03-03-26	100.00	5,000,000	99.22	4,960,851	9,656	4,970,507	0.32	0.790	39,500	0.79	AA+		12-06-25
5,000,000	3133emsu7	Federal Farm Credit Bank 0.800% Due 03-09-26	100.00	5,000,000	99.18	4,958,909	9,111	4,968,020	0.32	0.800	40,000	0.80	AA+		12-06-25
5,000,000	3133emuk6	Federal Farm Credit Bank 1.050% Due 03-25-26	100.00	5,000,000	99.10	4,955,180	9,625	4,964,805	0.32	1.050	52,500	1.05	AA+		12-06-25
5,000,000	3133emh21	Federal Farm Credit Bank 0.900% Due 06-15-26	100.00	5,000,000	98.49	4,924,524	20,750	4,945,274	0.32	0.900	45,000	0.90	AA+		12-06-25
5,000,000	3133emh54	Federal Farm Credit Bank 0.960% Due 06-15-26	100.00	5,000,000	98.53	4,926,736	22,133	4,948,870	0.32	0.960	48,000	0.96	AA+		12-06-25
3,000,000	3133eml67	Federal Farm Credit Bank 0.800% Due 06-22-26	100.00	3,000,000	98.44	2,953,122	10,600	2,963,722	0.19	0.800	24,000	0.80	AA+		12-06-25
5,000,000	3133emq62	Federal Farm Credit Bank 0.990% Due 07-13-26	100.00	5,000,000	98.34	4,917,244	18,975	4,936,219	0.32	0.990	49,500	0.99	AA+		12-06-25
5,000,000	3133em4s8	Federal Farm Credit Bank 0.870% Due 09-08-26	99.82	4,991,250	97.84	4,891,967	10,029	4,901,996	0.32	0.870	43,500	0.91	AA+		12-06-25
5,000,000	3133em6e7	Federal Farm Credit Bank 0.940% Due 09-28-26	100.00	5,000,000	97.77	4,888,655	8,225	4,896,880	0.32	0.940	47,000	0.94	AA+		12-06-25
3,000,000	3133endc1	Federal Farm Credit Bank 1.330% Due 11-03-26	100.00	3,000,000	97.80	2,934,135	3,103	2,937,239	0.19	1.330	39,900	1.33	AA+		12-06-25
3,000,000	3133enjv3	Federal Farm Credit Bank 1.390% Due 12-29-26	100.00	3,000,000	97.63	2,928,944	17,607	2,946,551	0.19	1.390	41,700	1.39	AA+		12-06-25
5,000,000	3133envv9	Federal Farm Credit Bank 3.630% Due 05-03-27	100.00	5,000,000	99.82	4,990,831	14,117	5,004,948	0.32	3.630	181,500	3.63	AA+		12-06-25
5,000,000	3133etuc9	Federal Farm Credit Bank 4.070% Due 08-21-28	100.00	5,000,000	100.17	5,008,496	56,528	5,065,024	0.32	4.070	203,500	4.07	AA+		08-21-26

City of Sacramento  
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 November 30, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
11,018,000	3133etuq8	Federal Farm Credit Bank 4.160% Due 05-25-29	99.99	11,016,495	100.05	11,023,008	7,639	11,030,647	0.71	4.160	458,349	4.17	AA+		08-25-26
5,000,000	3133erzd6	Federal Farm Credit Bank 4.000% Due 11-01-29	99.47	4,973,350	101.21	5,060,504	16,667	5,077,171	0.33	4.000	200,000	4.12	AA+		
5,000,000	3133er4f5	Federal Farm Credit Bank 4.820% Due 02-19-30	100.00	5,000,000	101.08	5,053,930	68,283	5,122,213	0.33	4.820	241,000	4.82	AA+		12-19-27
5,000,000	3133er5u1	Federal Farm Credit Bank 4.470% Due 03-05-30	100.00	5,000,000	100.32	5,015,969	53,392	5,069,360	0.32	4.470	223,500	4.47	AA+		03-05-27
5,000,000	3133etcf2	Federal Farm Credit Bank 4.520% Due 04-09-30	100.00	5,000,000	100.09	5,004,598	32,644	5,037,243	0.32	4.520	226,000	4.52	AA+		04-09-26
5,000,000	3133ethh3	Federal Farm Credit Bank 4.550% Due 05-20-30	100.00	5,000,000	100.32	5,015,767	6,951	5,022,718	0.32	4.550	227,500	4.55	AA+		11-20-26
5,000,000	3133etij7	Federal Farm Credit Bank 4.720% Due 05-28-30	99.92	4,996,250	99.94	4,996,974	1,967	4,998,940	0.32	4.720	236,000	4.74	AA+		05-28-26
5,000,000	3133etkb2	Federal Farm Credit Bank 4.400% Due 06-03-30	100.00	5,000,000	100.84	5,042,112	108,778	5,150,890	0.33	4.400	220,000	4.40	AA+		06-03-27
5,000,000	3133etmb0	Federal Farm Credit Bank 4.650% Due 06-24-30	100.00	5,000,000	100.22	5,010,817	101,396	5,112,213	0.32	4.650	232,500	4.65	AA+		06-24-26
5,000,000	3133etty3	Federal Farm Credit Bank 4.270% Due 08-20-30	100.00	5,000,000	100.09	5,004,305	59,899	5,064,204	0.32	4.270	213,500	4.27	AA+		08-20-26
5,000,000	3133etxy8	Federal Farm Credit Bank 4.000% Due 09-16-30	100.00	5,000,000	99.85	4,992,409	41,667	5,034,076	0.32	4.000	200,000	4.00	AA+		09-16-26
				129,973,595		129,386,998	728,646	130,115,645	8.38		3,605,449	2.79			
				129,973,595		129,386,998	728,646	130,115,645	8.38		3,605,449	2.79			

**MUNICIPAL BONDS**

Not Classified

5,000,000.00	64990fb29	New York St Dorm Auth St Pers 1.262% Due 03-15-26	100.00	5,000,000	99.22	4,961,045	13,321	4,974,366	0.32	1.262	63,100	1.26	AA+		
1,000,000.00	64990fd50	New York St Dorm Auth St Pers 1.187% Due 03-15-26	100.00	1,000,000	99.20	991,996	2,506	994,502	0.06	1.187	11,870	1.19	AA+		
1,000,000.00	68607v3k9	Oregon St Dept of Admin Svcs Lottery Rev 3.131% Due 04-01-26	100.00	1,000,000	99.77	997,655	5,218	1,002,873	0.06	3.131	31,310	3.13	AAA		
1,000,000.00	697511fu2	Palomar Calif Cmnty College Di 1.031% Due 08-01-26	100.00	1,000,000	98.24	982,427	3,437	985,864	0.06	1.031	10,310	1.03	AA		
3,000,000.00	79770gjc1	San Francisco Calif City & Cnt 1.861% Due 08-01-26	101.35	3,040,470	98.76	2,962,757	18,610	2,981,367	0.19	1.861	55,830	1.55	AA		
1,975,000.00	798306wq5	San Juan Calif Uni Sch Dist Sa 1.201% Due 08-01-26	96.06	1,897,224	98.15	1,938,440	7,907	1,946,347	0.13	1.201	23,720	2.13			
2,000,000.00	20772kqk8	Connecticut State 3.631% Due 06-15-27	99.57	1,991,480	99.89	1,997,730	33,486	2,031,215	0.13	3.631	72,620	3.73	AA-		
2,425,000.00	79768hjn9	San Francisco Calif City & Cnt 4.655% Due 10-01-27	101.57	2,463,048	101.61	2,464,149	18,814	2,482,963	0.16	4.655	112,884	3.78			09-01-27
5,000,000.00	419792p67	Hawaii St 4.237% Due 10-01-28	100.00	5,000,000	101.51	5,075,490	35,308	5,110,799	0.33	4.237	211,850	4.24	AA+		
1,000,000.00	8827243s4	Texas St 4.066% Due 10-01-28	100.00	1,000,000	101.23	1,012,337	6,777	1,019,114	0.07	4.066	40,660	4.07	AAA		
5,000,000.00	13063dmb1	California St 3.050% Due 04-01-29	96.35	4,817,650	97.93	4,896,578	25,417	4,921,995	0.32	3.050	152,500	4.12	AA-		
3,500,000.00	13068xnu9	California St Pub Wks Brd Leas Lease Rev 4.783% Due 04-01-29	101.24	3,543,435	102.53	3,588,453	27,901	3,616,354	0.23	4.783	167,405	4.43	A+		
1,250,000.00	574296ep0	Maryland St Stadium Auth Rev 4.065% Due 06-15-29	100.00	1,250,000	100.54	1,256,709	13,268	1,269,976	0.08	4.065	50,812	4.07	AA		

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
9,895,000.00	91412hfg3	University Calif Revenue Bonds 3.349% Due 07-01-29	96.69	9,567,113	99.07	9,802,813	138,076	9,940,890	0.63	3.349	331,384	4.14	AA		
5,055,000.00	54438cdt6	Los Angeles Calif Cmnty College 5.520% Due 08-01-29	101.91	5,151,803	103.60	5,237,039	93,012	5,330,051	0.34	5.520	279,036	5.04	AA+		
1,000,000.00	20772kd48	Connecticut State 3.865% Due 08-15-29	100.00	1,000,000	100.32	1,003,225	4,939	1,008,163	0.06	3.865	38,650	3.87	AA-		
5,960,000.00	419792p75	Hawaii St 4.287% Due 10-01-29	100.00	5,960,000	102.00	6,079,116	42,584	6,121,700	0.39	4.287	255,505	4.29	AA+		
1,000,000.00	8827243t2	Texas St 4.178% Due 10-01-29	100.00	1,000,000	101.83	1,018,292	6,963	1,025,255	0.07	4.178	41,780	4.18	AAA		
1,260,000.00	574296eq8	Maryland St Stadium Auth Rev 4.165% Due 06-15-30	100.00	1,260,000	100.76	1,269,523	13,703	1,283,226	0.08	4.165	52,479	4.17	AA		
1,000,000.00	20772kd55	Connecticut State 3.885% Due 08-15-30	100.00	1,000,000	100.11	1,001,116	4,964	1,006,080	0.06	3.885	38,850	3.89	AA-		
				57,942,224		58,536,890	516,210	59,053,101	3.79		2,042,555	3.66			
				57,942,224		58,536,890	516,210	59,053,101	3.79		2,042,555	3.66			
<b>CORPORATE BONDS</b>															
<b>INDUSTRIALS</b>															
10,000,000	24422evk2	John Deere Capital Corp 0.700% Due 01-15-26	99.06	9,905,536	99.58	9,957,894	26,444	9,984,339	0.64	0.700	70,000	0.90	A		
5,000,000	539830cc1	Lockheed Martin Corp 4.500% Due 02-15-29	98.95	4,947,300	101.63	5,081,324	66,250	5,147,574	0.33	4.500	225,000	4.79	A-		01-15-29
7,000,000	438516cy0	Honeywell Intl Inc 4.700% Due 02-01-30	99.13	6,938,820	102.41	7,168,768	109,667	7,278,435	0.46	4.700	329,000	4.90	A		01-01-30
5,000,000	24422eye3	John Deere Capital Corp 4.550% Due 06-05-30	100.73	5,036,620	102.00	5,099,869	111,222	5,211,092	0.33	4.550	227,500	4.38	A		
				26,828,276		27,307,855	313,583	27,621,438	1.77		851,500	3.32			
<b>CONSUMER DISCRETIONARY</b>															
1,850,000	641062ar5	Nestle Holdings Inc 0.625% Due 01-15-26	99.41	1,839,122	99.57	1,842,057	4,368	1,846,425	0.12	0.625	11,562	0.75	AA-		12-15-25
5,000,000	141781bn3	Cargill Inc 0.750% Due 02-02-26	99.68	4,984,150	99.41	4,970,571	12,396	4,982,967	0.32	0.750	37,500	0.82	A		01-02-26
5,000,000	74460waa5	Public Storage 0.875% Due 02-15-26	100.27	5,013,300	99.28	4,963,805	12,882	4,976,687	0.32	0.875	43,750	0.82	A		01-15-26
5,000,000	023135bx3	Amazon Com Inc 1.000% Due 05-12-26	99.68	4,984,250	98.73	4,936,338	2,639	4,938,977	0.32	1.000	50,000	1.06	AA		04-12-26
5,000,000	571676aj4	Mars Inc 0.875% Due 07-16-26	97.32	4,865,950	98.17	4,908,324	16,406	4,924,730	0.32	0.875	43,750	1.49	A		06-16-26
4,500,000	74460dag4	Public Storage 1.500% Due 11-09-26	98.14	4,416,255	97.80	4,400,799	4,125	4,404,924	0.28	1.500	67,500	1.91	A		10-09-26
5,000,000	742718fv6	Procter & Gamble Co 1.900% Due 02-01-27	99.53	4,976,400	98.00	4,899,956	31,667	4,931,623	0.32	1.900	95,000	2.00	AA-		
2,000,000	742718fg9	Procter & Gamble Co 2.800% Due 03-25-27	97.94	1,958,740	98.86	1,977,146	10,267	1,987,412	0.13	2.800	56,000	3.26	AA-		
5,000,000	742718gf0	Procter & Gamble Co 4.350% Due 01-29-29	99.71	4,985,650	102.00	5,099,898	73,708	5,173,607	0.33	4.350	217,500	4.43	AA-		
5,000,000	05565ecj2	BMW US Capital LLC 4.900% Due 04-02-29	100.00	5,000,000	102.23	5,111,642	40,153	5,151,795	0.33	4.900	245,000	4.90	A		03-02-29
5,000,000	05565ecr4	BMW US Capital LLC 4.650% Due 08-13-29	99.00	4,950,000	101.54	5,077,135	69,750	5,146,885	0.33	4.650	232,500	4.90	A		07-13-29
10,000,000	571676ay1	Mars Inc 4.800% Due 03-01-30	100.73	10,073,300	102.44	10,243,812	120,000	10,363,812	0.66	4.800	480,000	4.63	A		02-01-30
5,000,000	641062bg8	Nestle Holdings Inc 4.950% Due 03-14-30	102.91	5,145,750	103.84	5,191,934	52,937	5,244,872	0.34	4.950	247,500	4.28	AA		01-14-30

