

City of Salinas California



Annual Comprehensive Financial Report Fiscal Year Ended June 30, 2025



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Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



PREPARED BY
THE FINANCE DEPARTMENT

Selina Andrews
Finance Director

AUDITORS

The Pun Group, LLP
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City of Salinas
Basic Financial Statements
For the Year Ended June 30, 2025

Table of Contents

	<u>Page</u>
 <u>INTRODUCTORY SECTION</u>	
Letter of Transmittal	i
Organizational Chart.....	viii
List of City Officials.....	ix
 <u>FINANCIAL SECTION</u>	
Independent Auditor’s Report	1
Management’s Discussion and Analysis (Required Supplementary Information) (Unaudited).....	5
 Basic Financial Statements:	
 Government-Wide Financial Statements:	
Statement of Net Position.....	20
Statement of Activities	22
 Fund Financial Statements:	
<i>Governmental Funds:</i>	
Balance Sheet.....	28
Reconciliation of the Governmental Funds Balance Sheet to the Government- Wide Statement of Net Position	31
Statement of Revenues, Expenditures, and Changes in Fund Balances	32
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Position	34
 <i>Proprietary Funds:</i>	
Statement of Net Position	36
Statement of Revenues, Expenses, and Changes in Fund Net Position	38
Statement of Cash Flows	40
 <i>Fiduciary Funds:</i>	
Statement of Fiduciary Net Position	47
Statement of Changes in Fiduciary Net Position	48
 Notes to the Basic Financial Statements	 55

City of Salinas
Basic Financial Statements
For the Year Ended June 30, 2025

Table of Contents (Continued)

	<u>Page</u>
<u>FINANCIAL SECTION (Continued)</u>	
Required Supplementary Information (Unaudited):	
Budgetary Information.....	137
Budgetary Comparison Schedules	
General Fund.....	140
ARPA Fund Special Revenue Fund.....	141
HUD Fund Special Revenue Fund.....	142
Development Fees Special Revenue Fund.....	143
Schedule of Changes in Net Pension Liability and Related Ratios – Miscellaneous Plans.....	144
Schedule of Pension Plan Contributions – Miscellaneous Plan.....	146
Schedule of Changes in Net Pension Liability and Related Ratios – City Police Plans.....	148
Schedule of Pension Plan Contributions – City Police Plans.....	150
Schedule of Changes in Net Pension Liability and Related Ratios – City Fire Plans.....	152
Schedule of Pension Plan Contributions – City Fire Plans.....	154
Schedule of Changes in Net Pension Liability and Related Ratios – Single Employer Plan.....	156
Schedule of Pension Plan Contributions – Single Employer Plan.....	158
Schedule of Changes in the City’s Net OPEB Liability.....	160
Schedule of OPEB Contributions.....	162
 Supplementary Information:	
 Combining and Individual Fund Statements and Schedules:	
 <i>Budgetary Comparison Schedules</i>	
Capital Projects Fund.....	167
2019 Special Tax Bond.....	168
 <i>Nonmajor Governmental Funds:</i>	
Combining Balance Sheet Nonmajor Governmental Funds.....	169
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds.....	170
 <i>Nonmajor Special Revenue Funds:</i>	
Combining Balance Sheet Nonmajor Special Revenue Funds.....	173
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Special Revenue Funds.....	177
 <i>Budgetary Comparison Schedule</i>	
Lighting, Landscape, and Maintenance – District Special Revenue Fund.....	181
Local Public Safety.....	182
Gas Tax.....	183
Emergency Medical Services.....	184
Asset Seizure.....	185
Traffic Safety.....	186

City of Salinas
Basic Financial Statements
For the Year Ended June 30, 2025

Table of Contents (Continued)

Page

FINANCIAL SECTION (Continued)

Supplementary Information (Continued):

Combining and Individual Fund Statements and Schedules (Continued):

Nonmajor Special Revenue Funds (Continued):

Budgetary Comparison Schedule (Continued)

Vehicle Abatement.....	187
Cable	188
Contributions & Donations	189
KDF Los Padres Dev Social Services	190
Measure X Transport Safety & Inv Plan.....	191
SB1 Road Maintenance & Rehab.....	192
SB1 Traffic Congestion Relief.....	193
SRA Public Improvement Grant	194
Affordable Housing.....	195
Grants	196
Rent Stabilization	197
Local Housing Trust.....	198

Nonmajor Debt Service Funds:

Combining Balance Sheet Nonmajor Debt Service Funds	200
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Debt Service Funds	203

Budgetary Comparison Schedule

Assessment District.....	206
COP 1999 & 2004 Consolidation (2014).....	207
2018 Lease-PS Building Police.....	208
2018B T.R.I.P. Total Road Improvement	209
2018 Lease El Gabilan Library	210
2020A Refunding Energy.....	211
2020A Refunding SVSWA	212
Assessment District Administration.....	213
Assessment District Reserve	214
2024 Energy Efficiency.....	215

Nonmajor Capital Projects Funds:

Combining Balance Sheet Nonmajor Capital Projects Funds	219
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Capital Projects Funds.....	220

City of Salinas
Basic Financial Statements
For the Year Ended June 30, 2025

Table of Contents (Continued)

Page

Supplementary Information (Continued):

Combining and Individual Fund Statements and Schedules (Continued):

Nonmajor Capital Projects Funds (Continued):

Budgetary Comparison Schedule

Special Construction Assistance	221
Special Aviation	222
Assessment District Project.....	223
2019 Special Tax Bond Monte Bella	224

All Internal Service Funds:

Description of Internal Service Funds	225
Combining Statement of Net Position All Internal Service Funds	227
Combining Statement of Revenues, Expenses, and Changes in Net Position All Internal Service Funds.....	229
Combining Statement of Cash Flows All Internal Service Funds	230

Fiduciary Funds:

Description of Fiduciary Funds.....	233
Private Purpose Trust Funds:	
Combining Statement of Fiduciary Net Position	235
Combining Statement of Changes in Fiduciary Net Position	236

Custodial Funds:

Description of Custodial Funds.....	237
Combining Statement of Fiduciary Net Position	239
Combining Statement of Changes of Fiduciary Net Position	240

General Fund:

Combining Balance Sheet General, Measure E, & Measure G Funds.....	241
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances General, Measure E, & Measure G Funds.....	242
Budgetary Comparison Schedule – Measure E.....	243
Budgetary Comparison Schedule – Measure G	244

Other Information (Unaudited):

Claims Development – Internal Service Funds – General Liability Insurance.....	246
Claims Development – Internal Service Funds – Workers Compensation Insurance	248

City of Salinas
Basic Financial Statements
For the Year Ended June 30, 2025

Table of Contents (Continued)

Page

STATISTICAL SECTION (Unaudited)

Net Position by Component	252
Changes in Net Position	254
Fund Balances of Governmental Funds	256
Changes in Fund Balances of Governmental Funds	258
Assessed Value and Actual Value of Taxable Property	260
Direct and Overlapping Property Tax Rates	261
Principal Property Tax Payers	262
Property Tax Levis and Collections	263
Ratios of Outstanding Debt by Type	264
Ratios of Outstanding General Bonded Debt	265
Direct and Overlapping Governmental Activities Bonded Debt	267
Legal Debt Margin Information	268
Demographic and Economic Statistics	270
Construction Permits Issued and Estimated Value	271
Principal Employers	273
Full-time Equivalent Employees by Function	274
Operating Indicators by Function	276
Capital Asset Statistics by Function/Program	278

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January 27, 2026

***Honorable Mayor and Members of the City Council
City of Salinas, California***

We are pleased to present the City of Salinas’s (City) Annual Comprehensive Financial Report (ACFR) for the fiscal year ending June 30, 2025. Although formally submitted to the Mayor and City Council (Council), the ACFR is also intended to provide relevant financial information to the residents of Salinas, taxpayers, creditors, investors, and other interested parties.

This letter of transmittal provides a non-technical summary of City finances, services, achievements, and economic prospects. We ask that readers who wish a more detailed discussion of the City’s financial results refer to the Management’s Discussion & Analysis (MD&A) contained in the Financial Section of the ACFR.

City Administration is responsible for the accuracy of the information contained in this report, the adequacy of its disclosures, and the fairness of its presentation. We believe this ACFR to be complete and reliable in all material respects. To provide a reasonable basis for making this representation, we have established a comprehensive system of internal controls designed to protect City assets from loss, to identify and record transactions accurately, and to compile the information necessary to produce financial statements in conformity with generally accepted accounting principles.

The City contracted with The Pun Group, LLP, a firm of Certified Public Accountants licensed to practice in the State of California, to perform the annual independent audit. The auditors expressed an opinion that the City’s financial statements for Fiscal Year 2024-2025 (FY 24-25) are fairly stated in conformity with accounting principles generally accepted in the United States. This is the most favorable conclusion and is commonly known as an “unmodified” or “clean” opinion. The independent auditors’ report is included in the Financial Section of this report.

In addition, The Pun Group LLP performs an audit of the City’s major program expenditures of federal funds for compliance with the requirements described in the U.S. Office of Management and Budget’s OMB Compliance Supplement, and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States. The report of the Single Audit is published separately from this ACFR and, when completed, can be obtained from the City of Salinas’ website at <https://www.cityofsalinas.org/Your-Government/Departments/Finance/Annual-Comprehensive-Financial-Reports-ACFR>.

This ACFR is organized into three sections:

- I. The Introductory Section includes the table of contents, letter of transmittal, listing of elected officials, City administrative personnel, and an organization chart delineating organizational structure.
- II. The Financial Section includes the Independent Auditors' opinion, the MD&A, the basic financial statements, notes to the financial statements, combining statements of non-major funds, and required supplemental information.
- III. The Statistical Section provides the reader with additional historic perspective, context, and detail to assist in using the information in the financial statements. It provides information in five categories: financial trends; revenue capacity; debt capacity; demographic and economic information; and operating indicators.

The Reporting Entity and Its Services

In defining the reporting entity, there are no other governmental units over which the City Council has financial accountability. Under new state law, the Salinas Redevelopment Agency, which was a component unit of the City, ceased to exist as of February 1, 2012, and therefore the assets and activities of the dissolved redevelopment agency are reported in a Fiduciary Fund (private purpose trust fund) in the financial statements of the City.

The City was incorporated as a charter City on March 4, 1874 and operates under the Council-Manager form of government. The City is governed by a six-member Council elected by districts for four-year alternating terms and a Mayor elected at large for a two-year term. The Council appoints the City Attorney and the City Manager, who is responsible for day-to-day administration of the City under the policy direction of the Council.

The City is the “county seat” of Monterey County and is located in the Central Coast region of California, 17 miles inland from the Monterey Bay, 325 miles north of Los Angeles and 106 miles south of San Francisco. Salinas is a charter City providing all typical City services: Public safety - police and fire, Public Works - maintenance services (streets, lighting, signals, facilities, parks and trees), development and permit services, current and advanced planning and traffic and facilities engineering, Library, Recreation and General administrative services. Business-type City services include a Municipal Airport, Industrial Waste system, Sanitary Sewer, Water Utility and a Parking District. The State Department of Finance reports the City’s population at 160,645 as of January 1, 2025. The City FY 2024-25 budget includes 650.00 positions authorized on a full-time equivalent basis.

Three elementary school districts, a unified high school district and several private schools at both the primary and secondary level operate in the City of Salinas. Hartnell College, a State Community College, offers two-year degrees and occupational certificate programs. California State University, Monterey Bay is located less than 15 miles away on the former Fort Ord site. Graduate studies through Golden Gate University, Middlebury Institute of International Studies and Chapman College are available nearby. Also in the area are Moss Landing Marine Laboratory,

Monterey College of Law, Stanford University's Hopkins Marine Station and San Jose State University.

Salinas has extensive health and medical services with two of Monterey County's four hospitals located within the City. The City also offers skilled nursing and convalescent homes and residential retirement facilities for seniors, as well as over 220 practicing physicians.

Fire protection and basic and advanced life support are provided by the City's full-service Fire Department. Advanced life support services are provided by the Fire Department's paramedic program. The City of Salinas has a Police Department and receives additional support, as required, from the Monterey County Sheriff's Office and other regional, state and federal agencies.

The City's moderate climate encourages year-round use of its 550 plus acres of municipal parks, which include golf courses, tennis courts and swimming pools. The Salinas Community Center regularly hosts symphonies, ballets, concerts and conventions. Salinas is host to the annual Steinbeck Festival, the California Rodeo, and the California International Airshow. Salinas has a modern California Sports Complex and the National Steinbeck Center. Surrounding Salinas are diverse recreational opportunities including beautiful beaches and the world famed golf courses of the Monterey Bay Peninsula.

As the retail hub of the Central Coast, Salinas enjoys a wide selection and diversity in its stores. Northridge Shopping Center contains over 120 specialty shops and three major department stores – Macy's, Best Buy and J.C. Penney. Harden Ranch Plaza includes Wal-Mart, Target, Safeway, specialty stores, restaurants, and banking institutions. The Westridge Shopping Center is home to Costco, Wal-Mart, Office Max, Dick's Sporting Goods and a variety of national chain restaurants. The Salinas Auto Center houses nine local dealers and its retail area hosts Home Depot, Beverages and More (BevMo), Kohl's, and other specialty stores. Additionally, Salinas' location allows quick access to the Monterey Peninsula, as well as the San Jose area.

The City utilizes various Boards and Commissions in the conduct of its affairs. Commissions and Committees established by City Ordinance are:

- Airport Commission
- Library and Community Services Commission
- Traffic and Transportation Commission
- Planning Commission
- Public Art Commission
- Measure G Oversight Committee
- Measure E Oversight Committee

Boards and Committees established by Resolution of the City Council are:

- Police Community Advisory Committee
- Grievance Advisory Board
- Historical Resources Board

Subcommittees of Council are:

- Housing & Land Use Committee
- Finance Committee

ECONOMIC CONDITIONS AND FISCAL OUTLOOK

While Salinas Valley continues to show overall positive economic performance, several potential indicators of a future economic weakening have begun. These economic indicators include a slow-down in the local real estate market and unemployment rates. Unemployment rates in the area are expected to continue to increase as corporate layoffs continue to occur. In addition, a tight labor market can also push the unemployment rate up. According to the Anderson forecast, “labor force decline is attributable to retirements, migration out-of-state, and individuals choosing to spend their time in nonmarket activities, such as child-raising.

The unemployment rate for the county and Salinas Metropolitan¹ area for June 2025 was 6.3%, which was the same as in May 2025 and higher than the prior year unemployment rate of 6.0%. However, the June 2025 Salinas Metropolitan Statistical Area unemployment rate continued to be higher than the unadjusted unemployment rate for the State (5.8%) and the nation (4.1%)².

The City closed FY 24-25 with a net \$5.3 million General Fund surplus due to a variety of factors discussed in the MD&A. General Fund revenues (not including transfers in) increased by \$9.7 million or 5.4% from the prior year. Sales tax revenues remain the largest and most consistent source of support for General Fund operations, comprising approximately 51.6% or \$94.6 million of General Fund revenues of \$183.2 million in FY 24-25. For FY 24-25, sales tax receipts of \$94.6 million were \$3.3 million higher than the prior year’s collection. The City’s Measures E and G Sales and Use Tax continued to perform well as the economy rebounds from the effects of COVID-19.

The City also relies heavily on property tax revenues to support General Fund operations, comprising approximately 22.2% or \$40.6 million of General Fund revenues of \$183.2 million in FY 24-25. For FY 24-25, property tax receipts of \$40.6 million were \$1.5 million higher than the prior year’s collection. Property tax revenues were supported by the continued desirability of the City, its environment, and culture.

In addition to the City’s revenue sources, the City benefited from the Federal American Rescue Plan Act (ARPA). The Act allocated \$51,567,313 to the City over a two-year period. The City has received both payments and expended \$46.9 million and encumbered \$4.7 million at June 30, 2025.

¹ State of California, Employment Development Department, Labor Market Information Division

² Monthly EDD Press Release

As with most municipalities, services are provided directly by employees to the City's residents, businesses, and visitors. As a service delivery enterprise, the cost of salaries and benefits are a significant portion of the City's expenditures. Salaries are largely dictated by regional market forces as evidenced by fierce competition for workforce in the San Francisco Bay Area, and inflationary pressures nationwide. During FY 24-25, the City successfully completed negotiations with seven labor groups. While important for consistent delivery of high-quality services for the City, these actions further contribute to the structural deficit between revenues and expenditures.

The City also continues to adjust and prepare for pension employer costs to continue to be a primary expense in conjunction with salaries. The City's pension plans over the past several decades, like all other CalPERS participants, have experienced changes in actuarial assumptions, demographic changes, and volatile investment returns which have outweighed any positive plan experiences. The outcome of these unfavorable economic and demographic conditions is the creation of unfunded pension and Other Post-Employment Benefits (OPEB) obligations for the City. According to the 2023 accounting valuation reports, the net pension liability was \$230.8 million and the net OPEB liability was \$13.4 million as of June 30, 2025.

To address the escalation in OPEB costs, current and previous Councils have worked to curb cost escalation in Other Post-Employment Benefits (OPEB). In 2020, the City initiated prefunding of retiree healthcare benefits.

For detailed information about the City employees' retirement plan, please refer to Note 16 of the Notes to Basic Financial Statements Section. For detailed information about the City OPEB obligations please refer to Note 17 of the Notes to Basic Financial Statements Section.

Despite revenue constraints and increasing costs associated with unfunded federal and state mandates, the City has managed to maintain high service levels and balanced budgets through prudent fiscal management.

MAJOR CAPITAL PROJECT INITIATIVES

The City maintains a multi-year forecasting model for operating revenues and expenditures and also produces a six-year capital plan. The multi-year forecast is regularly updated to reflect current revenue and expenditure assumptions and is presented to the City Council during the budget process for the next fiscal year.

Major capital asset and infrastructure initiatives were once again the priority for the fiscal year. Approximately \$13.6 million in City infrastructure and other capital asset improvements and contributions were invested in FY 24-25, including \$1.9 million in improvements -other than buildings and \$2.6 million in equipment. In addition, \$9.1 million was invested in construction in progress including, roads, storm drains, park, building improvements, fire apparatus equipment, and City revitalization efforts.

Additional infrastructure improvements are scheduled in accordance with the City's approved Capital Improvement Plan and will continue into future years. All of these improvements are funded either through grants, appropriations carried over from prior years, and/or new appropriations during the budget development process as approved by City Council policy

Single Audit

As a recipient of federal, state and county funding, the City is responsible for providing assurance that adequate internal controls are in place to ensure compliance with applicable laws and regulations relating to these award programs. Internal controls are subject to periodic evaluation by management and the City's external independent auditors.

As part of the City's single audit procedures, tests are performed to assess the effectiveness of its internal controls over major federal award programs and the City's compliance with applicable laws and regulations related to these award programs.

Accounting System and Budgetary Control

All governmental fund types use the modified accrual basis of accounting. This means that revenues are recorded when measurable and available rather than when received. Measurable means the amount can be determined and available means the cash is received within sixty days after the end of the fiscal year. Expenditures are recorded when the liability is incurred, rather than when paid. An exception to this rule is principal and interest on general long-term debt, which is not recognized by debt service funds until it is due.

Internal accounting procedures have been developed to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records for preparing financial statements and maintaining asset accountability.

The City maintains budgetary controls through City Council adoption of an annual appropriation ordinance and by maintaining an encumbrance accounting system. Expenditures for City operations and other purposes identified in the annual budget cannot legally exceed the budgeted amounts approved by the City Council.

An annual operating budget, five-year budget forecast, and six-year capital improvement plan is adopted by the City Council consistent with generally accepted accounting principles. All budget appropriations must be approved by City Council during the fiscal year. The City Manager is authorized to transfer appropriations within the same funding source. Appropriations are valid for each fiscal year and lapse at year-end.

Acknowledgements

The preparation of this report would not have been possible without the skill, effort, and dedication of the entire Finance Department staff. In addition, staff in all City departments should be recognized for responding so positively to the requests for detailed information that accompanies each annual audit.

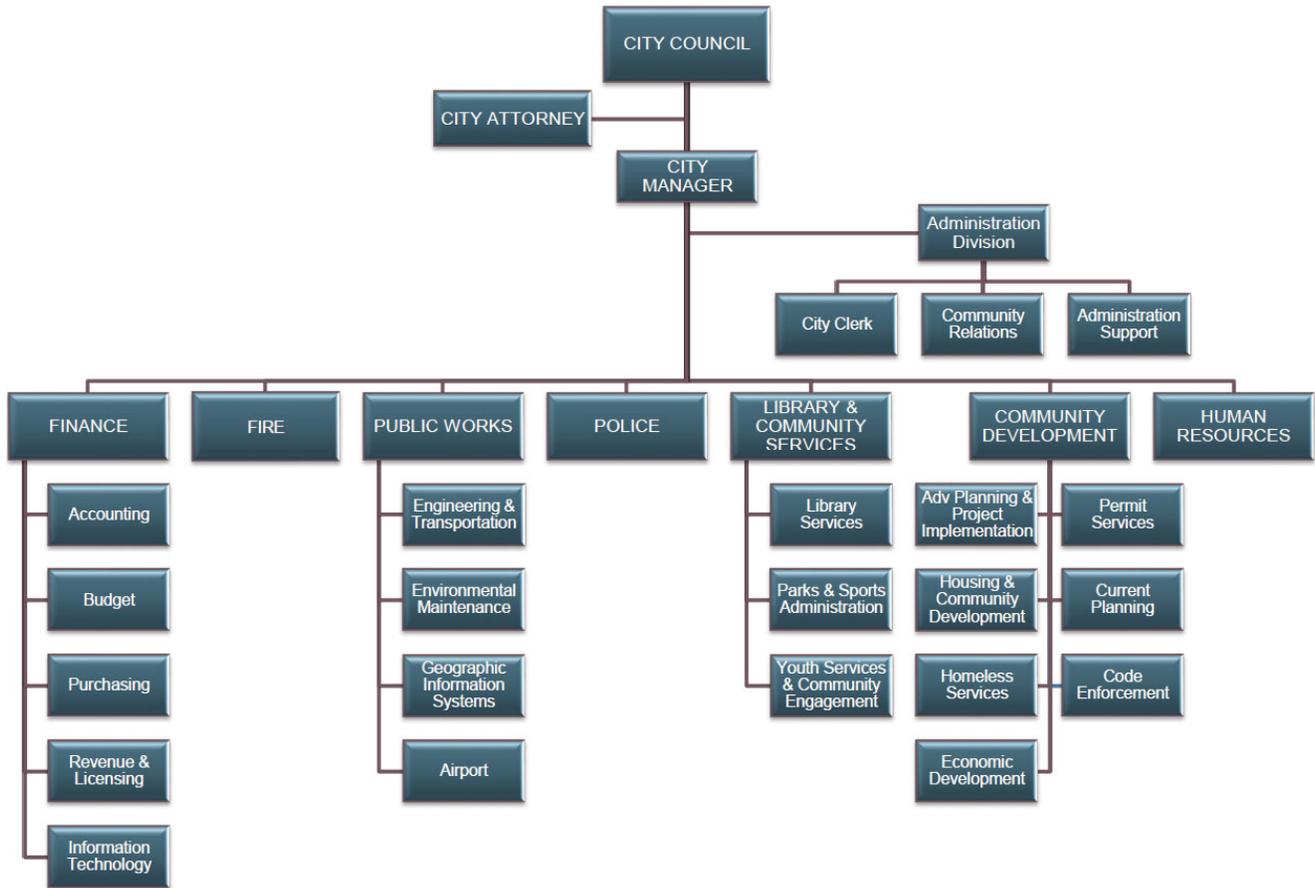
In addition, we wish to express our sincere appreciation to the Mayor and City Council for providing policy direction and a firm foundation of support for the pursuit of excellence in all realms of professional endeavors, especially their role in guiding the City to a secure financial condition that assures resources are available to provide core services to the community.

Respectfully submitted,



Selina Andrews
Finance Director

City of Salinas Organization Chart



City of Salinas

List of Principal Officials



Dennis Donohue

Mayor

Jose Luis Barajas

Councilmember
District 1

Tony Barrera

Councilmember
District 2

Margaret D'Arrigo

Councilmember
District 3

Rene Mendez

City Manager

Lisa Murphy

Assistant City Manager

Kristan Lundquist

Library and Community
Services Director

Carlos Acosta

Chief of Police

Selina Andrews

Finance Director

Gloria De La Rosa

Councilmember
District 4

Andrew Sandoval

Councilmember
District 5

Aurelio Salazar

Councilmember
District 6

Christopher A. Callihan

City Attorney

David Jacobs

Public Works Director

Lisa Brinton

Community
Development Director

Sam Klemek

Fire Chief

Marina Horta-Gallegos

Human Resources
Director

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FINANCIAL SECTION

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

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

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

Basis for Opinions

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

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 City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules of Changes in Net Pension Liability and Related Ratios, Schedules of Proportionate Share of the Net Pension Liability and Related Ratios, Schedules of Pension Contributions, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of OPEB Contributions 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.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and the Claims Development for Internal Service Funds Schedules but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2026, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



Santa Ana, California
January 27, 2026

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This section of the City of Salinas (City) Annual Comprehensive Financial Report provides an overview of the City's financial activities for the fiscal year ended June 30, 2025. Readers are encouraged to consider the information presented here in conjunction with the accompanying letter of transmittal, the basic financial statements, and the accompanying notes to the financial statements.

A. FINANCIAL HIGHLIGHTS

- On June 30, 2025, the City's net position (excess of assets and deferred outflows of resources over liabilities and deferred inflows of resources) was \$269.1 million. Of this amount, \$264.1 million is invested in capital assets and restricted assets, which is offset by a deficit of \$118.8 million of unrestricted assets.
- During the fiscal year ended June 30, 2025, the City's total net position increased by \$27.4 million from \$241.7 million to \$269.1 million.
- During the fiscal year, fund balances increased \$38.6 million to \$221 million for governmental funds, of which \$198.5 million is either nonspendable, restricted, committed, or assigned, leaving a \$22.6 million as unassigned. The City increased restricted fund balance by \$23.7 million for 122.1 million. Additionally, the City has released \$45.3 million and \$23.8 million from committed and assigned fund balances, respectively, to unassigned fund balance.
- During the fiscal year the General Fund, Measure E, and Measure G fund balance increased by \$5.3 million to \$99.7 million of which \$75.9 million is either nonspendable, restricted, committed, or assigned fund balance. Unassigned General Fund, Measure E & Measure G fund balance was \$23.9 million. The primary reason for the General Fund balance increase was due to stronger than anticipated revenues.
- The City's total net capital assets decreased \$8.8 million from \$401.0 million to \$392.2 million primarily due to an increase in accumulated depreciation and amortization.

B. OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements, which is comprised of three components: 1) Government-Wide Financial Statements, 2) Fund Financial Statements and 3) Notes to the Basic Financial Statements.

The basic financial statements include the City (primary government) and all legally separate entities (component units) for which the government is financially accountable.

This report also contains other supplementary information in addition to the basic financial statements for further information and analysis.

Government-Wide Financial Statements

The Government-Wide Financial Statements present the financial picture of the City and provide readers with a broad view of the City's finances, using the economic resources measurement focus and accrual basis of accounting, in a manner similar to private-sector businesses. These statements present governmental activities and business-type activities separately and include all assets of the City (including infrastructure) as well as all liabilities (including long-term debt). Additionally, certain interfund receivables, payables and other interfund activity have been eliminated as prescribed by GASB Statement No. 34.

The *Statement of Net Position* presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, changes in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *Statement of Activities* presents information showing how the City's net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of timing of related cash flows.

In the Statement of Net Position and the Statement of Activities, we separate the City activities as follows:

Governmental Activities—All of the City's basic services are reported in this category, including general government, public safety, community development, public works, recreation, and library. Property taxes, sales taxes, user fees, interest income, franchise fees, state grants and federal grants finance these activities. The City's insurance programs (health, worker's compensation, liability and property damage) are accounted for in internal service funds but are reported as part of governmental activities since these programs are used primarily for governmental activities.

Business-Type Activities—The City charges a fee to customers to cover all or most of the costs of certain services it provides. The City's Industrial Wastewater System, Airport, Sanitary Sewer, Permit Service, and Parking District are reported as business-type activities.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

The Fund Financial Statements include statements for each of the three categories of activities – governmental, proprietary and fiduciary. The governmental funds are prepared using the current financial resources measurement focus and modified accrual basis of accounting. The proprietary funds are prepared using the economic resources measurement focus and the accrual basis of accounting. The fiduciary funds are agency funds, pension trust funds and private purpose trust funds, which only report assets and liabilities and do not have a measurement focus.

Governmental Funds - The Governmental Funds are used to account for essentially the same functions reported as governmental activities in the Government-Wide Financial Statements. However, unlike the Government-Wide Financial Statements, Governmental Funds Financial Statements focus on current financial resources, which emphasize near-term inflows and outflows of expendable resources as well as balances of expendable resources at the end of the fiscal year. This information is essential in evaluating the City's near-term financial requirements.

In order to better understand the City's long-term and short-term requirements, it is useful to compare the City's Governmental Funds Statements with the governmental activities in the Government-Wide Financial Statements. A reconciliation is provided for the Governmental Fund Balance Sheet and the Statement of Revenues, Expenditures and Changes in Fund Balances to facilitate this comparison. The major governmental funds include the General Fund, American Rescue Plan Act (ARPA), Housing and Urban Development (HUD) Grant, Development Fees, Special Revenue Funds, Capital Projects Fund, and 2019 Special Tax Bond Monte Bella Debt Service Fund, which are reported in detail in the Governmental Fund Financial Statements. All other funds are shown in the aggregate as other non-major governmental funds. Individual fund data for each of other non-major governmental funds is provided in the form of combining statements located under the Supplementary Information section in the report.

Proprietary Funds - The City maintains two types of proprietary funds, enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the Government-Wide Financial Statements. The City uses enterprise funds to account for its Airport, Industrial Wastewater System, Sanitary Sewer, Permit Services and Parking activities. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its general city insurance operations. Because these services predominantly benefit the governmental rather than business-type activities, they have been included within governmental activities in the Government-Wide Financial Statements.

Fiduciary Funds - The City is the trustee, or fiduciary, for certain funds held on behalf of external parties. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position. These activities are excluded from the City's other financial statements because the resources of these funds are not available to support the City's own programs.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the Government-Wide and Fund Financial Statements.

Other Information

In addition to the basic financial statements, this report also presents certain Required Supplementary Information including the City's budgetary comparison schedules for the General Fund, American Rescue Plan Act (ARPA) Special Revenue Funds, Housing and Urban Development (HUD) Grant Special Revenue Funds, and Development Fees Special Revenue Fund, and information concerning the progress in funding its obligation to provide pension benefits to its employees.

Combining statements for the other non-major governmental funds, Internal Service Funds, Fiduciary Funds and General, Measure E and Measure G Funds are presented immediately following the Required Supplementary Information as supplementary information.

C. GOVERNMENT-WIDE FINANCIAL ANALYSIS

The Management Discussion and Analysis (MD&A) includes comparative data for analysis.

Statement of Net Position

Net position is a good indicator of the City's financial position. During this fiscal year, the net position of the City increased \$27.5 million or 11.4% over the prior year's from \$241.6 to \$269.1 million.

At June 30, 2025, the largest portion of net position consists of the City's net investment in capital assets. This component is the total amount of funds required to acquire those assets less any related outstanding debt used for such acquisition. The City uses these capital assets to provide services to residents. The capital assets of the City are not sources of income for repayment of debt as most assets are not revenue generating and generally are not liquidated to repay debt. Debt service payments are funded from other resources available to the City.