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5,688,000	05565eb18	BMW US Capital LLC 4.150% Due 04-09-30	96.42	5,484,199	99.62	5,666,283	34,096	5,700,380	0.37	4.150	236,052	4.97	A		01-09-30
5,000,000	872540at6	Tjx Cos Inc New 3.875% Due 04-15-30	96.75	4,837,400	99.52	4,975,814	24,757	5,000,570	0.32	3.875	193,750	4.61	A		01-15-30
5,000,000	64110lav8	Netflix Inc. 4.875% Due 06-15-30	102.25	5,112,400	103.00	5,150,171	112,396	5,262,567	0.33	4.875	243,750	4.37	A		03-15-30
				78,626,866		79,415,686	622,547	80,038,233	5.14		2,501,114	3.31			
CONSUMER STAPLES															
5,000,000	427866b11	Hershey Co 4.750% Due 02-24-30	100.56	5,027,850	102.73	5,136,438	63,993	5,200,431	0.33	4.750	237,500	4.62	A		01-24-30
5,000,000	194162at0	Colgate Palmolive Co 4.200% Due 05-01-30	99.60	4,980,000	101.23	5,061,274	17,500	5,078,774	0.33	4.200	210,000	4.29	A+		04-01-30
				10,007,850		10,197,712	81,493	10,279,206	0.66		447,500	4.46			
ENERGY															
4,000,000	63743hew8	National Rural Utils Coop Fin 1.000% Due 06-15-26	97.79	3,911,520	98.38	3,935,083	18,444	3,953,527	0.25	1.000	40,000	1.51	A-		05-15-26
5,000,000	291011bp8	Emerson Elec Co 0.875% Due 10-15-26	96.04	4,802,200	97.42	4,871,111	5,590	4,876,701	0.32	0.875	43,750	1.74	A		09-15-26
				8,713,720		8,806,193	24,035	8,830,228	0.57		83,750	1.64			
FINANCIAL															
4,000,000	637639ae5	National Secs Clearing Corp 0.750% Due 12-07-25	100.34	4,013,460	99.92	3,996,917	14,500	4,011,417	0.26	0.750	30,000	0.68	AA+		
5,000,000	48128gy53	JP Morgan Chase & Co 0.825% Due 12-22-25	100.00	5,000,000	99.77	4,988,555	18,219	5,006,774	0.32	0.825	41,250	0.82	A		
5,000,000	064159f84	Bank Nova Scotia B C 0.800% Due 12-30-25	100.00	5,000,000	99.57	4,978,601	6,778	4,985,379	0.32	0.800	40,000	0.80	A-		
5,000,000	14913r3b1	Caterpillar Financial Services Corp 4.800% Due 01-06-26	100.71	5,035,650	100.05	5,002,744	96,667	5,099,411	0.32	4.800	240,000	4.54	A		
3,000,000	89114qcp1	Toronto Dominion Bank 0.750% Due 01-06-26	99.85	2,995,590	99.66	2,989,857	9,062	2,998,920	0.19	0.750	22,500	0.78	A-		
5,000,000	78016ezm2	Royal Bank of Canada 0.875% Due 01-20-26	100.00	5,000,000	99.54	4,977,129	15,920	4,993,049	0.32	0.875	43,750	0.87	A		
3,000,000	22533ad53	Credit Agricole Cib Sa 0.900% Due 01-21-26	100.00	3,000,000	99.35	2,980,615	9,750	2,990,365	0.19	0.900	27,000	0.90	A+		
5,000,000	48128g2y5	JP Morgan Chase & Co 1.000% Due 02-26-26	100.00	5,000,000	99.08	4,953,957	13,194	4,967,152	0.32	1.000	50,000	1.00	A		
5,000,000	0641593u8	Bank Nova Scotia B C 1.050% Due 03-02-26	99.40	4,970,000	99.24	4,961,995	12,979	4,974,975	0.32	1.050	52,500	1.18	A-		
5,000,000	14913r2k2	Caterpillar Financial Services Corp 0.900% Due 03-02-26	99.00	4,950,000	99.20	4,960,218	11,125	4,971,343	0.32	0.900	45,000	1.11	A		
5,000,000	78016ezq3	Royal Bank of Canada 1.200% Due 04-27-26	100.56	5,028,000	98.89	4,944,573	5,667	4,950,239	0.32	1.200	60,000	1.08	A		
5,000,000	48128g3g3	JP Morgan Chase & Co 1.200% Due 04-30-26	100.00	5,000,000	98.40	4,920,200	5,167	4,925,366	0.32	1.200	60,000	1.20	A		
5,000,000	808513br5	Charles Schwab Corp 1.150% Due 05-13-26	99.74	4,986,950	98.74	4,936,929	2,875	4,939,804	0.32	1.150	57,500	1.20	A-		04-13-26
5,000,000	40139lbd4	Guardian Life Global Funding 1.250% Due 05-13-26	99.98	4,999,050	98.77	4,938,552	3,125	4,941,677	0.32	1.250	62,500	1.25	AA+		
5,000,000	06048w199	Bank of America Corporation 1.400% Due 05-14-26	100.00	5,000,000	98.87	4,943,655	3,306	4,946,960	0.32	1.400	70,000	1.40	A-		
5,000,000	06048wm31	Bank of America Corporation 1.250% Due 05-28-26	100.00	5,000,000	98.62	4,931,076	521	4,931,597	0.32	1.250	62,500	1.25	A-		

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5,000,000	902674zz6	UBS Ag London Branch 1.250% Due 06-01-26	99.80	4,990,200	98.68	4,933,912	31,250	4,965,162	0.32	1.250	62,500	1.30	A+		
10,000,000	89114tzd7	Toronto Dominion Bank 1.200% Due 06-03-26	100.17	10,016,850	98.57	9,856,818	59,333	9,916,152	0.64	1.200	120,000	1.17	A-		
5,000,000	89236tjk2	Toyota Motor Credit Corp 1.125% Due 06-18-26	99.80	4,990,050	98.51	4,925,517	25,469	4,950,986	0.32	1.125	56,250	1.17	A+		
5,000,000	78016ezt7	Royal Bank of Canada 1.150% Due 07-14-26	99.97	4,998,550	98.26	4,912,951	21,882	4,934,833	0.32	1.150	57,500	1.16	A		
3,000,000	2255012g5	Credit Suisse Ag New York 1.250% Due 08-07-26	97.69	2,930,670	98.29	2,948,687	11,875	2,960,562	0.19	1.250	37,500	1.77	A+		
3,000,000	06048wn63	Bank of America Corporation 1.150% Due 09-10-26	99.00	2,970,000	97.76	2,932,691	7,762	2,940,454	0.19	1.150	34,500	1.36	A-		03-10-26
5,000,000	0641598k5	Bank Nova Scotia B C 1.300% Due 09-15-26	97.99	4,899,650	97.93	4,896,303	13,722	4,910,025	0.32	1.300	65,000	1.75	A-		06-15-26
3,000,000	06368gc54	Bank Of Montreal 2.000% Due 12-22-26	100.00	3,000,000	97.82	2,934,460	26,500	2,960,960	0.19	2.000	60,000	2.00	A-		12-22-25
5,000,000	59217ger6	Metropolitan Life Global Fdg I 1.875% Due 01-11-27	98.68	4,934,000	97.75	4,887,401	36,458	4,923,859	0.32	1.875	93,750	2.16	AA-		
5,000,000	06417xad3	Bank Nova Scotia B C 1.950% Due 02-02-27	98.46	4,923,100	97.79	4,889,747	32,229	4,921,977	0.32	1.950	97,500	2.28	A-		
5,500,000	808513by0	Schwab Charles Corp 2.450% Due 03-03-27	100.00	5,500,000	98.16	5,398,593	32,939	5,431,532	0.35	2.450	134,750	2.45	A-		02-03-27
5,000,000	38151g2f7	Goldman Sachs Bank Usa 5.000% Due 03-06-28	100.00	5,000,000	100.72	5,036,096	59,028	5,095,124	0.33	5.000	250,000	5.00	A+		03-06-26
5,000,000	58769jaw7	Mercedes-Benz Fin North Amer 4.800% Due 08-01-29	100.06	5,002,900	102.14	5,106,807	80,000	5,186,807	0.33	4.800	240,000	4.78	A		
5,000,000	17325fbk3	Citibank NA 4.838% Due 08-06-29	100.30	5,014,950	102.62	5,130,856	77,274	5,208,129	0.33	4.838	241,900	4.76	A+		07-06-29
5,000,000	89236tmk8	Toyota Motor Credit Corp 4.550% Due 08-09-29	99.81	4,990,600	101.87	5,093,578	70,778	5,164,356	0.33	4.550	227,500	4.60	A+		
5,000,000	02665wfq9	American Honda Finance 4.400% Due 09-05-29	97.55	4,877,700	100.94	5,047,011	52,556	5,099,567	0.33	4.400	220,000	5.00	A-		
5,000,000	62829d2e9	Mutual Of Omaha Cos Global Fdg 4.750% Due 10-15-29	99.76	4,987,850	101.73	5,086,714	30,347	5,117,061	0.33	4.750	237,500	4.81	A+		
10,000,000	58769jba4	Mercedes-Benz Fin North Amer 5.100% Due 11-15-29	99.83	9,982,900	103.26	10,325,695	22,667	10,348,362	0.67	5.100	510,000	5.14	A		
5,000,000	74368cca0	Protective Life Global Funding 4.772% Due 12-09-29	99.38	4,969,100	102.15	5,107,464	113,998	5,221,462	0.33	4.772	238,600	4.92	AA-		
7,000,000	04685a4g3	Athene Global Funding 5.380% Due 01-07-30	101.07	7,074,900	102.19	7,153,255	150,640	7,303,895	0.46	5.380	376,600	5.12	A+		
5,000,000	6944p13f4	Pacific Life Global Fdg Ii Med 4.850% Due 02-10-30	100.74	5,036,900	102.55	5,127,411	74,771	5,202,182	0.33	4.850	242,500	4.67	AA-		
5,000,000	857477cw1	State Str Corp 4.729% Due 02-28-30	100.48	5,024,250	102.57	5,128,354	61,083	5,189,436	0.33	4.729	236,450	4.61	A		01-28-30
5,000,000	02665wfy2	American Honda Finance 4.800% Due 03-05-30	99.61	4,980,300	102.19	5,109,595	57,333	5,166,928	0.33	4.800	240,000	4.89	A-		
5,000,000	12572qal9	Cme Group Inc 4.400% Due 03-15-30	99.89	4,994,750	101.36	5,068,182	46,444	5,114,627	0.33	4.400	220,000	4.42	AA-		02-15-30
5,000,000	808513bc8	Charles Schwab Corp 4.625% Due 03-22-30	100.71	5,035,400	102.38	5,119,224	44,323	5,163,547	0.33	4.625	231,250	4.47	A-		12-22-29
5,000,000	62829d2f6	Mutual Of Omaha Cos Global Fdg 5.000% Due 04-01-30	101.28	5,063,780	102.39	5,119,296	41,667	5,160,962	0.33	5.000	250,000	4.70	A+		
5,000,000	02665weh0	American Honda Finance 4.600% Due 04-17-30	98.47	4,923,500	101.36	5,068,073	28,111	5,096,184	0.33	4.600	230,000	4.95	A-		
5,000,000	857477db6	State Str Corp 4.834% Due 04-24-30	101.12	5,055,950	103.13	5,156,288	24,841	5,181,129	0.33	4.834	241,700	4.58	A		03-24-30

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5,000,000	89236tnj0	Toyota Motor Credit Corp 4.800% Due 05-15-30	100.37	5,018,750	102.65	5,132,575	10,667	5,143,242	0.33	4.800	240,000	4.71	A+		
5,000,000	82622rac0	Siemens Funding B.V. 4.600% Due 05-28-30	100.22	5,010,985	101.98	5,098,956	1,917	5,100,873	0.33	4.600	230,000	4.55	AA-		04-28-30
5,000,000	17325fbp2	Citibank NA 4.914% Due 05-29-30	101.36	5,067,950	103.14	5,156,847	1,365	5,158,212	0.33	4.914	245,700	4.60	A+		04-29-30
				236,245,185		237,294,933	1,578,083	238,873,015	15.37		6,933,450	2.98			
<b>HEALTHCARE</b>															
5,000,000	58933yay1	Merck & Co. Inc 0.750% Due 02-24-26	99.75	4,987,750	99.21	4,960,676	10,104	4,970,780	0.32	0.750	37,500	0.80	A+		01-24-26
2,500,000	771196bk7	Roche Holdings Inc 2.625% Due 05-15-26	97.15	2,428,875	99.38	2,484,453	2,917	2,487,370	0.16	2.625	65,625	3.40	AA		02-15-26
5,000,000	91324pec2	Unitedhealth Group Inc 1.150% Due 05-15-26	100.00	5,000,000	98.70	4,934,822	2,556	4,937,378	0.32	1.150	57,500	1.15	A+		04-15-26
2,000,000	717081et6	Pfizer Inc 3.450% Due 03-15-29	98.60	1,972,060	98.90	1,977,976	14,567	1,992,543	0.13	3.450	69,000	3.79	A		12-15-28
5,000,000	91324pez1	Unitedhealth Group Inc 4.700% Due 04-15-29	102.92	5,146,050	102.35	5,117,522	30,028	5,147,550	0.33	4.700	235,000	4.00	A+		03-15-29
5,000,000	66989hat5	Novartis Capital Corp 3.800% Due 09-18-29	96.48	4,824,150	99.73	4,986,515	38,528	5,025,043	0.32	3.800	190,000	4.65	AA-		08-18-29
5,000,000	04352eaa3	Ascension Health Alliance 2.532% Due 11-15-29	91.73	4,586,750	94.69	4,734,619	5,627	4,740,245	0.31	2.532	126,600	4.57	AA		08-15-29
5,000,000	91324pfg2	Unitedhealth Group Inc 4.800% Due 01-15-30	100.16	5,007,950	102.72	5,135,828	90,667	5,226,495	0.33	4.800	240,000	4.76	A+		12-15-29
5,000,000	377372ap2	Glaxosmithkline Cap Inc 4.500% Due 04-15-30	99.60	4,979,955	101.84	5,091,850	28,750	5,120,600	0.33	4.500	225,000	4.59	A		03-15-30
5,000,000	716973ad4	Pfizer Investment Enterprises 4.650% Due 05-19-30	100.43	5,021,350	102.39	5,119,521	7,750	5,127,271	0.33	4.650	232,500	4.55	A		03-19-30
				43,954,890		44,543,783	231,492	44,775,275	2.88		1,478,725	3.64			
<b>INFORMATION TECHNOLOGY</b>															
5,000,000	037833eb2	Apple Inc 0.700% Due 02-08-26	99.96	4,998,040	99.40	4,969,907	10,986	4,980,893	0.32	0.700	35,000	0.71	AA+		01-08-26
5,000,000	459200km2	IBM Corporation 2.200% Due 02-09-27	99.00	4,950,000	98.02	4,900,962	34,222	4,935,184	0.32	2.200	110,000	2.41	A-		01-09-27
5,000,000	747525au7	Qualcom Inc 3.250% Due 05-20-27	98.40	4,920,250	99.27	4,963,407	4,965	4,968,373	0.32	3.250	162,500	3.88	A		02-20-27
2,000,000	79466laf1	Salesforce Inc 3.700% Due 04-11-28	99.66	1,993,200	99.96	1,999,133	10,278	2,009,410	0.13	3.700	74,000	3.80	A+		01-11-28
5,000,000	70450yae3	Paypal Hldgs Inc 2.850% Due 10-01-29	92.25	4,612,650	95.75	4,787,383	23,750	4,811,133	0.31	2.850	142,500	4.72	A-		07-01-29
5,000,000	459200lg4	IBM Corporation 4.800% Due 02-10-30	100.27	5,013,700	102.70	5,134,854	74,000	5,208,854	0.33	4.800	240,000	4.74	A-		01-10-30
5,000,000	747525bu6	Qualcom Inc 4.500% Due 05-20-30	99.92	4,996,150	101.80	5,089,919	6,875	5,096,794	0.33	4.500	225,000	4.52	A		04-20-30
				31,483,990		31,845,564	165,076	32,010,641	2.06		989,000	3.52			
<b>TRANSPORTATION</b>															
5,761,000	44891acu9	Hyundai Capital America 5.300% Due 01-08-29	100.09	5,766,243	102.66	5,914,351	121,285	6,035,636	0.38	5.300	305,333	5.27	A-		12-08-28
5,000,000	44891acy1	Hyundai Capital America 5.350% Due 03-19-29	102.33	5,116,700	102.96	5,148,244	53,500	5,201,744	0.33	5.350	267,500	4.71	A-		02-19-29

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*City Investment Pool A*  
 November 30, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	44891adc8	Hyundai Capital America 5.300% Due 06-24-29	100.96	5,048,000	102.99	5,149,444	115,569	5,265,013	0.33	5.300	265,000	5.05	A-		05-24-29
				15,930,943		16,212,038	290,354	16,502,393	1.05		837,833	5.02			
				451,791,719		455,623,765	3,306,664	458,930,429	29.50		14,122,872	3.24			
<b>OTHER GOVERNMENT AGENCY BONDS</b>															
Not Classified															
5,000,000	880591fe7	Tennessee Valley Auth 3.875% Due 08-01-30	100.00	5,000,000	100.83	5,041,317	60,816	5,102,133	0.33	3.875	193,750	3.88	AA+		
				5,000,000		5,041,317	60,816	5,102,133	0.33		193,750	3.88			
<b>SUPRANATIONALS</b>															
Not Classified															
5,000,000	45905u5y6	International Bk Recon & Develop 0.600% Due 02-18-26	100.00	5,000,000	99.04	4,952,241	8,583	4,960,825	0.32	0.600	30,000	0.60	AAA		
5,000,000	459058lk7	International Bk Recon & Develop 4.000% Due 08-27-26	99.88	4,994,200	100.19	5,009,374	52,222	5,061,597	0.32	4.000	200,000	4.06	AAA		
5,000,000	45906m5h0	International Bk Recon & Develop 5.170% Due 04-24-29	101.10	5,055,000	100.88	5,043,932	26,568	5,070,500	0.33	5.170	258,500	4.92	AAA		07-24-26
8,000,000	45906m5k3	International Bk Recon & Develop 4.750% Due 07-30-29	100.58	8,046,500	100.35	8,028,198	127,722	8,155,920	0.52	4.750	380,000	4.61	AAA		07-30-26
5,000,000	45906m6a4	International Bk Recon & Develop 4.625% Due 02-12-30	99.70	4,984,850	100.20	5,010,227	70,017	5,080,245	0.32	4.625	231,250	4.69	AAA		02-12-26
5,000,000	45950vuj3	International Finance Corporation 4.500% Due 02-14-30	99.94	4,997,250	101.99	5,099,705	179,375	5,279,080	0.33	4.500	225,000	4.50	AAA		02-14-28
5,000,000	45818wgh3	Inter-American Development Bank 4.200% Due 07-17-30	100.00	5,000,000	100.60	5,029,996	70,583	5,100,580	0.33	4.200	210,000	4.20	AAA		07-30-27
				38,077,800		38,173,675	535,072	38,708,746	2.47		1,534,750	4.00			
				38,077,800		38,173,675	535,072	38,708,746	2.47		1,534,750	4.00			
<b>TREASURY BILLS</b>															
Not Classified															
7,000,000	912797qy6	U. S. Treasury Bill 4.130% Due 12-11-25	97.91	6,853,844	99.89	6,992,387	0	6,992,387	0.45	4.130	289,100	4.22	AA+		
				6,853,844		6,992,387	0	6,992,387	0.45		289,100	4.22			
<b>VARIABLE RATE SECURITIES</b>															
Not Classified															
5,000,000	06048wk66	Bank of America Corp 1.000% Due 12-23-25	100.00	5,000,000	99.82	4,991,096	9,444	5,000,541	0.32	1.000	50,000	0.80	A-		
5,000,000	06048wk82	Bank of America Corp 1.000% Due 01-26-26	99.42	4,971,250	99.56	4,977,798	4,861	4,982,660	0.32	1.000	50,000	0.86	A-		
5,000,000	3130akt3	Federal Home Loan Bank 1.000% Due 01-29-26	100.00	5,000,000	99.53	4,976,377	16,944	4,993,322	0.32	1.000	50,000	0.59	AA+		
5,000,000	3130aljk1	Federal Home Loan Bank 1.000% Due 03-23-26	100.00	5,000,000	99.11	4,955,691	9,444	4,965,135	0.32	1.000	50,000	0.89	AA+		
5,000,000	3130amej7	Federal Home Loan Bank 1.125% Due 05-26-26	100.00	5,000,000	98.72	4,935,850	781	4,936,631	0.32	1.125	56,250	1.00	AA+		
5,000,000	3130anxc9	Federal Home Loan Bank 2.000% Due 09-29-26	100.00	5,000,000	99.06	4,952,853	17,222	4,970,075	0.32	2.000	100,000	1.14	AA+		12-29-25
5,000,000	459058kb8	International Bk Recon & Develop 2.250% Due 11-06-26	99.95	4,997,450	97.58	4,879,237	7,812	4,887,050	0.32	2.250	112,500	1.63	AAA		
5,000,000	46647pbw5	JP Morgan Chase Bank Na 1.040% Due 02-04-27	95.40	4,769,800	99.48	4,973,817	16,900	4,990,717	0.32	1.040	52,000	2.15	A		02-04-26

City of Sacramento  
**PORTFOLIO APPRAISAL**  
*City Investment Pool A*  
 November 30, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
5,000,000	46647pax4	JP Morgan Chase Bank Na 4.452% Due 12-05-29	98.61	4,930,750	101.11	5,055,512	108,827	5,164,339	0.33	4.452	222,600	5.03	A		12-05-28
5,000,000	6174468g7	Morgan Stanley 4.431% Due 01-23-30	98.93	4,946,500	100.75	5,037,451	78,773	5,116,224	0.33	4.431	221,550	5.01	A-		01-23-29
5,000,000	06051ghq5	Bank of America Corp 3.974% Due 02-07-30	96.73	4,836,650	99.56	4,978,142	62,922	5,041,063	0.32	3.974	198,700	4.98	A-		02-07-29
5,000,000	17325fbr8	Citibank NA 5.539% Due 05-29-30	101.36	5,068,000	101.34	5,067,075	68,467	5,135,542	0.33	5.539	276,945	4.97	A+		04-29-30
				59,520,400		59,780,899	402,399	60,183,298	3.87		1,440,545	2.43			
				59,520,400		59,780,899	402,399	60,183,298	3.87		1,440,545	2.43			
<b>TOTAL PORTFOLIO</b>				<b>1,538,890,337</b>		<b>1,544,275,268</b>	<b>8,242,706</b>	<b>1,552,517,975</b>	<b>100.00</b>		<b>49,343,635</b>	<b>3.25</b>			

City of Sacramento  
**PURCHASE AND SALE**  
*City Investment Pool A*  
From 11-01-25 To 11-30-25

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Unit Price	Amount
<b>PURCHASES</b>									
11-03-25	11-04-25	cpus	78015dgu8	78015DGU8	10,000,000	Royal Bank of Canada 3.780% Due 07-28-26	A1+	97	9,720,700
11-03-25	11-06-25	fmus	3136gc3v5	3136GC3V5	5,000,000	Fannie Mae 4.125% Due 11-06-30	AA+	100	5,000,000
11-05-25	11-06-25	cpus	62479mgu1	62479MGU1	10,000,000	MUFG Bank Ltd/NY 3.898% Due 07-28-26	A1	97	9,722,067
11-05-25	11-06-25	gbus	91282cnm7	91282CNN7	5,000,000	U.S. Treasury Note 3.875% Due 07-31-30	AA+	101	5,028,150
11-05-25	11-06-25	gbus	91282cpd7	91282CPD7	5,000,000	U.S. Treasury Note 3.625% Due 10-31-30	AA+	99	4,971,094
11-13-25	11-14-25	fhus	3134hbx48	3134HBX48	5,000,000	Freddie Mac 4.000% Due 10-09-30	AA+	100	4,996,250
11-13-25	11-14-25	mbus	79768hjn9	79768HJN9	2,425,000.00	San Francisco Calif City & Cnt 4.655% Due 10-01-27		102	2,463,048
11-14-25	11-17-25	cpus	09659cgg7	09659CGG7	10,000,000	BNP Paribas 3.780% Due 07-16-26	A1	97	9,746,950
11-14-25	11-17-25	mbus	91412hfg3	91412HFG3	2,895,000.00	University Calif Revenue Bonds 3.349% Due 07-01-29	AA	99	2,854,673
11-18-25	11-26-25	feus	31424w3k6	31424W3K6	5,000,000	Farmer Mac 3.900% Due 11-26-30		100	5,000,000
11-20-25	11-21-25	cpus	89119bgu4	89119BGU4	10,000,000	Toronto Dominion Bank 3.790% Due 07-28-26	A1	97	9,737,858
11-21-25	11-21-25	cpus	63873kgq4	63873KGQ4	10,000,000	Natixis NY 3.790% Due 07-24-26	A1	97	9,742,069
11-21-25	11-21-25	cpus	83369cgm0	83369CGM0	10,000,000	Societe Generale 3.850% Due 07-21-26	A1	97	9,741,194
11-24-25	11-25-25	cpus	89233hgu2	89233HGU2	10,000,000	Toyota Motor Credit Corp 3.850% Due 07-28-26	A1+	97	9,737,986
									98,462,040
<b>SALES</b>									
11-01-25	11-03-25	cbus	637432ng6	637432NG6	5,000,000	National Rural Utils Coop Fin 3.250% Due 11-01-25	A-	100	5,000,000
11-01-25	11-03-25	mbus	13077dqd7	13077DQD7	4,000,000.00	California St Univ Rev 0.862% Due 11-01-25	AA-	100	4,000,000
11-01-25	11-03-25	mbus	880558nu1	880558NU1	1,865,000.00	Tennessee St Sch Bd Auth 0.627% Due 11-01-25	AA+	100	1,865,000
11-03-25	11-03-25	frus	3133emfr8	3133EMFR8	5,000,000	Federal Farm Credit Bank 0.540% Due 11-03-25	AA+	100	5,000,000
11-05-25	11-05-25	cbus	06048wv56	06048WV56	5,000,000	Bank of America Corporation 4.000% Due 05-05-26	A-	100	5,000,000
11-07-25	11-07-25	frus	3133ertz1	3133ERZT1	5,000,000	Federal Farm Credit Bank 4.670% Due 11-07-28	AA+	100	5,000,000
11-12-25	11-12-25	fhus	3134gxbm5	3134GXBM5	10,000,000	Freddie Mac 0.600% Due 11-12-25	AA+	100	10,000,000

City of Sacramento  
**PURCHASE AND SALE**  
***City Investment Pool A***  
*From 11-01-25 To 11-30-25*

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Unit Price	Amount
11-13-25	11-13-25	cbus	14913r2h9	14913R2H9	5,000,000	Caterpillar Financial Services Corp 0.800% Due 11-13-25	A	100	5,000,000
11-14-25	11-14-25	fhus	3134hbqk0	3134HBQK0	5,000,000	Freddie Mac 4.875% Due 05-14-30	AA+	100	5,000,000
11-19-25	11-19-25	fhus	3134hagb3	3134HAGB3	5,000,000	Freddie Mac 4.250% Due 08-19-27	AA+	100	5,000,000
11-19-25	11-19-25	vrus	46647pbt2	46647PBT2	5,000,000	JP Morgan Chase Bank Na 1.845% Due 11-19-26	A	100	5,000,000
11-21-25	11-21-25	cpus	22533tym2	22533TYM2	10,000,000	Credit Agricole Corp 4.240% Due 11-21-25	A1	97	9,683,178
11-21-25	11-21-25	cpus	60689fym4	60689FYM4	10,000,000	Mizuho Bank Ltd. New York Bra 4.250% Due 11-21-25	A1	97	9,681,250
11-21-25	11-21-25	cpus	71344tym8	71344TYM8	5,000,000	Pepsico Inc 4.150% Due 11-21-25	A1	97	4,846,681
11-25-25	11-25-25	cpus	62479lyr0	62479LYR0	10,000,000	MUFG Bank Ltd/NY 4.220% Due 11-25-25	A1	97	9,683,500
11-25-25	11-25-25	fmus	3135ga4v0	3135GA4V0	5,000,000	Fannie Mae 0.625% Due 11-25-25	AA+	100	5,000,000
11-25-25	11-25-25	vrus	06048wk41	06048WK41	5,000,000	Bank of America Corp 1.000% Due 11-25-25	A-	100	5,000,000
									99,759,608

# **SHRA**

## **Investment Pool D**

**SHRA INVESTMENT POOL D**  
**MONTHLY REVIEW – NOVEMBER 2025**

**STRATEGY**

SHRA Pool D is invested pursuant to the objectives and requirements set forth by the Department of Housing and Urban Development. The Annual Contributions Contract stipulates those funds be invested in accordance with the terms of a General Depository Agreement that is approved by HUD and requires SHRA to invest monies only in HUD approved investments. This process involves the timing of receipts and disbursements to assure the availability of funds to meet expenditures and to maximize the yield from the investment of temporarily surplus funds.