The following table is the condensed statement of net position as of June 30, 2025 and 2024

City of Salinas
Condensed Statements of Net Position
June 30, 2025 and 2024

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Assets:						
Current assets	\$ 272,673,631	\$ 269,809,855	\$ 16,717,688	\$ 16,750,781	\$ 289,391,319	\$ 286,560,636
Other assets	14,679,130	5,818,489	4,228,343	4,502,468	18,907,473	10,320,957
Capital assets, net	330,166,241	335,763,944	62,072,885	65,238,853	392,239,126	401,002,797
Total assets	617,519,002	611,392,288	83,018,916	86,492,102	700,537,918	697,884,390
Deferred outflows of resources						
Related to pension and OPEB	55,311,018	69,327,178	1,472,339	2,179,156	56,783,357	71,506,334
Loss on refunding of debt	432,594	459,631	77,290	85,877	509,884	545,508
Total deferred outflows of resources	55,743,612	69,786,809	1,549,629	2,265,033	57,293,241	72,051,842
Liabilities:						
Current liabilities	10,718,381	17,863,112	734,849	1,060,528	11,453,230	18,923,640
Other liabilities	18,136,961	41,756,548	-	-	18,136,961	41,756,548
LTD - due in one year	10,708,076	19,145,030	1,349,295	1,729,000	12,057,371	20,874,030
Long-term liabilities	394,677,707	394,195,005	24,038,297	26,140,774	418,716,004	420,335,779
Total liabilities	434,241,125	472,959,695	26,122,441	28,930,302	460,363,566	501,889,997
Deferred inflows of resources						
Related to pension, OPEB and leases	17,420,386	21,006,643	4,819,172	5,378,532	22,239,558	26,385,175
Total deferred inflows of resources	17,420,386	21,006,643	4,819,172	5,378,532	22,239,558	26,385,175
Net Position:						
Net investment in Capital Assets	221,270,561	223,199,988	42,828,175	44,273,730	264,098,736	267,473,718
Restricted	123,726,335	89,559,884	-	-	123,726,335	89,559,884
Unrestricted (Deficit)	(129,249,480)	(125,547,113)	10,485,064	10,174,571	(118,764,416)	(115,372,542)
Total Net Position	\$ 215,747,416	\$ 187,212,759	\$ 53,313,239	\$ 54,448,301	\$ 269,060,655	\$ 241,661,060

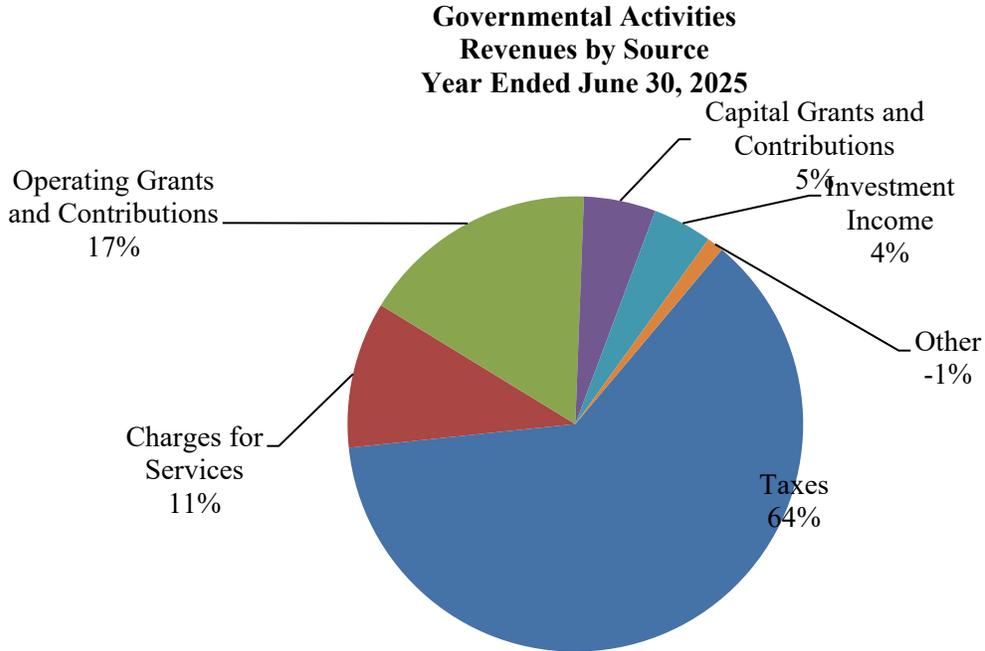
Below is a table of the current and prior fiscal year recap of the changes in net position. The entire Statement of Activities can be reviewed on pages 24-25.

City of Salinas						
Condensed Statement of Activities and Changes in Net Position						
For the Fiscal Years Ended June 30, 2025 and 2024						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues						
Program Revenues:						
Charges for Services	\$ 28,598,610	\$ 9,951,057	\$ 17,174,847	\$ 14,078,424	\$ 45,773,457	\$ 24,029,481
Operating Grants & Contributions	46,428,658	39,160,212	-	-	46,428,658	39,160,212
Capital Grants & Contributions	14,021,584	11,642,670	-	-	14,021,584	11,642,670
General Revenues:						
Taxes	171,198,180	164,923,983	-	-	171,198,180	164,923,983
Unrestricted Investment Earnings	11,638,579	11,203,141	1,032,269	925,646	12,670,848	12,128,787
Gain (Loss) on Disposal of Assets	(3,653,255)	5,690	-	(12,058)	(3,653,255)	(6,368)
Payment from Fiduciary Fund	-	-	946,093	950,640	946,093	950,640
Miscellaneous	418,622	991,325	2,214,084	2,143,902	2,632,706	3,135,227
Total Revenues	<u>268,650,978</u>	<u>237,878,078</u>	<u>21,367,293</u>	<u>18,086,554</u>	<u>290,018,271</u>	<u>255,964,632</u>
Expenses						
General Government	59,730,637	48,105,622	5,303,658	3,690,327	65,034,295	51,795,949
Public Safety	103,419,143	126,945,455	-	-	103,419,143	126,945,455
Public Works	54,169,233	45,984,671	13,203,603	11,110,167	67,372,836	57,094,838
Recreation	15,504,576	12,661,489	-	-	15,504,576	12,661,489
Library	6,781,702	6,781,311	-	-	6,781,702	6,781,311
Interest on Long-Term Debt	3,921,907	4,063,122	584,217	629,735	4,506,124	4,692,857
Total Expenses	<u>243,527,198</u>	<u>244,541,670</u>	<u>19,091,478</u>	<u>15,430,229</u>	<u>262,618,676</u>	<u>259,971,899</u>
Increase (decrease) in Net Position before Transfers	<u>25,123,780</u>	<u>(6,663,592)</u>	<u>2,275,815</u>	<u>2,656,325</u>	<u>27,399,595</u>	<u>(4,007,267)</u>
Transfers	3,410,877	644,120	(3,410,877)	(644,120)	-	-
Increase (decrease) in Net Position	<u>28,534,657</u>	<u>(6,019,472)</u>	<u>(1,135,062)</u>	<u>2,012,205</u>	<u>27,399,595</u>	<u>(4,007,267)</u>
Net Position - Beginning of Year	<u>187,212,759</u>	<u>193,232,231</u>	<u>54,448,301</u>	<u>52,436,096</u>	<u>241,661,060</u>	<u>245,668,327</u>
Net Position - Ending	<u>\$ 215,747,416</u>	<u>\$ 187,212,759</u>	<u>\$ 53,313,239</u>	<u>\$ 54,448,301</u>	<u>\$ 269,060,655</u>	<u>\$ 241,661,060</u>

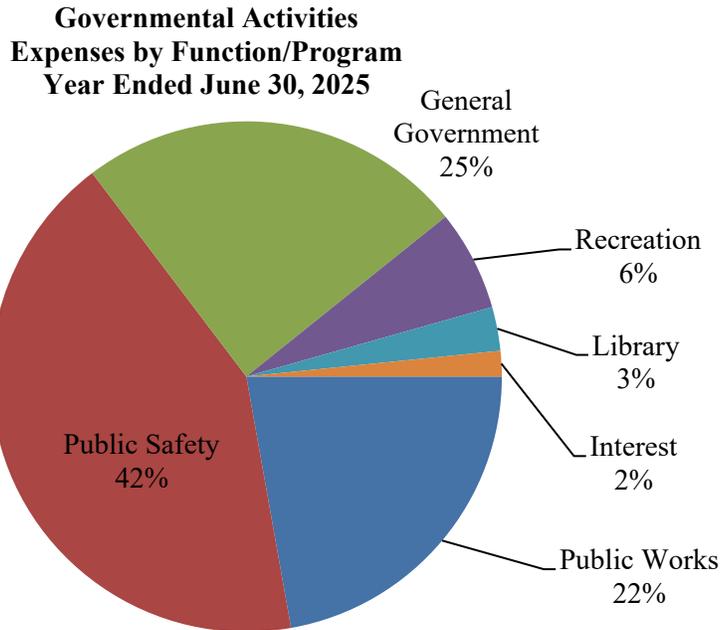
Total revenues increased from the prior year by \$34.1 million, or 12% and total expenses increased by \$2.5 million from prior year, or 1%. Further analysis is provided within the governmental and business-type activities sections.

Governmental Activities

Governmental activities resources total \$268.7 million. The City's governmental activities increased net position by \$28.5 million. The following charts highlight the sources of revenues and purpose of expenses:



Total expenses for governmental activities, excluding transfers and contributions, were \$243.4 million including interest on long-term debt of \$3.9 million.



The below table represents the total cost of each of the City’s governmental activities as well as each activity’s net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost shows the financial commitment that was placed on the City’s taxpayers by each of these functions.

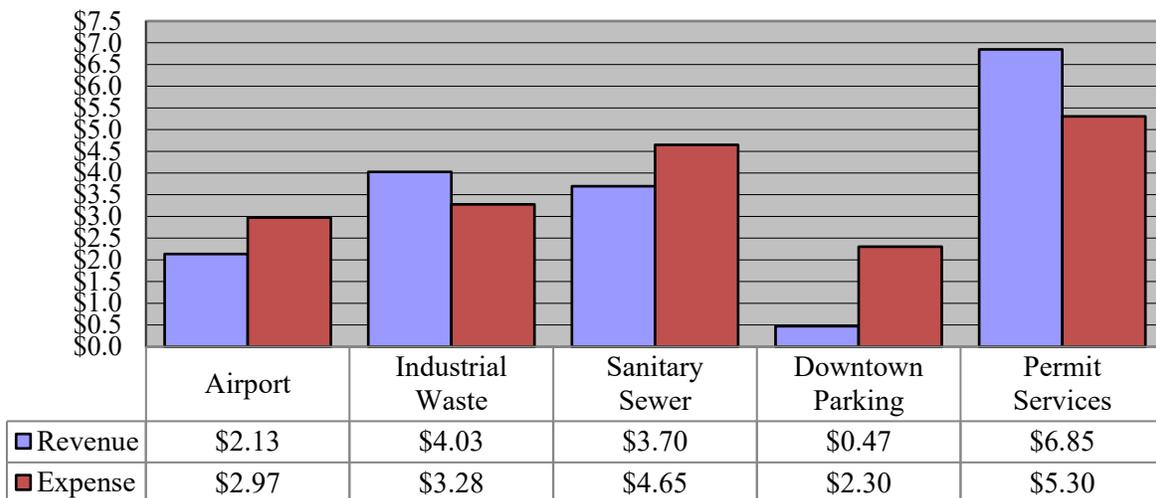
	Total Cost of Services		Net Cost of Services	
		Percent		Percentage
General government	\$ 59,730,637	24.5 %	\$ 13,769,549	8.9 %
Public safety	103,419,143	42.5 %	95,488,218	61.8 %
Public works	54,169,233	22.2 %	21,371,086	13.8 %
Recreation	15,504,576	6.4 %	13,532,105	8.8 %
Library	6,781,702	2.8 %	6,395,481	4.1 %
Interest	3,921,907	1.6 %	3,921,907	2.5 %
Total	\$ 243,527,198	100 %	\$ 154,478,346	100 %

Public safety continues to be the single highest expense for the City followed by public works. Net cost of services, after subtracting fees and grant revenues, total \$154.5 million.

Business-Type Activities

The City’s business-type activities net position was \$53.3 million, a decrease of \$1.1 million for the fiscal year. Total operating revenues for business-type activities were \$17.2 million. Total operating expenses for the business-type activities were \$18.5 million during FY 2024-25.

**Business -Type Activities
Revenues, Expenses (in millions)
June 30, 2025**



D. FUND FINANCIAL STATEMENT ANALYSIS

The City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on short-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$221 million. Of the total fund balance, \$6.1 million was nonspendable which indicates the resources are nonspendable loans, notes, land and property held for resale and are not anticipated to be liquidated in the near-term. Of the total fund balance, \$122.1 million was restricted fund balance, the use of which is constrained by external parties, resource providers, or enabling legislations. Fund balance of \$45.4 million was committed by City Council for specific purposes. The remainder of the restrictions are listed in the Fund Balance footnote.

The General Fund is the chief operating fund of the City. The General, Measure E and Measure G fund balance increased by \$5.3 million in FY 2024-25 to \$99.7 million, of which \$75.9 million is either nonspendable, restricted, committed, or assigned fund balance. The remaining fund balance of \$24.8 million is unassigned.

Proprietary Funds

The City's proprietary funds provide the same type of information found in the government-wide financial statements but in more detail. Factors concerning these funds have been addressed in the discussion of Government-Wide Financial Analysis.

E. GENERAL FUND BUDGETARY HIGHLIGHTS

The final amended General, Measure E, and Measure G Fund revenue budget, including transfers in, totaled \$179.7 million and the expenditure budget totaled \$235.1 million including transfers out. Transfers out are budgeted mostly for capital projects and the funds are already on-hand. Transfers out to the Capital Projects Fund will occur over multiple years.

Significant Appropriations Increases/Decreases

Appropriations during the year were adjusted upward by \$49.5 million, of which \$46.6 million were related to transfers for capital projects and \$2.9 million in operational changes. There was no change in estimated revenues.

F. CAPITAL ASSETS AND LONG-TERM OBLIGATIONS

Capital Assets Including Infrastructure

The following is a summary of the City’s capital assets as of June 30, 2025 and 2024:

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Land	\$ 37,953,126	\$ 37,953,126	\$ 3,630,695	\$ 3,630,695	\$ 41,583,821	\$ 41,583,821
Buildings	134,749,588	134,749,588	25,888,821	25,888,821	160,638,409	160,638,409
Improvements	52,846,129	50,903,966	15,970,700	15,970,700	68,816,829	66,874,666
Equipment	52,278,836	50,518,200	7,935,427	7,871,497	60,214,263	58,389,697
Infrastructure	434,605,116	434,605,116	102,709,198	102,709,198	537,314,314	537,314,314
Right-to-use assets	862,885	960,749	-	-	862,885	960,749
Construction in Progress	30,743,077	25,235,279	2,323,395	2,291,239	33,066,472	27,526,518
	<u>744,038,757</u>	<u>734,926,024</u>	<u>158,458,236</u>	<u>158,362,150</u>	<u>902,496,993</u>	<u>893,288,174</u>
Accumulated Depreciation/ Amortization	<u>(413,872,516)</u>	<u>(399,162,080)</u>	<u>(96,385,351)</u>	<u>(93,123,297)</u>	<u>(510,257,867)</u>	<u>(492,285,377)</u>
	<u>\$ 330,166,241</u>	<u>\$ 335,763,944</u>	<u>\$ 62,072,885</u>	<u>\$ 65,238,853</u>	<u>\$ 392,239,126</u>	<u>\$ 401,002,797</u>

Capital assets, including infrastructure assets of the City, are those assets which are used in the performance of the City’s functions. At June 30, 2025, net capital assets of the Governmental Activities totaled \$330.1 million and the net capital assets of the Business-type Activities totaled \$62.1 million.

Major capital assets events during the current fiscal year included the following:

- \$9.1 million added to construction in progress for roads, storm drains, park, building improvements, fire apparatus equipment, and City revitalization efforts.
- \$1.8 million added for vehicles and other City maintenance equipment.

Further details on the City of Salinas’ capital assets can be found in Note 10 to the financial statements.

Long-Term Obligations

The following is a summary of the City’s long-term debt as of June 30, 2025 and 2024:

City of Salinas' Long Term Liabilities

	Governmental Activities		Business-type Activities		Totals	
	2025	2024	2025	2024	2025	2024
Annual Leave	\$ 12,624,134	\$ 12,035,252	\$ 551,476	\$ 552,230	\$ 13,175,610	\$ 12,587,482
Insurance Claims	44,760,003	37,242,708	-	-	44,760,003	37,242,708
Capital Leases	47,011,937	46,818,865	7,142,000	7,788,000	54,153,937	54,606,865
Loans and Notes	-	-	-	518,000	-	518,000
Revenue Bonds	-	-	12,180,000	12,745,000	12,180,000	12,745,000
Certificates of Participation	50,675,000	53,720,000	-	-	50,675,000	53,720,000
Assessment District Bonds	6,910,000	7,110,000	-	-	6,910,000	7,110,000
Unamortized Bond Premium	5,009,329	5,679,241	-	-	5,009,329	5,679,241
Unamortized Bond Discount	(291,279)	(304,519)	-	-	(291,279)	(304,519)
Subtotal	166,699,124	162,301,547	19,873,476	21,603,230	186,572,600	183,904,777
Net OPEB Liability	12,610,349	12,171,211	815,342	786,950	13,425,691	12,958,161
Net Pension Liability	226,076,310	238,867,277	4,698,774	5,479,594	230,775,084	244,346,871
Total outstanding debt	\$ 405,385,783	\$ 413,340,035	\$ 25,387,592	\$ 27,869,774	\$ 430,773,375	\$ 441,209,809

As of June 30, 2025, the City had \$430.8 million in long term debt.

During the current year the City entered into a new capital lease agreement for energy efficiency and backup generator projects in the amount of \$4.7 million.

Further details on the City of Salinas’ long-term liabilities can be found in Notes 12, 13, 14, 16 and 17 to the financial statements.

G. ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

The FY 2025-26 Budget projections were based on economic trends and forecasts specific to the local economy. These estimates, informed by data from the County of Monterey and the City’s consultants such as Hinderliter, de Llamas & Associates help forecast the most impactful revenue sources, such as taxes. Expenditures are carefully reviewed by Finance Department and are incorporated into the budget with a vacancy savings factor of 5%, reflecting the City’s historical trend of not fully expending predicted salaries and benefit costs.

The City continues to work towards a structurally balanced budget. However, increasing the City’s net position is significantly influenced by market interest rate fluctuations, liability payments (including pension costs), and operational and capital expenditures. Additionally, accounting standards do not account for future capital costs beyond depreciation, meaning deferred capital needs could substantially impact future financial performance. Controlling the main cost drivers of wages, pension, health insurance, and workers’ compensation continues to be the key to managing this projected problem. Rising costs in key City operations and contracted services also pose challenges that could outpace revenue growth.

Despite the City balancing its budget in the coming years, maintaining this stability will require fiscal prudence and foresight to address future challenges.

Additionally, the position of the nation, state and local economy, and any recessionary factors, will influence future budgets. The City continues to work on the Salinas Plan and hopes to achieve savings in those recommendations that have been implemented or are in progress.

The Salinas Plan and Fiscal Sustainability

The Salinas Plan is a Ten-Year Plan designed to provide the City with a path toward maintaining a long-term balanced budget while preserving City services and addressing the affordable housing crisis. The plan provides 32 recommended initiatives. The 32 recommended initiatives are now in various stages of progress and are described in more detail in the Salinas Plan.

Major Projects and Funding

Amid challenges, the City continues deploying funds for various projects City-wide. The City appropriated \$25.6 million in American Rescue Plan Act (ARPA) funds for 20 projects in the following four areas: public facility improvements, public infrastructure, investments in water and sewer, and to address homelessness and housing issues. At June 30, 2025, the City received and expended \$20.9 million, leaves no fund balance at the end of the fiscal year.

H. REQUEST FOR INFORMATION

This financial report is designed to provide our residents, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to demonstrate the City's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the City of Salinas Finance Department, 200 Lincoln Avenue, Salinas, California 93901.

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Salinas
Statement of Net Position
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 230,890,045	\$ 19,987,712	\$ 250,877,757
Receivables, net of allowance:			
Accounts receivable, net	1,513,477	1,037,268	2,550,745
Taxes receivable	20,691,686	-	20,691,686
Assessments receivable	6,910,000	-	6,910,000
Due from other agencies	5,142,786	-	5,142,786
Leases receivable	437,562	274,125	711,687
Interest receivable	2,235,640	271,018	2,506,658
Internal balances:			
Due from (to) other funds	2,067,435	(2,067,435)	-
Advances to (from) other funds	2,785,000	(2,785,000)	-
Total current assets	<u>272,673,631</u>	<u>16,717,688</u>	<u>289,391,319</u>
Noncurrent assets:			
Restricted cash and investments	7,434,253	-	7,434,253
Receivables, net of allowance:			
Loans receivable	1,923,696	-	1,923,696
Leases receivable	3,941,181	4,228,343	8,169,524
Land and properties held for resale	1,380,000	-	1,380,000
Capital assets:			
Non-depreciable/amortizable	68,696,203	5,954,090	74,650,293
Depreciable/amortizable, net	261,470,038	56,118,795	317,588,833
Total capital assets	<u>330,166,241</u>	<u>62,072,885</u>	<u>392,239,126</u>
Total noncurrent assets	<u>344,845,371</u>	<u>66,301,228</u>	<u>411,146,599</u>
Total assets	<u>617,519,002</u>	<u>83,018,916</u>	<u>700,537,918</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	52,183,194	1,270,104	53,453,298
Related to OPEB	3,127,824	202,235	3,330,059
Loss on refunding of debt	432,594	77,290	509,884
Total deferred outflows of resources	<u>55,743,612</u>	<u>1,549,629</u>	<u>57,293,241</u>

City of Salinas
Statement of Net Position (Continued)
June 30, 2025

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	10,149,306	477,680	10,626,986
Accrued liabilities	5,853,687	313,693	6,167,380
Interest payable	516,273	214,211	730,484
Deposits payable	52,802	42,958	95,760
Unearned revenue	18,136,961	-	18,136,961
Long-term debt - due within one year	8,183,251	1,239,000	9,422,251
Compensated absences - due within one year	2,524,825	110,295	2,635,120
Insurance claims payable - due within one year	9,910,671	-	9,910,671
Total current liabilities	55,327,776	2,397,837	57,725,613
Noncurrent liabilities:			
Long-term debt - due in more than one year	101,131,736	18,083,000	119,214,736
Compensated absences - due in more than one year	10,099,309	441,181	10,540,490
Insurance claims payable - due in more than one year	34,849,332	-	34,849,332
Net pension liability	226,076,310	4,698,774	230,775,084
Net OPEB liability	12,610,349	815,342	13,425,691
Total noncurrent liabilities	384,767,036	24,038,297	408,805,333
Total liabilities	440,094,812	26,436,134	466,530,946
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	3,303,460	71,197	3,374,657
Related to OPEB	10,140,366	655,641	10,796,007
Related to leases	3,976,560	4,092,334	8,068,894
Total deferred inflows of resources	17,420,386	4,819,172	22,239,558
NET POSITION			
Net investment in capital assets	221,270,561	42,828,175	264,098,736
Restricted for:			
Housing	12,623,629	-	12,623,629
Capital projects	10,741,386	-	10,741,386
Public safety	3,504,290	-	3,504,290
Highways and streets	37,443,299	-	37,443,299
Debt service	8,871,727	-	8,871,727
Special programs	50,542,004	-	50,542,004
Total restricted	123,726,335	-	123,726,335
Unrestricted (deficit)	(129,249,480)	10,485,064	(118,764,416)
Total net position	\$ 215,747,416	\$ 53,313,239	\$ 269,060,655

City of Salinas
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Program Revenues				Total
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Primary government:					
Governmental activities:					
General government	\$ 59,730,637	\$ 7,781,243	\$ 33,784,383	\$ 4,395,462	\$ 45,961,088
Public safety	103,419,143	2,006,615	5,626,486	297,824	7,930,925
Public works	54,169,233	16,920,080	6,683,885	9,194,183	32,798,147
Recreation	15,504,576	1,838,356	-	134,115	1,972,471
Library	6,781,702	52,316	333,905	-	386,221
Interest on long-term debt	3,921,907	-	-	-	-
Total governmental activities	<u>243,527,198</u>	<u>28,598,610</u>	<u>46,428,658</u>	<u>14,021,584</u>	<u>89,048,852</u>
Business-type activities:					
Airport	2,974,787	2,133,233	-	-	2,133,233
Industrial Waste	3,279,094	4,027,016	-	-	4,027,016
Sanitary Sewer	4,647,529	3,695,305	-	-	3,695,305
Downtown Parking District	2,302,193	470,672	-	-	470,672
Permit Services	5,303,658	6,848,621	-	-	6,848,621
Total business-type activities	<u>18,507,261</u>	<u>17,174,847</u>	<u>-</u>	<u>-</u>	<u>17,174,847</u>
Total primary government	<u><u>\$ 262,034,459</u></u>	<u><u>\$ 45,773,457</u></u>	<u><u>\$ 46,428,658</u></u>	<u><u>\$ 14,021,584</u></u>	<u><u>\$ 106,223,699</u></u>

City of Salinas
Statement of Activities (Continued)
For the Year Ended June 30, 2025

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Primary government:			
Governmental activities:			
General government	\$ (13,769,549)	\$ -	\$ (13,769,549)
Public safety	(95,488,218)	-	(95,488,218)
Public works	(21,371,086)	-	(21,371,086)
Recreation	(13,532,105)	-	(13,532,105)
Library	(6,395,481)	-	(6,395,481)
Interest on long-term debt	(3,921,907)	(584,217)	(4,506,124)
Total governmental activities	(154,478,346)	(584,217)	(155,062,563)
Business-type activities:			
Airport	-	(841,554)	(841,554)
Industrial Waste	-	747,922	747,922
Sanitary Sewer	-	(952,224)	(952,224)
Downtown Parking District	-	(1,831,521)	(1,831,521)
Permit Services	-	1,544,963	1,544,963
Total business-type activities	-	(1,332,414)	(1,332,414)
Total primary government	(154,478,346)	(1,916,631)	(156,394,977)
General Revenues and Transfers:			
General revenues:			
Taxes:			
Sales taxes	94,640,604	-	94,640,604
Property taxes	40,561,028	-	40,561,028
Motor vehicle in lieu	255,485	-	255,485
Utility user tax	15,758,261	-	15,758,261
Franchise tax	10,423,060	-	10,423,060
Business tax	6,724,871	-	6,724,871
Transient occupancy tax	2,828,874	-	2,828,874
Other taxes	5,997	-	5,997
Total taxes	171,198,180	-	171,198,180
Revenue from Fiduciary Funds	-	946,093	946,093
Investment earnings	11,638,579	1,032,269	12,670,848
Gain (loss) on sale of capital assets	(3,653,255)	-	(3,653,255)
Miscellaneous revenue	418,622	2,214,084	2,632,706
Transfers	3,410,877	(3,410,877)	-
Total general revenues and transfers	183,013,003	781,569	183,794,572
Change in net position	28,534,657	(1,135,062)	27,399,595
Net Position:			
Beginning of year	187,212,759	54,448,301	241,661,060
End of year	\$ 215,747,416	\$ 53,313,239	\$ 269,060,655

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUNDS FINANCIAL STATEMENTS

General Fund - This fund accounts for all financial resources necessary to carry out basic governmental activities of the City that are not accounted for in another fund. This fund supports essential City services such as police and fire protection, street maintenance, libraries, parks, and open space maintenance.

SPECIAL REVENUE FUNDS

Special revenue funds are used to account for specific revenues that are legally restricted to expenditures for specified purposes. The following funds have been classified as major special revenue funds:

American Rescue Plan Act (ARPA) Special Revenue Fund - On March 11, 2021, President Biden signed the American Rescue Plan Act, which will provide the City with approximately \$51 million in relief funds. This fund accounts for the revenues and expenditures of ARPA proceeds.

Housing and Urban Development Grant Special Revenue Fund - This fund accounts for the use of Community Development Block Grant funds received from the federal government. Other revenues in this fund include repayments of commercial and residential loans and rental income from City property. Funds are used for programs or projects that increase affordable housing and benefit people with special needs such as senior and handicapped citizens.

Development Fees Special Revenue Fund - This fund accounts for the fees that subdividers and developers of property are required to pay, by Resolution 3823 (N.C.S.), covering traffic impact, annexation, use of existing or new sewers, storm drainings, park facilities, library facilities, and street trees.

CAPITAL PROJECTS FUNDS

Capital Projects Fund - This fund accounts for all capital project expenditures. Funds are transferred in from various other funds after expenditures are made. This revolving fund was established with \$2,000,000 and is used to advance capital project expenditures prior to reimbursement of Federal, State, and other construction grants and bond financing.

DEBT SERVICE FUNDS

2019 Special Tax Bond Monte Bella - This fund is used to accumulate monies for the principal and interest payments for the 2019 Special Tax Bonds to finance the acquisition and/or construction of certain public facilities and improvements within the Community Facilities District No. 2016-1 (Monte Bella) Area No. 1-3. The annual levy of special taxes on that area would be used to pay for principal and interest payments on the bonds.

City of Salinas
Balance Sheet
Governmental Funds
June 30, 2025

	Major Funds				
	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Development Fees Special Revenue Fund	2019 Special Tax Bond Monte Bella Debt Service Fund
ASSETS					
Cash and investments	\$ 90,220,079	\$ 7,253,581	\$ 8,629,142	\$ 35,860,613	\$ 418,438
Receivables, net:					
Accounts	917,236	-	-	-	-
Taxes	20,662,326	-	-	-	-
Interest	451,609	-	13,325	113,764	-
Due from other agencies	98,864	-	547,976	-	-
Assessments	-	-	-	-	6,865,000
Leases	1,052,262	-	-	-	-
Due from other funds	11,784,054	-	-	-	-
Advances to other funds	2,785,000	-	-	-	-
Restricted cash and investments	-	-	-	-	568,596
Loans and notes receivable, net of allowance	-	-	1,872,125	-	-
Land and properties held for resale	-	-	-	-	-
Total assets	\$ 127,971,430	\$ 7,253,581	\$ 11,062,568	\$ 35,974,377	\$ 7,852,034
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 3,330,257	\$ 2,549,746	\$ 374,670	\$ -	\$ -
Accrued liabilities	5,360,429	-	136,018	-	-
Due to other funds	18,523,584	-	1,830,280	62,787	-
Deposits payable	52,802	-	-	-	-
Unearned revenues	-	4,703,835	5,592,257	-	6,865,000
Total liabilities	27,267,072	7,253,581	7,933,225	62,787	6,865,000
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Lease-related deferred inflows	995,273	-	-	-	-
Total deferred inflows of resources	995,273	-	-	-	-
Fund Balances (Deficit):					
Nonspendable	2,785,000	-	1,872,125	-	-
Restricted	10,000,000	-	1,257,218	35,911,590	987,034
Committed	38,242,179	-	-	-	-
Assigned	24,825,000	-	-	-	-
Unassigned (deficit)	23,856,906	-	-	-	-
Total fund balances (deficit)	99,709,085	-	3,129,343	35,911,590	987,034
Total liabilities, deferred inflows of resources, and fund balances	\$ 127,971,430	\$ 7,253,581	\$ 11,062,568	\$ 35,974,377	\$ 7,852,034

City of Salinas
Balance Sheet (Continued)
Governmental Funds
June 30, 2025

	<u>Major Funds</u>		
	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS			
Cash and investments	\$ 7,155,829	\$ 70,666,964	\$ 220,204,646
Receivables, net:			
Accounts	-	596,241	1,513,477
Taxes	-	29,360	20,691,686
Interest	-	1,627,931	2,206,629
Due from other agencies	-	4,495,946	5,142,786
Assessments	-	45,000	6,910,000
Leases	-	3,326,481	4,378,743
Due from other funds	3,543,969	-	15,328,023
Advances to other funds	-	-	2,785,000
Restricted cash and investments	-	6,351,597	6,920,193
Loans and notes receivable, net of allowance	-	51,571	1,923,696
Land and properties held for resale	-	1,380,000	1,380,000
Total assets	<u>\$ 10,699,798</u>	<u>\$ 88,571,091</u>	<u>\$ 289,384,879</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 3,504,284	\$ 231,587	\$ 9,990,544
Accrued liabilities	42,045	205,235	5,743,727
Due to other funds	-	9,371,567	29,788,218
Deposits payable	-	-	52,802
Unearned revenues	-	975,869	18,136,961
Total liabilities	<u>3,546,329</u>	<u>10,784,258</u>	<u>63,712,252</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	-	654,039	654,039
Lease-related deferred inflows	-	2,981,287	3,976,560
Total deferred inflows of resources	<u>-</u>	<u>3,635,326</u>	<u>4,630,599</u>
Fund Balances (Deficit):			
Nonspendable	-	1,431,571	6,088,696
Restricted	-	73,988,920	122,144,762
Committed	7,153,469	-	45,395,648
Assigned	-	-	24,825,000
Unassigned (deficit)	-	(1,268,984)	22,587,922
Total fund balances (deficit)	<u>7,153,469</u>	<u>74,151,507</u>	<u>221,042,028</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,699,798</u>	<u>\$ 88,571,091</u>	<u>\$ 289,384,879</u>

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City of Salinas
Reconciliation of the Governmental Funds Balance Sheet
To the Government-Wide Statement of Net Position
June 30, 2025

Total Fund Balances - Total Governmental Funds	\$ 221,042,028
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Capital assets used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Non-depreciable/amortizable	68,696,203
Depreciable/amortizable, net	261,470,038
Total capital assets	330,166,241
Deferred inflows resulting from revenues that are not available to pay for current period expenditures are reported as unavailable in the Governmental Funds Balance Sheet.	
	654,039
Long-term liabilities are not due and payable in the current period and therefore were not reported in the Governmental Funds Balance Sheet.	
Compensated absences - due within one year, net of \$42,617 reported in the Internal Service Funds	(2,482,208)
Compensated absences - due in more than one year, net of \$170,470 reported in the Internal Service Funds	(9,928,839)
Insurance claims payable - due in more than one year, net of \$43,313,336 reported in the Internal Service Funds	(1,446,667)
Long-term debt - due within one year	(8,183,251)
Long-term debt - due in more than one year	(101,131,736)
Total long-term liabilities	(123,172,701)
Governmental funds report the effects of debt refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities for the following:	
Deferred loss on refunding of debt	432,594
Total	432,594
Interest payable on long-term debt did not require current financial resources. Therefore, interest payable was not reported as a liability in the governmental funds.	
	(516,273)
Net pension liability and total OPEB liability used in the governmental activities were not financial resources and therefore were not reported in the Governmental Funds Balance Sheet.	
Net pension liability, net of \$1,454,383 reported in the Internal Service Funds	(224,621,927)
Net OPEB liability, net of \$276,166 reported in the Internal Service Funds	(12,334,183)
Total net pension liability and net OPEB liability	(236,956,110)
Deferred outflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Deferred outflows of resources related to pensions, net of \$393,131 reported in the Internal Service Funds	51,790,063
Deferred outflows of resources related to OPEB, net of \$68,499 reported in the Internal Service Funds	3,059,325
Total deferred outflows of resources	54,849,388
Deferred inflows of resources related to OPEB and pensions are not available for current period and, therefore, are deferred in the governmental funds or not recorded in the governmental funds.	
Deferred inflows of resources related to pensions, net of \$22,037 reported in the Internal Service Funds	(3,281,423)
Deferred inflows of resources related to OPEB, net of \$222,074 reported in the Internal Service Funds	(9,918,292)
Total deferred inflows of resources	(13,199,715)
Internal service funds are used by management to charge the cost of information technology, vehicle replacement, fleet management and infrastructure to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.	
	(17,552,075)
Net Position of Governmental Activities	\$ 215,747,416