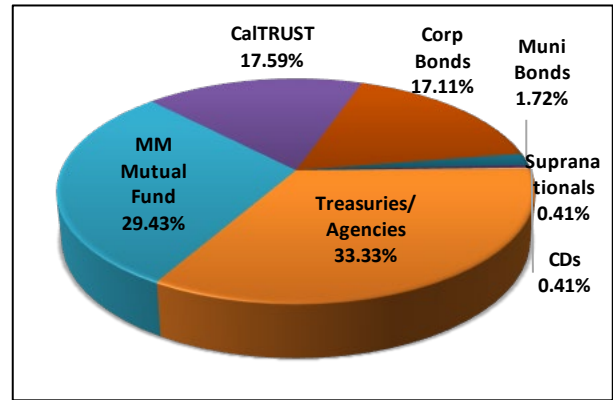
**PORTFOLIO STATISTICS**

Beginning Market Value	111,106,029
Month's Yield or RoR	3.31%
Weighted Average Maturity (Yrs)	3.74
Weighted Average Duration (Yrs)	2.76
Ending Book Value	121,800,705
Ending Market Value	121,573,226
Percent of Market to Book Value	99.81%
Month's Investment Earnings	304,000.46
Calendar YTD Investment Earnings	2,600,816.70

External Third-Party Investment Manager

CalTRUST	21,321,732
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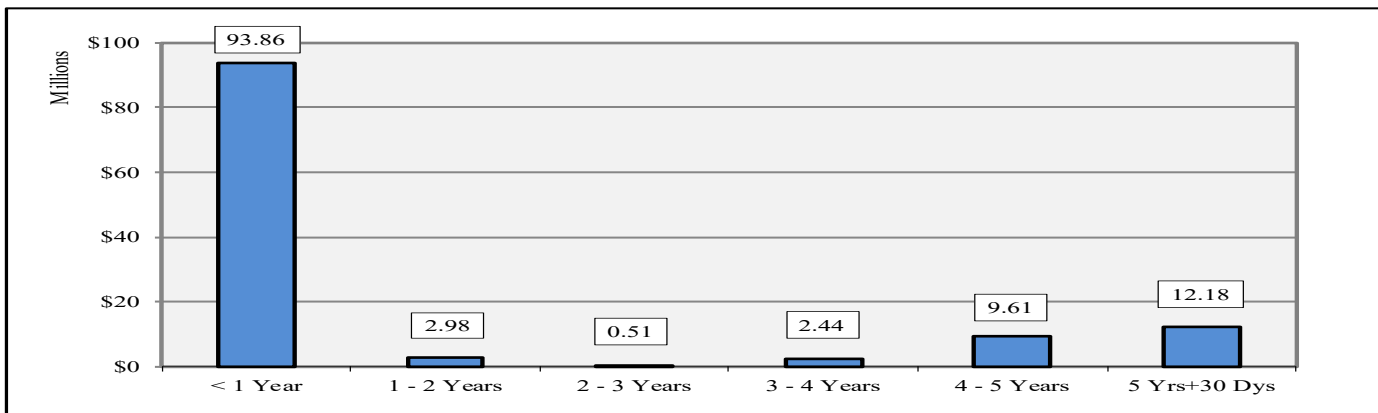
**PORTFOLIO COMPOSITION**



**MATURITY SCHEDULE**

Maturity	Market Value	Pct. Holdings
< 1 Year	93,855,715	77.20%
1 - 2 Years	2,981,659	2.45%
2 - 3 Years	506,721	0.42%
3 - 4 Years	2,442,674	2.01%
4 - 5 Years	9,605,941	7.90%
5 Yrs+30 Dys	12,180,516	10.02%
Total	121,573,226	100.00%

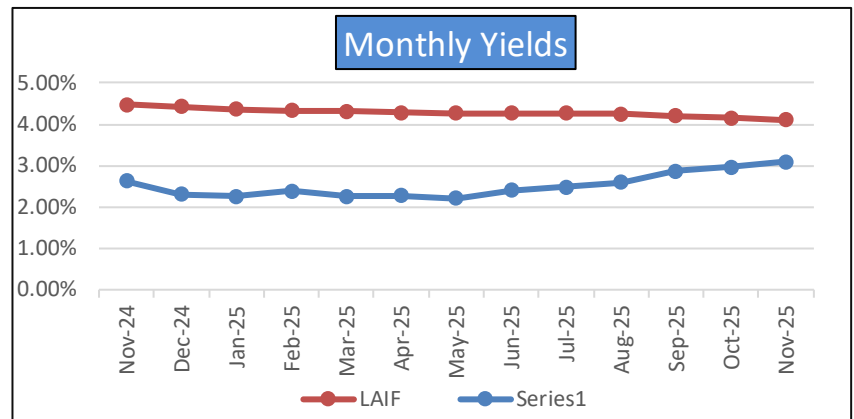
Asset Type	Pct. Assets	YTM
Treasuries/Agencies	33.33%	3.12%
MM Mutual Fund	29.43%	3.84%
CalTRUST	17.59%	4.06%
Corp Bonds	17.11%	1.22%
Muni Bonds	1.72%	1.87%
Supranationals	0.41%	4.60%
CDs	0.41%	0.75%



## INTEREST RATE ENVIRONMENT

Congress was unable to negotiate an end to the government shutdown until the middle of November; therefore, a lot of the data that influences the actions of policymakers like The Fed were not available for most of the month. November is one of the four months in which The Federal Reserve Board does not meet, so decision making on the direction of economy took a break along with many functions of the government. Americans were already a surly lot, particularly with regard to their members of Congress and the shutdown certainly didn't help, nor did the feeling that prices are not stabilizing quickly enough, particularly heading into the holidays. The University of Michigan Consumer Sentiment Index dropped to 51.1 in November. This is a drop of nearly 40% from November of 2024, which reflected American sentiment heading into the most recent Presidential election. The economy remains in a malaise, and consumers are not very optimistic things will improve soon, although a majority believe that inflation will be near The Fed's target rate of 2.0% by the end of 2026. Treasury yields held steady across the Yield Curve as there were no policy changes, economic data, or major shocks to move markets. The 3-Month Treasury began November at 3.80% and finished it at the same level. The 5-Year Treasury yield, meanwhile, started the month at 3.69% and ended it slightly lower at 3.59%. The investment team will pay close attention to both the actions and messaging of the Fed, while also monitoring market reactions to the policies of the federal government, along with current global events. Investment decisions will be focused on maintaining a portfolio built with high level names that will be stable no matter what domestic and global markets do over the next couple of years. As usual, extra emphasis will be placed on investing only in the companies that have the infrastructure and leadership to navigate through even the most unstable economic environments. When the opportunity arises, value will be added by targeting high quality investments that also provide attractive yields.

Monthly Yields		
Month	Pool D	LAIF
Nov-24	2.63%	4.48%
Dec-24	2.31%	4.43%
Jan-25	2.26%	4.37%
Feb-25	2.38%	4.33%
Mar-25	2.26%	4.31%
Apr-25	2.28%	4.28%
May-25	2.21%	4.27%
Jun-25	2.41%	4.27%
Jul-25	2.49%	4.26%
Aug-25	2.60%	4.25%
Sep-25	2.87%	4.21%
Oct-25	2.97%	4.15%
Nov-25	3.09%	4.10%
CYTD	2.53%	4.25%



City of Sacramento  
**PORTFOLIO APPRAISAL**  
*SHRA Investment Pool D*  
 November 30, 2025

Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
<b>CASH AND EQUIVALENTS</b>															
	caltrust-lf	Caltrust Liquidity Fund		5,058,225		5,058,225		5,058,225	4.17	4.090	206,881	4.09			
	caltrust-st	Caltrust Short-Term		16,263,507		16,263,507		16,263,507	13.42	4.050	658,672	4.05			
	fidfund	Fidelity Fund		35,564,448		35,564,448		35,564,448	29.34	3.840	1,365,675	3.84			
	miscintrec	Misc Interest Receivable		114,030		114,030		114,030	0.09	3.840	4,379	3.84			
	nattsy	Nations Treasury Fund		0		0		0	0.00	0.000	0	0.00			
				<u>57,000,210</u>		<u>57,000,210</u>		<u>57,000,210</u>	<u>47.02</u>		<u>2,235,607</u>	<u>3.92</u>			
<b>CERTIFICATES OF DEPOSIT</b>															
500,000	05600xcf5	BMO Harris Bank 0.750% Due 02-26-26	100.00	500,000	99.22	496,097	997	497,094	0.41	0.750	3,750	0.75			
<b>U.S. GOVERNMENT BONDS</b>															
1,000,000	91282cpd7	U.S. Treasury Note 3.625% Due 10-31-30	99.42	994,219	100.09	1,000,859	3,104	1,003,964	0.83	3.625	36,250	3.75	AA+		
1,000,000	91282clm1	U.S. Treasury Note 3.625% Due 09-30-31	99.76	997,580	99.65	996,484	6,174	1,002,659	0.82	3.625	36,250	3.67	AA+		
1,000,000	91282cnw7	U.S. Treasury Note 3.875% Due 08-31-32	100.74	1,007,420	100.59	1,005,898	9,848	1,015,747	0.83	3.875	38,750	3.75	AA+		
1,000,000	91282cht1	U.S. Treasury Note 3.875% Due 08-15-33	100.29	1,002,930	100.19	1,001,875	11,372	1,013,247	0.83	3.875	38,750	3.83	AA+		
1,000,000	91282clf6	U.S. Treasury Note 3.875% Due 08-15-34	99.60	996,050	99.59	995,859	11,372	1,007,232	0.82	3.875	38,750	3.93	AA+		
				<u>4,998,199</u>		<u>5,000,977</u>	<u>41,871</u>	<u>5,042,848</u>	<u>4.13</u>		<u>188,750</u>	<u>3.79</u>			
<b>FEDERAL HOME LOAN BANK</b>															
1,000,000	3130akjw7	Federal Home Loan Bank 0.600% Due 12-15-25	100.00	1,000,000	99.84	998,371	2,767	1,001,138	0.82	0.600	6,000	0.60	AA+		12-06-25
1,000,000	3130akq74	Federal Home Loan Bank 0.625% Due 01-22-26	100.00	1,000,000	99.53	995,260	2,240	997,499	0.82	0.625	6,250	0.62	AA+		
500,000	3130algs7	Federal Home Loan Bank 0.850% Due 03-10-26	100.00	500,000	99.18	495,895	956	496,852	0.41	0.850	4,250	0.85	AA+		12-10-25
500,000	3130almv3	Federal Home Loan Bank 1.000% Due 03-30-26	100.00	500,000	99.10	495,497	847	496,344	0.41	1.000	5,000	1.00	AA+		12-30-25
500,000	3130alxp4	Federal Home Loan Bank 1.200% Due 04-28-26	100.00	500,000	98.90	494,523	550	495,073	0.41	1.200	6,000	1.20	AA+		01-28-26
500,000	3130am2f8	Federal Home Loan Bank 1.125% Due 04-29-26	100.00	500,000	98.87	494,333	500	494,833	0.41	1.125	5,625	1.12	AA+		01-29-26
500,000	3130amcl4	Federal Home Loan Bank 1.020% Due 05-19-26	100.00	500,000	98.70	493,503	170	493,673	0.41	1.020	5,100	1.02	AA+		02-19-26
1,000,000	3130anynd	Federal Home Loan Bank 1.000% Due 09-30-26	100.00	1,000,000	97.78	977,818	1,694	979,512	0.81	1.000	10,000	1.00	AA+		12-30-25
500,000	3130b3bn2	Federal Home Loan Bank 4.250% Due 10-05-29	100.00	500,000	100.04	500,197	3,306	503,503	0.41	4.250	21,250	4.25	AA+		10-05-26
500,000	3130b8ms8	Federal Home Loan Bank 4.030% Due 11-15-32	100.00	500,000	99.80	498,997	728	499,725	0.41	4.030	20,150	4.03	AA+		11-15-28
500,000	3130b7lh5	Federal Home Loan Bank 4.500% Due 09-12-36	100.89	504,445	101.78	508,894	5,875	514,769	0.42	4.500	22,500	4.40	AA+		
500,000	3130b8jj2	Federal Home Loan Bank 4.750% Due 11-13-40	100.00	500,000	99.44	497,212	1,187	498,400	0.41	4.750	23,750	4.75	AA+		11-13-28
500,000	3130b7gk4	Federal Home Loan Bank 5.480% Due 08-27-42	100.00	500,000	99.83	499,168	7,154	506,322	0.41	5.480	27,400	5.48	AA+		08-27-27
500,000	3130b6l95	Federal Home Loan Bank 6.000% Due 06-09-45	100.00	500,000	100.64	503,208	14,333	517,541	0.42	6.000	30,000	6.00	AA+		06-09-26
500,000	3130b8gg1	Federal Home Loan Bank 5.000% Due 11-03-45	99.87	499,375	100.39	501,957	1,667	503,624	0.41	5.000	25,000	5.01	AA+		11-03-27

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
500,000	3130b8k35	Federal Home Loan Bank 5.000% Due 11-12-55	100.00	500,000	100.11	500,549	1,319	501,869	0.41	5.000	25,000	5.00	AA+		11-12-32
				9,503,820		9,455,382	45,294	9,500,676	7.80		243,275	2.57			
<b>FEDERAL NATIONAL MORTGAGE ASSN. (FNMA)</b>															
1,000,000	3135g06n8	Fannie Mae 0.650% Due 12-17-25	100.00	1,000,000	99.84	998,427	2,961	1,001,388	0.82	0.650	6,500	0.65	AA+		
500,000	3135gavu2	Fannie Mae 4.000% Due 10-07-27	99.63	498,150	99.94	499,720	3,000	502,720	0.41	4.000	20,000	4.13	AA+		01-07-26
500,000	3136gaah2	Fannie Mae 4.500% Due 02-18-28	100.00	500,000	100.06	500,284	6,437	506,721	0.41	4.500	22,500	4.50	AA+		02-18-26
500,000	3135gax55	Fannie Mae 4.250% Due 10-22-29	99.99	499,950	100.08	500,402	2,302	502,704	0.41	4.250	21,250	4.25	AA+		10-22-26
500,000	3136gad22	Fannie Mae 4.300% Due 03-04-30	100.00	500,000	100.69	503,470	5,196	508,665	0.42	4.300	21,500	4.30	AA+		03-04-27
500,000	3136garw1	Fannie Mae 4.000% Due 09-12-30	99.80	499,000	99.71	498,564	4,389	502,953	0.41	4.000	20,000	4.04	AA+		03-12-26
500,000	3136gatq2	Fannie Mae 4.030% Due 09-30-30	100.00	500,000	99.85	499,241	3,414	502,656	0.41	4.030	20,150	4.03	AA+		09-30-26
1,000,000	3136gc3v5	Fannie Mae 4.125% Due 11-06-30	100.00	1,000,000	100.20	1,002,010	2,865	1,004,875	0.83	4.125	41,250	4.12	AA+		11-06-26
				4,997,100		5,002,118	30,564	5,032,682	4.13		173,150	3.48			
<b>FEDERAL HOME LOAN MORTGAGE CORP. (FHLMC)</b>															
1,000,000	3134gxfv1	Freddie Mac 0.625% Due 12-17-25	100.00	1,000,000	99.85	998,529	2,847	1,001,376	0.82	0.625	6,250	0.62	AA+		
500,000	3134hbyb1	Freddie Mac 4.750% Due 07-15-30	100.00	500,000	100.10	500,524	8,972	509,496	0.41	4.750	23,750	4.75	AA+		01-15-26
500,000	3134hbb59	Freddie Mac 4.640% Due 07-30-30	100.00	500,000	100.18	500,911	7,798	508,708	0.41	4.640	23,200	4.64	AA+		04-30-26
1,000,000	3134hbw31	Freddie Mac 4.000% Due 10-08-30	100.00	1,000,000	100.06	1,000,608	5,889	1,006,497	0.83	4.000	40,000	4.00	AA+		04-08-27
1,000,000	3134hbx48	Freddie Mac 4.000% Due 10-09-30	99.92	999,250	100.17	1,001,734	5,778	1,007,512	0.83	4.000	40,000	4.02	AA+		04-09-27
1,000,000	3134hcbv0	Freddie Mac 4.125% Due 11-18-30	100.00	1,000,000	99.88	998,810	1,146	999,956	0.82	4.125	41,250	4.13	AA+		11-18-26
				4,999,250		5,001,115	32,430	5,033,544	4.13		174,450	3.49			
<b>FEDERAL AGRICULTURAL MORTGAGE CORP.</b>															
Not Classified															
500,000	31422xbn1	Farmer Mac 0.690% Due 02-25-26	100.00	500,000	99.25	496,234	920	497,154	0.41	0.690	3,450	0.69			
500,000	31424wqb1	Farmer Mac 4.450% Due 10-15-29	100.00	500,000	100.39	501,931	2,843	504,774	0.41	4.450	22,250	4.45			10-15-26
1,000,000	31424we73	Farmer Mac 4.480% Due 06-17-30	100.00	1,000,000	100.78	1,007,817	20,409	1,028,226	0.83	4.480	44,800	4.48			06-17-27
				2,000,000		2,005,983	24,172	2,030,155	1.65		70,500	3.53			
				2,000,000		2,005,983	24,172	2,030,155	1.65		70,500	3.53			
<b>FEDERAL FARM CREDIT BANK - FRMMT</b>															
Not Classified															
500,000	3133emqx3	Federal Farm Credit Bank 0.590% Due 02-17-26	100.00	500,000	99.29	496,452	852	497,304	0.41	0.590	2,950	0.59	AA+		12-06-25
500,000	3133emsu7	Federal Farm Credit Bank 0.800% Due 03-09-26	100.00	500,000	99.18	495,891	911	496,802	0.41	0.800	4,000	0.80	AA+		12-06-25