City of Salinas
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	Major Funds				2019 Special Tax Bond Monte Bella Debt Service Fund
	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Development Fees Special Revenue Fund	
REVENUES:					
Taxes	\$ 159,755,172	\$ -	\$ -	\$ -	\$ -
Taxes - special assessments	-	-	-	-	501,200
Licenses and permits	10,919,325	-	-	-	-
Intergovernmental	1,428,928	20,862,978	15,047,496	-	-
Charges for services	9,305,281	-	-	14,000,440	-
Investment income (loss)	5,470,058	-	147,690	1,385,115	16,391
Rental income	406,138	-	-	-	-
Fines and forfeitures	198,664	-	-	-	-
Miscellaneous	1,018,083	-	409,167	-	-
Total revenues	188,501,649	20,862,978	15,604,353	15,385,555	517,591
EXPENDITURES:					
Current:					
General government	30,168,986	2,111,974	9,977,132	-	7,126
Public safety	89,123,418	2,151,759	100	-	-
Public works	16,986,137	4,558,006	3,413	-	-
Recreation	8,858,018	159,249	-	-	-
Library	6,095,902	-	-	-	-
Capital outlay	406,690	11,881,990	1,327,949	-	-
Debt service:					
Principal	1,148,865	-	-	-	155,000
Interest and fiscal charges	163,990	-	-	-	301,684
Bond issuance costs	-	-	-	-	-
Total expenditures	152,952,006	20,862,978	11,308,594	-	463,810
REVENUES OVER (UNDER) EXPENDITURES	35,549,643	-	4,295,759	15,385,555	53,781
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of subscriptions	239,641	-	-	-	-
Proceeds from issuance of leases	-	-	-	-	-
Transfers in	2,465,000	-	65,578	-	-
Transfers out	(32,906,888)	-	(1,175,219)	(582,340)	-
Total other financing sources (uses)	(30,202,247)	-	(1,109,641)	(582,340)	-
NET CHANGE IN FUND BALANCES	5,347,396	-	3,186,118	14,803,215	53,781
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	94,361,689	-	(56,775)	-	933,253
Change within financial reporting entity: (nonmajor to major)	-	-	-	21,108,375	-
Beginning of year, as restated (Note 22)	94,361,689	-	(56,775)	21,108,375	933,253
End of year	\$ 99,709,085	\$ -	\$ 3,129,343	\$ 35,911,590	\$ 987,034

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2025

	<u>Major Funds</u>		
	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
REVENUES:			
Taxes	\$ -	\$ 648,806	\$ 160,403,978
Taxes - special assessments	-	-	501,200
Licenses and permits	-	97,006	11,016,331
Intergovernmental	-	25,406,988	62,746,390
Charges for services	-	1,663,395	24,969,116
Investment income (loss)	-	3,235,743	10,254,997
Rental income	-	310,989	717,127
Fines and forfeitures	-	258,136	456,800
Miscellaneous	-	2,159,234	3,586,484
Total revenues	<u>-</u>	<u>33,780,297</u>	<u>274,652,423</u>
EXPENDITURES:			
Current:			
General government	2,520,742	2,179,357	46,965,317
Public safety	152,852	4,646,283	96,074,412
Public works	5,359,159	1,569,492	28,476,207
Recreation	1,130,531	959,621	11,107,419
Library	-	318,877	6,414,779
Capital outlay	19,484,166	252,510	33,353,305
Debt service:			
Principal	533,705	6,189,000	8,026,570
Interest and fiscal charges	25,921	4,023,938	4,515,533
Bond issuance costs	-	63,684	63,684
Total expenditures	<u>29,207,076</u>	<u>20,202,762</u>	<u>234,997,226</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(29,207,076)</u>	<u>13,577,535</u>	<u>39,655,197</u>
OTHER FINANCING SOURCES (USES):			
Proceeds from issuance of subscriptions	-	-	239,641
Proceeds from issuance of leases	-	4,735,000	4,735,000
Transfers in	27,870,450	15,310,229	45,711,257
Transfers out	-	(17,085,933)	(51,750,380)
Total other financing sources (uses)	<u>27,870,450</u>	<u>2,959,296</u>	<u>(1,064,482)</u>
NET CHANGE IN FUND BALANCES	<u>(1,336,626)</u>	<u>16,536,831</u>	<u>38,590,715</u>
FUND BALANCES (DEFICIT):			
Beginning of year, as previously presented as of June 30, 2024	8,490,095	78,723,051	182,451,313
Change within financial reporting entity: (nonmajor to major)	-	(21,108,375)	-
Beginning of year, as restated (Note 22)	<u>8,490,095</u>	<u>57,614,676</u>	<u>182,451,313</u>
End of year	<u>\$ 7,153,469</u>	<u>\$ 74,151,507</u>	<u>\$ 221,042,028</u>

City of Salinas
Reconciliation of the Governmental Funds Statement of Revenues,
Expenditures, and Changes in Fund Balances to the Government-Wide
Statement of Activities and Changes in Net Position
For the Year Ended June 30, 2025

Net Change in Fund Balances - Total Governmental Funds	\$ 38,590,715
Amounts reported for Governmental Activities in the Statement of Net Position were different because:	
Governmental funds reported capital outlay as expenditures. However, in the Government-Wide Statement of Activities and Changes in Net Position the cost of those assets was allocated over their estimated useful lives as depreciation and amortization expense. This is the amount of capital assets recorded in the current period.	13,684,421
Depreciation and amortization expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Position, but they did not require the use of current financial resources. Therefore, depreciation and amortization expense was not reported as expenditures in the Governmental Funds.	(15,628,869)
Retirement of capital assets created a loss on the Government-Wide Statement of Activities and Changes in Net Position.	(3,653,255)
Issuance of long-term liabilities provides current financial resources to governmental funds, but the issuance increased long-term liabilities in the Government-Wide Statement of Net Position.	
Subscriptions	(239,641)
Leases	(4,735,000)
Repayment of long-term liabilities was an expenditures in governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	
Principal payment of long-term debt	8,026,570
Amortization of bond premium/discount	656,671
Amortization of deferred amount on refunding was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources.	(27,037)
Interest expense on long-term debt was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. This amount represented the changes in accrued interest from prior year.	27,676
Compensated absences expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds (net of \$37,564 reported in internal service funds).	(551,318)
Claims payable expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.	(181,592)
Revenues in the Government-Wide Statement of Activities that do not provide current financial resources and are not reported as revenue in the governmental funds.	(2,742,128)
Certain pension credits reported in the Government-Wide Statement of Activities do not provide current financial resources and therefore, are not reported as expenditures in governmental funds.	113,692
Certain OPEB expenses reported in the Government-Wide Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in governmental funds.	1,008,080
The internal service funds are used by management to charge the costs of fleet maintenance, facilities maintenance, and technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.	<u>(5,814,328)</u>
Change in Net Position of Governmental Activities	<u>\$ 28,534,657</u>

PROPRIETARY FUNDS FINANCIAL STATEMENTS

Proprietary Funds are used to account for a government's business-type activities (activities supported, at least in part, by fees or charges). Proprietary funds are segregated into Enterprise Funds and Internal Service Funds. Enterprise Funds are used to report business-type activities for which a fee is charged to external users for goods or services. Internal Service Funds on the other hand, are used primarily for services provided to internal users.

The City reports the following enterprise funds:

Airport Fund - This fund is used to account for the enterprise operations of the City-owned airport.

Industrial Waste Fund - This fund is used to account for the enterprise operations of the City-operated Industrial Wastewater Treatment Facility.

Sanitary Sewer Fund - This fund is used to account for the maintenance of the City's sanitary sewer collection system, which is funded by user fees and by the Monterey Regional Water Pollution Control Agency sewer user fees.

Downtown Parking District Fund - This fund was established to account for revenues, operating expenses and debt service associated with the City's parking facilities. The City's paid parking facilities include the Monterey Street Parking Structure, the Salinas Street Garage and four parking lots.

Permit Services Fund - This fund is used to account for the revenues and expenditures associated with providing permitting services to the community.

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

City of Salinas
Statement of Net Position
Proprietary Funds
June 30, 2025

	Major Enterprise Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 2,863,793	\$ 7,718,218	\$ 700,382	\$ 396,930
Receivables, net:				
Accounts	213,521	713,951	17,897	91,899
Accrued interest	216,370	25,300	1,771	-
Excess insurance receivable	-	-	-	-
Leases receivable	274,125	-	-	-
Due from other funds	-	-	-	-
Total current assets	<u>3,567,809</u>	<u>8,457,469</u>	<u>720,050</u>	<u>488,829</u>
Noncurrent assets:				
Restricted cash and investments	-	-	-	-
Leases receivable, long term	4,228,343	-	-	-
Capital assets:				
Non-depreciable	2,298,175	2,689,880	959,335	6,700
Depreciable, net	<u>11,969,969</u>	<u>11,969,702</u>	<u>26,525,995</u>	<u>5,565,997</u>
Total capital assets	<u>14,268,144</u>	<u>14,659,582</u>	<u>27,485,330</u>	<u>5,572,697</u>
Total noncurrent assets	<u>18,496,487</u>	<u>14,659,582</u>	<u>27,485,330</u>	<u>5,572,697</u>
Total assets	<u>22,064,296</u>	<u>23,117,051</u>	<u>28,205,380</u>	<u>6,061,526</u>
DEFERRED OUTFLOWS OF RESOURCES				
Related to pensions	181,442	151,205	423,368	-
Related to OPEB	25,608	25,908	68,866	2,098
Loss on refunding of debt	-	-	-	77,290
Total deferred outflows of resources	<u>207,050</u>	<u>177,113</u>	<u>492,234</u>	<u>79,388</u>
LIABILITIES				
Current liabilities:				
Accounts payable	23,874	170,751	22,658	71,667
Accrued liabilities	50,843	32,787	97,077	4,308
Interest payable	-	-	119,809	94,402
Due to other funds	111,019	-	239,829	1,677,465
Deposits payable	42,958	-	-	-
Compensated absences - due within one year	15,306	16,835	30,307	3,223
Long-term debt - due within one year	-	-	565,000	674,000
Total current liabilities	<u>244,000</u>	<u>220,373</u>	<u>1,074,680</u>	<u>2,525,065</u>
Noncurrent liabilities:				
Advances from other funds	-	-	-	2,785,000
Compensated absences - due in more than one year	61,223	67,339	121,229	12,894
Long term debt - due in more than one year	-	-	11,615,000	6,468,000
Insurance claims payable - due in more than one year	-	-	-	-
Net pension liability	671,253	559,378	1,566,258	-
Net OPEB liability	<u>103,244</u>	<u>104,452</u>	<u>277,643</u>	<u>8,458</u>
Total noncurrent liabilities	<u>835,720</u>	<u>731,169</u>	<u>13,580,130</u>	<u>9,274,352</u>
Total liabilities	<u>1,079,720</u>	<u>951,542</u>	<u>14,654,810</u>	<u>11,799,417</u>
DEFERRED INFLOWS OF RESOURCES				
Related to pensions	10,171	8,476	23,732	-
Related to OPEB	83,021	83,993	223,261	6,802
Related to leases	4,092,334	-	-	-
Total deferred inflows of resources	<u>4,185,526</u>	<u>92,469</u>	<u>246,993</u>	<u>6,802</u>
NET POSITION (DEFICIT)				
Net investment in capital assets	14,268,144	14,659,582	15,305,330	(1,492,013)
Unrestricted (deficit)	<u>2,737,956</u>	<u>7,590,571</u>	<u>(1,509,519)</u>	<u>(4,173,292)</u>
Total net position (deficit)	<u>\$ 17,006,100</u>	<u>\$ 22,250,153</u>	<u>\$ 13,795,811</u>	<u>\$ (5,665,305)</u>

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2025

	Non-Major Permit Services	Total	Governmental Activities Internal Service Funds
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 8,308,389	\$ 19,987,712	\$ 10,685,399
Receivables, net:			
Accounts	-	1,037,268	-
Accrued interest	27,577	271,018	29,011
Excess insurance receivable	-	-	-
Leases receivable	-	274,125	-
Due from other funds	-	-	16,831,462
Total current assets	<u>8,335,966</u>	<u>21,570,123</u>	<u>27,545,872</u>
Noncurrent assets:			
Restricted cash and investments	-	-	514,060
Leases receivable, long term	-	4,228,343	-
Capital assets:			
Non-depreciable	-	5,954,090	-
Depreciable, net	87,132	56,118,795	-
Total capital assets	<u>87,132</u>	<u>62,072,885</u>	<u>-</u>
Total noncurrent assets	<u>87,132</u>	<u>66,301,228</u>	<u>514,060</u>
Total assets	<u>8,423,098</u>	<u>87,871,351</u>	<u>28,059,932</u>
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	514,089	1,270,104	393,131
Related to OPEB	79,755	202,235	68,499
Loss on refunding of debt	-	77,290	-
Total deferred outflows of resources	<u>593,844</u>	<u>1,549,629</u>	<u>461,630</u>
LIABILITIES			
Current liabilities:			
Accounts payable	188,730	477,680	158,762
Accrued liabilities	128,678	313,693	109,960
Interest payable	-	214,211	-
Due to other funds	39,122	2,067,435	303,832
Deposits payable	-	42,958	-
Compensated absences - due within one year	44,624	110,295	42,617
Long-term debt - due within one year	-	1,239,000	-
Total current liabilities	<u>401,154</u>	<u>4,465,272</u>	<u>10,525,842</u>
Noncurrent liabilities:			
Advances from other funds	-	2,785,000	-
Compensated absences - due in more than one year	178,496	441,181	170,470
Long term debt - due in more than one year	-	18,083,000	-
Insurance claims payable - due in more than one year	-	-	33,402,665
Net pension liability	1,901,885	4,698,774	1,454,383
Net OPEB liability	321,545	815,342	276,166
Total noncurrent liabilities	<u>2,401,926</u>	<u>26,823,297</u>	<u>35,303,684</u>
Total liabilities	<u>2,803,080</u>	<u>31,288,569</u>	<u>45,829,526</u>
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	28,818	71,197	22,037
Related to OPEB	258,564	655,641	222,074
Related to leases	-	4,092,334	-
Total deferred inflows of resources	<u>287,382</u>	<u>4,819,172</u>	<u>244,111</u>
NET POSITION (DEFICIT)			
Net investment in capital assets	87,132	42,828,175	-
Unrestricted (deficit)	5,839,348	10,485,064	(17,552,075)
Total net position (deficit)	<u>\$ 5,926,480</u>	<u>\$ 53,313,239</u>	<u>\$ (17,552,075)</u>

See accompanying Notes to the Basic Financial Statements.

City of Salinas
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the Year Ended June 30, 2025

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
OPERATING REVENUES:				
Fees	\$ 216,533	\$ 4,027,016	\$ 3,695,305	\$ -
Licenses and permits	-	-	-	470,672
Rental income	1,916,700	-	-	-
Total operating revenues	2,133,233	4,027,016	3,695,305	470,672
OPERATING EXPENSES:				
Personnel services	967,488	870,524	2,172,564	93,422
Administration	392,360	525,431	590,069	280,561
Contractual services	457,666	1,206,527	364,171	1,323,224
Supplies	151,860	101,426	184,513	13,435
Insurance	24,429	41,520	60,965	11,126
Insurance claims	-	-	-	-
Depreciation	958,162	491,560	1,252,738	542,897
Other	22,822	42,106	22,509	37,528
Total operating expenses	2,974,787	3,279,094	4,647,529	2,302,193
OPERATING INCOME	(841,554)	747,922	(952,224)	(1,831,521)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	238,454	419,307	6,681	-
Interest expense	-	(1,298)	(291,365)	(291,554)
Other nonoperating revenues (expenses)	114,446	523,998	(2,624)	955,640
Total nonoperating revenues (expenses)	352,900	942,007	(287,308)	664,086
INCOME (LOSS) BEFORE TRANSFERS	(488,654)	1,689,929	(1,239,532)	(1,167,435)
TRANSFERS:				
Transfers in	-	-	-	-
Transfers out	(350,574)	(2,405,360)	(286,217)	(36,692)
Transfers from fiduciary funds	-	-	-	946,093
Total transfers	(350,574)	(2,405,360)	(286,217)	909,401
Changes in net position	(839,228)	(715,431)	(1,525,749)	(258,034)
NET POSITION (DEFICIT):				
Beginning of year, as originally reported	17,845,328	22,965,584	15,321,560	(5,407,271)
Restatement (Note 23)	-	-	-	-
Beginning of year, as restated	17,845,328	22,965,584	15,321,560	(5,407,271)
End of year	<u>\$ 17,006,100</u>	<u>\$ 22,250,153</u>	<u>\$ 13,795,811</u>	<u>\$ (5,665,305)</u>

City of Salinas
Statement of Revenues, Expenses, and Changes in Fund Net Position (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Non-Major Permit Services	Total	Governmental Activities Internal Service Funds
OPERATING REVENUES:			
Fees	\$ 2,067,821	\$ 10,006,675	\$ 7,537,141
Licenses and permits	4,780,800	5,251,472	-
Rental income	-	1,916,700	-
Total operating revenues	6,848,621	17,174,847	7,537,141
OPERATING EXPENSES:			
Personnel services	2,553,118	6,657,116	2,532,065
Administration	966,628	2,755,049	-
Contractual services	1,512,396	4,863,984	237,815
Supplies	25,806	477,040	849,878
Insurance	202,570	340,610	6,429,520
Insurance claims	-	-	12,700,495
Depreciation	37,382	3,282,739	-
Other	5,758	130,723	169,345
Total operating expenses	5,303,658	18,507,261	22,919,118
OPERATING INCOME	1,544,963	(1,332,414)	(15,381,977)
NONOPERATING REVENUES (EXPENSES):			
Investment income (loss)	367,827	1,032,269	393,938
Interest expense	-	(584,217)	-
Other nonoperating revenues (expenses)	622,624	2,214,084	(276,289)
Total nonoperating revenues (expenses)	990,451	2,662,136	117,649
INCOME (LOSS) BEFORE TRANSFERS	2,535,414	1,329,722	(15,264,328)
TRANSFERS:			
Transfers in	-	-	10,100,000
Transfers out	(332,034)	(3,410,877)	(650,000)
Transfers from fiduciary funds	-	946,093	-
Total transfers	(332,034)	(2,464,784)	9,450,000
Changes in net position	2,203,380	(1,135,062)	(5,814,328)
NET POSITION (DEFICIT):			
Beginning of year, as originally reported	3,723,100	54,448,301	(11,737,747)
Restatement (Note 23)	-	-	-
Beginning of year, as restated	3,723,100	54,448,301	(11,737,747)
End of year	\$ 5,926,480	\$ 53,313,239	\$ (17,552,075)

City of Salinas
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
CASH FLOWS FROM OPERATING ACTIVITIES:				
Receipts from customers and users	\$ 2,203,517	\$ 3,313,065	\$ 4,296,757	\$ 544,046
Payments to suppliers	(1,032,802)	(1,867,088)	(1,208,450)	(1,675,228)
Payments to employees for services	(985,229)	(901,048)	(2,176,937)	(90,879)
Payments to claimants	-	-	-	-
Other	(22,822)	(42,106)	(22,509)	(37,528)
Net cash provided (used) by operating activities	162,664	502,823	888,861	(1,259,589)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:				
Borrowing from other funds	-	-	194,458	-
Repayment to other funds	111,019	(84,772)	-	165,218
Other	114,446	523,998	(2,624)	955,640
Transfers from other funds	-	-	-	946,093
Transfers to other funds	(350,574)	(2,405,360)	(286,217)	(36,692)
Net cash provided by (used in) noncapital financing activities	(125,109)	(1,966,134)	(94,383)	2,030,259
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:				
Acquisition of capital assets	(82,120)	(6,998)	-	11,137
Proceeds from the sale of assets	-	-	-	-
Proceeds from issuance of debt	-	-	-	-
Payment on capital debt and loans payable	-	(518,000)	(565,000)	(646,000)
Interest paid on capital debt and borrowings	-	(7,382)	(293,504)	(291,507)
Capital contributions from developers and others	-	-	-	-
Net cash (used in) capital and related financing activities	(82,120)	(532,380)	(858,504)	(926,370)
CASH FLOWS FROM INVESTING ACTIVITIES:				
Investment income (loss)	223,830	425,415	7,153	-
Proceeds from sales of investments	-	-	-	-
Activity from leases	(82,339)	-	-	-
Purchases of investments	-	-	-	-
Net cash provided by investing activities	141,491	425,415	7,153	-
Net change in cash and cash equivalents	96,926	(1,570,276)	(56,873)	(155,700)
CASH AND CASH EQUIVALENTS:				
Beginning of year	2,766,867	9,288,494	757,255	552,630
End of year	<u>\$ 2,863,793</u>	<u>\$ 7,718,218</u>	<u>\$ 700,382</u>	<u>\$ 396,930</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:				
Cash and cash investments	\$ 2,863,793	\$ 7,718,218	\$ 700,382	\$ 396,930
Restricted cash and investments	-	-	-	-
Total cash and cash equivalents	<u>\$ 2,863,793</u>	<u>\$ 7,718,218</u>	<u>\$ 700,382</u>	<u>\$ 396,930</u>

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Non-Major Permit Services	Total	Governmental Activities Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:			
Receipts from customers and users	\$ 6,848,621	\$ 17,206,006	\$ 7,537,141
Payments to suppliers	(2,643,081)	(8,426,649)	(3,206,861)
Payments to employees for services	(2,752,283)	(6,906,376)	(2,550,977)
Payments to claimants	-	-	(9,971,758)
Other	(5,758)	(130,723)	(169,345)
Net cash provided (used) by operating activities	1,447,499	1,742,258	(8,361,800)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:			
Borrowing from other funds	-	194,458	303,832
Repayment to other funds	37,199	228,664	-
Other	622,624	2,214,084	(276,289)
Transfers from other funds	-	946,093	10,100,000
Transfers to other funds	(332,034)	(3,410,877)	(650,000)
Net cash provided by (used in) noncapital financing activities	327,789	172,422	9,477,543
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:			
Acquisition of capital assets	(38,791)	(116,772)	-
Proceeds from the sale of assets	-	-	-
Proceeds from issuance of debt	-	-	-
Payment on capital debt and loans payable	-	(1,729,000)	-
Interest paid on capital debt and borrowings	-	(592,393)	-
Capital contributions from developers and others	-	-	-
Net cash (used in) capital and related financing activities	(38,791)	(2,438,165)	-
CASH FLOWS FROM INVESTING ACTIVITIES:			
Investment income (loss)	356,134	1,012,532	392,476
Proceeds from sales of investments	-	-	-
Activity from leases	-	(82,339)	-
Purchases of investments	-	-	-
Net cash provided by investing activities	356,134	930,193	392,476
Net change in cash and cash equivalents	2,092,631	406,708	1,508,219
CASH AND CASH EQUIVALENTS:			
Beginning of year	6,215,758	19,581,004	9,691,240
End of year	<u>\$ 8,308,389</u>	<u>\$ 19,987,712</u>	<u>\$ 11,199,459</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:			
Cash and cash investments	\$ 8,308,389	\$ 19,987,712	\$ 10,685,399
Restricted cash and investments	-	-	514,060
Total cash and cash equivalents	<u>\$ 8,308,389</u>	<u>\$ 19,987,712</u>	<u>\$ 11,199,459</u>

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Major Funds			
	Airport	Industrial Waste	Sanitary Sewer	Downtown Parking District
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:				
Operating income	\$ (841,554)	\$ 747,922	\$ (952,224)	\$ (1,831,521)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:				
Depreciation/amortization	958,162	491,560	1,252,738	542,897
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:				
Accounts receivable, net	75,542	(713,951)	601,452	73,374
Notes receivable	-	-	-	-
Prepaid items and other assets	-	-	-	-
Deferred outflows - related to pensions	94,693	78,835	174,851	-
Deferred outflows - related to OPEB	5,606	5,671	15,074	459
Accounts payable	(57,330)	(24,971)	(105,809)	(51,190)
Accrued liabilities	50,843	32,787	97,077	4,308
Deposits payable	(5,258)	-	-	-
Unearned revenue	-	-	-	-
Insurance claims payable	-	-	-	-
Compensated absences	16,755	(408)	(8,684)	3,235
Net pension liability	(111,664)	(92,847)	(129,856)	-
Net OPEB liability	3,596	3,638	9,668	294
Deferred inflows - related to pensions	(9,088)	(7,568)	(17,991)	-
Deferred inflows - related to OPEB	(17,639)	(17,845)	(47,435)	(1,445)
Total adjustments	<u>1,004,218</u>	<u>(245,099)</u>	<u>1,841,085</u>	<u>571,932</u>
Net cash provided by (used in) operating activities	<u>\$ 162,664</u>	<u>\$ 502,823</u>	<u>\$ 888,861</u>	<u>\$ (1,259,589)</u>

City of Salinas
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2025

	Non-Major Permit Services	Total	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:			
Operating income	\$ 1,544,963	\$ (1,332,414)	\$ (15,381,977)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:			
Depreciation/amortization	37,382	3,282,739	-
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:			
Accounts receivable, net	-	36,417	-
Notes receivable	-	-	-
Prepaid items and other assets	-	-	-
Deferred outflows - related to pensions	314,170	662,549	251,038
Deferred outflows - related to OPEB	17,458	44,268	14,994
Accounts payable	(64,359)	(303,659)	(296,614)
Accrued liabilities	128,678	313,693	109,960
Deposits payable	-	(5,258)	-
Unearned revenue	-	-	-
Insurance claims payable	-	-	7,335,703
Compensated absences	(11,652)	(754)	37,564
Net pension liability	(446,454)	(780,821)	(372,012)
Net OPEB liability	11,197	28,393	9,617
Deferred inflows - related to pensions	(28,949)	(63,596)	(22,890)
Deferred inflows - related to OPEB	(54,935)	(139,299)	(47,183)
Total adjustments	(97,464)	3,074,672	7,020,177
Net cash provided by (used in) operating activities	\$ 1,447,499	\$ 1,742,258	\$ (8,361,800)

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Fiduciary Funds Financial Statements

Fiduciary Funds are used to account for assets held in a trustee or agency capacity for others and therefore cannot be used to support the government's own programs. The City maintains the following Fiduciary Funds:

PRIVATE PURPOSE TRUST FUNDS

These funds are used to account for any trust arrangement not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. This fund also accounts for the Successor Agency of the former Redevelopment Agency which was dissolved on January 31, 2012 pursuant to state law.

PENSION TRUST FUNDS

These funds are used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other employee benefit plans. The City's only pension trust fund is the Deferred Compensation Fund; which allows City employees to invest in trust deeds that are managed by the City with the oversight of an investment committee that is made up of representatives from each of the bargaining units.

CUSTODIAL FUNDS

These funds are used to account for assets held in an agent capacity by the City for individuals, private organizations, other governments and/or other funds that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds.

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City of Salinas
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2025

	<u>Private Purpose Trust Funds</u>	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>	<u>Fiduciary Funds Total</u>
ASSETS				
Cash and investments	\$ 3,684,327	\$ 16,249,127	\$ 81,876	\$ 20,015,330
Receivables, net:				
Accounts	7,618	-	-	7,618
Interest	7,758	8,180	-	15,938
Loans and notes receivable	163,900	-	-	163,900
Total assets	<u>3,863,603</u>	<u>16,257,307</u>	<u>81,876</u>	<u>20,202,786</u>
LIABILITIES				
Accounts payable	191,824	1,281	172,977	366,082
Deposits payable	169,744	-	-	169,744
Unearned revenue	827,554	-	-	827,554
Long-term debt:				
Due in more than one year	157,500	-	-	157,500
Total liabilities	<u>1,346,622</u>	<u>1,281</u>	<u>172,977</u>	<u>1,520,880</u>
NET POSITION				
Restricted for:				
Pensions	-	16,256,026	-	16,256,026
Individuals and organizations	2,516,981	-	(91,101)	2,425,880
Total net position (deficit)	<u>\$ 2,516,981</u>	<u>\$ 16,256,026</u>	<u>\$ (91,101)</u>	<u>\$ 18,681,906</u>

City of Salinas
Statement of Change in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2025

	<u>Private Purpose Trust Funds</u>	<u>Pension Trust Fund</u>	<u>Custodial Funds</u>	<u>Total Fiduciary Funds</u>
ADDITIONS:				
Taxes	\$ 4,256,550	\$ -	\$ 505,983	\$ 4,762,533
Miscellaneous	449,032	259,833	-	708,865
Contributions:				
Plan members	-	-	365,659	365,659
Employer	-	2,226,959	-	2,226,959
Private donations	6,306,404	-	-	6,306,404
Investment earnings (loss)	109,183	727,144	-	836,327
Total additions	<u>11,121,169</u>	<u>3,213,936</u>	<u>871,642</u>	<u>15,206,747</u>
DEDUCTIONS:				
Expenses	239,570	-	352,368	591,938
Benefit payments	-	1,141,793	136,722	1,278,515
Payments on behalf of trustees	6,110,704	-	-	6,110,704
Contributions to other agencies	3,192,836	-	-	3,192,836
Payments to City	946,093	-	-	946,093
Assessments disbursed to other governments	-	-	505,983	505,983
Total deductions	<u>10,489,203</u>	<u>1,141,793</u>	<u>995,073</u>	<u>12,626,069</u>
Change in net position	631,966	2,072,143	(123,431)	2,580,678
NET POSITION (DEFICIT):				
Beginning of year	<u>1,885,015</u>	<u>14,183,883</u>	<u>32,330</u>	<u>16,101,228</u>
End of year	<u>\$ 2,516,981</u>	<u>\$ 16,256,026</u>	<u>\$ (91,101)</u>	<u>\$ 18,681,906</u>

NOTES TO THE BASIC FINANCIAL STATEMENTS

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City of Salinas
Index to the Notes of the Basic Financial Statements
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies	55
A. Financial Reporting Entity	55
B. Basis of Presentation, Accounting and Measurement Focus	56
C. Cash, Cash Equivalents, and Investments	60
D. Restricted Cash and Investments	61
E. Fair Value Measurement	61
F. Interfund Transactions	62
G. Receivables	62
H. Leases.....	62
I. Subscription-Based Information Technology Arrangements (SBITAs).....	63
J. Special Assessment Districts	63
K. Prepaid Bond Insurance, Original Issue Discounts and Premiums, Gain/Loss on Refunding.....	64
L. Capital Assets.....	64
M. Land and Properties Held for Resale	64
N. Restricted Assets	65
O. Claims Payable.....	65
P. Compensated Absences.....	65
Q. Long-Term Debt and Other Long-Term Obligations.....	65
R. Unearned Revenue	66
S. Deferred Outflows and Inflows of Resources.....	66
T. Net Position and Fund Balance	66
U. Property Taxes	68
V. Pensions	68
W. Other Postemployment Benefits (OPEB)	69
X. Encumbrances	69
Y. Use of Accounting Estimates	70
Z. Self-Insurance	70
AA. Implementation of New GASB Pronouncements For the Year Ended June 30, 2025	70
BB. Upcoming GASB Pronouncements.....	70
Note 2 – Stewardship, Compliance, and Accountability	71
A. Budgeting.....	71
B. Debt Compliance.....	72
Note 3 – Cash and Investments	72
A. Demand Deposits	73
B. Investments	73
C. Risk Disclosures.....	74
D. Fair Value Measurement.....	75
E. Restricted Assets	77
Note 4 – Taxes Receivable.....	77
Note 5 – Assessments Receivable.....	77
Note 6 – Due from Other Agencies.....	78

City of Salinas
Index to the Notes of the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Leases Receivable	78
Note 8 – Loans and Notes Receivable	79
Note 9 – Interfund Receivables, Payables, and Transfers.....	81
A. Due From and To Other Funds	81
B. Long-Term Advances	81
C. Transfers	82
Note 10 – Capital Assets.....	83
A. Governmental Activities	83
B. Business-Type Activities	84
Note 11 – Land and Properties Held for Resale.....	84
Note 12 – Long-Term Debt	85
A. Governmental Activities	85
B. Business-Type Activities	99
C. Conduit Debt.....	101
D. Fiduciary Activities.....	101
Note 13 – Compensated Absences	102
Note 14 – Risk Management	103
Note 15 – Unearned Revenue and Deferred Inflows of Resources.....	104
Note 16 – Retirement Programs	105
A. Summary	105
B. California Public Employees Retirement System Agent Multiple-Employer Plans	106
C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan	112
D. New York Life Single Employer Retirement Plan	117
E. ICMA Retirement Corporation Defined Contribution Plan	121
F. Deferred Compensation Plans.....	122
Note 17 – Other Postemployment Benefits.....	123
A. General Information about the OPEB Plan.....	123
B. Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB.....	126
Note 18 – Net Position and Fund Balances	128
A. Government-Wide Financial Statements	128
B. Fund Financial Statements	129
C. Encumbrances	129

City of Salinas
Index to the Notes of the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 19 – Other Required Disclosures.....	130
A. Expenditures Exceeding Appropriations.....	130
B. Net Position Deficit and Restrictions.....	130
Note 20 – Joint Venture – Salinas Valley Solid Waste Authority	131
Note 21 – Commitments and Contingencies.....	132
Note 22 – Changes to or within the Financial Reporting Entity	132
Note 23 – Subsequent Events.....	133

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City of Salinas
Notes to the Basic Financial Statements
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies

The basic financial statements of the City of Salinas, California (City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental entities. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The most significant of the City's accounting policies are described below:

A. Financial Reporting Entity

The City was incorporated as a chapter City on March 4, 1874. The City operates under a Council Manager form of government and provides the following services as authorized: Public Safety, Public Works, Recreation Parks, Library and General Government Administrative Services. The City also operates as Airport, a Downtown Parking District, a Sanitary Sewer System, a Water Utility, a Storm Sewer System, and an Industrial Waste Facility.