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
500,000	3133emuk6	Federal Farm Credit Bank 1.050% Due 03-25-26	100.00	500,000	99.10	495,518	962	496,480	0.41	1.050	5,250	1.05	AA+		12-06-25
500,000	3133emh21	Federal Farm Credit Bank 0.900% Due 06-15-26	100.00	500,000	98.49	492,452	2,075	494,527	0.41	0.900	4,500	0.90	AA+		12-06-25
1,000,000	3133emq62	Federal Farm Credit Bank 0.990% Due 07-13-26	100.00	1,000,000	98.34	983,449	3,795	987,244	0.81	0.990	9,900	0.99	AA+		12-06-25
1,000,000	3133em4s8	Federal Farm Credit Bank 0.870% Due 09-08-26	99.82	998,250	97.84	978,393	2,006	980,399	0.81	0.870	8,700	0.91	AA+		12-06-25
1,000,000	3133em6e7	Federal Farm Credit Bank 0.940% Due 09-28-26	100.00	1,000,000	97.77	977,731	1,645	979,376	0.81	0.940	9,400	0.94	AA+		12-06-25
1,000,000	3133endc1	Federal Farm Credit Bank 1.330% Due 11-03-26	100.00	1,000,000	97.80	978,045	1,034	979,080	0.81	1.330	13,300	1.33	AA+		12-06-25
500,000	3133envv9	Federal Farm Credit Bank 3.630% Due 05-03-27	100.00	500,000	99.82	499,083	1,412	500,495	0.41	3.630	18,150	3.63	AA+		12-06-25
500,000	3133er4f5	Federal Farm Credit Bank 4.820% Due 02-19-30	100.00	500,000	101.08	505,393	6,828	512,221	0.42	4.820	24,100	4.82	AA+		12-19-27
500,000	3133etzp5	Federal Farm Credit Bank 4.690% Due 09-29-32	100.00	500,000	99.92	499,584	4,039	503,622	0.41	4.690	23,450	4.69	AA+		09-29-26
500,000	3133etkf3	Federal Farm Credit Bank 5.440% Due 12-04-34	100.00	500,000	100.60	502,996	13,373	516,369	0.41	5.440	27,200	5.44	AA+		06-04-26
500,000	3133etzg5	Federal Farm Credit Bank 4.500% Due 09-24-35	99.90	499,500	100.11	500,543	4,187	504,730	0.41	4.500	22,500	4.51	AA+		09-24-27
500,000	3133ertx9	Federal Farm Credit Bank 5.490% Due 09-19-39	99.35	496,750	99.67	498,336	5,490	503,826	0.41	5.490	27,450	5.56	AA+		12-06-25
				8,994,500		8,903,866	48,611	8,952,476	7.35		200,850	2.26			
				8,994,500		8,903,866	48,611	8,952,476	7.35		200,850	2.26			
<b>MUNICIPAL BONDS</b>															
Not Classified															
800,000.00	130658re9	California St Dept Vet Affairs 0.924% Due 12-01-25	100.00	800,000	100.00	800,000	3,696	803,696	0.66	0.924	7,392	0.92	AA		
885,000.00	79770gjc1	San Francisco Calif City & Cnt 1.861% Due 08-01-26	101.35	896,939	98.76	874,013	5,490	879,503	0.72	1.861	16,470	1.55	AA		
420,000.00	91412hfg3	University Calif Revenue Bonds 3.349% Due 07-01-29	95.89	402,746	99.07	416,087	5,861	421,948	0.34	3.349	14,066	4.33	AA		
				2,099,685		2,090,100	15,047	2,105,147	1.72		37,928	1.87			
				2,099,685		2,090,100	15,047	2,105,147	1.72		37,928	1.87			
<b>CORPORATE BONDS</b>															
<b>INDUSTRIALS</b>															
500,000	24422evk2	John Deere Capital Corp 0.700% Due 01-15-26	99.81	499,029	99.58	497,895	1,322	499,217	0.41	0.700	3,500	0.74	A		
<b>CONSUMER DISCRETIONARY</b>															
1,000,000	74460waa5	Public Storage 0.875% Due 02-15-26	97.97	979,670	99.28	992,761	2,576	995,337	0.82	0.875	8,750	1.38	A		01-15-26
<b>CONSUMER STAPLES</b>															
1,000,000	37331nan1	Georgia Pacific Corp 0.950% Due 05-15-26	96.87	968,710	98.63	986,280	422	986,702	0.81	0.950	9,500	1.68	A+		04-15-26
<b>ENERGY</b>															
500,000	291011bp8	Emerson Elec Co 0.875% Due 10-15-26	96.04	480,220	97.42	487,111	559	487,670	0.40	0.875	4,375	1.74	A		09-15-26

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
<b>FINANCIAL</b>															
500,000	637639ae5	National Secs Clearing Corp 0.750% Due 12-07-25	100.34	501,682	99.92	499,615	1,812	501,427	0.41	0.750	3,750	0.68	AA+		
500,000	48128gy53	JP Morgan Chase & Co 0.825% Due 12-22-25	100.00	500,000	99.77	498,855	1,822	500,677	0.41	0.825	4,125	0.82	A		
1,000,000	064159f84	Bank Nova Scotia B C 0.800% Due 12-30-25	100.00	1,000,000	99.57	995,720	1,356	997,076	0.82	0.800	8,000	0.80	A-		
500,000	78016ezm2	Royal Bank of Canada 0.875% Due 01-20-26	100.00	500,000	99.54	497,713	1,592	499,305	0.41	0.875	4,375	0.87	A		
2,000,000	06048wk90	Bank of America Corporation 0.750% Due 01-29-26	100.00	2,000,000	99.27	1,985,372	5,083	1,990,456	1.64	0.750	15,000	0.75	A-		
500,000	48128g2y5	JP Morgan Chase & Co 1.000% Due 02-26-26	100.00	500,000	99.08	495,396	1,319	496,715	0.41	1.000	5,000	1.00	A		
1,000,000	0641593u8	Bank Nova Scotia B C 1.050% Due 03-02-26	99.40	994,000	99.24	992,399	2,596	994,995	0.82	1.050	10,500	1.18	A-		
1,000,000	14913r2k2	Caterpillar Financial Services Corp 0.900% Due 03-02-26	99.00	990,000	99.20	992,044	2,225	994,269	0.82	0.900	9,000	1.11	A		
1,000,000	78016ezq3	Royal Bank of Canada 1.200% Due 04-27-26	100.56	1,005,600	98.89	988,915	1,133	990,048	0.82	1.200	12,000	1.08	A		
500,000	48128g3g3	JP Morgan Chase & Co 1.200% Due 04-30-26	100.00	500,000	98.40	492,020	517	492,537	0.41	1.200	6,000	1.20	A		
500,000	40139lbd4	Guardian Life Global Funding 1.250% Due 05-13-26	99.98	499,905	98.77	493,855	312	494,168	0.41	1.250	6,250	1.25	AA+		
500,000	06048w199	Bank of America Corporation 1.400% Due 05-14-26	100.00	500,000	98.87	494,365	331	494,696	0.41	1.400	7,000	1.40	A-		
1,000,000	06048wm31	Bank of America Corporation 1.250% Due 05-28-26	100.00	1,000,000	98.62	986,215	104	986,319	0.81	1.250	12,500	1.25	A-		
2,000,000	89114tzd7	Toronto Dominion Bank 1.200% Due 06-03-26	100.17	2,003,370	98.57	1,971,364	11,867	1,983,230	1.63	1.200	24,000	1.17	A-		
1,000,000	78016ezt7	Royal Bank of Canada 1.150% Due 07-14-26	99.97	999,710	98.26	982,590	4,376	986,967	0.81	1.150	11,500	1.16	A		
1,000,000	0641598k5	Bank Nova Scotia B C 1.300% Due 09-15-26	97.99	979,930	97.93	979,261	2,744	982,005	0.81	1.300	13,000	1.75	A-		06-15-26
1,000,000	06368gc54	Bank Of Montreal 2.000% Due 12-22-26	100.00	1,000,000	97.82	978,153	8,833	986,987	0.81	2.000	20,000	2.00	A-		12-22-25
500,000	59217ger6	Metropolitan Life Global Fdg I 1.875% Due 01-11-27	98.68	493,400	97.75	488,740	3,646	492,386	0.40	1.875	9,375	2.16	AA-		
				15,967,597		15,812,592	51,669	15,864,262	13.05		181,375	1.18			
<b>HEALTHCARE</b>															
500,000	91324pec2	Unitedhealth Group Inc 1.150% Due 05-15-26	100.00	500,000	98.70	493,482	256	493,738	0.41	1.150	5,750	1.15	A+		04-15-26
				19,395,226		19,270,122	56,805	19,326,926	15.90		213,250	1.21			
<b>OTHER GOVERNMENT AGENCY BONDS</b>															
Not Classified															
500,000	880591fe7	Tennessee Valley Auth 3.875% Due 08-01-30	100.00	500,000	100.83	504,132	6,082	510,213	0.42	3.875	19,375	3.88	AA+		
500,000	880591dx7	Tennessee Valley Auth 4.650% Due 06-15-35	101.97	509,865	103.94	519,711	10,721	530,432	0.43	4.650	23,250	4.40	AA+		
1,000,000	880591eb4	Tennessee Valley Auth 4.875% Due 01-15-48	96.80	968,040	98.04	980,369	18,417	998,785	0.81	4.875	48,750	5.11	AA+		
500,000	880591fc1	Tennessee Valley Auth 5.250% Due 02-01-55	99.25	496,250	101.46	507,290	8,750	516,040	0.42	5.250	26,250	5.30	AA+		

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Quantity	Security Symbol	Security	Unit Cost	Total Cost	Price	Market Value	Accrued Interest	Market Value + Accrd. Int.	Pct. Assets	Unit Income	Annual Income	Cur. Yield	S & P	Bond Status	Call Put Date
500,000	880591dz2	Tennessee Valley Auth 5.375% Due 04-01-56	99.83	499,150	104.22	521,098	4,479	525,578	0.43	5.375	26,875	5.39	AA+		
				<u>2,973,305</u>		<u>3,032,600</u>	<u>48,448</u>	<u>3,081,049</u>	<u>2.50</u>		<u>144,500</u>	<u>4.86</u>			
				2,973,305		3,032,600	48,448	3,081,049	2.50		144,500	4.86			
<b>SUPRANATIONALS</b>															
Not Classified															
500,000	45906m5k3	International Bk Recon & Develop 4.750% Due 07-30-29	100.60	503,000	100.35	501,762	7,983	509,745	0.41	4.750	23,750	4.60	AAA		07-30-26
				<u>503,000</u>		<u>501,762</u>	<u>7,983</u>	<u>509,745</u>	<u>0.41</u>		<u>23,750</u>	<u>4.60</u>			
				503,000		501,762	7,983	509,745	0.41		23,750	4.60			
<b>VARIABLE RATE SECURITIES</b>															
Not Classified															
500,000	3130aljk1	Federal Home Loan Bank 1.000% Due 03-23-26	100.00	500,000	99.11	495,569	944	496,514	0.41	1.000	5,000	0.89	AA+		
500,000	3130amej7	Federal Home Loan Bank 1.125% Due 05-26-26	100.00	500,000	98.72	493,585	78	493,663	0.41	1.125	5,625	1.00	AA+		
1,000,000	3130anxc9	Federal Home Loan Bank 2.000% Due 09-29-26	100.00	1,000,000	99.06	990,571	3,444	994,015	0.82	2.000	20,000	1.14	AA+		12-29-25
1,000,000	459058kb8	International Bk Recon & Develop 2.250% Due 11-06-26	99.95	999,490	97.58	975,847	1,562	977,410	0.81	2.250	22,500	1.63	AAA		
500,000	46647pbw5	JP Morgan Chase Bank Na 1.040% Due 02-04-27	95.40	476,980	99.48	497,382	1,690	499,072	0.41	1.040	5,200	2.15	A		02-04-26
				<u>3,476,470</u>		<u>3,452,954</u>	<u>7,720</u>	<u>3,460,673</u>	<u>2.85</u>		<u>58,325</u>	<u>1.37</u>			
				3,476,470		3,452,954	7,720	3,460,673	2.85		58,325	1.37			
<b>TOTAL PORTFOLIO</b>				<b>121,440,765</b>		<b>121,213,286</b>	<b>359,940</b>	<b>121,573,226</b>	<b>100.00</b>		<b>3,768,085</b>	<b>3.12</b>			

City of Sacramento  
**PURCHASE AND SALE**  
***SHRA Investment Pool D***  
*From 11-01-25 To 11-30-25*