The basic financial statements of the City, include the financial activities of the City (the primary government) and its component unit. The component unit discussed below is included in the City's reporting entity because of the significance of their operational or financial relationship with the City. The blended component unit, although a legally separate entity, is, in substance, part of the City's operations and so data from this unit is combined with data of the primary government. The City has no discretely presented component units. The City and its blended component unit have June 30 year ends.

Blended Component Unit

The financial reporting entity consists of the primary government, the City, and its component unit. Component units are legally separate entities for which the elected officials of the primary government are financially accountable. In addition, component units can be other organizations for which the primary government is accountable and their exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Blended component units, although legally separate entities, are, in substance part of the government's operation and so data from these units are combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the government.

Although the following are legally separate from the City, they have been "blended" as though they are part of the City because the component unit's governing body is substantially the same as the City's and there is a financial benefit or burden relationship between the City and the component unit; management of the City has operational responsibilities for the component units; and/or the component units provide services entirely, or almost entirely, to the City or otherwise exclusively, or almost exclusively, benefits the City, even though it does not provide services directly to it.

The Salinas Public Financing Authority (Authority) – The Authority was established October 6, 1992 pursuant to a Joint Exercise of Powers Agreement by and between the City and the City of Salinas Redevelopment Agency, which is now the Salinas Successor Agency to the former Redevelopment Agency. It was established to refund Central City Revitalization Project tax allocation bonds. The Authority's purpose is to assist with financing or refinancing of certain public capital facilities within the City.

The Authority is controlled by the City and has the same governing body as the City, which also performs all accounting and administrative functions for the Authority. The financial activities of the Authority are included in the City's Debt Service and Enterprise Funds. A financial report is not issued by the Authority.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus

The accounts of the City are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures or expenses, as appropriate. Fund accounting segregates funds according to their intended purpose and is used to aid management in demonstrating compliance with finance-related legal and contractual provisions. The minimum number of funds is maintained in accordance with legal and managerial requirements.

Government-Wide Financial Statements

The City's Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of governmental and business-type activities for the City accompanied by a total column. Fiduciary activities of the City are not included in these statements.

These financial statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the City's assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in Net Position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities and deferred inflows of resources resulting from non-exchange transactions are recognized in accordance with the requirements of GAAP.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Program revenues for the City are classified in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made to interfund activities, payables and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities and Changes in Net Position, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated. The following interfund activities have been eliminated:

- Due to/from other funds
- Advances to/from other funds
- Transfers in/out

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in Net Position as presented in these statements to the net position presented in the Government-Wide Financial Statements. The City has presented all major funds that met the applicable criteria.

All governmental funds are accounted for on a spending or "*current financial resources*" measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Measurable means that the amounts can be estimated, or otherwise determined. Available means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The City uses an availability period of 60 days for all revenues except grants, which use a six-month availability period.

Sales taxes, property taxes, franchise taxes, gas taxes, motor vehicle in-lieu, transient occupancy taxes, grants and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available when cash is received by the government.

Revenue recognition is subject to the measurable and available criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions have been recognized as revenues when all applicable eligibility requirements have been met.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

The City reports the following major governmental funds:

- *General Fund* is the City's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in any other funds.
- *American Rescue Plan Act (ARPA) Special Revenue Fund* On March 11, 2021, President Biden signed the American Rescue Plan Act, which will provide the City with approximately \$51 million in relief funds. This fund accounts for the revenues and expenditures of ARPA proceeds.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Governmental Fund Financial Statements (Continued)

- *Housing and Urban Development Grant Special Revenue Fund* accounts for the use of Community Development Block Grant funds received from the federal government. Other revenues in this fund include repayments of commercial and residential loans and rental income from City property. Funds are used for programs or projects that increase affordable housing and benefit people with special needs such as senior and handicapped citizens.
- *Development Fees Special Revenue Fund* accounts for the fees that subdividers and developers of property are required to pay, by Resolution 3823 (N.C.S.), covering traffic impact, annexation, use of existing or new sewers, storm drains, park facilities, library facilities, and street trees.
- *2019 Special Tax Bond Monte Bella Debt Service Fund* is used to accumulate monies for the principal and interest payments for the 2019 Special Tax Bonds to finance the acquisition and/or construction of certain public facilities and improvements within the Community Facilities District No. 2016-1 (Monte Bella) Area No. 1-3. The annual levy of special taxes on that area would be used to pay for principal and interest payments on the bonds.
- *Capital Projects Fund* accounts for all capital project expenditures. Funds are transferred in from various other funds after expenditures are made. This revolving fund was established with \$2,000,000 and is used to advance capital project expenditures prior to reimbursement of Federal, State, and other construction grants and bond financing.

Proprietary Fund Financial Statements

Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred.

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

A separate column representing internal service funds is also presented in these statements. However, internal service balances and activities have been combined with the governmental activities and business-type activities in the Government-Wide Financial Statements.

The City reports the following major enterprise funds:

- *Airport Fund* is used to account for the enterprise operations of the City-owned airport.
- *Industrial Waste Fund* is used to account for the enterprise operations of the City-operated Industrial Wastewater Treatment Facility.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Proprietary Fund Financial Statements (Continued)

- *Sanitary Sewer Fund* is used to account for the maintenance of the City's sanitary sewer collection system, which is funded by user fees and by the Monterey Regional Water Pollution Control Agency sewer user fees.
- *Downtown Parking District Fund* is used to account for revenues, operating expenses and debt service associated with the City's parking facilities. The City's paid parking facilities include the Monterey Street Parking Structure, the Salinas Street Garage and four parking lots.

The City's internal service funds include five individual funds which provide services directly to other City funds. These areas of service include risk management, general insurance, workers' compensation, general liability, and fleet maintenance. The Internal Service Funds account for financing of goods and services provided by one department to other departments of the City on a cost-reimbursement basis.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Position and a Statement of Changes in Fiduciary Net Position. The City's fiduciary funds represent private purpose trust funds, pension trust funds, and custodial funds. These funds are accounted for on the full accrual basis of accounting.

Fiduciary fund types are accounted for according to the nature of the fund.

Private Purpose Trust Funds are a fiduciary fund type used to account for resources held and administrated under trust or similar arrangement for the benefits of individuals, private organizations, or other governments. The City reports the following private purpose trust funds:

- *Successor Agency Redevelopment Obligation Retirement Fund* was created to serve as a custodian for the assets and to wind down the affairs of the RDA on February 1, 2012, pursuant to Assembly Bill x1 26. Its purpose is to expeditiously wind down the affairs of the dissolved Community Development Commission of the City of Rohnert Park (Commission) subject to the direction of a seven-member Oversight Board. This fund accounts for the receipt of property tax revenues pursuant to the Redevelopment Dissolution Act and the assets transferred from the Commission. The Successor Agency's assets can only be used to pay enforceable obligations in existence at the date of dissolution pursuant to the Recognized Obligation Payment Schedules approved by the California Department of Finance (DOF) under the Redevelopment Dissolution Act.
- *Successor Agency Administration* – This fund accounts for the administrative activities of the Successor Agency to the former Salinas Redevelopment Agency which was dissolved on February 1, 2012 in accordance with AB 1x26 (enacted June 28, 2011).
- *Other Private Purpose Trust Funds* – These funds are used to account for other trust arrangements not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. The City accounts for the following trust funds: Community Center, Monterey Regional Water Pollution Control Agency (MRWPCA) Fees, Sales Tax, Payroll Taxes, Developer Deposits, Evidence Room, Construction Bonds, Monterey County Tourism Improvement District, Leadership Salinas, and miscellaneous.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation, Accounting and Measurement Focus (Continued)

Fiduciary Fund Financial Statements (Continued)

Pension Trust Fund is used to account for resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans, defined contribution plans, or other employee benefit plans. The City's only pension trust fund is the Deferred Compensation Fund; which allows City employees to invest in trust deeds that are managed by the City with the oversight of an investment committee that is made up of representatives from each of the bargaining units.

Custodial Funds are used to account for assets held in an agent capacity by the City for individuals, private organizations, other governments and/or other funds that are not required to be reported in pension trust funds, investment trust funds, or private-purpose trust funds.

C. Cash, Cash Equivalents, and Investments

Cash and Cash Equivalents - Cash and cash equivalents are considered to be amounts in demand deposits, and short-term investments with original, maturity of three months or less from the date of acquisition. For purposes of both the balance sheet and statements of cash flows, cash and cash equivalents include not only currency on hand, but deposits in the City's cash and investment pool. These deposits have the same characteristics for the participating funds as demand deposit accounts, in that the funds may deposit additional cash at any time and also effectively withdraw cash at any time without prior notice or penalty. Cash and cash equivalents also include restricted cash and money market funds held by fiscal agents. For purposes of cash flows, the City considers all liquid market investments with maturities of one year or less at time of purchase to be cash equivalents. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The City pools cash resources from all funds in order to facilitate and maximize the management of cash. The balance in the pooled cash account is available to meet current operating requirements. Cash in excess of current requirements is invested in various interest-bearing accounts and other fixed income investments with varying terms. Interest earned on investments is allocated to all funds based on average cash and investment balances.

Investments are presented at fair value except as noted below. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Money market investments (such as short-term, highly liquid debt instruments including bankers' acceptances) and securities (notes, bills, and obligations of the U.S. government and its agencies), and participating interest-earning investment contracts (such as negotiable certificates of deposit and repurchase agreements) that have a remaining maturity at the time of purchase of one year or less, are reported at amortized cost, which approximates fair value.

For purposes of the statement of cash flows, amounts reported as cash and cash equivalents, include amounts on deposit in the City pool and any short-term, highly liquid investments that are both readily convertible to known amounts of cash or so near their maturity that they present insignificant risk of changes in value because of changes in interest rates.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Cash, Cash Equivalents, and Investments (Continued)

Investment held in Local Agency Investment Fund - The City participates in the Local Agency Investment Fund (“LAIF”), an investment pool managed by the State of California. LAIF has invested portions of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as a result of changes in interest rates.

LAIF determines fair value on its investments portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available.

The City valued its investments in LAIF as of June 30, 2025, by multiplying its account balance with LAIF times a fair value factor determined by LAIF for all LAIF participants by total aggregate amortized cost.

Other Investments - Investments in nonparticipating interest earning contracts (certificate of deposits) are reported at cost, and all other investments are reported at fair value. Fair value is defined as the amount the City could reasonably expect to receive for an investment in a current sale between a willing buyer and seller and is generally measured by quoted market prices.

Deferred Compensation - The Deferred Compensation Plan is invested in deeds of trust secured by real or personal property and in real estate holdings. The trust deeds are considered nonparticipating interest earning investments and are reported at fair market value.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents or the City for the redemption of bonded debt and for acquisition and construction of certain capital projects.

E. Fair Value Measurement

U.S. GAAP establishes a framework for measuring fair value and establishes disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical the asset or liability in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management’s best estimate of what market participants would use in pricing the asset or liability at the measurement date.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

F. Interfund Transactions

Interfund transactions are reflected as loans, services provided, reimbursements and/or transfers. Loans and balances related to unsettled service transactions are reported as receivables and payables as appropriate, are subject to elimination upon consolidation of similar fund types, and are referred to as either “due to/from other funds,” i.e., the current portion of interfund loans and unsettled service transactions, or “advances to/from other funds,” i.e., the noncurrent portion of interfund loans. Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as “internal balances.”

Services provided are deemed to be at market or near market rates and are treated as revenues and expenditures/expenses. Reimbursements are defined as when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

G. Receivables

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible. Invoices that remain unpaid after 90 days may be referred to collections. An invoice sent to collection is written off.

H. Leases

The City is a lessor for leases of land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

At the commencement of a lease, the lease receivable is measured at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources are initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources are recognized as revenue over the life of the lease term in a systematic and rational method.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by the City’s financial institution at the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

I. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of \$5,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

Key estimates and judgments related to SBITAs include how the City determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) subscription term, and (3) subscription payments.

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported as long-term debt on the statement of net position.

J. Special Assessment Districts

Special assessments are recorded as receivables when they become a lien on property. Special assessments not considered available are recorded as receivables and offset by unearned revenues. In general, special assessments and special tax bonds are fully secured by liens against the privately owned properties benefited by the improvement for which the bonds were issued. There is no reserve for delinquent receivables since priority liens exist against the related properties and hence the City's management believes value will ultimately be received by the City.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Prepaid Bond Insurance, Original Issue Discounts and Premiums, Gain/Loss on Refunding

Prepaid bond insurance costs are amortized using the straight-line method over the life of the bonds. Amortization of these balances are recorded as a component of operating expenses.

In the government-wide, proprietary fund and fiduciary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, proprietary fund and fiduciary fund financial statements. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of the applicable bond premium or discount. Original issue premiums are amortized using the straight-line method over the life of the bonds. Gains or losses from refunding of debt are reported as deferred inflows or outflows of resources and amortized over the shorter of the life of the refunded debt or new refunding debt. Amortization of these balances are recorded as a component of interest expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

L. Capital Assets

Capital assets include land, buildings, improvements, vehicles and equipment, infrastructure, and all other tangible and intangible assets that are used in operations and that have initial useful lives in excess of one year. Capital assets are reported in the applicable governmental or business-type activity columns in the government-wide financial statements, the proprietary funds' statement of net position, and the private-purpose trust fund. Capital assets are defined as assets with an initial individual cost of more than \$10,000 for general capital assets and \$100,000 for major infrastructure assets, and an estimated useful life in excess of one year.

Such assets are recorded at historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value, market based entry price at the time of contribution. Capital outlay is recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the City's capitalization threshold is met. Amortization of assets acquired under capital leases is based on the shorter of the lease term or the estimated useful life of the asset and is included in depreciation and amortization.

Buildings, improvements, infrastructure, vehicles and equipment, and furniture and fixtures are depreciated using the straight-line method (depreciation is calculated starting with the month following the date the asset was placed in service) over the following estimated useful lives:

Asset Type	Years
Buildings and improvements	20-50
Other improvements	15-45
Infrastructure	10-50
Machinery and equipment	5-20

M. Land and Properties Held for Resale

Land and properties held for resale is being carried at cost, but no greater than the net realizable value. In the fund financial statements, this amount is recorded as a restricted portion of fund balance due to externally imposed grantor restrictions.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

N. Restricted Assets

Assets that are restricted for specific uses by bonded debt requirements, grant provisions or other requirements are classified as restricted because their use is limited by applicable bond covenants or agreements.

O. Claims Payable

Claims and judgments are recognized as expenditures when it is probable that the liability has been incurred and the amount of the loss can be reasonably estimated. This liability is recorded in the internal service fund that accounts for the City's self-insurance activities.

P. Compensated Absences

The City accounts for compensated absences in accordance with GASB Statement No. 101, *Compensated Absences*. Under this standard, a liability is recognized for leave benefits (such as vacation and sick leave) when the benefits are attributable to services already rendered, accumulate for use in future periods, and are more likely than not to be used or paid. The liability is measured using the employee's pay rate in effect at the financial statement date and includes salary-related payments.

Government-Wide Financial Statements

For governmental and business-type activities, compensated absences are recorded as expenses when earned.

Governmental Fund Financial Statements

For governmental funds, compensated absences are recorded as expenditures in the year paid. The General Fund is typically used to liquidate compensated absences. In proprietary funds, compensated absences are expensed to the various funds in the period they are earned, and such fund's share of the unpaid liability is recorded as a long-term liability of the fund.

Q. Long-Term Debt and Other Long-Term Obligations

Government-Wide Financial Statements and Proprietary Fund Financial Statements

In the Government-Wide Financial Statements and the proprietary fund types in the Fund Financial Statements, long-term debt and other obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund statement of net positions. Bond premiums and discounts are deferred and amortized over the life of the bonds using effective interest methods. Bonds payable are reported net of the applicable bond premium or discount. In the governmental funds statement of revenue, expenditures and changes in fund balance, issuance of debt is recorded as another financing source (use) in the respective fund. Issuance costs and payment of principal are reported as debt service expenditures.

Governmental Fund Financial Statements

The governmental fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position. Governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Debt issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

R. *Unearned Revenue*

Unearned revenues arise when the City receives resources before it has a legal claim to them, as when grant monies are received prior to incurring qualifying expenditures or when monies are received before the related services are performed. In subsequent periods, when both revenue recognition criteria are met or when the City has a legal claim to the resources, the liability for unearned revenue is removed from the balance sheet and revenue is recognized.

S. *Deferred Outflows and Inflows of Resources*

The Statement of Net Position and Balance Sheet – Governmental Funds reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

Deferred Outflows of Resources – represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then.

Deferred Inflows of Resources – represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

T. *Net Position and Fund Balance*

Net Position Classifications

In the government-wide financial statements, net position is classified in three categories:

Net Investment in Capital Assets – This category of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by any debt outstanding and any deferred outflows/inflows of resources related to such borrowings that are attributable 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 is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is offset by unspent proceeds.

Restricted Net Position – This category consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Enabling legislation authorizes the City to assess, levy, charge, or otherwise mandate payment of resources and includes a legally enforceable requirement that those resources be used only for the specific purposes stipulated in the legislation.

Unrestricted Net Position – This category represents net position of the City that is not restricted for any project or purpose and does not meet the criteria for “net investment in capital assets.”

The City first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

T. Net Position and Fund Balance (Continued)

Fund Balances Classifications

As prescribed by GAAP, governmental funds report fund balance in classifications based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. Fund balances for governmental funds are made up of the following:

Nonspendable Fund Balance – includes amounts that cannot be spent because they are either (a) not in a spendable form, or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example: prepaid items and long-term loans and notes receivable.

Restricted Fund Balance – includes amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed Fund Balance – includes amounts that can only be used for the specific purposes determined by a formal action of the City’s highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance, commit fund balances. Commitments may be changed or lifted only by the City Council taking the same formal actions that imposed the original constraint occurring no later than the close of the reporting period.

Assigned Fund Balance – includes amounts intended to be used by the City for specific purposes through budgetary actions or delegation of authority by the City Council. Intent is expressed by the City Council or an official to whom the City Council has delegated the authority (generally, the City Manager) to assign amounts to be used for specific purposes. This is also the classification for residual funds in the governmental funds other than General Fund.

Unassigned Fund Balance – includes the residual classification for fund balance, which includes all amounts not reported as nonspendable, restricted, committed, or assigned. The General Fund may report either a positive or negative unassigned fund balance. Unassigned amounts are available for any purpose. Other governmental funds may report only negative unassigned fund balances if expenditures incurred for specific purposes exceeded amounts restricted, committed or assigned for those purposes. Other governmental funds may not report positive unassigned fund balances.

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance categories, fund balance is depleted in the order of restricted, committed, assigned, and unassigned.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Property Taxes

Property taxes are collected on behalf of and remitted to the City by the County of Monterey (the “County”). The amount of property tax levies is restricted by Article 13A of the California State Constitution (commonly referred to as Proposition 13). The County assesses property values, levies, bills, and collects the related property taxes as follows:

	<u>Secured</u>	<u>Unsecured</u>
Lien Dates	January 1	January 1
Levy Dates	January 1	January 1
Due Dates	50% on November 1 50% on February 1	July 1
Delinquent after	December 10 (for November) April 10 (for February)	August 31

The City does not have the ability to control the levy rate or the amount of property taxes remitted by the County because these are governed by State law.

The City has not elected to participate in the “Teeter Plan” offered by the County whereby cities receive 100% of secured property and supplemental property taxes levied in exchange for foregoing any interest and penalties collected on the related delinquent taxes. The City retains the right to any interest and penalties collected on the related delinquent taxes. Accordingly, property tax revenues are recognized in the fiscal period for which they are levied and collected, adjusted for any amounts deemed uncollectible and amounts expected to be collected more than 60 days after the fiscal year.

General property taxes are based on either a flat 1% rate applied to the fiscal year 1976 full value of the property or on 1% of the sales price of the property on sales transactions and construction that occur after the fiscal year 1976 valuation. Assessed values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year depending on increases in the consumer price index.

V. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans’ fiduciary net position have been determined on the same basis as they are reported by the plans. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

The following timeframes are used for pension reporting:

<u>CalPERS Pension Plans</u>	
Valuation date	June 30, 2023
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024
<u>NY Life Pension Plan</u>	
Valuation date	September 1, 2024
Measurement date	August 31, 2024
Measurement period	September 1, 2023 to August 31, 2024

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Pensions (Continued)

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. The difference between projected and actual earnings is amortized straight-line over 5 years. All other amounts are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period.

W. Other Postemployment Benefits (“OPEB”)

For the purpose of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s OPEB Plan and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments, which are reported at amortized cost.

The following timeframes are reported OPEB reporting:

OPEB	
Valuation date	June 30, 2024
Measurement date	June 30, 2024
Measurement period	July 1, 2023 to June 30, 2024

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. The first amortized amounts are 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. The amortization period differs depending on the sources of gain or loss. The difference between projected and actual earnings is amortized on a straight-line basis over 5 years. All other amounts are amortized on a straight-line basis over the average expected remaining service lives of all members that are provided with benefits (active, inactive, and retired) at the beginning of the measurement period.

X. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General, Special Revenue, and Capital Projects Funds. Encumbrances outstanding at year-end are reported as reservations of fund balance since they do not constitute expenditures or liabilities.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

Y. Use of Accounting Estimates

The preparation of the basic financial statements in conformity with GAAP requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of revenues and expenses. Actual results could differ from these estimates and assumptions.

Z. Self-Insurance

The City is self-insured for workers' compensation, general, automobile, and public liability claims. The City's estimated liability for claims as of June 30, 2025 is based on the claim manager's estimate of probable losses plus an amount estimated for incurred but not reported claims. An Internal Service Fund is used to account for the collection of premiums from various City departments related to workers' compensation claims and general claims liabilities. Premiums are established based on historical claims experience. Additionally, the City contracts with third party administrators for claims management.

AA. Implementation of New GASB Pronouncements For the Year Ended June 30, 2025

During fiscal year ended June 30, 2025, the City implemented the following new GASB Pronouncements:

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Implementation of this Statement didn't have an effect on the City's beginning net position.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. Application of this statement did not have a significant effect on the City's financial reporting for the fiscal year ended June 30, 2025.

BB. Upcoming GASB Pronouncements

In the next two years, the City will implement the following GASB Pronouncements:

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 1 – Summary of Significant Accounting Policies (Continued)

BB. Upcoming GASB Pronouncements (Continued)

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement required intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City’s fiscal year ending June 30, 2026.

GASB Statement No. 105 – In December 2025, GASB issued Statement No. 105, *Subsequent Events*. This Statement is designed to improve the financial reporting requirements for subsequent events by enhancing consistency in the application of requirements, clarifying the different types of subsequent events, determining when note disclosures are required, and detailing the information that should be included in those note disclosures. Application of this Statement is effective for the City’s fiscal year ending June 30, 2027.

Note 2 – Stewardship, Compliance, and Accountability

A. Budgeting

The Budget is prepared by the City Manager and adopted by City Council. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, and Capital Projects Funds. The City Manager may transfer budget appropriations between departments and Department Directors may transfer appropriations between programs and accounts within their individual departments and divisions, but only the Council by resolution may appropriate funds from reserves or fund balances.

Budgets for General, Special Revenue and Capital Projects Funds are adopted on a basis consistent with GAAP. Reserves for future lease commitments have been established for accounting purposes and the fund balance is reserved for the total lease commitment consistent with budget policies.

Budget policy excludes taxes, interest, and accounts receivable assets, which are not currently available resources for budget purposes, and condemnation deposits which are returned upon right of way acquisition.

Expenditures may not legally exceed budgeted appropriations at the government level. Budgeted amounts shown are as originally adopted or as amended by the City Council during the year. Additional supplementary appropriations were adopted during the mid-year review.

Appropriations lapse at fiscal year end and then are re-budgeted for the coming year. Project-length financial plans are adopted for all capital projects funds and appropriations are carried forward until project completion. Grant funds are carried forward until the grant expires.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 2 – Stewardship, Compliance, and Accountability (Continued)

A. Budgeting (Continued)

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are recorded as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

For additional information on budgetary policy and control see Required Supplementary Information.

B. Debt Compliance

There are a number of limitations and restrictions contained in the various bond indentures. The City believes it is in compliance with all significant limitations and restrictions.

Note 3 – Cash and Investments

Cash and investments are presented in the accompanying financial statements at June 30, 2025 as follows:

	Government-Wide Statement of Net Position			Fiduciary Funds Statement of Net Position	
	Governmental Activities	Business-Type Activities	Total	Net Position	Total
Cash and investments	\$ 230,890,045	\$ 19,987,712	\$ 250,877,757	\$ 20,015,330	\$ 270,893,087
Restricted cash and investments	7,434,253	-	7,434,253	-	7,434,253
Total cash and investments	\$ 238,324,298	\$ 19,987,712	\$ 258,312,010	\$ 20,015,330	\$ 278,327,340

Cash and investments at June 30, 2025, consisted of the following:

Cash and Cash Equivalents:	
Cash on hand	\$ 34,830
Demand accounts at banks	8,665,444
Total cash and cash equivalents	8,700,274
Investments:	
Money market	5,841,749
Deposits held in trust by fiscal agent	11,610,799
Money market held in trust by fiscal agent	514,060
Local Agency Investment Fund	100,475,458
Investments held by fiscal agent	149,622,300
Deferred compensation	1,562,700
Total investments	269,627,066
Total cash and investments	\$ 278,327,340

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

A. Demand Deposits

The carrying amounts of the City’s demand deposits were \$8,665,444 at June 30, 2025. Bank balances were \$14,537,251 at that date. The total amount of which was collateralized or insured with securities held by the pledging financial institutions in the City’s name is discussed below.

The California Government Code requires California banks and savings and loan associations to secure the City’s cash deposits by pledging securities as collateral. This 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. Thus, collateral for cash deposits is considered to be held in the City's name.

The market value of pledged securities must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City’s total cash deposits. The City may waive collateral requirements for cash deposits; however, the City has not waived the collateralization requirements.

The City follows the practice of pooling cash and investments of all funds, except for funds required to be held by fiscal agents under the provisions of bond indentures. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the period-end cash and investment balances. Interest income from cash and investments with fiscal agents is credited directly to the related fund.

B. Investments

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code that address interest rate risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the City, rather than the general provision of the California Government Code or the City’s investment policy:

Authorized Investment Types	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer*
Certificates of deposit	5 years	None	None
Repurchase agreements	5 years	None	None
Bankers' acceptances	5 years	None	None
Guaranteed investment contracts	5 years	None	None
U.S. Treasury bills and notes	5 years	None	None
State of California Local Agency Investment Fund	N/A	None	None
Government agency securities	5 years	None	None
Passbook savings accounts	5 years	None	None
Mutual funds	5 years	None	None
Interest bearing checking accounts	N/A	None	None
Commercial paper	5 years	None	None

* Based on state law requirements or City investment policy requirements, whichever is more restrictive.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

B. Investments (Continued)

The Deferred Compensation Plan is permitted by City resolution to invest in deeds of trust secured by real or personal property.

In accordance with Section 53651 of the California Government Code, the City cannot invest in inverse floaters, range notes, or interest-only strips that are derived from a pool of mortgages, or in any security that could result in zero interest accrual if held to maturity. The limitation does not apply to investments in shares of beneficial interest issued under the Investment Company Act of 1940 that are authorized investments under Section 53601 of the California Government Code. A five-year maximum maturity for each investment is allowed unless approved by the City Council.

Investment income from cash and investments held by fiscal agents are credited directly to the related funds.

California Local Agency Investment Fund (LAIF) – The City is a participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. As of June 30, 2025, the City had \$100,475,458 invested in LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. LAIF is reported at amortized cost, which approximates fair value.

C. Risk Disclosures

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. As a means of limiting exposure to fair value losses from rising interest rates, the City’s investment policy limits the maturity of investments in accordance with Government Code Sections 53601(a)-(n) and 53636(a)-(m). It is the City’s policy to ladder investments so that there are always investments coming due to meet cash flow requirements. Because the Local Agency Investment Fund as of June 30, 2025 had an average life of 290 days, it was presented as a cash equivalent with a maturity of 0-12 months. However, LAIF allows the City to make withdrawals of any amount within 24 hours.

At June 30, 2025, the City had the following investment maturities:

Investment Type	Total	Investment Maturities		
		1 year or fewer	1 to 5 years	Over 5 years
Money market	\$ 5,841,749	\$ 5,841,749	\$ -	\$ -
Deposits held in trust by fiscal agent	11,610,799	11,610,799	-	-
Money market held in trust by fiscal agent	514,060	514,060	-	-
Local Agency Investment Fund	100,475,458	100,475,458	-	-
Investment agreements - BNY	138,425,744	48,090,024	90,335,720	-
New York Life Pension	11,196,556	11,196,556	-	-
Trust deeds - deferred compensation	1,562,700	1,562,700	-	-
Total investments	\$ 269,627,066	\$ 179,291,346	\$ 90,335,720	\$ -

For deposits, custodial credit risk is the risk that, in the event of the failure of a depository financial institution, the City 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. For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), the City will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

C. Risk Disclosures (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

The City’s investment policy limits safekeeping of investments to third-party custody. All of the City’s deposits are either insured by the Federal Depository Insurance Corporation (“FDIC”) up to \$250,000 or collateralized with pledge securities held in the trust department of the financial institution in the City’s name.

Disclosures Relating to Concentration of Credit Risk

The City places no limit on the amount the City may invest in any one issuer. However, the City’s investment policy calls for portfolio diversification by avoiding over concentration in a specific maturity sector or specific investments. The City’s portfolio is detailed below:

Investment Type	Value	S & P	Moody's	% of Total
Investment agreements:				
US Treasuries	\$ 55,206,349	A	Aaa	20.48%
FHLB	17,294,461	AA+	Aaa	6.41%
FHLMC	983,260	AA+	Aaa	0.36%
FNMA	1,590,192	AA+	Aaa	0.59%
FFCB	7,626,242	AA+	Aaa	2.83%
Corporate bonds	26,545,699	AA+ to A-	Aaa to A1	9.85%
Trust deeds - deferred compensation	1,562,700	NR	NR	0.58%
Money market funds:				
Investment agreements	26,688,545	AAAm	Aaa-mf	9.90%
Wilmington Trust, NA	2,490,996	A-	A2	0.92%
New York Life Fixed Dollar Account	11,196,556	NR	NR	4.15%
Money market	5,841,749	NR	NR	2.17%
Deposits held in trust by fiscal agent	11,610,799	NR	NR	4.31%
Money market held in trust by fiscal agent	514,060	NR	NR	0.19%
Local Agency Investment Fund	100,475,458	NR	NR	37.26%
Total investments	\$ 269,627,066			100.00%

D. Fair Value Measurement

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

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

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement (Continued)

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

Deposits and withdrawals in governmental investment pools, such as LAIF, are made on the basis of \$1 and not fair value. Accordingly, the City’s measured fair value of its proportionate share in these types of investments is based on uncategorized inputs not defined as a Level 1, Level 2, or Level 3 input. Non-negotiable FDIC-insured bank certificates of deposit are priced at par.

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

Investments measured by fair value level:	June 30, 2025	Level 1	Level 2	Level 3
Investment agreements:				
US Treasuries	\$ 55,206,349	\$ 55,206,349	\$ -	\$ -
FHLB	17,294,461	17,294,461	-	-
FHLMC	983,260	983,260	-	-
FNMA	1,590,192	1,590,192	-	-
FFCB	7,626,242	7,626,242	-	-
Corporate bonds	26,545,699	26,545,699	-	-
Trust deeds - deferred compensation	1,562,700	-	-	1,562,700
Total investments by fair value level	110,808,903	\$ 109,246,203	\$ -	\$ 1,562,700
Investments not subject to the fair value hierarchy:				
Money market funds:				
Fidelity Investment MM Gov	26,688,545			
Wilmington Trust, NA	2,490,996			
New York Life Fixed Dollar Account	11,196,556			
Money market	5,841,749			
Deposits held in trust by fiscal agent	11,610,799			
Money market held in trust by fiscal agent	514,060			
Local Agency Investment Fund	100,475,458			
Total investments not subject to the fair value hierarchy	158,818,163			
Total investments	\$ 269,627,066			

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

- Investments classified within Level 1 of the fair value hierarchy are valued using quoted prices in active markets when available.
- The City held one type of investment that is measured using Level 3 inputs, Trust Deeds. The City administers a Trust Deposit Fund that includes a Deferred Compensation Plan funded solely by the voluntary salary reductions. Trust Deed notes secured by property taken back in foreclosure and held for resale, are valued by independent real estate professionals (market approach), and trust deed notes are valued at their present value (income approach). The valuations are considered Level 3. The value of properties held for resale are reduced for cost of sales. The notes (loans) are valued based on amounts investors would likely pay for notes with interest rates ranging from 6% to 11% discounted to provide loan to values ranging from 50% to 70% depending on property type and condition, borrowers payment history, and term remaining on note.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 3 – Cash and Investments (Continued)

D. Fair Value Measurement (Continued)

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

E. Restricted Assets

Certain cash and investments are reported as restricted assets at June 30, 2025 as follows:

Governmental Funds:	
2019 Special Tax Bond Monte Bella Debt Service Fund	\$ 568,596
Assessment District Debt Service Fund - restricted for debt service	143,413
COP 2018B Total Road Improvement Debt Service Fund	2,490,996
2024 Energy Efficiency Debt service Fund	3,703,901
2019 Special Tax Bond Monte Bella Capital Project Fund	13,287
Internal Service Funds:	
Workers Compensation Internal Service Fund	278,435
General Liability Internal Service Fund	235,625
Total restricted assets	\$ 7,434,253

Note 4 – Taxes Receivable

Taxes receivable recorded in the General Fund and Cable Special Revenue Fund of \$20,691,686 represent amounts due for the quarter ended June 30, 2025 for the following taxes:

Sales tax	\$ 7,595,799
Measure E transaction and use tax	3,499,433
Measure G transaction and use tax	7,035,175
Utility users tax	1,478,609
Transient occupancy tax	804,888
Cannabis tax	56,215
Property transfer tax	44,894
Bingo tax	510
Franchise fees tax	176,163
	\$ 20,691,686

Note 5 – Assessments Receivable

Debt Service Funds – Assessments receivable recorded in the 2019 Special Tax Bond Monte Bella Debt Service Fund and Assessment District Debt Service Fund in the amounts of \$6,865,000 and \$45,000, respectively, at June 30, 2025, will be collected from property owners to retire outstanding bond principal issued for improvements in special assessment districts.

Assessment receivables in the amount of \$6,865,000 are not expected to be collected within the subsequent year.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 6 – Due From Other Agencies

At June 30, 2025, amounts due from other agencies consisted of the following:

	<u>Federal</u>	<u>State</u>	<u>Other</u>	<u>Total</u>
Governmental Activities:				
General Fund:				
County of Monterey	\$ -	\$ -	\$ 98,864	\$ 98,864
Special Revenue Funds:				
Association of Monterey Bay Area Govts.	-	245,188	-	245,188
CA Highway Users Tax	-	456,977	-	456,977
CDBG Improvement Program	\$243,682	-	-	243,682
County of Monterey	-	-	275,262	275,262
Emergency Shelter Grant	21,473	-	-	21,473
FEMA - Assistance to Firefighters Grant	16,585	-	-	16,585
HOME Investment Program	21,048	-	-	21,048
SB1 Road Maintenance & Rehab	-	370,598	-	370,598
Transportation Agency for Monterey County	-	-	1,429,839	1,429,839
U.S. Department of Justice	863,936	-	-	863,936
Capital Projects Funds:				
CA Dept. of Transportation	1,049,218	-	-	1,049,218
Federal Aviation Administration	50,116	-	-	50,116
Primary government total	<u>\$ 2,266,058</u>	<u>\$ 1,072,763</u>	<u>\$ 1,803,965</u>	<u>\$ 5,142,786</u>

Note 7 – Leases Receivable

The City leases land and easements to third parties. Leases receivable consist of agreements with third parties for the “right-to-use” the underlying assets owned by the City. The remaining terms of the agreements range from one to 28 years. The calculated interest rates used match the City’s incremental borrowing rate at July 1, 2021.

For fiscal year ended June 30, 2025, the City recognized \$990,183 in lease revenue and \$334,209 in interest revenue, and the outstanding receivable amount at June 30, 2025 is \$8,881,211.

A summary of changes in the leases receivable for the fiscal year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Reductions	Balance June 30, 2025	Amounts due within one year	Amounts due in more than one year
Governmental activities	\$ 4,918,303	\$ -	\$ (539,560)	\$ 4,378,743	\$ 437,562	\$ 3,941,181
Business-type activities	4,776,593	-	(274,125)	4,502,468	274,125	4,228,343
Total	<u>\$ 9,694,896</u>	<u>\$ -</u>	<u>\$ (813,685)</u>	<u>\$ 8,881,211</u>	<u>\$ 711,687</u>	<u>\$ 8,169,524</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 7 – Leases Receivable (Continued)

Future lease payments are as follows as of June 30, 2025:

Year Ending June 30	Lease Receivable	Interest	Total
2026	\$ 711,687	\$ 307,723	\$ 1,019,410
2027	587,282	284,785	872,067
2028	609,890	263,951	873,841
2029	529,203	243,760	772,963
2030	515,874	225,588	741,462
2031-2035	3,032,759	833,073	3,865,832
2036-2040	1,972,164	318,990	2,291,154
2041-2045	580,076	106,376	686,452
2046-2050	342,276	87,806	430,082
Total	<u>\$ 8,881,211</u>	<u>\$ 2,672,052</u>	<u>\$ 11,553,263</u>

As of June 30, 2025, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30	Total
2026	\$ 842,795
2027	728,387
2028	699,114
2029	587,216
2030	544,395
2031-2035	2,622,366
2036-2040	1,395,613
2041-2045	417,464
2046-2050	231,544
Total	<u>\$ 8,068,894</u>

Note 8 – Loans and Notes Receivable

At June 30, 2025, loans and notes receivable of the City's major individual funds and nonmajor funds taken in aggregate, including the applicable allowance for uncollectible accounts are as follows:

	Housing and Urban Development Fund	Affordable Housing Fund	Total Governmental Activities	Fiduciary Funds
Loans funded by federal grants:	\$ 23,503,881	\$ -	\$ 23,503,881	\$ -
Economic development real estate developer and other loans	-	10,385,107	10,385,107	163,900
Less: allowance for uncollectibles	<u>(21,631,756)</u>	<u>(10,333,536)</u>	<u>(31,965,292)</u>	<u>-</u>
Total loans, net	<u>\$ 1,872,125</u>	<u>\$ 51,571</u>	<u>\$ 1,923,696</u>	<u>\$ 163,900</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 8 – Loans and Notes Receivable (Continued)

The City uses funds generated from the former Agency Housing Loans as well as other state and federal funding sources to offer financial assistance to qualified developers, individuals, and families by providing loans at “below market” interest rates.

Typical loans and related terms are summarized as follows:

<u>Loan Type</u>	<u>Interest Rates</u>	<u>Due</u>
Affordable housing	0 - 4%	up to 55 years
Multi-unit rental rehabilitation	3%	5 or more years
First time home buyer	3%	7 to 40 years
Home improvement	3 - 6%	1 to 30 years

Loans are secured by first or second in lien-property deeds of trust except for first time homebuyer loans, which are all secured by second deeds of trust. Interest and principal are typically due in installments, except for first time homebuyer, which do not require payments until their maturity dates.

The City has also invested in multi-family rental housing projects serving low to moderate income individuals through subordinate loans with terms of up to 55 years. Generally, these loans are to be repaid through fixed payments or net cash flow payments from project operations and the term and potential risk of each loan varies. Because of the net cash flow feature of these subordinate loans, there is greater risk of variability in the timing of payments and, potentially, a lower probability of eventual repayment on these subordinate loans than on other loan types.

Accordingly, for financial statement purposes, the City has established an allowance account for these loans receivable due to the contingent nature of the repayment schedules of these loans.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Interfund Receivables, Payable, and Transfers

A. Due From and To Other Funds

At June 30, 2025, the balances of due from and to other funds were as follows:

Receivable Fund	Payable Fund	Amount	Purpose
General Fund	Lighting, Landscape and Maintenance Dist Special Revenue Fund	\$ 53,127	Cash Overdraft
General Fund	Development Fees Special Revenue Fund	269	Cash Overdraft
General Fund	Emergency Medical Services Special Revenue Fund	27,506	Cash Overdraft
General Fund	Traffic Safety Special Revenue Fund	59,575	Cash Overdraft
General Fund	Housing and Urban Development Special Revenue Fund	1,830,280	Cash Overdraft
General Fund	Grants Special Revenue Fund	2,484,820	Cash Overdraft
General Fund	Assessment District Administration Debt Service Fund	145,591	Cash Overdraft
General Fund	COP 2018B T.R.I.P. Total Road Improvement Debt Service Fund	163,401	Cash Overdraft
General Fund	Assessment District Debt Service Debt Service Fund	709,969	Cash Overdraft
General Fund	Special Construction Assistance Capital Projects Fund	4,127,927	Cash Overdraft
General Fund	Sanitary Sewer Enterprise Fund	200,292	Admin Fees
General Fund	Downtown Parking District Enterprise Fund	1,677,465	Cash Overdraft
General Fund	Internal Services Insurances Internal Service Fund	303,832	Cash Overdraft
		<u>11,784,054</u>	
Capital Projects Capital Projects Fund	General Fund	1,692,123	Capital projects
Capital Projects Capital Projects Fund	Development Fees Special Revenue Fund	62,518	Capital projects
Capital Projects Capital Projects Fund	Gas Tax Special Revenue Fund	45,187	Capital projects
Capital Projects Capital Projects Fund	Measure X Special Revenue Fund	27,809	Capital projects
Capital Projects Capital Projects Fund	SB1 Road Maintenance & Rehab Special Revenue Fund	41,475	Capital projects
Capital Projects Capital Projects Fund	Special Aviation Capital Projects Fund	7,777	Capital projects
Capital Projects Capital Projects Fund	Special Construction Assistance Capital Projects Fund	1,477,402	Capital projects
Capital Projects Capital Projects Fund	Municipal Airport Enterprise Fund	111,019	Capital projects
Capital Projects Capital Projects Fund	Sanitary Sewer Enterprise Fund	39,537	Capital projects
Capital Projects Capital Projects Fund	Permit Services Enterprise Fund	39,122	Capital projects
		<u>3,543,969</u>	
Workers Compensation Internal Service Fund	General Fund	16,831,462	Claims
		<u>Total \$ 32,159,485</u>	

B. Long-Term Advances

At June 30, 2025, the balances of long-term advances were as follows:

Advances Due From	Advances Due To
	Governmental
	Activities
	General Fund
Business-Type Activities:	
Downtown Parking	\$ 2,785,000
Total business-type activities	<u>2,785,000</u>
Total primary government	<u>\$ 2,785,000</u>

Advances from the General Fund to the Downtown Parking District Fund total \$2,785,000 at June 30, 2025. The advances helped subsidize operations in the Downtown Parking District Fund as program needs, including sources and uses, were established. As the Downtown Parking District becomes fully self-sufficient, a plan will be established to pay back the advance from the General Fund over time.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 9 – Interfund Receivables, Payable, and Transfers (Continued)

C. Transfers

Interfund transfers during the year ended June 30, 2025, consisted of the following:

<u>Transfers In</u>	<u>Transfers Out</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	Gas Tax Special Revenue Fund	\$ 2,265,000	Capital projects/debt service
General Fund	Traffic Safety Special Revenue Fund	200,000	Capital projects/debt service
	Subtotal General Fund	<u>2,465,000</u>	
Capital Projects Capital Projects Fund	General Fund	12,662,949	Capital projects
Capital Projects Capital Projects Fund	Lighting Landscape and Maintenance Special Revenue Fund	62,618	Capital projects
Capital Projects Capital Projects Fund	Development Fees Special Revenue Fund	582,340	Capital projects
Capital Projects Capital Projects Fund	Gas Tax Special Revenue Fund	1,171,791	Capital projects
Capital Projects Capital Projects Fund	MX-Transport Safety & Inv Plan Special Revenue Fund	853,392	Capital projects
Capital Projects Capital Projects Fund	SB1 Road Maintenance & Rehab Special Revenue Fund	1,765,029	Capital projects
Capital Projects Capital Projects Fund	Housing and Urban Development Grant Special Revenue Fund	1,175,219	Capital projects
Capital Projects Capital Projects Fund	Special Aviation Capital Projects Fund	41,215	Capital projects
Capital Projects Capital Projects Fund	Special Construction Assistance Capital Projects Fund	6,439,355	Capital projects
Capital Projects Capital Projects Fund	Airport Enterprise Fund	268,969	Capital projects
Capital Projects Capital Projects Fund	Industrial Waste Enterprise Fund	2,328,970	Capital projects
Capital Projects Capital Projects Fund	Sanitary Sewer Enterprise Fund	184,412	Capital projects
Capital Projects Capital Projects Fund	Downtown Parking Enterprise Fund	2,157	Capital projects
Capital Projects Capital Projects Fund	Permit Services Enterprise Fund	332,034	Capital projects
	Subtotal Capital Projects Capital Projects Fund	<u>27,870,450</u>	
Housing and Urban Development Grant Special Revenue Fund	General Fund	65,578	Operating subsidy
Emergency Medical Services Special Revenue Fund	General Fund	1,600,000	Operating subsidy
Grants Special Revenue Fund	General Fund	59	Operating subsidy
Rent Stabilization Special Revenue Fund	General Fund	205,203	Operating subsidy
Local Housing Trust	General Fund	1,500,000	Operating subsidy
2014 COP Consolidation	General Fund	228,064	Debt service
2018 Lease-PS Building-Police	General Fund	4,457,230	Debt service
COP 2018B T.R.I.P. Total Rd Impv	MX-Transport Safety & Inv Plan Special Revenue Fund	4,287,533	Debt service
2018 Lease-El Gabilan Library	General Fund	777,515	Debt service
2020A Refunding Energy Debt Service Fund	General Fund	1,296,960	Debt service
2020A Refunding Energy Debt Service Fund	Airport Enterprise Fund	81,605	Debt service
2020A Refunding Energy Debt Service Fund	Industrial Waste Enterprise Fund	76,390	Debt service
2020A Refunding Energy Debt Service Fund	Sanitary Sewer Enterprise Fund	101,805	Debt service
2020A Refunding Energy Debt Service Fund	Downtown Parking District Enterprise Fund	34,535	Debt service
	Subtotal 2020A Refunding Energy Debt Service Fund	<u>1,591,295</u>	
2020A Refunding SVSWA Debt Service Fund	General Fund	663,330	Debt service
General Insurance Internal Service Fund	General Fund	1,450,000	Operating subsidy
General Liability Internal Service Fund	General Fund	6,000,000	Operating subsidy
General Liability Internal Service Fund	Workers' Comp Self Insurance Internal Service Fund	650,000	Operating subsidy
Fleet Maintenance Internal Service Fund	General Fund	2,000,000	Operating subsidy
	Total	<u><u>\$ 55,811,257</u></u>	

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Capital Assets

A. Governmental Activities

The summary of changes in governmental activities capital assets for the year ended June 30, 2025, is as follows:

Governmental Activities:	Balance July 1, 2024	Additions	Retirements	Adjustments/ Transfers	Balance June 30, 2025
<i>Non-depreciable/amortizable assets:</i>					
Land	\$ 37,953,126	\$ -	\$ -	\$ -	\$ 37,953,126
Construction in progress	25,235,279	9,023,417	(3,515,619)	-	30,743,077
Total non-depreciable/amortizable assets	63,188,405	9,023,417	(3,515,619)	-	68,696,203
<i>Depreciable/amortizable assets</i>					
Buildings and improvements	134,749,588	-	-	-	134,749,588
Improvements other than buildings	50,903,966	1,942,162	-	-	52,846,128
Machinery and equipment	50,518,200	2,479,201	(718,564)	-	52,278,837
Infrastructure	434,605,116	-	-	-	434,605,116
Right-to-use assets - leases	550,536	-	(337,505)	-	213,031
Right-to-use assets - subscriptions	410,213	239,641	-	-	649,854
Total depreciable/amortizable assets	671,737,619	4,661,004	(1,056,069)	-	675,342,554
<i>Accumulated depreciation/amortization</i>					
Buildings and improvements	(29,071,009)	(2,655,404)	-	-	(31,726,413)
Improvements other than buildings	(26,648,008)	(1,598,186)	-	-	(28,246,194)
Machinery and equipment	(39,774,594)	(2,674,639)	580,928	-	(41,868,305)
Infrastructure	(303,079,335)	(8,461,985)	-	-	(311,541,320)
Right-to-use assets - leases	(425,188)	(101,994)	337,505	-	(189,677)
Right-to-use assets - subscriptions	(163,946)	(136,661)	-	-	(300,607)
Total accumulated depreciation/amortization	(399,162,080)	(15,628,869)	918,433	-	(413,872,516)
Total depreciable/amortizable assets, net	272,575,539	(10,967,865)	(137,636)	-	261,470,038
Governmental activities capital assets, net	\$ 335,763,944	\$ (1,944,448)	\$ (3,653,255)	\$ -	\$ 330,166,241

Depreciation and amortization expense was charged to the functions/programs of the governmental activities as follows:

Governmental Activities:	
General government	\$ 294,428
Police	2,356,645
Fire	708,421
Public works, including infrastructure	11,380,224
Recreation and parks	704,369
Library	184,782
Total depreciation/amortization expense - governmental activities	\$ 15,628,869

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 10 – Capital Assets (Continued)

B. Business-Type Activities

The summary of changes in business-type activities capital assets for the year ended June 30, 2025, is as follows:

Business-Type Activities:	Balance July 1, 2024	Additions	Retirements	Transfers	Balance June 30, 2025
Nondepreciable assets:					
Land	\$ 3,630,695	\$ -	\$ -	\$ -	\$ 3,630,695
Construction in progress	2,291,239	32,156	-	-	2,323,395
Total nondepreciable assets	5,921,934	32,156	-	-	5,954,090
Depreciable assets					
Buildings and improvements	25,888,821	-	-	-	25,888,821
Improvements other than buildings	15,970,700	-	-	-	15,970,700
Machinery and equipment	7,871,497	95,753	(31,823)	-	7,935,427
Infrastructure	102,709,198	-	-	-	102,709,198
Total depreciable assets	152,440,216	95,753	(31,823)	-	152,504,146
Accumulated depreciation:					
Buildings and improvements	(17,280,738)	(669,508)	-	-	(17,950,246)
Improvements other than buildings	(7,410,735)	(759,470)	-	-	(8,170,205)
Machinery and equipment	(5,786,586)	(326,110)	20,685	-	(6,092,011)
Infrastructure	(62,645,238)	(1,527,651)	-	-	(64,172,889)
Total accumulated depreciation	(93,123,297)	(3,282,739)	20,685	-	(96,385,351)
Total depreciable assets, net	59,316,919	(3,186,986)	(11,138)	-	56,118,795
Business-type activities capital assets, net	\$ 65,238,853	\$ (3,154,830)	\$ (11,138)	\$ -	\$ 62,072,885

Depreciation expense was charged to the functions/programs of the business-type activities as follows:

Business-type Activities:	
Airport	\$ 958,162
Industrial Waste	491,560
Sanitary Sewer	1,252,738
Downtown Parking	542,897
Permit Services	37,382
Total depreciation expense - business-type activities	<u>\$ 3,282,739</u>

Note 11 – Land and Properties Held For Resale

Land and properties held for resale at June 30, 2025 consisted of the following:

<u>SRA Public Improvement Grant Special Revenue Fund</u>	
137, 145, & 151 Division Street	\$ 584,419
<u>Affordable Housing Fund - Sunset Avenue Merged Housing</u>	
115 Division Street	230,981
123 Division Street	206,265
923 E. Market Street	358,335
	<u>795,581</u>
Total land and properties held for resale	<u>\$ 1,380,000</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt

A. Governmental Activities

A summary of changes in long-term debt for governmental activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year	Amount due in more than one year
Governmental Activities						
Direct borrowings - leases	\$ 46,586,821	\$ 4,735,000	\$ (4,547,875)	\$ 46,773,946	\$ 4,685,821	\$ 42,088,125
Direct borrowings - minor leases	94,968	-	(94,968)	-	-	-
Direct borrowings - subscriptions	137,076	239,641	(138,727)	237,990	77,430	160,560
total direct borrowings	46,818,865	4,974,641	(4,781,570)	47,011,936	4,763,251	42,248,685
Certificates of Participation:						
TRIP 2018B	33,820,000	-	(850,000)	32,970,000	890,000	32,080,000
Series 2020A-Twin Creeks	1,230,000	-	(395,000)	835,000	410,000	425,000
Series 2020B Fairways	3,600,000	-	(135,000)	3,465,000	155,000	3,310,000
Series 2020A-Energy (2014)	12,845,000	-	(1,080,000)	11,765,000	1,155,000	10,610,000
Series 2020A-SVSWA (2015B)	2,225,000	-	(585,000)	1,640,000	610,000	1,030,000
Bond premium/(discount):						
TRIP 2018B	2,552,377	-	(288,032)	2,264,345	-	2,264,345
TRIP 2018B	(304,519)	-	13,240	(291,279)	-	(291,279)
Series 2020A-Twin Creeks	136,042	-	(45,347)	90,695	-	90,695
Series 2020A-Energy (2014)	2,236,241	-	(248,470)	1,987,771	-	1,987,771
Series 2020A-SVSWA (2015B)	280,622	-	(70,155)	210,467	-	210,467
Total Certificates of Participation:	58,620,763	-	(3,683,764)	54,936,999	3,220,000	51,716,999
Assessment District Bonds:						
Assessment District 2017 Act Bonds	90,000	-	(45,000)	45,000	45,000	-
CFD Monte Bella-2019 #1	2,465,000	-	(55,000)	2,410,000	55,000	2,355,000
CFD Monte Bella-2019 #2	1,965,000	-	(45,000)	1,920,000	45,000	1,875,000
CFD Monte Bella-2019 #3	2,590,000	-	(55,000)	2,535,000	55,000	2,480,000
Bond premium/(discount):						
CFD Monte Bella-2019 #1	64,942	-	(2,498)	62,444	-	62,444
CFD Monte Bella-2019 #2	182,824	-	(7,032)	175,792	-	175,792
CFD Monte Bella-2019 #3	226,193	-	(8,377)	217,816	-	217,816
Total Assessment District Bonds	7,583,959	-	(217,907)	7,366,052	200,000	7,166,052
Total governmental activities	\$ 113,023,587	\$ 4,974,641	\$ (8,683,241)	\$ 109,314,987	\$ 8,183,251	\$ 101,131,736

Direct Borrowing – Leases

Annual debt service requirements to maturity for the City’s major leases are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 4,685,821	\$ 1,889,781	\$ 6,575,602
2027	4,346,125	1,672,417	6,018,542
2028	4,279,000	1,462,049	5,741,049
2029	4,509,000	1,245,632	5,754,632
2030	4,743,000	1,038,322	5,781,322
2031-2035	11,544,000	3,196,609	14,740,609
2036-2040	4,299,000	2,152,886	6,451,886
2041-2045	5,213,000	1,170,807	6,383,807
2046-2049	3,155,000	254,844	3,409,844
Total	\$ 46,773,946	\$ 14,083,347	\$ 60,857,293

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Pierce Pumper & Tiller

On March 6, 2015, the City, using lease purchase financing, purchased a Pierce Pumper and Tiller for a total of \$1,628,839. The City will make ten annual payments beginning on March 6, 2016 and ending March 6, 2025 at 2.51% interest. The lease was paid off in full as of June 30, 2025.

2014 Lease/Purchase Agreement

The City of Salinas 2014 Lease/Purchase Agreement was issued by the Salinas Facilities Financing Authority on January 29, 2014. The financing was issued to refund the Animal Shelter COP Series A-1999 (\$2,812,000) and the Monterey Street Parking Structure COP Series A-2004 (\$13,253,000). The Animal Shelter portion of the financing was issued for 19 years (ending September 1, 2032), at an average interest rate of 4.02%. Maximum annual debt service is \$278,646. Debt payable of \$1,131,000 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law or pursuant to the lease agreement to enforce payment of the outstanding amounts. However, there shall be no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. After the occurrence of an event of default, the City will surrender possession of the property to the financing authority, if requested to do so.

Debt service requirements to maturity for 2014 Lease/Purchase Agreement are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 191,000	\$ 41,627	\$ 232,627
2027	120,000	35,376	155,376
2028	124,000	30,472	154,472
2029	127,000	25,427	152,427
2030	134,000	20,181	154,181
2031-2034	435,000	26,793	461,793
Total	<u>\$ 1,131,000</u>	<u>\$ 179,875</u>	<u>\$ 1,310,875</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

Public Safety Building 2018A

The City of Salinas 2018A Capital Lease was issued by Salinas Public Facilities, Inc. in the amount of \$48,825,000 on June 28, 2018. The purpose of this financing was to raise funds for the construction of a new Public Safety Building (Police Department) within City limits. The City started making semi-annual payments beginning on December 1, 2018 and ending December 1, 2034 at an average interest rate of 3.375%. Maximum annual debt service is \$4,799,181. Debt payable of \$26,595,000 is recorded as Governmental Activities at June 30, 2025.

In the event of an event of default, the trustee shall be entitled to declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration, anything in the indenture or in the bonds contained to the contrary notwithstanding, shall also be due and payable immediately, and interest on the bonds shall cease to accrue on the date of such declaration.

Debt service requirements to maturity for Public Safety Building 2018A are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 3,370,000	\$ 1,093,694	\$ 4,463,694
2027	3,540,000	920,944	4,460,944
2028	3,715,000	739,569	4,454,569
2029	3,905,000	549,069	4,454,069
2030	4,100,000	369,444	4,469,444
2031-2034	7,965,000	293,591	8,258,591
Total	<u>\$ 26,595,000</u>	<u>\$ 3,966,310</u>	<u>\$ 30,561,310</u>

El Gabilan Library 2018B

The City of Salinas 2018B Capital Lease was issued by Salinas Public Facilities, Inc. in the amount of \$19,830,000 on June 28, 2018. The purpose of this financing was to raise funds for the construction of a new Public Library (El Gabilan) within City limits. The City started making semi-annual payments beginning on December 1, 2018 and ending December 1, 2048 at an average interest rate of 3.900%. Maximum annual debt service is \$1,152,781. Debt payable of \$13,220,000 is recorded as Governmental Activities at June 30, 2025.

In the event of an event of default, the trustee shall be entitled to declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately. Upon such declaration, anything in the indenture or in the bonds contained to the contrary notwithstanding, shall also be due and payable immediately, and interest on the bonds shall cease to accrue on the date of such declaration.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

El Gabilan Library 2018B (Continued)

Debt service requirements to maturity for El Gabilan Library 2018B are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 255,000	\$ 526,744	\$ 781,744
2027	345,000	512,213	857,213
2028	360,000	495,556	855,556
2029	380,000	478,088	858,088
2030	395,000	459,775	854,775
2031-2035	2,265,000	2,021,225	4,286,225
2036-2040	2,750,000	1,537,953	4,287,953
2041-2045	3,315,000	959,844	4,274,844
2046-2049	3,155,000	254,844	3,409,844
Total	<u>\$ 13,220,000</u>	<u>\$ 7,246,242</u>	<u>\$ 20,466,242</u>

Police/Fire Radios & PW Equipment

The City of Salinas Motorola radios and public works equipment lease was issued by Banc of America Public Capital Corporation in the amount of \$3,500,000 on August 17, 2018. This equipment replaces old manufactured models and will make Police, Fire, and Public Work operations more efficient. The lease consists of 84 payments, beginning on August 17, 2019 and ending on August 17, 2025 at an average interest rate of 3.120%. Debt payable of \$547,242 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, legal title and physical position of the equipment shall pass to the Lessor, and the City shall have no further interest therein.

Debt service requirements to maturity for Police/Fire Radios & PW Equipment are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 547,242	\$ 17,074	\$ 564,316
Total	<u>\$ 547,242</u>	<u>\$ 17,074</u>	<u>\$ 564,316</u>

2021 Pierce Enforcer Pumpers

In fiscal year 2022, the City, using lease purchase financing, purchased a Pierce Enforcer Pumper fire engine for a total of \$1,330,913. The City will make six annual payments of \$279,747, beginning on December 17, 2021 and ending December 17, 2026 at 1.68% interest. Debt payable of \$545,704 is recorded as Governmental Activities at June 30, 2025.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Direct Borrowing – Leases (Continued)

2021 Pierce Enforcer Pumpers (Continued)

If any event of default occurs, and if the lessee agrees to pay, the lessor may require the lessee to pay all amounts currently due and all remaining rent payments due during the fiscal year in effect when the default occurs with interest at the highest lawful rate from the date of the lessor’s demand for such payment. Also included in this scenario are additional out-of-pocket expenses incurred by the lessor including attorney fees, repossession, safekeeping, storage, repair, reconditioning, and disposition costs. Alternatively, the lessor can require the lessee to return all equipment for the purpose of lease, sale, or otherwise disposition by the lessor.

Debt service requirements to maturity for the 2021 Pierce Enforcer Pumper are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 270,579	\$ 9,168	\$ 279,747
2027	275,125	4,622	279,747
Total	<u>\$ 545,704</u>	<u>\$ 13,790</u>	<u>\$ 559,494</u>

2024 Energy Efficiency and Backup Generator

On December 19, 2024, the City entered an agreement with Banc of America Public Capital Corp to lease and acquire photovoltaic & generator equipment for \$4,375,000. The lease consists of 19 payments, beginning on June 1, 2026 and ending on June 1, 2044 at interest rate of 4.255%. Debt payable of \$4,735,000 is recorded as Governmental Activities at June 30, 2025.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 52,000	\$ 201,474	\$ 253,474
2027	66,000	199,262	265,262
2028	80,000	196,453	276,453
2029	97,000	193,049	290,049
2030	114,000	188,922	302,922
2031-2035	879,000	855,000	1,734,000
2036-2040	1,549,000	614,933	2,163,933
2041-2044	1,898,000	210,963	2,108,963
Total	<u>\$ 4,735,000</u>	<u>\$ 2,660,056</u>	<u>\$ 7,395,056</u>

Minor Leases

The City has entered into various minor leases for equipment such as copiers, etc. that were subject to GASB 87 Leases implementation in fiscal year 2022. They were paid off in full as of June 30, 2025.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds

Series 2018B – TRIP

On July 18, 2108, the California Statewide Communities Development Authority Transportation Revenue issued City of Salinas Certificates of Participation, Series 2018B totaling \$37,500,000 at various interest rates plus premium and discounts. The purpose of this financing was to provide expedited funding for the design, acquisition, and construction of local roadway and street improvement projects within the jurisdiction of the City. Debt payable of \$32,970,000 plus premiums and discounts of \$2,264,345 and (\$291,279), respectively, are recorded as Governmental Activities at June 30, 2025.

In the event of an event of default, the trustee shall be entitled to exercise the remedies provided under the agreement to collect the outstanding payments in full, with no grace period permitted.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 890,000	\$ 1,442,525	\$ 2,332,525
2027	925,000	1,406,225	2,331,225
2028	950,000	1,363,975	2,313,975
2029	1,010,000	1,314,975	2,324,975
2030	1,060,000	1,263,225	2,323,225
2031-2035	6,095,000	5,500,700	11,595,700
2036-2040	7,765,000	3,782,750	11,547,750
2041-2045	9,815,000	1,723,188	11,538,188
2046-2049	4,460,000	157,500	4,617,500
Total	<u>\$ 32,970,000</u>	<u>\$ 17,955,063</u>	<u>\$ 50,925,063</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A Twin Creeks

On March 16, 1999, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation (Certificates) Series A-1999 totaling \$14,315,000. A portion of the Certificates was allocated for the construction of an animal shelter, \$1,250,338, and the balance of the Certificates, \$13,064,662 was allocated for construction of the new Twin Creeks (9-hole) Golf Course. On August 24, 2004, the City entered into a sublease agreement with the Monterey Peninsula Foundation and its related foundation, Future Citizens Foundation, dba the First Tee of Monterey County providing for the lease of Twin Creeks golf course to Future Citizens Foundation. As a condition of the lease, the City repaid the portion of the 1999 Certificates attributable to the Twin Creeks golf course facility (about 57.5% of the lease payments of \$575,000) and refinanced that golf course portion with a new Refunding issue of Certificate of Participation. On September 14, 2005, the Salinas Public Financing Authority issued City of Salinas Refunding Certificates of Participation Series 2005A, in the amount of \$8,005,000, to refund the portion of the 1999 Certificates attributed to Twin Creeks. Refunding Certificates Series 2005A were issued for 24 years at 4.22% and were secured by a lien on Twin Creeks golf course. The net value expense of the funding was \$117,298. The refunding was completed to issue qualified 501 (c) 3 bonds to provide for the operation of Twin Creeks golf course by First Tee of Monterey County. Annual debt service for the 2005A Certificates (\$572,308) was paid by the annual lease payments (\$575,000) from Future Citizens Foundation and guaranteed by the Monterey Peninsula Foundation. At the request of First Tee of Monterey County, on December 6, 2011, the City approved a sublease payment reduction from \$575,000 to \$125,000 (an annual reduction of \$450,000). This request was the result of First Tee's significant golf course operating losses. With the goal of maintaining a quality of level of service to the thousands of golf youth participants and as the most cost-effective alternative, the City Council approved the General Fund support through fiscal year 2015-16 to offset the reduced amount of the sublease to the First Tee of Monterey County.

On September 1, 2015, the City issued Refunding Certificates of Participation Series 2015, in the amount of \$11,440,000 at a 2.53% interest rate, to refund the outstanding portion of the 2005A Certificates of Participation (Twin Creeks) and the 2005B Certificates of Participation (Capital Improvements). Bond started September 1, 2015 and will end after 12 years on September 1, 2027.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling \$2,715,000. The Advance Refunding Certificates were issued to refund the 2015A Twin Creeks Golf Project. Bond started November 1, 2020 and will end after 6 years on November 1, 2026. The advance refunding of the 2015A Twin Creeks Golf Project reduced total debt service payments over the next 6 years by \$134,501. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$222,408. Debt payable of \$835,000 is recorded in the governmental activities at June 30, 2025.

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A Twin Creeks (Continued)

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 410,000	\$ 25,200	\$ 435,200
2027	425,000	8,500	433,500
Total	\$ 835,000	\$ 33,700	\$ 868,700

Series 2020B Fairways

On August 2008, the City of Salinas was issued Refunding Certificates of Participation Series 2008, in the amount of \$4,660,000 at a variable interest rate, to refund the outstanding portion of the 1999 Certificate pertaining to the Fairways Golf Project. Bond started September 1, 2008 and will end after 30 years on September 1, 2038. Following the execution and delivery of the Certificates of Participation Series 2008, the 1999 Certificates, attributed to the animal shelter, will remain outstanding.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020B totaling \$4,040,000. The Advance Refunding Certificates were issued to refund the 2008 COP Fairways Golf Project. Bond started November 1, 2020 and will end after 18 years on November 1, 2038. The advance refunding of the 2008 COP Fairways Golf Project reduced total debt service payments over the next 18 years by \$1,311,557. This results is an economic loss (difference between the present values of the debt service payments on the old and new debt) of \$222,581. Debt payable of \$3,465,000 is recorded in the governmental activities at June 30, 2025.