Trade Date	Settle Date	Sec Type Code	Security Symbol	Cusip	Quantity	Security	S & P	Unit Price	Amount
<b>PURCHASES</b>									
11-03-25	11-06-25	fmsus	3136gc3v5	3136GC3V5	1,000,000	Fannie Mae 4.125% Due 11-06-30	AA+	100	1,000,000
11-05-25	11-13-25	flus	3130b8jj2	3130B8JJ2	500,000	Federal Home Loan Bank 4.750% Due 11-13-40	AA+	100	500,000
11-05-25	11-07-25	flus	3130b8gg1	3130B8GG1	500,000	Federal Home Loan Bank 5.000% Due 11-03-45	AA+	100	499,375
11-05-25	11-06-25	gbus	91282cpd7	91282CPD7	1,000,000	U.S. Treasury Note 3.625% Due 10-31-30	AA+	99	994,219
11-06-25	11-12-25	flus	3130b8k35	3130B8K35	500,000	Federal Home Loan Bank 5.000% Due 11-12-55	AA+	100	500,000
11-13-25	11-14-25	fhus	3134hbx48	3134HBX48	1,000,000	Freddie Mac 4.000% Due 10-09-30	AA+	100	999,250
11-14-25	11-18-25	flus	3130b8ms8	3130B8MS8	500,000	Federal Home Loan Bank 4.030% Due 11-15-32	AA+	100	500,000
11-20-25	11-21-25	fhus	3134hcbv0	3134HCBV0	1,000,000	Freddie Mac 4.125% Due 11-18-30	AA+	100	1,000,000
									5,992,844
<b>SALES</b>									
11-01-25	11-03-25	cbus	637432ng6	637432NG6	187,000	National Rural Utils Coop Fin 3.250% Due 11-01-25	A-	100	187,000
11-01-25	11-03-25	mbus	57582rk88	57582RK88	750,000.00	Massachusetts St 0.695% Due 11-01-25	AA+	100	750,000
11-03-25	11-03-25	frus	3133emfr8	3133EMFR8	500,000	Federal Farm Credit Bank 0.540% Due 11-03-25	AA+	100	500,000
11-13-25	11-13-25	cbus	14913r2h9	14913R2H9	500,000	Caterpillar Financial Services Corp 0.800% Due 11-13-25	A	100	500,000
									1,937,000

**American River  
Flood Control  
District**

# AMERICAN RIVER FLOOD CONTROL DISTRICT

## MONTHLY REVIEW – NOVEMBER 2025

### STRATEGY

The ARFCD funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

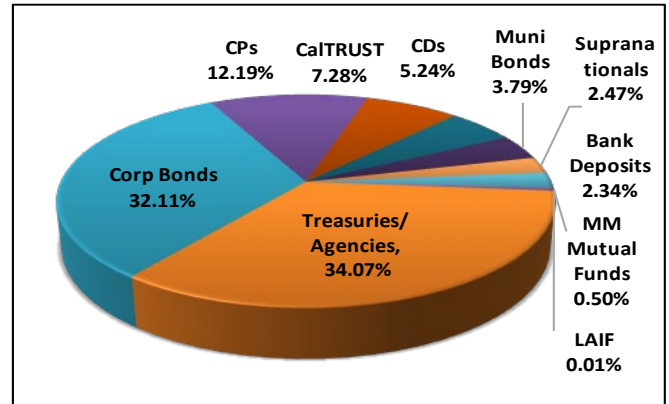
### PORTFOLIO STATISTICS

Beginning Balance	9,842,365
Contributions	0
Withdrawals	0
Interest Earned	26,768
Ending Balance	9,869,133

### PERFORMANCE COMPARISON

City Pool A	3.31%
LAIF	4.10%
90 Day T-Bill	3.84%
Federal Funds	4.00%

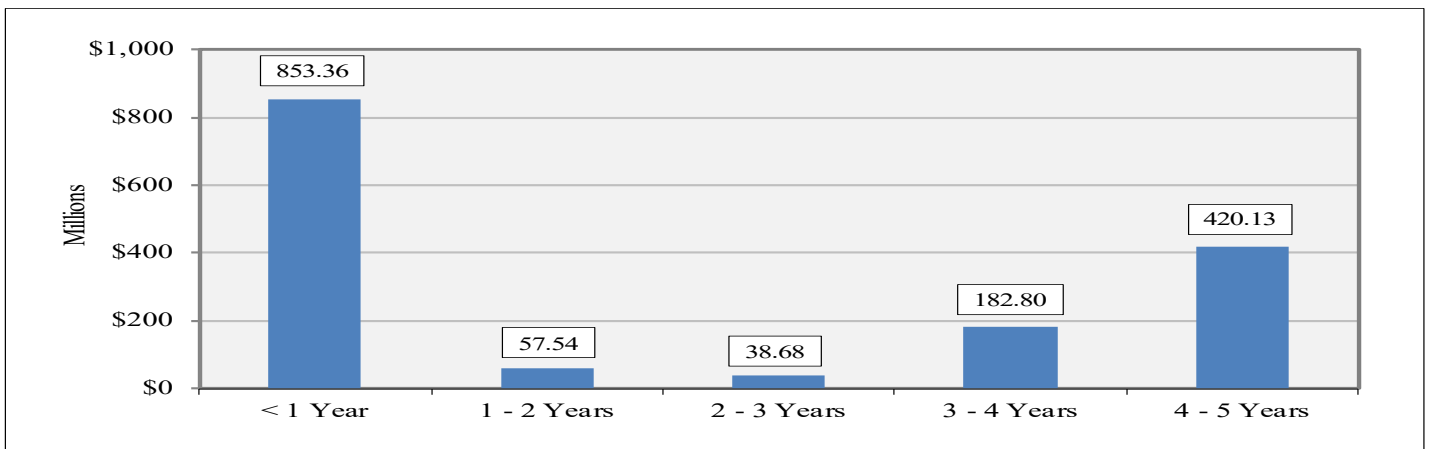
### CITY POOL A PORTFOLIO COMPOSITION



### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	853,361,365	54.97%
1 - 2 Years	57,544,517	3.71%
2 - 3 Years	38,684,648	2.49%
3 - 4 Years	182,799,101	11.77%
4 - 5 Years	420,128,344	27.06%
5 Yrs+30 Dys	-	0.00%
Total	1,552,517,975	100.00%

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	34.07%	2.65%
Corp Bonds	32.11%	3.17%
CPs	12.19%	4.05%
CalTRUST	7.28%	4.01%
CDs	5.24%	1.91%
Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%



City of Sacramento  
 CASH LEDGER  
 American River Flood Control District  
 From 11-01-25 To 11-30-25

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
11-01-25				Beginning Balance		101,185.06
11-30-25	11-30-25	in		Pool A Cash	26,768.42	127,953.48
				Nov 2025 estimated Pool A interest		
					<b>26,768.42</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>127,953.48</b>
Pool A Cash						
11-01-25				Beginning Balance		9,741,180.31
<b>11-30-25</b>				<b>Ending Balance</b>		<b>9,741,180.31</b>

**Capitol Area  
Development  
Authority**

# CAPITOL AREA DEVELOPMENT AUTHORITY

## MONTHLY REVIEW – NOVEMBER 2025

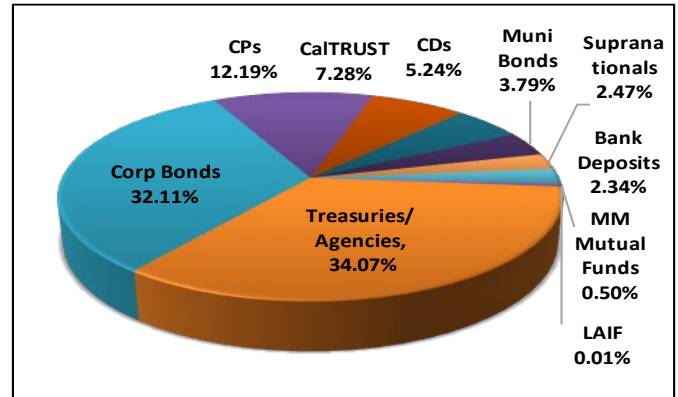
### STRATEGY

The CADA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

### PORTFOLIO STATISTICS

Beginning Balance	19,607,971
Contributions	0
Withdrawals	0
Interest Earned	53,328
Ending Balance	19,661,299

### CITY POOL A PORTFOLIO COMPOSITION



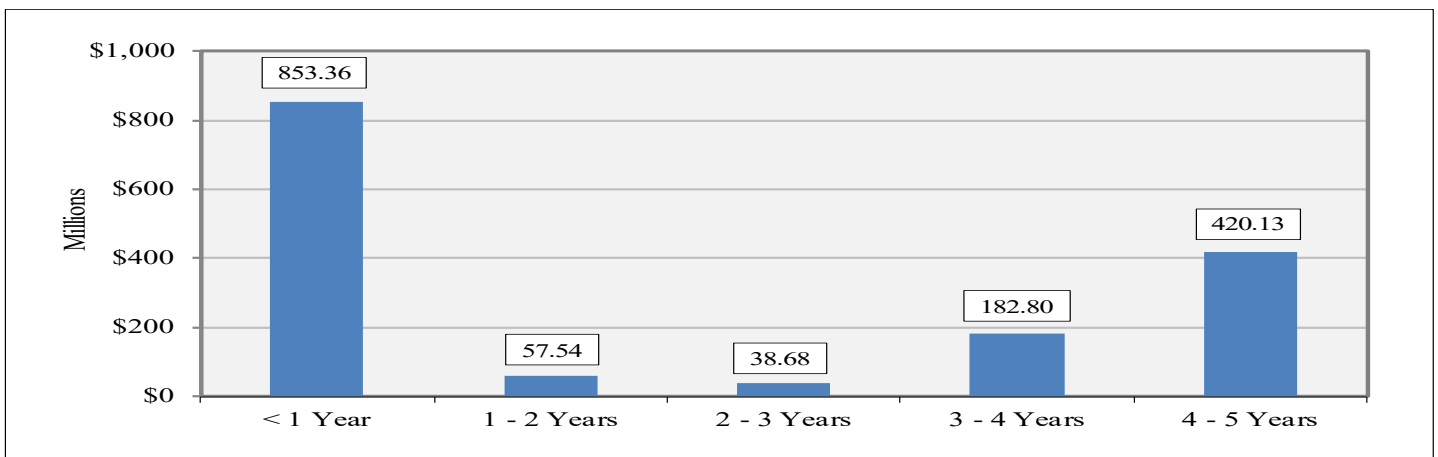
### PERFORMANCE COMPARISON

City Pool A	3.31%
LAIF	4.10%
90 Day T-Bill	3.84%
Federal Funds	4.00%

### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	853,361,365	54.97%
1 - 2 Years	57,544,517	3.71%
2 - 3 Years	38,684,648	2.49%
3 - 4 Years	182,799,101	11.77%
4 - 5 Years	420,128,344	27.06%
5 Yrs+30 Dys	-	0.00%
<b>Total</b>	<b>1,552,517,975</b>	<b>100.00%</b>

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	34.07%	2.65%
Corp Bonds	32.11%	3.17%
CPs	12.19%	4.05%
CalTRUST	7.28%	4.01%
CDs	5.24%	1.91%
Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%



City of Sacramento  
 CASH LEDGER  
 Capitol Area Development Authority - Banking  
 From 11-01-25 To 11-30-25

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
11-01-25				Beginning Balance		201,581.11
11-30-25	11-30-25	in		Pool A Cash	53,328.07	254,909.18
				Nov 2025 estimated Pool A interest		
					<b>53,328.07</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>254,909.18</b>
Pool A Cash						
11-01-25				Beginning Balance		19,406,389.58
<b>11-30-25</b>				<b>Ending Balance</b>		<b>19,406,389.58</b>

# CAPITOL AREA DEVELOPMENT AUTHORITY – TAX EXEMPT

## MONTHLY REVIEW – NOVEMBER 2025

### STRATEGY

The CADA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

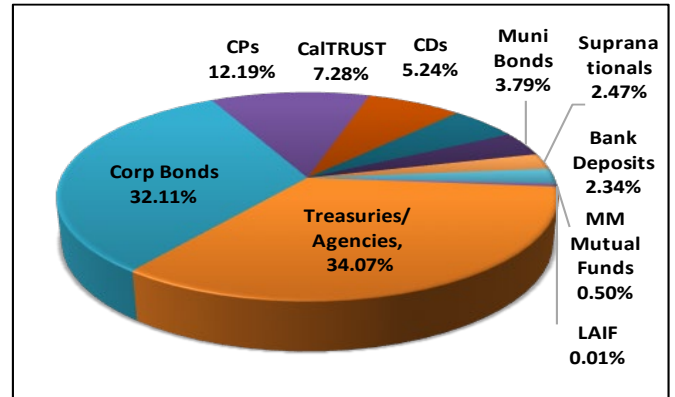
### PORTFOLIO STATISTICS

Beginning Balance	43,101
Contributions	0
Withdrawals	0
Interest Earned	117
Ending Balance	43,218

### PERFORMANCE COMPARISON

City Pool A	3.31%
LAIF	4.10%
90 Day T-Bill	3.84%
Federal Funds	4.00%

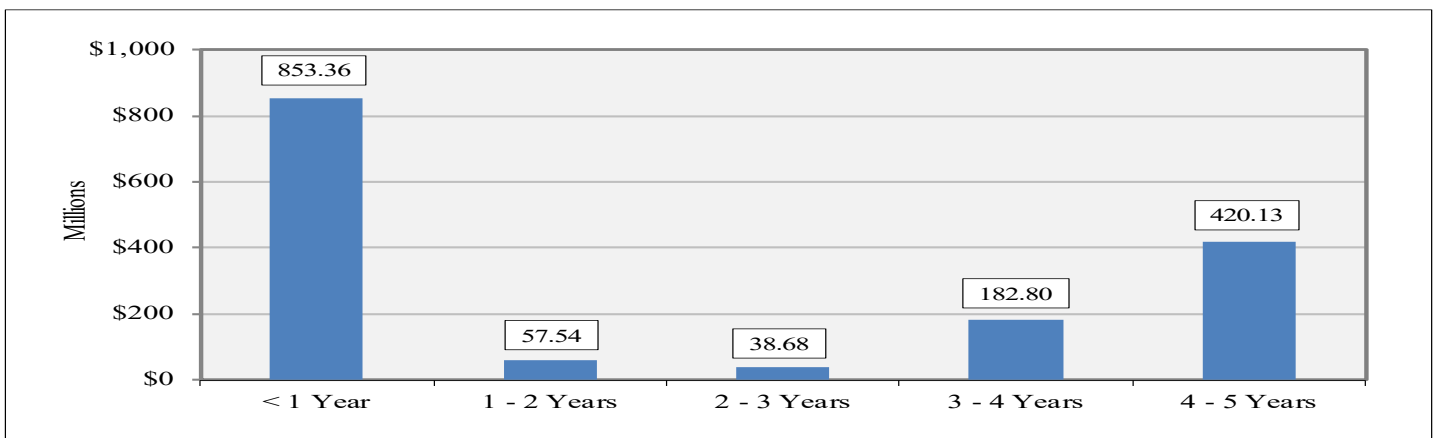
### CITY POOL A PORTFOLIO COMPOSITION



### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	853,361,365	54.97%
1 - 2 Years	57,544,517	3.71%
2 - 3 Years	38,684,648	2.49%
3 - 4 Years	182,799,101	11.77%
4 - 5 Years	420,128,344	27.06%
5 Yrs+30 Dys	-	0.00%
Total	1,552,517,975	100.00%