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020B Fairways (Continued)

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 155,000	\$ 90,619	\$ 245,619
2027	165,000	88,184	253,184
2028	185,000	85,126	270,126
2029	200,000	81,354	281,354
2030	220,000	76,901	296,901
2031-2035	1,265,000	289,033	1,554,033
2036-2039	1,275,000	78,975	1,353,975
Total	<u>\$ 3,465,000</u>	<u>\$ 790,192</u>	<u>\$ 4,255,192</u>

Series 2020A Energy (2014)

On November 1, 2014, the City entered into a lease agreement funded through private placement in the amount of \$21,908,000. The project will install LED lighting on streetlights and parking lots in addition to building solar PV installations at the Hitchcock Road Animal Shelter, the Industrial Waste Treatment Plant, the Salinas Municipal Airport, the Permit Center, Sherwood Hall, and the Sewer Lift Station site off Work Street. The Debt Service repayment were set to be over a 17-year period at 3.03% interest beginning May 1, 2016 and ending November 1, 2032. Maximum annual debt service was \$2,005,124.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling \$16,190,000. The Advance Refunding Certificates were issued to refund the 2014 Energy Improvement Lease. Bond started November 1, 2020 and will end after 12 years on November 1, 2032. The advanced refunding of the 2014 Energy Lease reduced total debt service payments over the next 12 years by \$1,513,227. This results is an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,425,483. Debt payable of \$11,765,000 is recorded as Governmental Activities at June 30, 2025.

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A Energy (2014) (Continued)

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 1,155,000	\$ 464,550	\$ 1,619,550
2027	1,235,000	416,750	1,651,750
2028	1,320,000	365,650	1,685,650
2029	1,410,000	311,050	1,721,050
2030	1,505,000	252,750	1,757,750
2031-2033	5,140,000	342,975	5,482,975
Total	<u>\$ 11,765,000</u>	<u>\$ 2,153,725</u>	<u>\$ 13,918,725</u>

Series 2020A SVSWA (2015B)

On October 24, 1997, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation (Certificates) Series A-1997 totaling \$11,960,000. The purpose of this financing was to raise money for capital improvement projects and to refund the Authority’s Variable Rate Lease Revenue Bonds, which were issued to purchase the 65 W. Alisal Building. The Variable Rate Lease Revenue Bonds Series A-1997 and Series B-1997 were fully retired on November 20, 1997. The outstanding Certificates were secured by liens on City owned assets that included City Hall; Public Safety Building; Steinbeck Library, and 65 W. Alisal Building.

On September 14, 2005, the Salinas Public Financing Authority issued City of Salinas Refunding Certificates of Participation Series 2005B (1997 Capital Improvement Projects). The Refunding Certificates were issued to refund Series A-1997 Certificates. Series 2005B Refunding Certificates were issued in the amount of \$11,705,000 for 24 years at 4.22%. The Refunding Certificates were secured by a lien on the Salinas Community Center with an appraised value of \$13,415,000. With these refunding, liens were removed from the City’s Public Safety Building, 65 West Alisal Building and Steinbeck Library.

On September 1, 2015, the City issued Refunding Certificates of Participation Series 2015, in the amount of \$11,440,000 at a 2.53% interest rate, to refund the outstanding portion of the 2005A Certificates of Participation (Twin Creeks) and the 2005B Certificates of Participation (Capital Improvements). Bond started September 1, 2015 and will end after 12 years on September 1, 2027.

On August 19, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling \$4,440,000. The Advance Refunding Certificates were issued to refund the 2015B Salinas Valley Solid Waste Authority Bonds. Bond started November 1, 2020 and will end after 7 years on November 1, 2027. The advance refunding of the 2015B Salinas Valley Solid Waste Authority advance refunding reduced total debt service payments over the next 7 years by \$241,953. This results in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$244,664. Debt payable of \$1,640,000 is recorded as Governmental Activities at June 30, 2025.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Certificates of Participation Bonds (Continued)

Series 2020A SVSWA (2015B) (Continued)

In the event of an event of default, the Trustee may and, at the direction of the owners of not less than a majority of the aggregate principal amount of bonds then outstanding, and upon being indemnified to its reasonable satisfaction therefore, shall, upon notice in writing to the City and the Salinas Financing Authority, exercise any of the remedies granted to the Salinas Financing Authority under the lease agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to enforce its rights as assignee pursuant to the Assignment Agreement or to protect and enforce any of the rights vested in the Trustee or the owners, either at law or in equity bankruptcy or otherwise, whether for specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right.

The annual debt service requirements to maturity for the certificates are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 610,000	\$ 53,400	\$ 663,400
2027	630,000	28,600	658,600
2028	400,000	8,000	408,000
Total	\$ 1,640,000	\$ 90,000	\$ 1,730,000

Assessment District Bonds

At June 30, 2025, outstanding Assessment District Bonds totaled \$6,910,000 plus bond premiums of \$456,052. Bonds issued for improvements in special assessment districts are liabilities of the property owners and are secured by liens against the assessed property. In the case of default, the City has the authority to advance bonds payments from the special reserve fund and to foreclosure on delinquent property. The bonds are secured by a pledge of the net revenue of the Assessment District and may not be used for any other purpose. The total Assessment District Reserve Fund balance was \$2,049,072 at June 30, 2025.

Assessment District 2017 Act Bonds

On July 28, 2017, the City issued \$4,555,000 in bonds to refinance the following special assessment district debt:

- 1998 AD 98-1 – Bella Vista III Refunding (\$2,665,000)
- 2000 AD 96-2 – Acacia Park Refunding (\$340,000)
- 2002 RADA – Bella Vista Refunding (\$1,365,000)
- 2002 RADB – Bella Vista Refunding (\$185,000)

The refunding of the assessment districts debt reduced total debt service payments over 9 years by \$937,889. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$318,303. Maximum debt service is \$882,065, including interest ranging from 2.3% to 2.7% for 9 years. Debt payable of \$45,000 is recorded in governmental activities at June 30, 2025.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

Assessment District 2017 Act Bonds (Continued)

Upon the occurrence of an event of default, the trustee shall be entitled to exercise the remedies provided under the agreement to compel the City to perform and carry out their duties under the 1913 Act, the 1915 Act, or the 1984 Act and their agreements with the owners provided in the Bond agreement.

Annual debt service requirements to maturity for Assessment District 2017 Act Bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 45,000	\$ 608	\$ 45,608
Total	\$ 45,000	\$ 608	\$ 45,608

CFD Monte Bella-2019 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 1)

On February 21, 2019, the Bond Purchase Agreement was signed in the amount of \$2,675,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016-1 Improvement Area No. 1 of the district. Debt payable net of premiums of \$2,410,000 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

Annual debt service requirements to maturity CFD Monte Bella-2019 #1 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 55,000	\$ 100,575	\$ 155,575
2027	60,000	97,700	157,700
2028	60,000	94,700	154,700
2029	65,000	91,575	156,575
2030	70,000	88,200	158,200
2031-2035	380,000	397,656	777,656
2036-2040	460,000	323,881	783,881
2041-2045	560,000	213,250	773,250
2046-2050	700,000	72,000	772,000
Total	\$ 2,410,000	\$ 1,479,538	\$ 3,889,538

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

CFD Monte Bella-2019 #2 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 2)

On December 1, 2019, the Bond Purchase Agreement was signed in the amount of \$2,090,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016- Improvement Area 2 of the district. Debt payable net of premiums of \$1,920,000 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

Annual debt service requirements to maturity CFD Monte Bella-2019 #2 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 45,000	\$ 82,250	\$ 127,250
2027	50,000	80,350	130,350
2028	50,000	78,350	128,350
2029	50,000	76,350	126,350
2030	55,000	74,250	129,250
2031-2035	305,000	336,250	641,250
2036-2040	365,000	277,825	642,825
2041-2045	440,000	196,750	636,750
2046-2050	560,000	73,250	633,250
Total	<u>\$ 1,920,000</u>	<u>\$ 1,275,625</u>	<u>\$ 3,195,625</u>

CFD Monte Bella-2019 #3 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 3)

On December 20, 2020, the Bond Purchase Agreement was signed in the amount of \$2,695,000 at various interest rates to finance the acquisition and/or construction of certain public facilities and improvements within Community Facilities District (CFD) No. 2016- Improvement Area 3 of the District. Debt payable net of premiums of \$2,535,000 is recorded as Governmental Activities at June 30, 2025.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law to enforce the payment of principal, premium and interest on the outstanding bonds.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

A. Governmental Activities (Continued)

Assessment District Bonds (Continued)

CFD Monte Bella-2019 #3 – Community Facilities District No. 2016-1 (Monte Bella) of the City of Salinas 2019 Special Tax Bonds (Improvement Area No. 3) (Continued)

Annual debt service requirements to maturity CFD Monte Bella-2019 #3 bonds are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 55,000	\$ 100,300	\$ 155,300
2027	60,000	98,000	158,000
2028	60,000	95,600	155,600
2029	65,000	93,100	158,100
2030	65,000	90,500	155,500
2031-2035	380,000	409,000	789,000
2036-2040	460,000	325,400	785,400
2041-2045	560,000	223,400	783,400
2046-2050	675,000	100,500	775,500
2051	155,000	3,100	158,100
Total	<u>\$ 2,535,000</u>	<u>\$ 1,538,900</u>	<u>\$ 4,073,900</u>

Subscription-Based Information Technology Arrangements – SBITAs

The City has contracted for the “right-to-use” certain subscription-based information technology software in the governmental activities. The arrangements have interest rates between 2.75% and 3.5%. The value of the right-to-use subscription assets as of the end of the current fiscal year was \$349,247. Subscriptions payable outstanding at June 30, 2025 were \$237,990.

Annual debt service requirements to maturity on subscription liabilities are as follows:

Fiscal Year	Principal	Interest	Total
2026	\$ 77,430	\$ 5,957	\$ 83,387
2027	79,368	4,019	83,387
2028	81,192	2,032	83,224
Total	<u>\$ 237,990</u>	<u>\$ 12,008</u>	<u>\$ 249,998</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

B. Business-Type Activities

A summary of changes in long-term debt for business-type activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year	Amount due in more than one year
Business-type Activities						
Direct borrowings and placements:						
Monterey Parking Garage 2014 lease	\$ 7,788,000	\$ -	\$ (646,000)	\$ 7,142,000	\$ 674,000	\$ 6,468,000
HUD Section 108 loan	518,000	-	(518,000)	-	-	-
Total direct borrowings and placements	<u>8,306,000</u>	<u>-</u>	<u>(1,164,000)</u>	<u>7,142,000</u>	<u>674,000</u>	<u>6,468,000</u>
Revenue Bonds:						
Wastewater 2020A	12,745,000	-	(565,000)	12,180,000	565,000	11,615,000
Total Revenue Bonds	<u>12,745,000</u>	<u>-</u>	<u>(565,000)</u>	<u>12,180,000</u>	<u>565,000</u>	<u>11,615,000</u>
Total business-type activities	<u>\$ 21,051,000</u>	<u>\$ -</u>	<u>\$ (1,729,000)</u>	<u>\$ 19,322,000</u>	<u>\$ 1,239,000</u>	<u>\$ 18,083,000</u>

2014 Lease/Purchase Agreement

The 2014 Lease/Purchase Agreement was issued by the Salinas Facilities Financing Authority on January 29, 2014. The financing was issued to refund the Animal Shelter COP Series A-1999 (\$2,812,000) and the Monterey Street Parking Structure COP Series A-2004 (\$13,253,000). The Monterey Street Parking Structure portion of the financing was issued for 20 years (ending September 1, 2033), at an average interest rate of 4.02%. Maximum annual debt service is \$963,518. Debt payable of \$7,142,000 is recorded in the Downtown Parking District Enterprise Fund at June 30, 2025 and reported as business-type activities.

Upon the occurrence of an event of default, the trustee may pursue any available remedy by law or pursuant to the lease agreement to enforce payment of the outstanding amounts. However, there shall be no right under any circumstance to accelerate the lease payments or otherwise declare any lease payments not then in default to be immediately due and payable. After the occurrence of an event of default, the City will surrender possession of the property to the financing authority, if requested to do so.

Debt service requirements to maturity is as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 674,000	\$ 273,561	\$ 947,561
2027	700,000	245,944	945,944
2028	731,000	217,181	948,181
2029	756,000	187,292	943,292
2030	790,000	156,217	946,217
2031-2034	<u>3,491,000</u>	<u>287,571</u>	<u>3,778,571</u>
Total	<u>\$ 7,142,000</u>	<u>\$ 1,367,766</u>	<u>\$ 8,509,766</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Direct Placement Debt

HUD Section 108 Loan

On March 28, 2015, the City entered into a contract for Loan Guarantee Assistance with the Housing and Urban Development Department (HUD), pursuant to which the City will derive funds for the purposes permitted under the agreement, and executed one or more City Notes in the maximum aggregate principal amount of up to \$9,390,000. The City executed a note numbered as B-12-MC-06-0005 (Community and Economic Development Fund – Industrial Wastewater Conveyance System Project) in the principal amount of \$4,000,000. The City has pledged current and future Community Development Block Grant (CDBG) funds as principal security for the loan. The loan carries a variable interest rate of 20 points (0.2%) above the applicable LIBOR rate. This loan is paid full in full as of June 30, 2025.

2020A Wastewater Revenue Refunding Bonds – Series 2020A

On February 8, 2012, the City of Salinas issued Sanitary Sewer System Revenue Bonds, Series 2012 in the amount of \$17,995,000 to provide funds for the current refunding of the City's Sanitary Sewer System Revenue Bonds, Series 1998 and to finance capital replacement of existing sewer mains and other sewer related capital replacement. Maximum annual debt service is \$1,022,406, including interest ranging from 1.0% to 4.4% for 30 years. The City is authorized under Chapter 36, Article II, Division 5 of the Salinas City Code, to levy a sewer fee for the purpose of paying sanitary sewer related expenses of the City. On January 10, 2012, the City Council approved adjustments to wastewater collection fees effective February 1, 2012 to reflect the cost of wastewater conveyance through the Enterprise and an amount to cover debt service. The fee is billed by the Monterey Regional Water Pollution Control Agency.

On December 20, 2020, the Salinas Public Financing Authority issued City of Salinas Certificates of Participation, Series 2020A totaling \$14,425,000. The Advance Refunding Certificates were issued to refund the 2012 Sewer Bonds. Bond started August 1, 2021 and will end after 21 years on August 1, 2042. The advance refunding of the 2012 Sewer Bonds reduced total debt service payments over the next 21 years by \$3,764,601. This resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$1,346,741. Debt payable of \$12,180,000 is recorded as Business-type Activities at June 30, 2025.

In the event of an event of default, the trustee shall, at written direction of the owners of not less than a majority in aggregate principal amount of the bonds at the time outstanding, in each case, upon written notice to the City, declare the principal of all the bonds then outstanding, and the interest accrued thereon, to be due and payable immediately.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

B. Business-Type Activities (Continued)

Direct Placement Debt

2020A Wastewater Revenue Refunding Bonds – Series 2020A (Continued)

Debt service requirements and maturity are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ 565,000	\$ 288,233	\$ 853,233
2027	580,000	281,693	861,693
2028	585,000	273,693	858,693
2029	590,000	264,021	854,021
2030	605,000	252,856	857,856
2031-2035	3,205,000	1,066,346	4,271,346
2036-2040	3,620,000	628,141	4,248,141
2041-2043	2,430,000	108,670	2,538,670
Total	<u>\$ 12,180,000</u>	<u>\$ 3,163,653</u>	<u>\$ 15,343,653</u>

C. Conduit Debt

In June of 1999, the City of Salinas issued Multifamily Housing Revenue Bonds, Series 1999A (\$5,310,000 tax-exempt) and 1999A-T (\$390,000 taxable) for the construction of a 132-unit senior apartment project. Twenty percent (20%) of the project is designated to be affordable to seniors. As of June 30, 2025, the total conduit debt outstanding related to these bonds is \$2,320,000.

On June of 2007, the City of Salinas issued Economics Development Revenue Bonds, Series 2007A (\$18,655,000 tax-exempt) and 2007B (\$1,570,000 taxable) for the acquisition of a building located at 1000 Main Street in Salinas. The building is currently leased in part to the County of Monterey Department of Social Services. The project intends to provide monthly rental at below the market value rates to the County of Monterey, a one-million-dollar premise improvement allowance to the Department of Social Services to renovate and upgrade its space in the building and to generate charitable support for the County’s residents. The debt was refinanced in 2016 as series 2016A and 2016B. As of June 30, 2025, total conduit debt outstanding related to the Economic Development Revenue Bonds is \$9,520,000.

Pursuant to the bond purchase agreements, the City of Salinas has no obligation related to the repayment of these bonds. Accordingly, the bonds are not reported as liabilities in the City’s financial statements.

D. Fiduciary Activities

A summary of changes in long-term debt for fiduciary activities for the year ended June 30, 2025 is as follows:

	Balance July 1, 2024	Additions	Retirements	Balance June 30, 2025	Amount due within one year	Amount due in more than one year
<i>Fiduciary Activities</i>						
Direct borrowings and placements:						
Homeless Shelter loan payable	\$ 157,500	\$ -	\$ -	\$ 157,500	\$ -	\$ 157,500
Total direct borrowings and placements	157,500	-	-	157,500	-	157,500
Total fiduciary activities	<u>\$ 157,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 157,500</u>	<u>\$ -</u>	<u>\$ 157,500</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 12 – Long-Term Debt (Continued)

D. Fiduciary Activities (Continued)

Loans and Notes Payable

Homeless Shelter Loan – Green Gold Inn

On March 7, 1995, the Salinas Redevelopment Agency – Central Agency Revitalization Project entered into a funding agreement and received a loan from the City of Salinas Community Development Block Grant Fund for the acquisition of property, Green Gold Inn at 28-32 Soledad Street, to establish a homeless center/shelter. The Agency agreed that the property would be used solely for a homeless center/shelter for a period not less than ten years. If the Agency or the organization holding title to the property disposes of the property or alters the use of the property prior to expiration of the ten year period, the Agency will reimburse the City the full amount of the current fair market value less improvement costs.

Upon completion of the ten-year period, one half of the debt, \$157,500, was forgiven. Upon cessation of the homeless center/shelter operations, the City will be reimbursed the fair market value of the property less the portion of the loan paid and improvement costs.

Debt service requirements for Green Gold Inn homeless center/shelter no interest loan are as follows:

Fiscal Year Ending June 30:	Principal	Interest	Total
2026	\$ -	\$ -	\$ -
2027	-	-	-
2028	-	-	-
2029	-	-	-
2030	-	-	-
2031-2035	-	-	-
2036-2040	-	-	-
2041-2043	157,500	-	157,500
Total	<u>\$ 157,500</u>	<u>\$ -</u>	<u>\$ 157,500</u>

Note 13 – Compensated Absences

Compensated absences are reported on the Government-Wide Statements for Governmental Activities and Business-type Activities in Long-Term Debt. At June 30, 2025 the liability for all compensated absences totaled \$13,175,610. The City implemented GASB Statement No. 101, *Compensated Absences*, during the fiscal year; however, no restatement of beginning net position was required as the effect of implementation was determined to be immaterial.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 13 – Compensated Absences (Continued)

Compensated absences are reported on the financial statements in the following funds:

	<u>Balance July 1, 2024</u>	<u>Increases / Decreases</u>	<u>Balance June 30, 2025</u>	<u>Due within one year</u>	<u>Due in more than one year</u>
Governmental activities:					
General Fund	\$ 8,994,708	\$ 298,293	\$ 9,293,001	\$ 1,858,600	\$ 7,434,401
Measure E	782,624	68,665	851,289	170,257	681,032
Measure G	1,648,281	95,676	1,743,957	348,791	1,395,166
Other governmental funds	434,116	88,684	522,800	104,560	418,240
Internal service funds	175,523	37,564	213,087	42,617	170,470
Total governmental activities	<u>12,035,252</u>	<u>588,882</u>	<u>12,624,134</u>	<u>2,524,825</u>	<u>10,099,309</u>
Business-type activities					
Enterprise funds	552,230	(754)	551,476	110,295	441,181
Total business-type activities	<u>552,230</u>	<u>(754)</u>	<u>551,476</u>	<u>110,295</u>	<u>441,181</u>
Total primary government	<u>\$ 12,587,482</u>	<u>\$ 588,128</u>	<u>\$ 13,175,610</u>	<u>\$ 2,635,120</u>	<u>\$ 10,540,490</u>

Note 14 – Risk Management

The City has a self-insurance program and carries excess insurance for catastrophic losses. National Casualty Company combined with Berkley National Insurance Company provides General Liability coverage up to a maximum of \$15,000,000 after the self-insured retention of \$1,000,000 per occurrence met. Safety National Casualty Corporation provides Worker’s Compensation excess coverage with statutory coverage (pursuant to California Worker’s Compensation Act) after the self-insurance retention of \$1,000,000 for Public Safety and \$750,000 for non-Public Safety is met.

Liabilities for estimated claims payable for the self-insurance programs represent settled claims, claims incurred but not paid and claims incurred but not reported based upon past experience, modified for current trends and information. While the ultimate amount of losses incurred through June 30, 2025 is dependent on future developments, City management has determined the desired reserve level for each self-insurance program as follows and believes the estimates are adequate to cover such losses.

The Worker’s Compensation insurance liability of \$40,790,000 includes \$27,294,152 for claims incurred but not paid and \$13,495,848 for claims incurred but not reported which is based on expected claims and past claims history. At June 30, 2025, Worker’s Compensation Insurance liability is reported on the statement of net position. The Worker’s Compensation Fund was established as an Internal Service Fund on July 1, 1991. The portion of the worker’s compensation insurance liability since July 1, 1991, at June 30, 2025 is \$39,343,333 and is reported in the Worker’s Compensation internal service fund and \$1,446,667 is treated as general long-term debt.

General liability insurance liability at June 30, 2025 of \$3,970,003 that is reported in the Internal Service Fund includes \$1,891,749 for claims incurred but not paid and \$2,078,254, for claims incurred but not reported which is based on expected claims and past claims history. A deficit of \$750,036 is reported at June 30, 2025 and is short the City’s goal of reserving three times the self-insured retention plus full funding of all past claims history. The City’s self-insured retention is \$1,000,000 at June 30, 2025.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 14 – Risk Management (Continued)

At June 30, 2025, the City’s insurance claims liability is recorded as follows:

	Internal Service Funds	General Long-term Debt	Total
Worker's compensation	\$ 39,343,333	\$ 1,446,667	\$ 40,790,000
General liability	3,970,003	-	3,970,003
Total	<u>\$ 43,313,336</u>	<u>\$ 1,446,667</u>	<u>\$ 44,760,003</u>

Changes to the claims liability for fiscal year ended June 30, 2025 are as follows:

	Worker's Compensation	General Liability	Total
Beginning balance of claims liability	\$ 33,494,000	\$ 3,748,708	\$ 37,242,708
Less beginning provisions for incurred but not reported claims	<u>(7,339,166)</u>	<u>(1,241,119)</u>	<u>(8,580,285)</u>
Beginning provisions for incurred but not paid claims	26,154,834	2,507,589	28,662,423
Increase (decrease) in claims incurred and reported	7,984,195	391,620	8,375,815
Claims expenses paid	<u>(6,844,877)</u>	<u>(1,007,460)</u>	<u>(7,852,337)</u>
Ending balance provision for incurred but not paid claims	27,294,152	1,891,749	29,185,901
Provisions for incurred but not reported claims	<u>13,495,848</u>	<u>2,078,254</u>	<u>15,574,102</u>
Ending balance of claims liability	<u>\$ 40,790,000</u>	<u>\$ 3,970,003</u>	<u>\$ 44,760,003</u>
Amount due within one year	\$ 7,103,000	\$ 2,807,671	\$ 9,910,671
Amount due in more than one year	<u>33,687,000</u>	<u>1,162,332</u>	<u>34,849,332</u>
Total	<u>\$ 40,790,000</u>	<u>\$ 3,970,003</u>	<u>\$ 44,760,003</u>

Note 15 – Unearned Revenues and Deferred Inflows of Resources

Governmental funds report unearned revenues in connection with funds received, in advance for which assets recognition criteria have been met, but for which revenue recognition criteria have not been met. Receivables for revenues not considered available to liquidate liabilities of the current period are considered unavailable revenues and reported as deferred inflows of resources on the governmental funds. Unearned revenues are stated at \$18,136,961 in the Government-Wide Statements. Governmental funds report \$18,136,961 of unearned revenues and \$654,039 of unavailable revenues as deferred inflows of resources that are not available resources.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 15 – Unearned Revenues and Deferred Inflows of Resources (Continued)

Unearned revenues of the governmental activities at June 30, 2025 consist of the following:

Governmental Activities:

Major funds:

American Rescue Plan Act (ARPA) Fund	\$ 4,703,835
Housing and Urban Development Grant Fund	5,592,257
2019 Special Tax Montebella	6,865,000

Nonmajor funds:

Special revenue funds:	
Affordable Housing Fund	930,869

Debt service funds:

Assessment District Debt Service	45,000
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Total governmental activities	<u>\$ 18,136,961</u>
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Unavailable revenues of the governmental activities at June 30, 2025 consist of the following:

Governmental Activities:

Special revenue funds:

Grants Fund	\$ 654,039	Unavailable grants receivable
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Total governmental activities	<u>\$ 654,039</u>	
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Note 16 – Retirement Programs

A. Summary

The City of Salinas provides defined benefit retirement program benefits through the California Public Employees' Retirement System ("CalPERS") and New York Life. As of June 30, 2025, the City was contributing to agent multiple-employer defined benefit pension plans and cost-sharing multiple-employer defined benefit pension plans through CalPERS, and was also contributing to a single-employer defined benefit pension plan through New York Life.

Net pension liabilities are reported in the financial statements as follows:

<u>Net Pension Liability</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	\$ 33,003,289	\$ 4,698,774	\$ 37,702,063
Agent multiple-employer - Safety Police	127,123,346	-	127,123,346
Cost sharing multiple-employer - Safety Fire	65,283,627	-	65,283,627
New York Life - single employer	666,048	-	666,048
Total net pension liability	<u>\$ 226,076,310</u>	<u>\$ 4,698,774</u>	<u>\$ 230,775,084</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

A. Summary (Continued)

Deferred outflows of resources related to pensions are reported in the financial statements as follows:

<u>Deferred Outflows of Resources</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	\$ 8,920,969	\$ 1,270,104	\$ 10,191,073
Agent multiple-employer - Safety Police	20,829,358	-	20,829,358
Cost sharing multiple-employer - Safety Fire	20,257,330	-	20,257,330
New York Life - single employer	\$2,175,537	-	2,175,537
Total deferred outflows of resources	<u>\$ 52,183,194</u>	<u>\$ 1,270,104</u>	<u>\$ 53,453,298</u>

Deferred inflows of resources related to pensions are reported in the financial statements as follows:

<u>Deferred Inflows of Resources</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	\$ 500,069	\$ 71,197	\$ 571,266
Agent multiple-employer - Safety Police	1,048,123	-	1,048,123
Cost sharing multiple-employer - Safety Fire	1,177,873	-	1,177,873
New York Life - single employer	577,395	-	577,395
Total deferred inflows of resources	<u>\$ 3,303,460</u>	<u>\$ 71,197</u>	<u>\$ 3,374,657</u>

Pension expense (credit) reported in the financial statements as follows:

<u>Pension Expense</u>	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
CalPERS pension plans:			
Agent multiple-employer - Miscellaneous	\$ 6,860,966	\$ 1,085,763	\$ 7,946,729
Agent multiple-employer - Safety Police	17,589,236	-	17,589,236
Cost sharing multiple-employer - Safety Fire	13,453,286	-	13,453,286
New York Life - single employer	(82,264)	-	(82,264)
Total pension expense	<u>\$ 37,821,224</u>	<u>\$ 1,085,763</u>	<u>\$ 38,906,987</u>

B. California Public Employees Retirement System Agent Multiple-Employer Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the City of Salinas' separate Safety (police) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Employees Covered

At June 30, 2024, the measurement date, the following employees were covered by the benefit terms for the Plan:

	Miscellaneous	Safety - Police
Inactive employees or beneficiaries currently receiving benefits	242	292
Inactive employees entitled to, but not yet receiving benefits	306	125
Active employees	331	137
Total	879	554

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment.

The City’s provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Miscellaneous	
	Prior to January 1, 2013*	On or After January 1, 2013
Hire date		
Benefit formula	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50-55	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.45%	1.0% to 2.5%
Required employee contribution rates	7.00%	7.50%
Required employer contribution rates	9.51%	9.51%
	Safety - Police	
	Prior to January 1, 2013*	On or After January 1, 2013
Hire date		
Benefit formula	3.0% @ 50	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52-57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.50%
Required employer contribution rates	22.91%	22.91%

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Contribution Description - Section 20814(c) of the California Public Employees’ Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS’ annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the City to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The contributions made by the City were as follows:

	Employer Contributions	
Miscellaneous	\$	5,804,078
Safety - Police		14,853,506

Actuarial Methods and Assumptions used to determine Total Pension Liability - The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Post Retirement Benefit Increase	The probabilities of retirement are based on the 2021 CalPERS Experience Study.

(1) 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

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 rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds’ asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long -term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

The expected rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10</u> ^{1,2}
Global equity - cap-weighted	30.00%	4.45%
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%
Total	<u>100.00%</u>	

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

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

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 statutorily 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.

Amortization of Deferred Outflows and Deferred Inflows of Resources - Under GASB 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:

Difference between projected and actual earnings on pension plan investments:

- 5 years straight-line amortization

All other amounts:

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

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Deferred outflows of resources and deferred inflows of resources relating to Differences between Expected and Actual Experience, Changes of Assumptions and employer-specific amounts should be amortized over the EARSL of members provided with pensions through the Plan. The EARSL for the miscellaneous and safety (police) plans for the June 30, 2024 measurement date are 4.4 and 3.0 years, respectively, which was obtained by dividing the total service years by the total number of participants (active, inactive, and retired) in the Plan. Inactive employees and retirees have remaining service lifetimes equal to zero. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Changes in Net Pension Liability - The following tables show the changes in the net pension liability for each of the City's agent multiple-employer defined benefit pension plans recognized over the measurement period:

Miscellaneous Plan			
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2023 (Valuation Date)	\$ 161,496,279	\$ 120,398,293	\$ 41,097,986
Changes in the year:			
Service cost	4,078,307	-	4,078,307
Interest on the total pension liabilities	11,033,877	-	11,033,877
Changes of Benefit Terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	(53,982)	-	(53,982)
Benefit payments, including refunds of members contributions	(7,140,385)	(7,140,385)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	5,034,807	(5,034,807)
Contributions - employee	-	1,911,248	(1,911,248)
Net investment income	-	11,606,038	(11,606,038)
Administrative expenses	-	(97,968)	97,968
Net changes	<u>7,917,817</u>	<u>11,313,740</u>	<u>(3,395,923)</u>
Balance at June 30, 2024 (Measurement Date)	<u>\$ 169,414,096</u>	<u>\$ 131,712,033</u>	<u>\$ 37,702,063</u>

Safety - Police			
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability</u>
Balance at June 30, 2023 (Valuation Date)	\$ 375,115,843	\$ 239,697,612	\$ 135,418,231
Changes in the year:			
Service cost	6,619,453	-	6,619,453
Interest on the total pension liabilities	25,361,824	-	25,361,824
Changes of Benefit Terms	-	-	-
Changes in assumptions	-	-	-
Differences between expected and actual experience	(1,298,281)	-	(1,298,281)
Benefit payments, including refunds of members contributions	(19,129,246)	(19,129,246)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	13,750,190	(13,750,190)
Contributions - employee	-	2,265,826	(2,265,826)
Net investment income	-	23,156,908	(23,156,908)
Administrative expenses	-	(195,043)	195,043
Net changes	<u>11,553,750</u>	<u>19,848,635</u>	<u>(8,294,885)</u>
Balance at June 30, 2024 (Measurement Date)	<u>\$ 386,669,593</u>	<u>\$ 259,546,247</u>	<u>\$ 127,123,346</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

Benefits Provided (Continued)

Pension Plan Fiduciary Net Position - Detailed information about each plan’s fiduciary net position is available in the separately issued CalPERS financial report.

Sensitivity 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 percent, 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 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

	Plan's Aggregate Net Pension Liability/(Asset)					
	Discount Rate - 1%		Current Discount		Discount Rate + 1%	
	(5.90%)		Rate (6.90%)		(7.90%)	
Miscellaneous	\$	61,533,919	\$	37,702,063	\$	18,134,230
Safety - Police		180,491,002		127,123,346		83,598,304

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions For the measurement period ending June 30, 2024 (the measurement date), the City of Salinas recognized a pension expense of \$7,946,729 and \$17,589,236 for the miscellaneous and safety (police) plans, respectively.

For the measurement period ending June 30, 2024 (the measurement date), the City of Salinas reports other amounts for the miscellaneous and safety (police) plans as deferred outflow and deferred inflow of resources related to pensions as follows:

	Miscellaneous			
	Deferred Outflows		Deferred Inflows	
	of Resources		of Resources	
Pension contributions made subsequent to measurement date	\$	5,804,078	\$	-
Difference between projected and actual earning on pension plan investments		1,793,931		-
Changes in assumptions		1,454,159		-
Differences between expected and actual experience		1,138,905		(571,266)
Total	\$	10,191,073	\$	(571,266)

	Safety - Police			
	Deferred Outflows		Deferred Inflows	
	of Resources		of Resources	
Pension contributions made subsequent to measurement date	\$	14,853,506	\$	-
Difference between projected and actual earning on pension plan investments		3,552,815		-
Changes in assumptions		1,591,470		-
Differences between expected and actual experience		831,567		(1,048,123)
Total	\$	20,829,358	\$	(1,048,123)

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

B. California Public Employees Retirement System Agent Multiple-Employer Plans (Continued)

\$5,804,078 and \$14,853,506 reported as deferred outflows of resources to contributions subsequent to the measurement date for the miscellaneous and safety police plans, respectively, will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30,	Miscellaneous Deferred Outflows/ (Inflows) of Resources	Safety - Police Deferred Outflows/ (Inflows) of Resources
2026	\$ 1,245,629	\$ 1,482,303
2027	3,617,264	5,852,433
2028	(379,831)	(1,059,806)
2029	(667,333)	(1,347,201)
2030	-	-
Thereafter	-	-
	\$ 3,815,729	\$ 4,927,729

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan

Plan Description – All qualified permanent and probationary employees are eligible to participate in the City’s separate Safety risk pool (Fire Tier 1 & Tier 2), cost-sharing multiple-employer defined benefit pension plans administered by CalPERS, which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plans are established by State statute and Local Government resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Employees Covered – As of June 30, 2024 (measurement date), the following employees were covered by the benefit terms for the plan:

	Safety - Fire
Inactive employees or beneficiaries currently receiving benefits	185
Inactive employees entitled to, but not yet receiving benefits	55
Active employees	99
Total	339

Benefits Provided – CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

The City’s plans provisions and benefits in effect at June 30, 2025, are summarized as follows:

	Safety - Fire			
	Tier 1		Tier 2	
	Prior to January 1, 2013*	On or After January 1, 2013	Prior to January 1, 2013*	On or After January 1, 2013
Hire date				
Benefit formula	3.0% @ 50	2.7% @ 57	3.0% @ 55	2.5% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	52-57	55	52-57
Monthly benefits, as a % of eligible compensation	3.00%	2.0% to 2.7%	3.00%	2.0% to 2.7%
Required employee contribution rates	9.00%	13.75%	9.00%	13.75%
Required employer contribution rates	29.30%	14.12%	24.96%	14.12%

Contribution Description – Section 20814(c) of the California Public Employees’ Retirement Law (“PERL”) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

The City’s contribution for the safety fire plan were as follows:

	<u>Employer Contributions</u>
Safety - Fire	\$ 7,992,242

Pension Liabilities, Pension Expense and Deferred Outflows/Deferred Inflows of Resources Related to Pensions – As of June 30, 2025, the City reported net pension liabilities for its proportionate share of the net pension liability as of June 30, 2025 and 2024 were as follows:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 6/30/23 (Measurement date)	\$ 215,981,309	\$ 149,873,305	\$ 66,108,004
Balance at: 6/30/24 (Measurement date)	223,694,150	158,410,523	65,283,627
Net changes during 2023-2024	\$ 7,712,841	\$ 8,537,218	\$ (824,377)

The City’s net pension liability is measured as the proportionate share of the net pension liability. The net pension liability is measured as of June 30, 2024, and the total pension liability 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 the standard update procedures. The City’s proportion of the net pension liability was based on a projection of the City’s long-term share of contributions to the pension plans relative to the projected contributions for all participating employers actuarially determined.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

The City’s proportionate share of the net pension liability as of the June 30, 2024 and 2023 measurement dates were as follows:

Percentage Share of Net Pension Liability/(Asset)	
Proportion June 30, 2023	0.529910%
Proportion June 30, 2024	0.538310%
Change - Increase (Decrease)	0.008400%

For the year ended June 30, 2025 (measurement date June 30, 2024), the City recognized a pension expense of \$13,453,286 for the Safety Plan (Fire).

As of June 30, 2025 the City reports deferred outflows and deferred inflows of resources related to pensions as follows:

Safety - Fire		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 7,992,242	\$ -
Difference between projected and actual earning on pension plan investments	3,155,513	-
Adjustment due to differences in proportions	680,506	(471,029)
Changes in assumptions	1,608,454	-
Difference between actual and expected experience	5,327,724	(173,227)
Difference between employer's actual contributions and proportionate share of contributions	1,492,891	(533,617)
Total	\$ 20,257,330	\$ (1,177,873)

\$7,992,242 reported as deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expenses as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2026	\$ 4,422,941
2027	7,648,403
2028	95,545
2029	(1,079,674)
2030	-
Thereafter	-
	\$ 11,087,215

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

Actuarial Methods and Assumptions used to determine Total Pension Liability - The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by category, entry age, and service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds. 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

Discount Rate – The discount rate used to measure the total pension liability for Public Employees' Retirement Fund C (PERF C) 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 statutorily 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 rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

The expected real rates of return by asset class are as follows:

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 - 10^{1,2}</u>
Global equity - cap-weighted	30.00%	4.45%
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%
Total	<u>100.00%</u>	

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

² Figures are based on the 2021-22 Asset Liability Management study.

Amortization of Deferred Outflows and Deferred Inflows of Resources – The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over a five-year period on a straight-line basis. One-fifth is recognized in pension expense during the measurement period, and the remaining Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments is amortized over the remaining amortization periods. The Net Difference Between Projected and Actual Investment Earnings on Pension Plan Investments in the Schedule of Collective Pension Amounts represents the unamortized balance relating to the current measurement period and the prior measurement periods on a net basis.

Deferred Outflows of Resources and Deferred Inflows of Resources relating to Differences Between Expected and Actual Experience and Changes of Assumptions are amortized over the Expected Average Remaining Service Lifetime (EARSL) of members provided with pensions through the Plan determined as of the beginning of the related measurement period. The EARSL for PERF C for the measurement date ending June 30, 2024 is 3.8 years, which was obtained by dividing the total service years of 630,177 (the sum of remaining service lifetimes of the active employees) by 166,163 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Sensitivity of Proportionate Share of Net Pension Liability (Asset) to Changes in the Discount Rate – The following presents the proportionate share of the net pension liability of the City's Plan as of the Measurement Date, calculated using the discount rate of 6.90 percent, 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 percent) or 1 percentage-point higher (7.90 percent) than the current rate:

Plan's Aggregate Net Pension Liability/(Asset)		
Discount Rate - 1%	Current Discount	Discount Rate + 1%
(5.90%)	Rate (6.90%)	(7.90%)
\$ 95,840,033	\$ 65,283,627	\$ 40,292,782

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

C. California Public Employees Retirement System Cost-Sharing Multiple-Employer Plan (Continued)

Pension Plan Fiduciary Net Position – Detailed information about each plan’s fiduciary net position is available in the separately issued CalPERS financial report.

D. New York Life Single Employer Retirement Plan

Plan Description – The New York Life retirement plan is a closed single-employer defined benefit pension plan that covers Non-Public Safety Employees. The plan’s benefits offers a formula of 2% @ 60 for vested employees. The Plan was established on September 1, 1954 and has been amended and restated from time to time since that date. Prior Plan amendments eliminated the six-month service requirement for entry into the plan and credited participants with up to six-months of service from hire to plan entry prior to time change. The Plan was amended and restated effective September 1, 1996 to bring the Plan into compliance with the Internal Revenue Code and Regulations promulgated thereby to provide for the City’s pick-up of employee eligible participants equal to the present value of vested accrued benefits. Effective June 1, 2001, the Plan amended its benefit formula to one that uses an average salary computed from the twelve-month period, replacing the old formula that used an average salary computed from a thirty six month period. As of June 19, 1995, all new regular non-public safety employees are enrolled in CalPERS.

The City has an agreement with New York Life to hold and invest plan assets of the Retirement Plan, which covers employees other than Police and Fire. New York Life holds assets in NYL Fixed Dollar Account, NYL Mainstay Total Return Bond Fund, and NYL Guaranteed Annuity Contracts.

New York Life Guaranteed Annuity Contracts in the amount of \$9,210,023 are allocated insurance contracts set up to pay benefits and accordingly are excluded from the total pension liability, and are not reported in the City’s financial statements.

Employees Covered – As of September 1, 2024 (valuation date), the following employees were covered by the benefit terms for the single-employer defined benefit pension plan:

	NY Life Plan
Inactive employees or beneficiaries currently receiving benefits	37
Inactive employees entitled to, but not yet receiving benefits	3
Active employees	5
Total	45

Benefits – Non-Public Safety personnel benefits vest after five years of service. The vested benefit would be in the form of a pension beginning after attaining age 60 equal to the benefits accrued at time of termination, or for a reduced amount if an election is made to have payments commence before attaining the normal retirement age of 60. City employees who retire at or after age of 60 with five years of credited service are entitled to an annual retirement benefit payable monthly, as a straight line annuity, as a ten year certain and life annuity, or as a lump sum, in an amount equal to 2% of the average earnings paid to the employee during the twelve consecutive months of service with the City during which their earnings were highest, multiplied by the number of years and completed months of plan participation.

The plan allows early retirement after reaching age 55 and completing five years of plan participation. The plan also provides death and survivor benefits.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Funding Policy – The contribution requirements of Plan members and the City are established and may be amended by the City Council. Prior to January 1, 1979, participants were required to make specified levels of contributions to the plan in order to accrue benefits under the Plan. For the period commencing January 1, 1979 through December 31, 1993, there were no participants’ contributions under this Plan. Since January 1, 1994, participants are required to contribute 4.5% of their compensation to the Plan. Since September 1, 1996, participant contributions are made by the City under the employee pretax pick-up provision for government-sponsored plans allowed under the Internal Revenue Code. As established in their Memorandum of Understanding document for personnel of the SEIU Blue Collar bargaining group, the City will contribute four and one-half percent of the employee retirement contribution.

Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pensions – As of June 30, 2025 (Measurement Date - August 31, 2024) and June 30, 2024, (Measurement Date – August 31, 2023), the City reported net pension liability as follows:

	Increase (Decrease)		
	Plan Total Pension Liability	Plan Fiduciary Net Position	Plan Net Pension Liability/(Asset)
Balance at: 8/31/23 (measurement date)	\$ 9,962,372	\$ 8,239,722	\$ 1,722,650
Balance at: 8/31/24 (measurement date)	9,876,071	9,210,023	666,048
Net changes during 2022-2023	\$ (86,301)	\$ 970,301	\$ (1,056,602)
Funded Status @ 8/31/24 measurement date	93.26%		

The City’s net pension liability is measured as of August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of September 1, 2024.

Changes in Net Pension Liability – The following tables show the changes in the net pension liability for the City’s Single-Employer Pension Plan recognized over the measurement period:

New York Life Plan			
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
Balance at 6/30/2024 (8/31/23 measurement date)	\$ 9,962,372	\$ 8,239,722	\$ 1,722,650
Changes in the year:			
Service cost	86,971	-	86,971
Interest on the total pension liabilities	270,258	-	270,258
Changes in assumptions	-	-	-
Differences between expected and actual experience	-	-	-
Benefit payments, including refunds of members contributions	(443,530)	(443,530)	-
Plan to plan resource movement	-	-	-
Contributions - employer	-	192,131	(192,131)
Contributions - employee	-	19,213	(19,213)
Net investment income	-	1,218,104	(1,218,104)
Administrative expenses	-	(15,617)	15,617
Net changes	(86,301)	970,301	(1,056,602)
Balance at June 30, 2025 (8/31/24 measurement date)	\$ 9,876,071	\$ 9,210,023	\$ 666,048

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Sensitivity 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 2.75 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (1.75 percent) or 1 percentage-point higher (3.75 percent) than the current rate:

Sensitivity of Net Pension Liability/(Asset)		
Discount Rate - 1%	Current Discount	Discount Rate + 1%
(1.75%)	Rate (2.75%)	(3.75%)
\$ 1,414,679	\$ 666,048	\$ 67,570

As of June 30, 2025, the City reports deferred outflows and deferred inflows of resources related to pensions as follows:

New York Life Plan		
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions made subsequent to measurement date	\$ 2,175,537	\$ -
Difference between projected and actual earning on pension plan investments	-	(577,395)
Total	<u>\$ 2,175,537</u>	<u>\$ (577,395)</u>

\$2,175,537 reported as deferred outflows of resources for contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expenses as follows:

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources
2026	\$ (169,932)
2027	(35,801)
2028	(172,579)
2029	(199,083)
2030	-
Thereafter	-
	<u>\$ (577,395)</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Actuarial Methods and Assumptions used to Determine Total Pension Liability – For the measurement period ended August 31, 2024 (measurement date), the total pension liability was determined by using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	September 1, 2023
Measurement date	September 1, 2024
Contribution policy	City contributes full ADC
Actuarial cost method	Individual Aggregate Cost Method
Actuarial assumptions:	
Discount rate	- 2.75% at August 31, 2024 - 2.75% at August 31, 2023 - Discount rate lower of (1) expected long-term rate of return on investments, and (2) Bond Buyer 20- Bond GO Index as of the Measurement Date
Long-term expected rate of return on assets	- 2.75% at August 31, 2024 - 2.75% at August 31, 2023
Municipal Bond Rate (Bond Buyer 20- Bond Index)	- 3.87% at August 31, 2024 - 3.81% at August 31, 2023
General Inflation	2.25% annually
Cost of Living Increases	2.00% annually
Mortality	CalPERS 2000-2019 Experience Study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Salary Increases	Aggregate - 2.5% annually; merit - CalPERS 2000-2019 Experience Study
Retirement	100% retire once the retirement benefit reaches 70% of the average monthly compensation
Disability, termination	None
Benefit form for current actives	- Disability - n/a - Service retirement - Lump sum for all participants, valued using UP-1984 Mortality Table with 2% interest rate without COLA
NY Life guaranteed annuity contract	Value of payments expected to be made under contract excluded from TPL (contract assets not included in FNP)

Changes Since Prior Measurement Date – The following changes were applied since the prior measurement date of August 31, 2024:

Changes of assumptions – discount rate was updated based on municipal bond rate as of the measurement date.

Changes of benefit terms – none

Discount Rate – The discount rate used to measure the total pension liability was 2.75%. The discount rate is based on the expected rate of return which is lower than the 20-year municipal bond rate. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at current contribution rates and City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the employee rate.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

D. New York Life Single Employer Retirement Plan (Continued)

Based on those assumptions, the pension plan’s fiduciary net position was not projected to be available to make all projected future benefit payments of current active and inactive employees. The City’s annual contributions will be adjusted to keep the plan solvent.

E. ICMA Retirement Corporation Defined Contribution Plan

Investments are with New York Life. Expected rate of return is as follows:

Asset Class	Target Allocation	Expected Rate of Return
Fixed income	100.00%	0.78%
<i>Assumed long-term rate of inflation</i>		2.25%
<i>Expected long-term rate of return, rounded</i>		2.75%

Pension Plan Fiduciary Net Position – Detailed information about the pension plan’s fiduciary net position as of August 31, 2024 is as follows:

	New York Life
Assets:	
Investments:	
New York Life Mainstay Total Return Bond Fund	\$ 9,210,023
Total investments	9,210,023
Fiduciary net position	\$ 9,210,023

Plan Description – On June 19, 1995, the City established a qualified retirement program in accordance with Internal Revenue Code Section 401(a). This defined contribution 401(a) Money Purchase Retirement Plan was established with International City Managers Association Retirement Corporation (ICMA). Non-Public Safety Mid-Management employees that were participating in the ICMA 457 non-qualified deferred compensation plan in-lieu of participation in the New York Life Retirement Program, were required to transfer to one of the other City’s three qualified retirement plans. The City’s annual contribution to this plan is determined by the employer required contribution to the New York Life Plan Retirement Plan in accordance with Internal Revenue contribution limits.

Significant Accounting Policies

Basis of Accounting – Financial statements are prepared using the cash basis of accounting. Employer contributions are recognized in the period that the contributions are made.

Method Used to Value Investments – Participants direct their investments, without restriction, among various investments options available under the ICMA 401(a) Plan. Retirement Buyback Program During Fiscal Year 1995-96, the City established a deferred compensation retirement buyback program for Department Directors where the City contributes a flat dollar amount based on tenure with the City. The 401(a) Money Purchase Retirement Plan is administered by the ICMA Retirement Corporation. The program requires employee-matching contributions for every dollar contributed by the City. At June 30, 2025, there were four participants receiving a total of \$42,271 in this form of benefit.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

F. Deferred Compensation Plans

The City has four deferred compensation plans created in accordance with Internal Revenue Code Section 457. The Small Business Job Protection Act of 1996 requires the establishment of a trust or similar vehicle to ensure that the assets of Deferred Compensation Plans under the Internal Revenue Code Section 457 are protected and used exclusively for the benefit of Plan participants and/or their beneficiaries. According to these laws the City established Employer Trust arrangements for each of the Plans before January 1, 1999.

The City has established Employer Trust agreements with ICMA Retirement Corporation, Mass Mutual Financial Group, and Central Coast Credit Union. In 1998, the City Council adopted a Resolution amending the City administered deferred compensation plans to conform to the new law protecting the plan participant assets from any claim against the City. Under the Trust arrangement, individual accounts maintained by the record-keeper used for receiving contributions and paying distributions must be subject to the Trust. The existence of the Trust does little to change the Plan structure except to add a layer of protection for money set aside for the employee against claims of the Employer's creditors. The law also allows an increase in the amount a participant may contribute to differ each year, based on changes in the consumer price index.

International City Manager's Association (ICMA) Retirement Corporation

As of June 2021, the International City Manager's Association Retirement, Inc., (ICMA-RC), is now Mission Square Retirement and the Plan had 435 participants and a balance of \$76,849,838 at June 30, 2025. All employees are eligible to participate through voluntary salary deduction. Some management employees participated in lieu of participation in the New York Life Retirement Program until June 19, 1995 when a qualified 401(a) retirement program was established. These assets are not reported on the City's financial statements at June 30, 2025 pursuant to the Employer Trust established by the City with ICMA Retirement Corporation during November 1997.

Trust Deed Program

The City administers a Trust Deposit Fund that includes a deferred compensation plan funded solely by the voluntary salary reductions. The goal of the Trust Deed program is to invest participants' funds in short-term deeds of trust (notes). This investment option is administered within the City of Salinas by the City's appointed administrator of the Deferred Compensation Plan. Loans are based on equity after obtaining a fee appraisal. All property is physically inspected and the loan package is reviewed and approved/disapproved by a Deferred Compensation Committee. All employees are eligible to participate. The Plan had 208 participants and a balance of \$4,987,340 in net position at June 30, 2025. The balance in these plans is available to employees only upon termination, retirement, death or unforeseen emergency. While the Employer Trust established by the City on December 15, 1998 protects these funds from creditors of the City, because the City administers the plan assets, they are included in the City's financial statements at June 30, 2025.

The Trust Deed Program is managed on a cash basis with interest posted when received and expenditures posted when paid. Interest and expenditures are allocated to participants based on month end cash balances. Trust deed notes secured by property taken back in foreclosure, are reevaluated based on the current market value of the property. When the value of property taken back in foreclosure is less than the note secured by that property, the note is written-down to current market value (less foreclosure and sales expenses) of the property. Gains are recognized only when properties are sold. Gains or losses are allocated to plan participants based on month end cash balances.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 16 – Retirement Programs (Continued)

F. Deferred Compensation Plans (Continued)

Trust Deed Program (Continued)

As of June 30, 2025, pursuant to GASB 72, properties held for resale were valued by independent real estate professionals (market approach) and trust deed notes were valued at their present value (income approach). The valuations are considered Level 3. The value of properties held for resale are reduced for cost of sales. The notes (loans) are valued based on amounts investors would likely pay for notes with interest rates ranging from 6% for all current loans discounted to provide loan to values ranging from 70% to 50% depending on property type and condition, borrowers payment history and term remaining on note. The change in net realizable values are reflected in the Statement of Changes in Fiduciary Net Assets.

Mass Mutual Financial Group (Empower Retirement)

The fourth Deferred Compensation plan was established in September 2000. This retirement savings plan enables employees to defer a portion of their current compensation for payment at later date, generally retirement. Salary deferrals (or contributions) are voluntary and are made through the ease of payroll deduction. Empower Retirement former Mass Mutual offers a variety of investment vehicles that vary in risks, term and return to the investment. These investment options are offered through a group variable annuity contract. There were 37 participants with a balance of \$2,442,629 at June 30, 2025. All employees are eligible to participate through voluntary salary deductions. The assets for this plan are not reported on the City’s financial statements.

Note 17 – Other Postemployment Benefits

Items related to other postemployment benefits are recorded in the financial statements as follows:

	Governmental Activities	Business-Type Activities	Total
Net OPEB Liability	\$ 12,610,349	\$ 815,342	\$ 13,425,691
Deferred outflows of resources	3,127,824	202,235	3,330,059
Deferred inflows of resources	10,140,366	655,641	10,796,007
OPEB expense (credit)	(266,368)	(5,301)	(271,669)

A. General Information About the OPEB Plan

For purposes of measuring the net OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City’s plan (OPEB Plan) and additions to/deductions from the OPEB Plan’s fiduciary net position have been determined on the same basis. Generally accepted accounting principles require 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
Fiscal year end	June 30, 2025

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 17 – Other Postemployment Benefits (Continued)

A. General Information About the OPEB Plan (Continued)

Plan Description: The City joined the Public Employees' Medical & Hospital Care Act (PEMHCA) in 2000 for Police and Miscellaneous employees, offered through the California Public Employees' Retirement System (CalPERS). It is an agent multiple-employer plan administered by California Public Employees' Retirement System (CalPERS). The healthcare plan which provides medical insurance benefits to active and eligible retirees and their families in accordance with various labor agreements. Fire employees receive healthcare benefits for active and retiree members from a union sponsored plan.

OPEB Trust: The City joined The California Employers' Retiree Benefit Trust (CERBT) in 2011 to prefund its OPEB liability. CERBT is an agent multiple employer defined plan for other postemployment benefits administered by CalPERS. The Plan includes participating employers of the State of California and public agencies. CalPERS is governed by a 13-member Board of Administration (the Board); two elected by CalPERS members, one elected by retired members of CalPERS, two appointed by the Governor, one public representative appointed jointly by the Speaker of the Assembly and Senate Rules Committee, and four ex-officio members: State Treasurer, State Controller, Director of California Department of Human Resources, and Designee of the State Personal Board. The Board is responsible for the management and control of CalPERS, including the exclusive control of the administration and investments of the Plan.

The plan information is as follows:

Fiscal year end	June 30, 2025
Plan type	Agent multiple-employer
OPEB trust	Yes
Special funding situations	No
Nonemployer contributing entities	No

Post-Employment Benefits Eligibility: The City provides post-retirement healthcare benefits to eligible employees who retire directly from the City after the age of 50 years (Age 52 for Miscellaneous PEPRAs employees) and with five years of service or disability retirement. For Police and Fire Supervisors, the City pays 25% of retiree and spouse health insurance premium up to \$100 per month plus PEMHCA AB2544 "unequal method" monthly benefit to retirees (\$158 per month in 2025). The payment is made until Medicare eligibility, but no more than 10 years for non-supervisory Police retirees. For Miscellaneous employees, the City pays the PEMHCA "unequal method" monthly benefit to retirees (\$158 per month in 2025). For IAFF (Fire employee), the City pays 25% of retiree and spouse health insurance premium up to \$100 per month. The payment is made until Medicare eligibility.

Employees Covered: As of the June 30, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms under the PEMHCA and Union Sponsor Plans:

	Number of Covered Participants
Inactive employees currently receiving benefits	154
Inactive employees entitled to, but not yet receiving benefits	293
Active employees	528
Total	975

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 17 – Other Postemployment Benefits (Continued)

A. General Information About the OPEB Plan (Continued)

Contributions: The City intends to contribute to the Trust the actuarially determined contribution (“ADC”) net of the pay-as-you-go benefits paid annually directly from employer resources. For the fiscal year ended June 30, 2025, the City’s cash contributions were \$333,818 in premium payments made on behalf of retirees, implied subsidy payments of \$486,287, and administrative expenses of \$5,518, resulting in total payments of \$825,623.

Discount Rate: The discount rate used to measure the total OPEB liability was 5.28%. The projection of cash flows used to determine the discount rate assumed that City 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 investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

<u>Asset Class</u>	<u>Target Allocation CERBT-Strategy 1</u>	<u>Expected Real Rate of Return</u>
Global equity	49.00%	4.56%
Fixed income	23.00%	1.56%
TIPS	5.00%	-0.08%
Commodities	3.00%	1.22%
REITs	20.00%	4.06%
	<u>100.00%</u>	
Assumed long-term rate of inflation		2.50%
Expected long-term rate of return, rounded		6.25%

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 17 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB

Changes in the OPEB Liability: The changes in the net OPEB liability for the City Plan are as follows:

	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
Balance at June 30, 2024	\$ 17,308,909	\$ 4,350,748	\$ 12,958,161
Changes Recognized for the Measurement Period:			
Service Cost	774,430	-	774,430
Interest on the total OPEB liability	926,135	-	926,135
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	-	-
Changes in assumptions	(142,193)	-	(142,193)
Contribution from the employer	-	621,272	(621,272)
Net investment income	-	477,784	(477,784)
Administrative expenses	-	(8,214)	8,214
Benefit payments	(614,476)	(614,476)	-
Net changes during July 1, 2024 to June 30, 2025	943,896	476,366	467,530
Balance at June 30, 2025	\$ 18,252,805	\$ 4,827,114	\$ 13,425,691

Discount Rate Sensitivity Analysis: The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (5.28%) in measuring the Net OPEB Liability.

Plan's Total OPEB Liability		
Discount Rate -1% (4.28%)	Current Discount Rate (5.28%)	Discount Rate +1% (6.28%)
\$ 15,638,041	\$ 13,425,691	\$ 11,572,015

Healthcare Trend Sensitivity Analysis: The following presents the net OPEB liability of the City if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2024:

Plan's Total OPEB Liability		
Healthcare Cost		
-1%	Trend Rate	+1%
\$ 11,161,916	\$ 13,425,691	\$ 16,237,722

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB:

For the fiscal year ended June 30, 2025, the City recognized OPEB expense/(credit) of \$(271,669).

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 17 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB (Continued):

As of fiscal year ended June 30, 2025, the City reported deferred outflows of resources and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions made after measurement date	\$ 825,623	\$ -
Differences between expected and actual experience	-	(5,137,628)
Changes in assumptions	2,449,632	(5,658,379)
Net difference between projected and actual earnings of OPEB Plan investments	54,804	-
	\$ 3,330,059	\$ (10,796,007)

Deferred outflows of resources in the amount of \$825,623 related to contributions subsequent to the measurement date and will be recognized as a reduction of the net OPEB liability during the fiscal year ending June 30, 2026.

Other amounts reported as deferred inflows of resources related to OPEB will be recognized as OPEB expenses as follows:

Year Ending June 30	Amount
2026	\$ (1,727,816)
2027	(1,497,789)
2028	(1,549,851)
2029	(1,440,764)
2030	(1,233,203)
Thereafter	(842,148)
Total	\$ (8,291,571)

Recognition of Deferred Outflows and Deferred Inflows of Resources: To smooth market volatility, gains and losses related to changes in total OPEB liability and fiduciary net position are recognized over nine and half years. 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.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 17 – Other Postemployment Benefits (Continued)

B. Net OPEB Liability, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEB (Continued)

Actuarial Methods and Assumptions Used to Determine the OPEB Liability: The City’s net OPEB liability was measured as of June 30, 2024. The total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2023 based on the following significant actuarial methods and assumptions:

Actuarial valuation date	June 30, 2023
Contribution policy	City contributes \$250,000 annually and pays benefit outside of trust
Discount rate	5.28%
Municipal bond rate	3.93% (Bond Buyer 20-bond Index)s
Expected long-term rate of return on investment	6.25%
General inflation	2.50%
Mortality, retirement, disability, termination	CalPERS 2000-2019 experience study
Mortality improvement	Mortality projected fully generational with Scale MP-2021
Salary increases	Aggregate - 2.75% annually; merit - CalPERS 2000-2019 Experience Study
Medical trend	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
	Medicare - 6.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076
PEMHCA minimum increases	3.50% annually
Cap increases	None
Healthcare participation	100% for Safety \$100 benefit 50% for PEMHCA benefit if covered as active 5% for PEMHCA benefit if waived as active

Change of Assumptions

The discount rate was changed from 5.21% to 5.28%.

Note 18 – Net Position and Fund Balances

A. Government-Wide Financial Statements

Net Investment in Capital Assets

The following is the calculation of net investment in capital assets at June 30, 2025:

	Governmental Activities	Business-type Activities	Total
Capital assets, net of accumulated depreciation and amortization	\$ 330,166,241	\$ 62,072,885	\$ 392,239,126
Less: unspent proceeds	(13,287)	-	(13,287)
Less: outstanding principal on capital related debt, net	(109,314,987)	(19,322,000)	(128,636,987)
Add: loss on refunding of debt	432,594	77,290	509,884
Net investment in capital assets	<u>\$ 221,270,561</u>	<u>\$ 42,828,175</u>	<u>\$ 264,098,736</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 18 – Net Position and Fund Balances (Continued)

B. Fund Financial Statements

Fund Balance Classification

It is the policy of the City to maintain a minimum reserve for a reasonable level of assurance that the City’s day-to-day operations will be able to continue even if circumstances occur where revenues are insufficient to cover expenditures. The minimum reserve of the General Fund is 5% of the next year’s General Fund annual budgeted operating expenditures, as calculated by the Finance Director. The minimum fund balance is shown as unassigned in the General Fund.

At June 30, 2025, fund balances are classified in the governmental funds as follows:

	General Fund	American Rescue Plan Act (ARPA) Special Revenue Fund	Housing and Urban Development Grant Special Revenue Fund	Development Fees Special Revenue Fund	2019 Special Tax Bond Monte Bella Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable								
Loans and notes receivable	\$ -	\$ -	\$ 1,872,125	\$ -	\$ -	\$ -	\$ 51,571	\$ 1,923,696
Advances (long-term portion)	2,785,000	-	-	-	-	-	-	2,785,000
Land held for resale	-	-	-	-	-	-	1,380,000	1,380,000
Total nonspendable	2,785,000	-	1,872,125	-	-	-	1,431,571	6,088,696
Restricted								
Public safety	-	-	-	-	-	-	3,864,071	3,864,071
Future development	-	-	-	35,911,590	-	-	-	35,911,590
Maintenance districts	-	-	-	-	-	-	10,957,823	10,957,823
Street repairs	-	-	-	-	-	-	37,569,569	37,569,569
Grants/special projects	-	-	-	-	-	-	1,281,839	1,281,839
Low/moderate income housing	-	-	1,257,218	-	-	-	8,647,134	9,904,352
115 trust reserve	10,000,000	-	-	-	-	-	-	10,000,000
Capital projects	-	-	-	-	-	-	3,587,917	3,587,917
Debt service	-	-	-	-	987,034	-	8,080,567	9,067,601
Total restricted	10,000,000	-	1,257,218	35,911,590	987,034	-	73,988,920	122,144,762
Committed								
Capital projects	11,219,626	-	-	-	-	7,153,469	-	18,373,095
Economic contingency reserve	20,696,553	-	-	-	-	-	-	20,696,553
Infrastructure maintenance reserve	4,260,000	-	-	-	-	-	-	4,260,000
OPEB reserve	1,000,000	-	-	-	-	-	-	1,000,000
Facilities maintenance reserve	1,066,000	-	-	-	-	-	-	1,066,000
Total committed	38,242,179	-	-	-	-	7,153,469	-	45,395,648
Assigned								
Carry over appropriations	24,825,000	-	-	-	-	-	-	24,825,000
Total assigned	24,825,000	-	-	-	-	-	-	24,825,000
Unassigned (deficit)	23,856,906	-	-	-	-	-	(1,268,984)	22,587,922
Total fund balances	\$ 99,709,085	\$ -	\$ 3,129,343	\$ 35,911,590	\$ 987,034	\$ 7,153,469	\$ 74,151,507	\$ 221,042,028

C. Encumbrances

The City uses encumbrances to control expenditure commitments for the year and to enhance cash management. Encumbrances represent commitments related to contracts not yet performed and purchase orders not yet filled (executor contracts; and open purchase orders). Commitments for such expenditures of monies are encumbered to reserve a portion of applicable appropriations. Encumbrances still open at year end are not accounted for as expenditures and liabilities but, rather, as restricted, committed, or assigned governmental fund balance.

As of June 30, 2025, total governmental fund encumbrance balances for the City are as follows:

General Fund	\$ 73,067,179
Nonmajor governmental funds	66,488,170
Total encumbrances	\$ 139,555,349

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 19 – Other Required Disclosures

A. Expenditures Exceeding Appropriations

For the year ended June 30, 2025, the following funds had excess expenditures over appropriations, which are expected to be covered with existing fund balance or had sufficient available revenue:

<u>Fund</u>	<u>Function</u>	<u>Excess Expenditures over Appropriations</u>
General Fund	Capital outlay	\$ (952,824)
Measure G Lighting, Landscape, and Maintenance	Public safety	(610,626)
District Special Revenue Fund	Recreation	(7,057)
KDF Los Padres Dev Social Services Special Revenue Fund	Recreation	(17,175)
Grants Special Revenue Fund	Public works	(5,643)

B. Net Position Deficit and Restrictions

At June 30, 2025, the governmental activities had an unrestricted net position deficit of \$(129,249,480). This deficit is primarily attributable to the long-term pension and OPEB obligations reported under GASB Statements 68 and 75, including a net pension liability of approximately \$226.1 million and a total OPEB liability of approximately \$12.6 million.