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	34.07%	2.65%
Corp Bonds	32.11%	3.17%
CPs	12.19%	4.05%
CalTRUST	7.28%	4.01%
CDs	5.24%	1.91%
Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%



City of Sacramento  
 CASH LEDGER  
 Capitol Area Development Authority - Tax Exempt  
 From 11-01-25 To 11-30-25

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
11-01-25				Beginning Balance		443.11
11-30-25	11-30-25	in		Pool A Cash	117.22	560.33
				Nov 2025 estimated Pool A interest		
					<b>117.22</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>560.33</b>
Pool A Cash						
11-01-25				Beginning Balance		42,657.95
<b>11-30-25</b>				<b>Ending Balance</b>		<b>42,657.95</b>

# CAPITOL AREA DEVELOPMENT AUTHORITY – TAXABLE

## MONTHLY REVIEW – NOVEMBER 2025

### STRATEGY

The CADA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

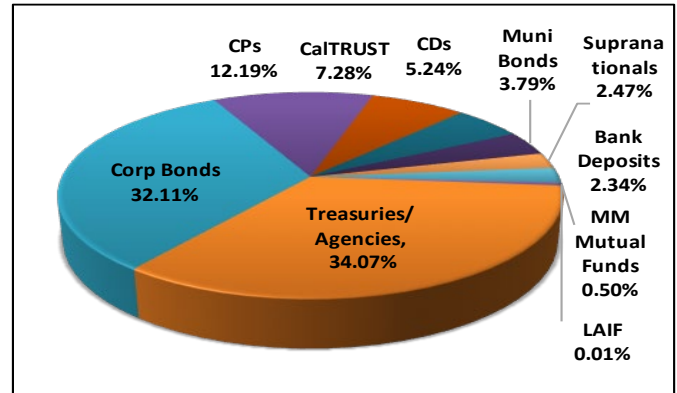
### PORTFOLIO STATISTICS

Beginning Balance	293,829
Contributions	0
Withdrawals	0
Interest Earned	799
Ending Balance	294,628

### PERFORMANCE COMPARISON

City Pool A	3.31%
LAIF	4.10%
90 Day T-Bill	3.84%
Federal Funds	4.00%

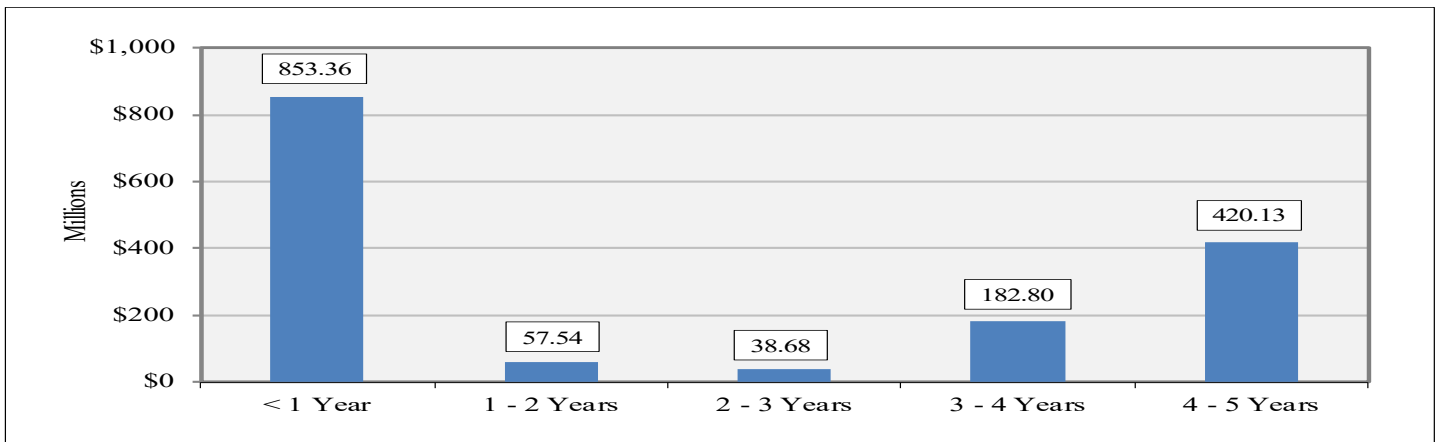
### CITY POOL A PORTFOLIO COMPOSITION



### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	853,361,365	54.97%
1 - 2 Years	57,544,517	3.71%
2 - 3 Years	38,684,648	2.49%
3 - 4 Years	182,799,101	11.77%
4 - 5 Years	420,128,344	27.06%
5 Yrs+30 Dys	-	0.00%
Total	1,552,517,975	100.00%

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	34.07%	2.65%
Corp Bonds	32.11%	3.17%
CPs	12.19%	4.05%
CalTRUST	7.28%	4.01%
CDs	5.24%	1.91%
Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%



City of Sacramento  
 CASH LEDGER  
 Capitol Area Development Authority - Taxable  
 From 11-01-25 To 11-30-25

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
11-01-25				Beginning Balance		3,020.73
11-30-25	11-30-25	in		Pool A Cash	799.13	3,819.86
				Nov 2025 estimated Pool A interest		
					<b>799.13</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>3,819.86</b>
Pool A Cash						
11-01-25				Beginning Balance		290,808.44
<b>11-30-25</b>				<b>Ending Balance</b>		<b>290,808.44</b>

# CAPITOL AREA DEVELOPMENT AUTHORITY – 2020 TAXABLE BOND PROCEEDS

## MONTHLY REVIEW – NOVEMBER 2025

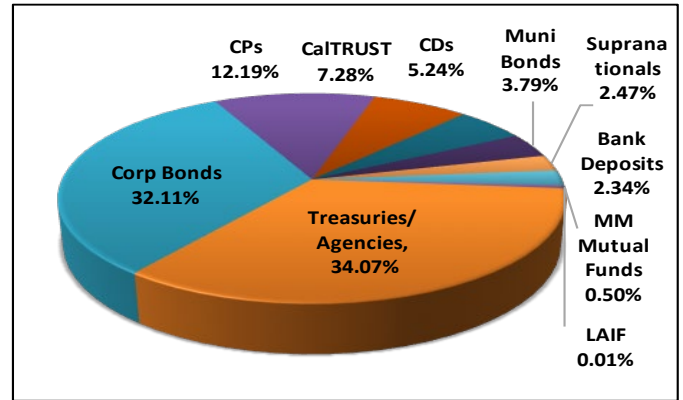
### STRATEGY

The CADA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

### PORTFOLIO STATISTICS

Beginning Balance	19,541,466
Contributions	0
Withdrawals	0
Interest Earned	53,147
Ending Balance	19,594,613

### CITY POOL A PORTFOLIO COMPOSITION



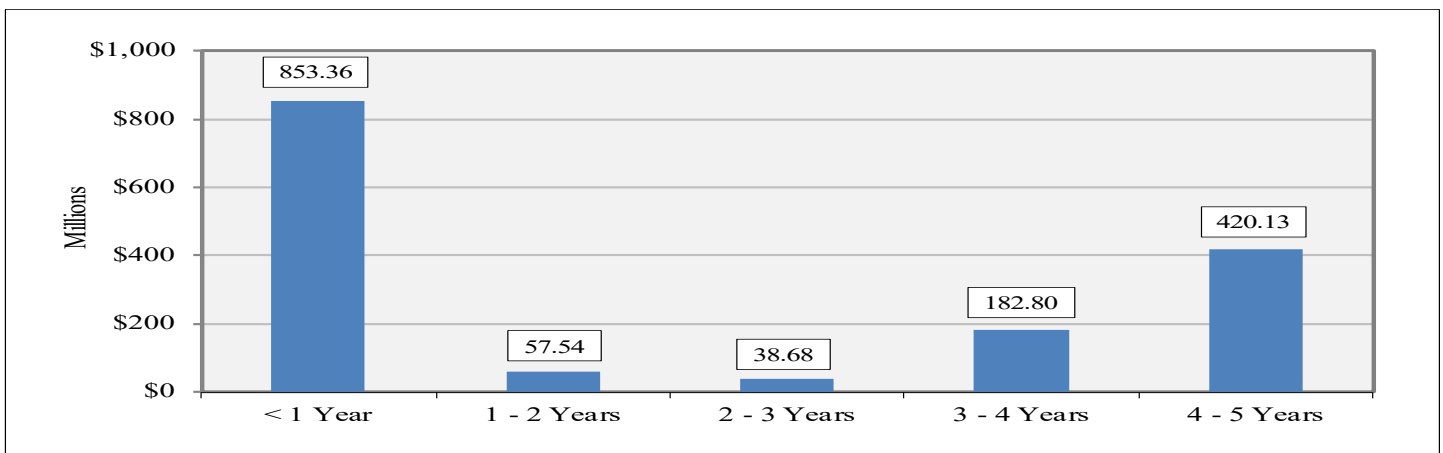
### PERFORMANCE COMPARISON

City Pool A	3.31%
LAIF	4.10%
90 Day T-Bill	3.84%
Federal Funds	4.00%

### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	853,361,365	54.97%
1 - 2 Years	57,544,517	3.71%
2 - 3 Years	38,684,648	2.49%
3 - 4 Years	182,799,101	11.77%
4 - 5 Years	420,128,344	27.06%
5 Yrs+30 Dys	-	0.00%
Total	1,552,517,975	100.00%

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	34.07%	2.65%
Corp Bonds	32.11%	3.17%
CPs	12.19%	4.05%
CalTRUST	7.28%	4.01%
CDs	5.24%	1.91%
Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%



City of Sacramento  
 CASH LEDGER  
 CADA 2020 Taxable Bond Proceeds  
 From 11-01-25 To 11-30-25

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
11-01-25				Beginning Balance		200,898.94
11-30-25	11-30-25	in		Pool A Cash	53,147.19	254,046.13
				Nov 2025 estimated Pool A interest		
					<b>53,147.19</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>254,046.13</b>
Pool A Cash						
11-01-25				Beginning Balance		19,340,567.26
<b>11-30-25</b>				<b>Ending Balance</b>		<b>19,340,567.26</b>

**Reclamation District  
No. 1000**

# RECLAMATION DISTRICT NO. 1000

## MONTHLY REVIEW – NOVEMBER 2025

### STRATEGY

The RD funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

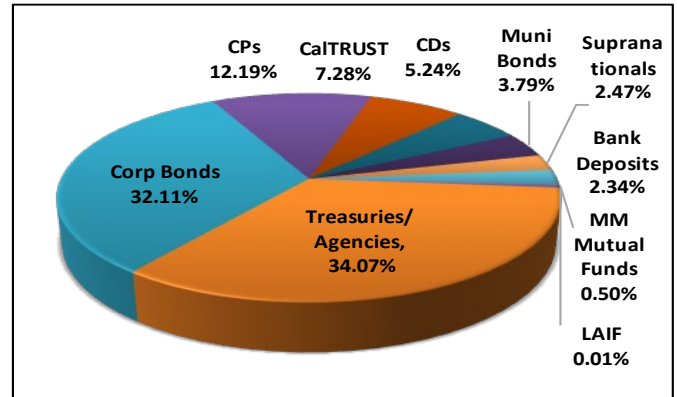
### PORTFOLIO STATISTICS

Beginning Balance	314,992
Contributions	0
Withdrawals	0
Interest Earned	857
Ending Balance	315,849

### PERFORMANCE COMPARISON

City Pool A	3.31%
LAIF	4.10%
90 Day T-Bill	3.84%
Federal Funds	4.00%

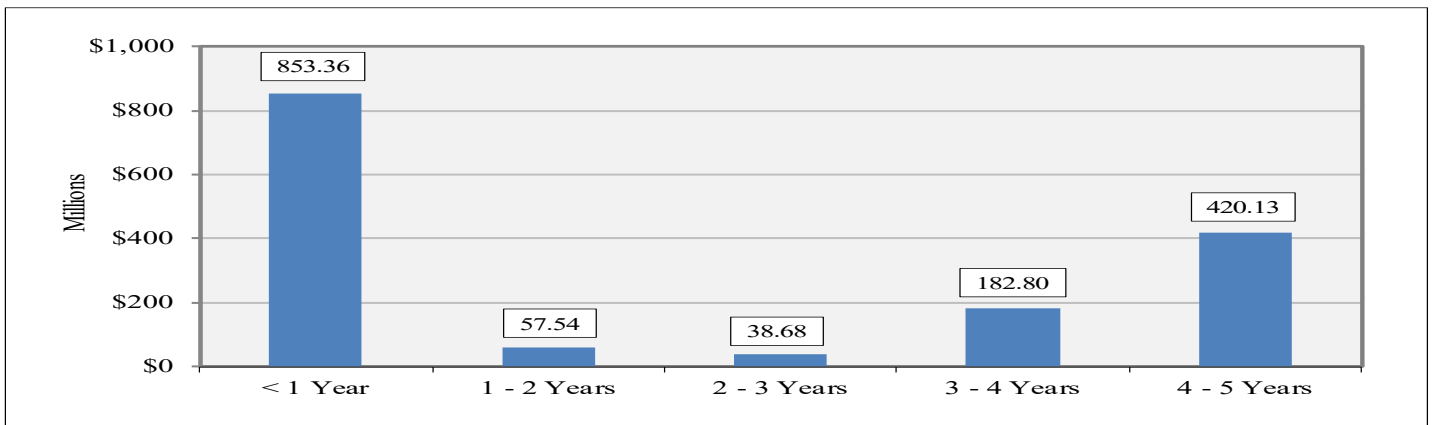
### CITY POOL A PORTFOLIO COMPOSITION



### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	853,361,365	54.97%
1 - 2 Years	57,544,517	3.71%
2 - 3 Years	38,684,648	2.49%
3 - 4 Years	182,799,101	11.77%
4 - 5 Years	420,128,344	27.06%
5 Yrs+30 Dys	-	0.00%
Total	1,552,517,975	100.00%

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	34.07%	2.65%
Corp Bonds	32.11%	3.17%
CPs	12.19%	4.05%
CalTRUST	7.28%	4.01%
CDs	5.24%	1.91%
Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%



City of Sacramento  
 CASH LEDGER  
 Reclamation District No. 1000  
 From 11-01-25 To 11-30-25

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
11-01-25				Beginning Balance		3,238.29
11-30-25	11-30-25	in		Pool A Cash	856.69	4,094.98
				Nov 2025 estimated Pool A interest		
					<b>856.69</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>4,094.98</b>
Pool A Cash						
11-01-25				Beginning Balance		311,753.84
<b>11-30-25</b>				<b>Ending Balance</b>		<b>311,753.84</b>

**Sacramento  
Public Library  
Authority**

# SACRAMENTO PUBLIC LIBRARY AUTHORITY

## MONTHLY REVIEW – NOVEMBER 2025

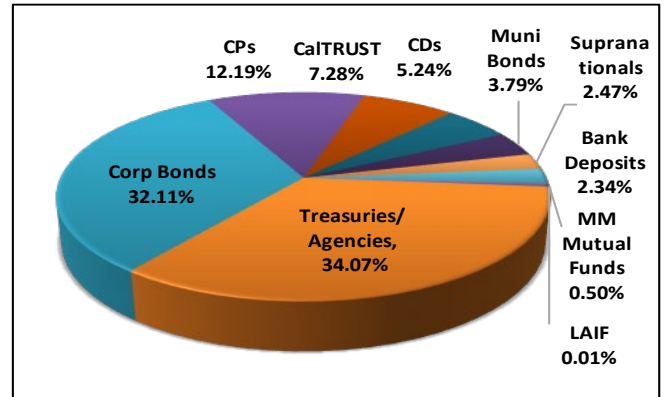
### STRATEGY

The SPLA funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

### PORTFOLIO STATISTICS

Beginning Balance	48,577,923
Contributions	1,022,638
Withdrawals	(4,000,000)
Interest Earned	131,273
Ending Balance	45,731,834

### CITY POOL A PORTFOLIO COMPOSITION



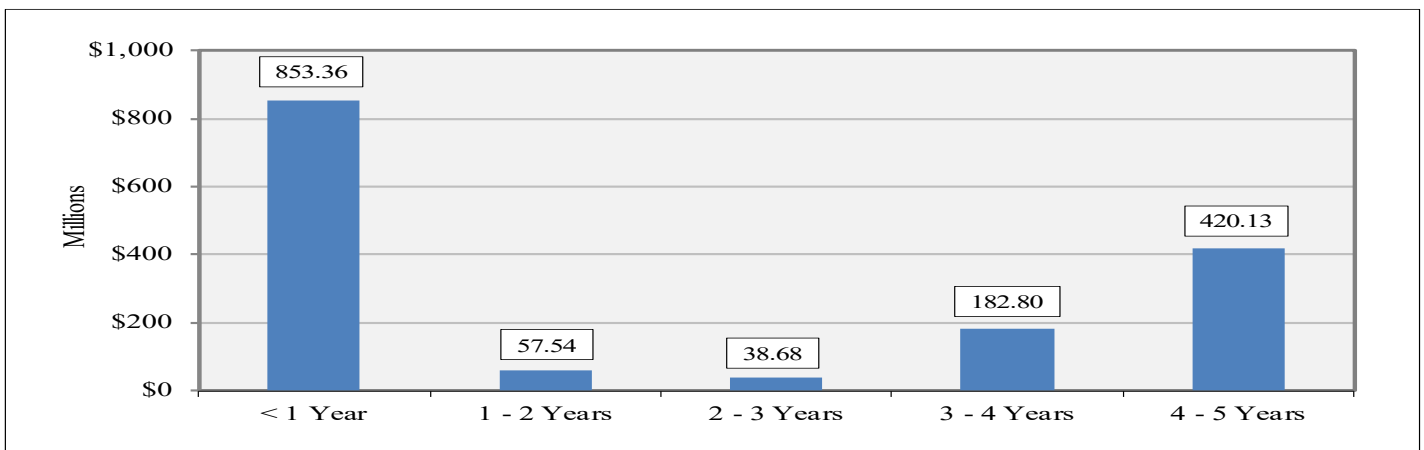
### PERFORMANCE COMPARISON

City Pool A	3.31%
LAIF	4.10%
90 Day T-Bill	3.84%
Federal Funds	4.00%

### CITY POOL A MATURITY SCHEDULE

Maturity	Market Value	Pct. Holdings
< 1 Year	853,361,365	54.97%
1 - 2 Years	57,544,517	3.71%
2 - 3 Years	38,684,648	2.49%
3 - 4 Years	182,799,101	11.77%
4 - 5 Years	420,128,344	27.06%
5 Yrs+30 Dys	-	0.00%
Total	1,552,517,975	100.00%

Asset Type	Pct. Assets	YTM
Treasuries/Agencies	34.07%	2.65%
Corp Bonds	32.11%	3.17%
CPs	12.19%	4.05%
CalTRUST	7.28%	4.01%
CDs	5.24%	1.91%
Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%



City of Sacramento  
 CASH LEDGER  
 Sacramento Public Library Authority  
 From 11-01-25 To 11-30-25

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Cash						
11-01-25				Beginning Balance		47,976,976.86
11-01-25	11-01-25	li		Pool A Cash	1,022,638.41	48,999,615.27
				Nov 2025 Measure U Contribution to SPLA, per AJ#467109		
11-21-25	11-21-25	lo		Pool A Cash	-4,000,000.00	44,999,615.27
					<b>-2,977,361.59</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>44,999,615.27</b>
Pool A Interest Receivable						
11-01-25				Beginning Balance		600,946.06
11-30-25	11-30-25	in		Pool A Cash	131,273.04	732,219.10
				Nov 2025 estimated Pool A interest		
					<b>131,273.04</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>732,219.10</b>

# **The Natomas Basin Conservancy**

**THE NATOMAS BASIN CONSERVANCY**  
**MONTHLY REVIEW – NOVEMBER 2025**

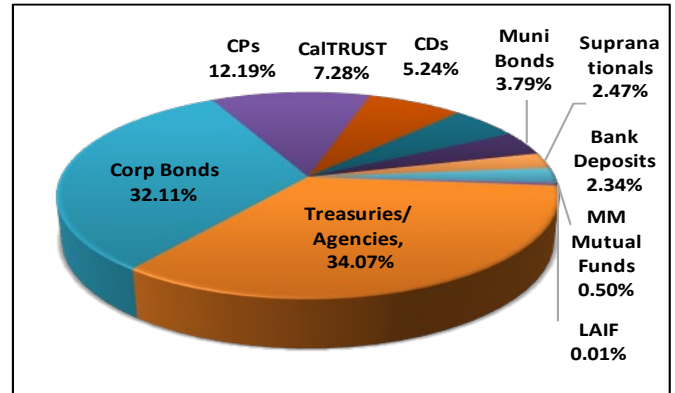
**STRATEGY**

The TNBC funds are invested in the City of Sacramento’s Pool A investment fund. The Fund is invested pursuant to the objectives and requirements set forth in the City’s investment policy. The three objectives of the investment policy, in order of priority, are (1) the preservation of capital by the investment in safe instruments, (2) the liquidity needs of the City and pool participants so such parties will have access to cash when they need it, and (3) the maximizing of current income while remaining consistent with the other more important objectives. The City’s investment policy incorporates applicable provisions of state law including, among other things, the prudent person standard and California Code Section 53601 pertaining to eligible investments.

**PORTFOLIO STATISTICS**

Beginning Balance	2,531,907
Contributions	0
Withdrawals	0
Interest Earned	6,886
Ending Balance	2,538,793

**CITY POOL A PORTFOLIO COMPOSITION**



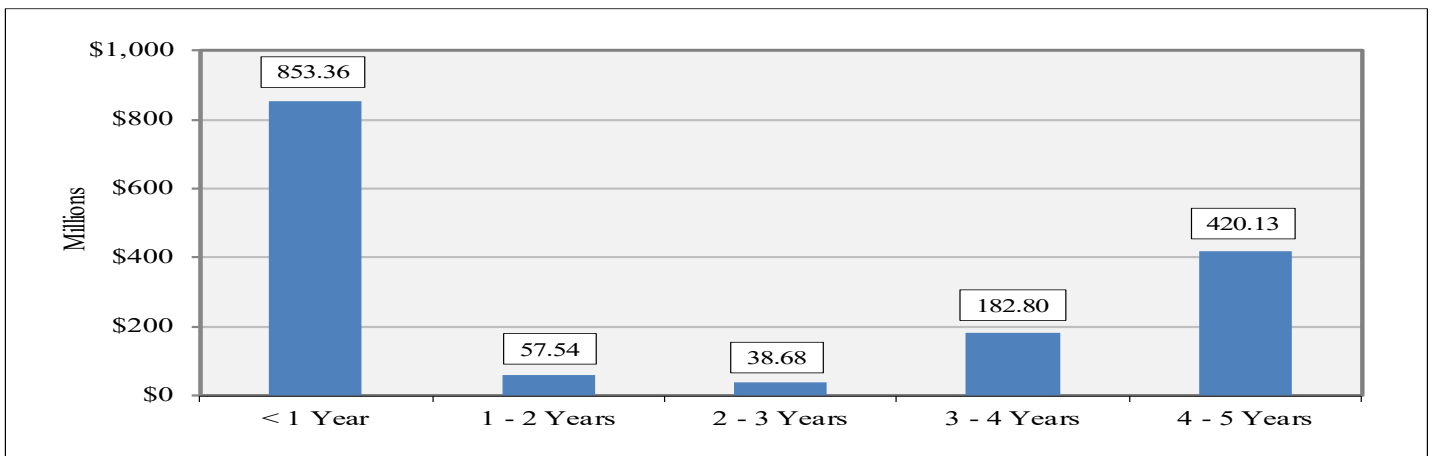
**PERFORMANCE COMPARISON**

City Pool A	3.31%
LAIF	4.10%
90 Day T-Bill	3.84%
Federal Funds	4.00%

**CITY POOL A MATURITY SCHEDULE**

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< 1 Year	853,361,365	54.97%
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Muni Bonds	3.79%	3.66%
Supranationals	2.47%	4.00%
Bank Deposits	2.34%	4.13%
MM Mutual Funds	0.50%	3.67%
LAIF	0.01%	4.10%



City of Sacramento  
 CASH LEDGER  
 The Natomas Basin Conservancy  
 From 11-01-25 To 11-30-25

All Cash Accounts

<u>Trade Date</u>	<u>Settle Date</u>	<u>Tran Code</u>	<u>Quantity</u>	<u>Security</u>	<u>Amount</u>	<u>Cash Balance</u>
Pool A Interest Receivable						
11-01-25				Beginning Balance		23,892.61
11-30-25	11-30-25	in		Pool A Cash	6,886.06	30,778.67
				Nov 2025 estimated Pool A interest		
					<b>6,886.06</b>	
<b>11-30-25</b>				<b>Ending Balance</b>		<b>30,778.67</b>
Pool A Cash						
11-01-25				Beginning Balance		2,508,013.91
<b>11-30-25</b>				<b>Ending Balance</b>		<b>2,508,013.91</b>

## GLOSSARY OF INVESTMENT TERMS

**90-Day UST Bill Average** is the average cost of money incurred by the U. S. Treasury in their weekly sales of 90-day U. S. Treasury Bills and is considered a measure of the trend of short-term interest rates.

**Average Daily Funds Invested** designates the average daily amount of monies invested by the City Treasurer's Office during the reporting period.

**CalTRUST Investment Accounts** invests in fixed income securities for local agency investment pursuant to California Government Code Sections 53601 and 53635. A Board of Trustees supervises and administers the investment programs of the JPA. Four pooled accounts are administered within the program. 1) The BLF FedFund invests at least 99.5% of its total assets in cash, U.S. Treasury bills, notes and other obligations issued or guaranteed as to principal and interest by the U.S. Government, its agencies or instrumentalities, and repurchase agreements secured by such obligations or cash. 2) Short Term account has a duration of 0-2 years, 3) Medium Term account with a duration of 1.5-3.5 years and 4) Long Term account with a target duration of 5-7 years (the Trustees have elected to defer the opening of the Long-Term account until the interest rate environment is more favorable for longer term securities.)

**Federal Funds Average** is the average cost of Federal funds in the U. S. Banking System and is considered a measure of short-term Federal Reserve economic policy.

**Five Star Bank Community Fund** is a money market account that is tied directly to community investment. Within this fund, 50% of the amount invested by the city must be used to support local business development. Reports are prepared semi-annually to keep the city informed on where this money is being invested. Returns on this account are tied directly to the month end rates published by LAIF.

**Investment Cost Recovery Fee** is a charge by the City Treasurer's Office to various funds managed which is intended to recover the direct investment costs incurred by the City's General Fund in permitting the City Treasurer's Office to manage those investment funds.

**Investment Earnings** represent, on an accrual basis of accounting method, all interest earned and any realized gains and losses during the reporting period. Investment earnings are apportioned to the various City Pool A internal and external participants.

**Local Agency Investment Fund (LAIF)** is an optional investment pool managed by the State Treasurers for local governments and special districts in California to participate in. The enabling legislation for the LAIF is Section 16429.1 et seq. of the California Government Code. The LAIF is part of the Pooled Money Investment Account (PMIA). The PMIA began in 1955 and oversight is provided by the Pooled Money Investment Board (PMIB) and an in-house Investment Committee.

**Rate of Return (RoR)** is the actual annualized rate of investment earnings on original cost, which takes into account the amortization of any premium or the accretion of any discount over a specified time period.

**River City Bank Community Fund** is a money market account that is tied directly to community investment. Within this fund, 50% of the amount invested by the city must be used to support local business development. Reports are prepared semi-annually to keep the city informed on where this money is being invested. Returns on this account are tied directly to the month end rates published by LAIF.

**Safe Credit Union Community Fund** is a money market account that is tied directly to community investment. Within this fund, 50% of the amount invested by the city must be used to support local business development. Reports are prepared semi-annually to keep the city informed on where this money is being invested.

**Targeted Ladder Assets (TLA)** are Assets with targeted maturity dates to meet specific needs that are outside of normal recurring expenditures.

**Trust Funds** - additional investment activity is conducted by the City Treasurer's Office for the Sacramento City Employees' Retirement System and certain of the separately invested Trust Funds of the City and third parties. Additionally, the City Treasurer's Office manages short-term investment for the Sacramento Housing and Redevelopment Agency (SHRA).

**Weighted Average Duration** measures the sensitivity of a bond's price to changes in interest rates. It is an elasticity measure and represents the percentage change in price divided by the percentage change in interest rates. A high duration measure indicates that for a given level of movement in interest rates, prices of securities will vary considerably.

**Weighted Average Maturity** calculates an average time to maturity of all the securities held in the portfolio, weighted by each security's percentage of net assets. The calculation takes into account the final maturity for a fixed income security and the interest rate reset date for floating rate securities held in the portfolio. This is a way to measure a fund's sensitivity to potential interest rate changes.

**Yield to Maturity (YTM)** is the total return anticipated on a bond if the bond is held until it matures, expressed as an annual rate.