At June 30, 2025, the following funds had a deficit fund balance or deficit net position:

<u>Fund Type</u>	<u>Fund</u>	<u>Deficit</u>
Governmental	Emergency Medical Services	\$ (95,989)
Governmental	Traffic Safety	(59,575)
Governmental	Grants	(401,273)
Governmental	Assessment District Debt Service	(709,969)
Governmental	Assessment District Administration	(2,178)
Enterprise	Downtown Parking District Fund	(5,665,305)
Internal Service Fund	General Insurance	(332,585)
Internal Service Fund	Workers Compensation	(15,518,969)
Internal Service Fund	General Liability	(750,036)
Internal Service Fund	Fleet Maintenance	(1,144,925)
Custodial Fund	Flexible Spending	(91,101)

Nonmajor Governmental Funds

The deficit fund balances in the special revenue funds Emergency Medical Services fund of \$95,989 is due to increased expenditures in emergency equipment and supplies. The deficit fund balance in the Traffic Safety special revenue fund of \$59,575 is a result of increased services in vehicle code violations provided by Monterey County. The deficit fund balance in the Grants special revenue fund of \$401,273 is due to temporary cash shortfalls experienced while waiting for grant reimbursement. These deficits will decline as claims are submitted for reimbursement to state and federal agencies and unavailable funds become available. The deficit fund balance in the Debt Service Funds Assessment District debt service fund of \$709,969 is due to amounts owed to the General Fund. The deficit fund balance in the Assessment District Administration debt service fund of \$2,178 is due to amounts owed to the General Fund.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 19 – Other Required Disclosures (Continued)

B. Net Position Deficit and Restrictions (Continued)

Enterprise Funds – Downtown Parking District Fund

The deficit net position in the Downtown Parking District Fund of \$5,665,305 is a result of historical operating costs in excess of operating revenue. This deficit will continue to decline over time as revenues outpace expenses.

Internal Service Funds

The deficit net position in the General Insurance, General Liability, and Worker's Compensation fund of \$332,585, 750,036, and 15,518,969, respectively, are the result of insurance costs exceeding charges for services in the funds. The City is reevaluating their internal service fund allocations in order to ensure that charges for services in internal service funds are sufficient to cover the costs of providing services moving forward. The deficit net position in the Fleet Maintenance internal service fund is due to long-term net pension and other postemployment (OPEB) liabilities, with costs recovered through charges to participating departments that management reviews and adjusts during the budget process.

Custodial Funds

The deficit net position in the custodial Flexible Spending fund of \$91,101 is the result of expenses exceeding plan member contributions during the fiscal year. The deficit is expected to be made up through future member contributions.

Note 20 – Joint Venture – Salinas Valley Solid Waste Authority

The Salinas Valley Solid Waste Authority (“Authority”) is a joint exercise of powers authority, created pursuant to an agreement dated as of January 1, 1997 (the “Authority Agreement”) among the County of Monterey, and the cities of Salinas, Gonzales, Greenfield, Soledad, and King City (the “Members”). The Authority was established to acquire and manage the landfill assets of each member, ensure long-term landfill capacity of the Authority service area and provide a unified and coordinated solid waste management for the members.

The Authority is governed by a nine-member governing board, consisting of three members of the Salinas City Council, two members of the Monterey County Board of Supervisors, and one member from each patriating city. Pursuant to the Authority Agreement, while the City does not have unilateral control over the activities of the Authority, the affirmative vote of at least one member of the Authority Board who is a member of the Salinas City Council is required to approve Board actions.

With the formation of the Authority, each participating jurisdiction contractually agreed to its responsibilities. In addition, the Authority adopted waste delivery agreements with each Member of the Authority. Each member has committed to deliver waste generated within its boundaries to the Authority’s solid waste facilities, to direct its franchise/permitted solid waste haulers to dispose of waste at these facilities, and to pay tipping fees set by the Authority to cover all Authority-related costs.

The agreement may be terminated under specific terms of withdrawal, which includes a majority vote of the City Council, repayment of all outstanding debt and funding of closure, post closure and site remediation costs upon withdrawal from or termination of the Authority. The members have made no equity contributions or have sold their interest in their assets to the Authority, and there is no explicit, measurable equity interest in this joint venture.

The City had no measurable equity interest in the Authority and does not receive a share of operating results. The Authority is currently funding the closure, post closure and site remediation costs based on estimates of these future costs. The Annual Financial Report of the Salinas Valley Solid Waste Authority is published and available from the Authority Treasurer at the Authority’s Finance Department located at 128 Sun Street, Suite 101, Salinas, CA 93901.

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 20 – Joint Venture – Salinas Valley Solid Waste Authority (Continued)

On December 6, 2018, the City issued a notice of intention to withdraw from the Joint Powers Agreement (the “Agreement”) Pursuant to Section 19 of the Joint Powers Agreement, the notice serves as a one-year notice. The City’s notice of intent to withdraw as a member of the Authority merely served as notice to the Authority and its remaining members. The one-year term has passed without any further action from the City or the Authority. However, the City and Authority representatives are working on finding a resolution to the notice.

The City understands and acknowledges its obligation to continue paying its share of the 2014 Bonds as regularly scheduled and agrees to continue paying its share of the obligation after withdrawal from the Authority, should withdrawal occur. In addition, the City understands and acknowledges its obligation to pay its share of financial liability for closure and post-closure and site remediation costs as further described in Section 19(a) of the Agreement. If the City withdraws from the Authority arrangements must be made to meet this obligation.

Note 21 – Commitments and Contingencies

Claims and Litigation

The City is directly and indirectly involved in various suits relating principally to claims arising from construction contracts, personal injury, and property damage. In the opinion of the City Attorney and City’s management, potential claims against the City resulting from such litigation, not covered by insurance, would not materially affect the basic financial statements of the City. As a result, no liability has been accrued by the City relating to these matters as of June 30, 2025.

Note 22 – Changes to or within the Financial Reporting Entity

As of June 30, 2025, changes to or within the financial reporting entity restatement of beginning fund net position is as follows:

	June 30, 2024 As Previously Reported	Change to or within the Financial Reporting Entity	June 30, 2024 As Restated
Governmental Funds:			
Major Funds:			
Development Fees Special Revenue Fund	\$ -	\$ 21,108,375	\$ 21,108,375
Nonmajor Funds	78,723,051	(21,108,375)	57,614,676
Total Governmental Funds	<u>\$ 78,723,051</u>	<u>\$ -</u>	<u>\$ 78,723,051</u>

City of Salinas
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2025

Note 23 – Subsequent Events

On September 23, 2025, the City entered into a Purchase and Sale Agreement for the transfer of City-owned properties located at 342 Front Street and 323 California Street to the Monterey County Office of Education (MCOE) for \$2,500,000. The properties had been leased to MCOE since 2003, and the City determined that they were no longer necessary for municipal purposes and qualified as exempt surplus land pursuant to the California Surplus Land Act.

The City Council also authorized the direct purchase and/or lease-financing of two Type 1 fire engines, one tiller ladder truck, and one BME Type 6 wildland engine from Golden State Fire Apparatus, Inc. The total authorized purchase amount was \$5,404,476.31, with an additional 5 percent contingency of \$270,223.82, excluding financing costs. The City also approved the use of proceeds from the sale of the City's surplus properties at 342 Front Street and 323 California Street to fund a portion of the fire apparatus acquisitions.

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REQUIRED SUPPLEMENTARY INFORMATION

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City of Salinas
Budgetary Information
For the Year Ended June 30, 2025

Budgetary Information

The budget is prepared by the City Manager and adopted by the City Council. The City Council approves operating appropriations at the department and fund level prior to July 1, each year and may amend the budget during the fiscal year. Budgetary control is maintained at the program level. Formal budgetary integration was employed as a management control device during the fiscal year for the General Fund, Special Revenue Funds, Debt Service Funds, Capital Projects Funds, Enterprise Funds and Internal Service Funds.

Budgets are legally adopted for all Governmental and Proprietary Fund Types. Fiduciary Funds and Agency Funds have no adopted budgets because the City is only required to make payments to the extent funds are available. Agency Fund budgets that are approved by their respective governing boards are recorded in the City's accounting system.

The City Manager may transfer budget appropriations between departments and Department Directors may transfer appropriations between programs and accounts within their individual departments and divisions, but only the Council may appropriate funds from reserves or fund balances.

Budget policy excludes the use of taxes, accounts receivable, interest receivable assets and long-term advances that are not currently available resources for budget purposes. Condemnation deposits, are also excluded because they are returned upon right of way acquisition.

Expenditures may not legally exceed budgeted appropriations at the department level. Budgeted amounts shown are as originally adopted and as amended by the City Council during the year. During the year, Council amends the budget with the approval of supplemental appropriations and reviews and amends the budget at mid-year and at year-end.

Appropriations lapse at fiscal year end to the extent they have not been expended. New budget appropriations are approved for the coming year. Project-length financial plans are adopted for all capital projects funds and appropriations are carried forward until project completion. Grant funds are carried forward until the grant expires.

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental funds. Encumbrances outstanding at year-end are recorded as reservations of fund balance and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent year.

On November 8, 2005, the voters of Salinas approved Measure V, a 0.50% transactions and use tax. Measure V is a general tax and is reported as part of the General Fund. The tax was effective April 1, 2005 and had an original sunset of ten (10) years. Measure V was revised by the voters on November 6, 2012 eliminating a termination date on the imposition of the tax through Measure E. The Measure E Oversight Committee is a fundamental provision of the voter-approved tax. The Mayor and City Council each annually appoints one member of the public to serve on the Oversight Committee. The committee is responsible for and overseeing the use of Measure E funds to assure consistency with the voter approved tax and the appropriated use of Measure E funds.

On November 4, 2014, the voters of Salinas approved Measure G (For a Safer Better Salinas), a 1.00% transactions and use tax. Measure G is a general tax and is reported as part of the General Fund. The tax was effective April 1, 2015 and had a sunset date of fifteen (15) years. The Measure G Oversight Committee is a fundamental provision of the voter-approved tax. The Mayor and City Council each annually appoints one member of the public to serve on the Oversight Committee. The committees' main responsibilities include the review of the auditor's report of the specific uses of Measure G funds and to issue a public report to the City Council regarding the use of revenue and such other matters as the City Council may assign.

City of Salinas
Budgetary Information (Continued)
For the Year Ended June 30, 2025

The adopted FY 2025 budget represents the financial and organizational plan by which the policies and programs approved by the City Council will be implemented. It includes: (1) the programs, projects, services and activities to be provided during the fiscal year; (2) estimated revenues available to finance the operating plan; and (3) the estimated spending requirements of the operating plan. The City's goals and objectives identified by the City Council in the Strategic Plan thru 2025 was approved on March 8, 2022, following a strategic planning session on December 4, 2021 and are as follows:

- Economic Development
- Affordable Housing
- Infrastructure and Environmental Sustainability
- Excellent Infrastructure
- Public Safety
- Youth and Seniors
- Effective and Culturally Responsive Government

On May 25, 2021, the City Council was introduced and reviewed the proposed operating budget for the City of Salinas and Successor Agency. The Salinas City Council adopted FY 2025 Annual Operating Budgets on June 13, 2024. Capital project budget is updated annually.

Annual budgets are prepared for General Governmental Funds, Internal Service, Enterprise Operations, Assessment and maintenance Districts, Block Grant and Home programs, certain Grant and City Agencies, Deferred Compensation and Retirement, Debt Service, Successor Agency and Capital Project Funds.

The annual appropriation resolution adopts the budget at an appropriation level by fund, with detail expenditure by departments and programs included in the budget document.

GENERAL FUND

The General Fund's fund balance increased \$3,756,478 to \$39,911,844, of which \$2,785,000 is nonspendable, \$6,000,000 is restricted, \$21,007,693 is committed, \$8,134,366 is assigned and \$5,172,215 is unassigned.

General Fund reserves have been set-aside by Council for specific purposes. Under the Reserved fund balance category, the General Fund nonspendable fund balance of \$2,785,000 includes advances (\$2,785,000). Committed funds balance of \$21,362,658 are committed for capital projects, reserves, and future encumbrances. Carryover appropriations of \$8,134,366 are under the assigned fund balance category.

MEASURE E

Measure E is a general tax (discretionary) and is reported as part of the General Fund. The Measure E fund balance increased \$4,019,991 to \$26,302,852, of which \$1,320,000 is restricted , \$3,713,235 is committed for future encumbrances, \$7,702,794 is assigned, and \$13,566,823 is unassigned.

MEASURE G

Measure G is a general tax (discretionary) and is reported as part of the General Fund. The Measure G fund balance increased \$2,214,991 to \$29,951,993, of which \$2,680,000 is restricted, \$13,166,286 is committed for future encumbrances, \$8,987,839 is assigned and \$5,117,868 is unassigned.

City of Salinas
Budgetary Information (Continued)
For the Year Ended June 30, 2025

BUDGETARY RESULTS RECONCILED TO GAAP

The budgetary process is based upon accounting for certain transactions on a basis other than the accounting principles generally accepted in the United States (GAAP) basis. The results of operations are presented in the accompanying budget and actual comparison schedules in accordance with the budgetary process (budgetary basis) to provide a meaningful comparison with the budget. The major differences between the budgetary basis actual and GAAP basis are as follows:

- Year-end encumbrances are recognized as the equivalent of expenditures in the budgetary basis financial statements, while encumbered amounts are not recognized as expenditures on the GAAP basis until the equipment, supplies, or services are received.
- Certain loan transactions are recognized as expenditures for the budgetary basis but not for the GAAP basis. When these loans are made, they are recorded as receivables for the GAAP basis and as expenditures for the budgetary basis. When loan repayments are received, they are recorded as reductions to receivables for the GAAP basis, but are recognized as revenues for the budgetary basis.
- Certain accounts such as the change in fair market value of investments included in the City's GAAP basis amounts, for which no formal budgets are prepared, are excluded from the budgetary basis financial statements.
- Certain grant revenues received in advance are recognized on the budgetary basis financial statements, but are deferred and not recognized as revenue on the GAAP basis financial statements. This process normally creates a variance in recognized revenue from the prior year to the current year.

City of Salinas
Budgetary Comparison Schedules – General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 153,008,000	\$ 153,008,000	\$ 159,755,172	\$ 6,747,172
Licenses and permits	10,381,000	10,381,000	10,919,325	538,325
Intergovernmental	1,139,000	1,139,000	1,428,928	289,928
Charges for services	5,387,150	5,387,150	9,305,281	3,918,131
Investment income (loss)	3,269,800	3,269,800	5,470,058	2,200,258
Rental income	330,000	330,000	406,138	76,138
Fines and forfeitures	275,000	275,000	198,664	(76,336)
Miscellaneous	914,000	914,000	1,018,083	104,083
Total revenues	174,703,950	174,703,950	188,501,649	13,797,699
EXPENDITURES:				
Current:				
General government	34,507,106	35,743,773	30,168,986	5,574,787
Public safety	90,256,244	90,584,264	89,123,418	1,460,846
Public works	18,749,440	19,032,936	16,986,137	2,046,799
Recreation	8,595,947	9,651,940	8,858,018	793,922
Library	6,136,900	6,136,901	6,095,902	40,999
Capital outlay	174,618	196,041	406,690	(952,824)
Debt Service:				
Principal	915,190	915,190	1,148,865	915,190
Interest and fiscal charges	164,820	164,820	163,990	830
Total expenditures	159,500,265	162,425,865	152,952,006	9,880,549
REVENUES OVER (UNDER) EXPENDITURES	15,203,685	12,278,085	35,549,643	3,917,150
OTHER FINANCING SOURCES (USES):				
Transfers in	4,977,200	4,977,200	2,465,000	(2,512,200)
Transfers out	(26,047,600)	(72,650,489)	(32,906,888)	39,743,601
Total other financing sources (uses)	(21,070,400)	(67,673,289)	(30,202,247)	37,471,042
Net change in fund balance	\$ (5,866,715)	\$ (55,395,204)	5,347,396	\$ 60,742,600
FUND BALANCE:				
Beginning of year			94,361,689	
End of year			<u>\$ 99,709,085</u>	

City of Salinas
Budgetary Comparison Schedules – ARPA Fund
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 20,862,978	\$ 20,862,978
Total revenues	<u>-</u>	<u>-</u>	<u>20,862,978</u>	<u>20,862,978</u>
EXPENDITURES:				
Current:				
General government	-	2,608,650	2,111,974	496,676
Public safety	-	2,151,759	2,151,759	-
Public works	-	5,347,216	4,558,006	789,210
Recreation	-	208,908	159,249	49,659
Capital outlay	-	15,250,280	11,881,990	15,250,280
Total expenditures	<u>-</u>	<u>25,566,813</u>	<u>20,862,978</u>	<u>16,585,825</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (25,566,813)</u>	<u>-</u>	<u>\$ 25,566,813</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Salinas
Budgetary Comparison Schedules – HUD Fund
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 21,767,741	\$ 15,047,496	\$ (6,720,245)
Investment income (loss)	-	40,000	147,690	107,690
Miscellaneous	-	221,676	409,167	187,491
Total revenues	-	22,029,417	15,604,353	(6,425,064)
EXPENDITURES:				
Current:				
General government	3,409,380	22,224,899	9,977,132	12,247,767
Public safety	-	100	100	-
Public works	-	13,360	3,413	9,947
Capital outlay	-	8,594,600	1,327,949	8,594,600
Total expenditures	3,409,380	30,832,959	11,308,594	20,852,314
REVENUES OVER (UNDER) EXPENDITURES	(3,409,380)	(8,803,542)	4,295,759	(13,099,301)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(1,517,244)	(1,175,219)	342,025
Total other financing sources (uses)	-	(1,517,244)	(1,109,641)	407,603
Net change in fund balance	\$ (3,409,380)	\$ (10,320,786)	3,186,118	\$ 13,506,904
FUND BALANCE (DEFICIT):				
Beginning of year			(56,775)	
End of year			<u>\$ 3,129,343</u>	

City of Salinas
Budgetary Comparison Schedules – Development Fees
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 1,455,000	\$ 1,455,000	\$ 14,000,440	\$ 12,545,440
Investment income (loss)	336,400	336,400	1,385,115	1,048,715
Total revenues	<u>1,791,400</u>	<u>1,791,400</u>	<u>15,385,555</u>	<u>13,594,155</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,791,400</u>	<u>1,791,400</u>	<u>15,385,555</u>	<u>13,594,155</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(700,000)	(16,588,555)	(582,340)	16,006,215
Total other financing sources (uses)	<u>(700,000)</u>	<u>(16,588,555)</u>	<u>(582,340)</u>	<u>16,006,215</u>
Net change in fund balance	<u>\$ 1,091,400</u>	<u>\$ (14,797,155)</u>	14,803,215	<u>\$ 29,600,370</u>
FUND BALANCE:				
Beginning of year			<u>21,108,375</u>	
End of year			<u>\$ 35,911,590</u>	

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
Miscellaneous Plan

City Miscellaneous Plans					
	2025	2024	2023	2022	2021
Measurement Period, Year Ended June 30:	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	\$ 4,078,307	\$ 3,883,129	\$ 3,581,707	\$ 3,130,339	\$ 3,162,904
Interest on total pension liability	11,033,877	10,520,930	9,882,781	9,498,842	8,959,786
Changes in benefit terms	-	163,259	-	-	-
Differences between expected and actual experience	(53,982)	2,096,099	(1,973,792)	727,132	588,822
Changes in assumptions	-	-	5,420,045	-	-
Benefit payments, including refunds of employee contributions	(7,140,385)	(6,886,917)	(6,365,156)	(5,481,505)	(5,107,076)
Net change in total pension liability	7,917,817	9,776,500	10,545,585	7,874,808	7,604,436
Total pension liability - beginning	161,496,279	151,719,779	141,174,194	133,299,386	125,694,950
Total pension liability - ending (a)	\$ 169,414,096	\$ 161,496,279	\$ 151,719,779	\$ 141,174,194	\$ 133,299,386
Plan fiduciary net position					
Contributions - employer	\$ 5,034,807	\$ 4,713,873	\$ 4,193,288	\$ 4,273,977	\$ 7,793,322
Contributions - employee	1,911,248	1,688,999	1,584,132	1,464,611	1,411,627
Net investment income	11,606,038	7,090,560	(9,339,092)	22,935,564	4,662,415
Benefit payments, including refunds of employee contributions	(7,140,385)	(6,886,917)	(6,365,156)	(5,481,505)	(5,107,076)
Net plan to plan resource movement	-	-	-	-	383,290
Administrative expense	(97,968)	(83,739)	(77,170)	(100,678)	(129,381)
Other miscellaneous income/expense	-	-	-	-	-
Net change in plan fiduciary net position	11,313,740	6,522,776	(10,003,998)	23,091,969	9,014,197
Plan fiduciary net position - beginning	120,398,293	113,875,517	123,879,515	100,787,546	91,773,349
Plan fiduciary net position - ending (b)	\$ 131,712,033	\$ 120,398,293	\$ 113,875,517	\$ 123,879,515	\$ 100,787,546
Net pension liability - ending (a) - (b)	\$ 37,702,063	\$ 41,097,986	\$ 37,844,262	\$ 17,294,679	\$ 32,511,840
Plan fiduciary net position as a percentage of the total pension liability	77.75%	74.55%	75.06%	87.75%	75.61%
Covered payroll	\$ 25,229,673	\$ 23,750,027	\$ 21,667,920	\$ 20,799,596	\$ 20,946,385
Plan net pension liability as a percentage of covered payroll	149.44%	173.04%	174.66%	83.15%	155.21%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
Miscellaneous Plan (Continued)

	City Miscellaneous Plans				
	2020	2019	2018	2017	2016
Measurement Period, Year Ended June 30:	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 3,157,247	\$ 3,099,429	\$ 2,873,548	\$ 2,135,480	\$ 2,197,484
Interest on total pension liability	8,430,817	7,806,166	7,282,974	6,801,939	6,445,778
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	2,005,995	1,457,261	489,759	(996,921)	(1,789,044)
Changes in assumptions	-	(752,607)	6,388,079	-	(1,686,636)
Benefit payments, including refunds of employee contributions	(4,456,008)	(3,952,236)	(3,361,268)	(3,116,204)	(2,803,130)
Net change in total pension liability	9,138,051	7,658,013	13,673,092	4,824,294	2,364,452
Total pension liability - beginning	116,556,899	108,898,886	95,225,794	90,401,500	88,037,048
Total pension liability - ending (a)	\$ 125,694,950	\$ 116,556,899	\$ 108,898,886	\$ 95,225,794	\$ 90,401,500
Plan fiduciary net position					
Contributions - employer	\$ 3,511,716	\$ 3,133,948	\$ 3,232,477	\$ 2,635,818	\$ 2,037,528
Contributions - employee	1,501,635	1,403,836	1,331,850	1,339,737	987,786
Net investment income	5,681,706	6,712,207	7,844,830	375,028	1,500,373
Benefit payments, including refunds of employee contributions	(4,456,008)	(3,952,236)	(3,361,268)	(3,116,204)	(2,803,130)
Net plan to plan resource movement	-	(199)	-	365	-
Administrative expense	(61,083)	(122,563)	(102,919)	(41,756)	(77,059)
Other miscellaneous income/expense	199	(232,749)	-	-	-
Net change in plan fiduciary net position	6,178,165	6,942,244	8,944,970	1,192,988	1,645,498
Plan fiduciary net position - beginning	85,595,184	78,652,940	69,707,970	68,514,982	66,869,484
Plan fiduciary net position - ending (b)	\$ 91,773,349	\$ 85,595,184	\$ 78,652,940	\$ 69,707,970	\$ 68,514,982
Net pension liability - ending (a) - (b)	\$ 33,921,601	\$ 30,961,715	\$ 30,245,946	\$ 25,517,824	\$ 21,886,518
Plan fiduciary net position as a percentage of the total pension liability	73.01%	73.44%	72.23%	73.20%	75.79%
Covered payroll	\$ 20,634,254	\$ 20,051,944	\$ 18,618,295	\$ 15,300,421	\$ 15,513,480
Plan net pension liability as a percentage of covered payroll	164.39%	154.41%	162.45%	166.78%	141.08%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contribution –
Miscellaneous Plan

Fiscal Year Ended June 30:	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 5,804,078	\$ 5,034,807	\$ 4,713,873	\$ 4,193,288	\$ 4,273,977
Contributions in relation to the actuarially determined contribution	(5,804,078)	(5,034,807)	(4,713,873)	(4,193,288)	(4,273,977)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 26,008,064	\$ 25,299,673	\$ 23,750,027	\$ 21,667,920	\$ 20,799,596
Contributions as a percentage of covered payroll	22.32%	19.90%	19.85%	19.35%	20.55%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation
Inflation	2.50%
Salary increases	Varies based on entry age and service
Payroll growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contribution –
Miscellaneous Plan (Continued)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 3,857,093	\$ 3,511,716	\$ 3,133,731	\$ 3,231,650	\$ 2,635,818
Contributions in relation to the actuarially determined contribution	(7,793,322)	(3,511,716)	(3,133,731)	(3,231,650)	(2,635,818)
Contribution deficiency (excess)	\$ (3,936,229)	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 20,946,385	\$ 20,634,254	\$ 20,051,944	\$ 18,618,295	\$ 15,300,421
Contributions as a percentage of covered payroll	37.21%	17.02%	15.63%	17.36%	17.23%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation
Inflation	2.50%
Salary increases	Varies based on entry age and service
Payroll growth	2.75%
Investment rate of return	7.00% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratio –
City Police Plan

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Period, Year Ended June 30:	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	\$ 6,619,453	\$ 6,485,353	\$ 6,757,790	\$ 6,086,593	\$ 6,156,433
Interest on total pension liability	25,361,824	24,606,993	23,595,755	22,716,035	22,017,085
Changes in benefit terms	-	146,047	-	-	-
Differences between expected and actual experience	(1,298,281)	2,343,505	(1,552,114)	(2,364,429)	1,696,481
Changes in assumptions	-	-	13,527,486	-	-
Benefit payments, including refunds of employee contributions	(19,129,246)	(18,713,828)	(17,388,668)	(16,317,199)	(15,680,099)
Net change in total pension liability	11,553,750	14,868,070	24,940,249	10,121,000	14,189,900
Total pension liability - beginning	375,115,843	360,247,773	335,307,524	325,186,524	310,996,624
Total pension liability - ending (a)	\$ 386,669,593	\$ 375,115,843	\$ 360,247,773	\$ 335,307,524	\$ 325,186,524
Plan fiduciary net position					
Contributions - employer	\$ 13,750,190	\$ 13,151,466	\$ 12,406,841	\$ 11,629,887	\$ 10,297,024
Contributions - employee	2,265,826	2,176,654	2,127,269	2,305,151	1,946,146
Net investment income	23,156,908	14,237,556	(19,126,756)	46,981,535	9,999,235
Benefit payments, including refunds of employee contributions	(19,129,246)	(18,713,828)	(17,388,668)	(16,317,199)	(15,680,099)
Net plan to plan resource movement	-	-	-	-	(383,290)
Administrative expense	(195,043)	(168,406)	(156,453)	(206,540)	(283,165)
Other miscellaneous income/expense ¹	-	-	-	-	-
Net change in plan fiduciary net position	19,848,635	10,683,442	(22,137,767)	44,392,834	5,895,851
Plan fiduciary net position - beginning²	239,697,612	229,014,170	251,151,937	206,759,103	200,863,252
Plan fiduciary net position - ending (b)	\$ 259,546,247	\$ 239,697,612	\$ 229,014,170	\$ 251,151,937	\$ 206,759,103
Net pension liability - ending (a) - (b)	\$ 127,123,346	\$ 135,418,231	\$ 131,233,603	\$ 84,155,587	\$ 118,427,421
Plan fiduciary net position as a percentage of the total pension liability	67.12%	63.90%	63.57%	74.90%	63.58%
Covered payroll ³	\$ 20,156,678	\$ 19,748,334	\$ 20,251,095	\$ 19,916,863	\$ 19,776,528
Plan net pension liability as a percentage of covered payroll	630.68%	685.72%	648.03%	422.53%	598.83%

¹During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

²Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratio –
City Police Plan (Continued)

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement Period, Year Ended June 30:	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 6,076,786	\$ 5,603,486	\$ 5,171,913	\$ 4,462,598	\$ 4,440,981
Interest on total pension liability	21,051,415	19,772,458	18,658,643	17,933,618	17,475,350
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	6,664,829	6,096,574	(2,807)	(4,299,665)	(5,739,808)
Changes in assumptions	-	(1,307,343)	16,117,523	-	(4,436,648)
Benefit payments, including refunds of employee contributions	(15,037,162)	(13,742,608)	(12,772,896)	(11,890,953)	(11,383,179)
Net change in total pension liability	<u>18,755,868</u>	<u>16,422,567</u>	<u>27,172,376</u>	<u>6,205,598</u>	<u>356,696</u>
Total pension liability - beginning	<u>292,240,756</u>	<u>275,818,189</u>	<u>248,645,813</u>	<u>242,440,215</u>	<u>242,083,519</u>
Total pension liability - ending (a)	<u>\$ 310,996,624</u>	<u>\$ 292,240,756</u>	<u>\$ 275,818,189</u>	<u>\$ 248,645,813</u>	<u>\$ 242,440,215</u>
Plan fiduciary net position					
Contributions - employer	\$ 9,485,870	\$ 8,260,458	\$ 7,798,560	\$ 6,462,584	\$ 5,540,793
Contributions - employee	1,993,713	1,816,971	1,625,541	1,512,655	1,350,215
Net investment income	12,630,434	15,347,329	18,439,075	800,238	3,733,737
Benefit payments, including refunds of employee contributions	(15,037,162)	(13,742,608)	(12,772,896)	(11,890,953)	(11,383,179)
Net plan to plan resource movement	-	(447)	-	19,216	-
Administrative expense	(136,963)	(282,146)	(245,410)	(103,251)	(190,690)
Other miscellaneous income/expense ¹	444	(535,801)	-	-	-
Net change in plan fiduciary net position	<u>8,936,336</u>	<u>10,863,756</u>	<u>14,844,870</u>	<u>(3,199,511)</u>	<u>(949,124)</u>
Plan fiduciary net position - beginning²	<u>191,926,916</u>	<u>181,063,160</u>	<u>166,218,290</u>	<u>169,417,801</u>	<u>170,366,925</u>
Plan fiduciary net position - ending (b)	<u>\$ 200,863,252</u>	<u>\$ 191,926,916</u>	<u>\$ 181,063,160</u>	<u>\$ 166,218,290</u>	<u>\$ 169,417,801</u>
Net pension liability - ending (a) - (b)	<u>\$ 110,133,372</u>	<u>\$ 100,313,840</u>	<u>\$ 94,755,029</u>	<u>\$ 82,427,523</u>	<u>\$ 73,022,414</u>
Plan fiduciary net position as a percentage of the total pension liability	64.59%	65.67%	65.65%	66.85%	69.88%
Covered payroll ³	\$ 19,051,278	\$ 17,967,376	\$ 16,214,420	\$ 15,715,033	\$ 15,494,316
Plan net pension liability as a percentage of covered payroll	578.09%	558.31%	584.39%	524.51%	471.29%

¹During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

²Includes any beginning of year adjustment.

³ Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal years ended in 2022 through 2024; 2.75% payroll growth assumption for fiscal years ended in 2018 through 2021; 3.00% payroll growth assumption for fiscal years ended in 2015 through 2017.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Police Plans

Fiscal Year Ended June 30:	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 14,853,506	\$ 13,750,190	\$ 13,151,466	\$ 12,406,841	\$ 11,629,887
Contributions in relation to the actuarially determined contribution	(14,853,506)	(13,750,190)	(13,151,466)	(12,406,841)	(11,629,887)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
 Covered payroll	 \$ 20,721,065	 \$ 20,156,678	 \$ 19,748,334	 \$ 20,251,095	 \$ 19,916,863
 Contributions as a percentage of covered payroll	 71.68%	 68.22%	 66.60%	 61.27%	 58.39%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies based on entry age and service
Payroll growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Police Plans (Continued)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 10,297,024	\$ 9,485,870	\$ 8,260,458	\$ 7,798,560	\$ 6,462,584
Contributions in relation to the actuarially determined contribution	(10,296,552)	(9,485,870)	(8,260,458)	(7,798,560)	(6,462,584)
Contribution deficiency (excess)	\$ 472	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 19,776,528	\$ 19,051,278	\$ 17,967,376	\$ 16,214,420	\$ 15,715,033
Contributions as a percentage of covered payroll	52.06%	49.79%	45.97%	48.10%	41.12%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the June 30, 2021 funding valuation report.

Actuarial cost method	Entry Age Actuarial Cost Method
Amortization method/period	For details, see June 30, 2021 Funding Valuation Report.
Asset valuation method	Fair Value of Assets. For details, see June 30, 2021 Funding Valuation Report.
Inflation	2.30%
Salary increases	Varies based on entry age and service
Payroll growth	2.80%
Investment rate of return	6.80% net of pension plan investment and administrative expenses
Retirement age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.
Mortality	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates incorporate full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.

Other Information:

For changes to previous years' information, refer to past GASB 68 reports.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
City Fire Plans

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Period, Year Ended June 30:	2024	2023	2022	2021	2020
Proportion of the net pension liability	0.53831%	0.52990%	0.53060%	0.61287%	0.48376%
Proportionate share of the net pension liability	\$ 65,283,627	\$ 66,108,004	\$ 61,288,496	\$ 33,145,570	\$ 52,635,552
Covered payroll*	\$ 13,527,689	\$ 12,823,623	\$ 11,615,639	\$ 11,387,448	\$ 11,013,870
Proportionate share of the net pension liability as percentage of covered payroll	482.59%	515.52%	527.64%	291.07%	477.90%
Plan's fiduciary net position as percentage of the total pension liability	78.08%	76.21%	76.68%	88.29%	75.10%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios –
City Fire Plans (Continued)

	2020	2019	2018	2017	2016
Measurement Period, Year Ended June 30:	2019	2018	2017	2016	2015
Proportion of the net pension liability	0.46772%	0.46967%	0.58010%	0.60039%	0.64362%
Proportionate share of the net pension liability	\$ 47,927,704	\$ 45,259,034	\$ 57,529,594	\$ 51,951,899	\$ 44,177,449
Covered payroll*	\$ 10,748,465	\$ 9,763,022	\$ 9,636,368	\$ 9,436,688	\$ 9,158,594
Proportionate share of the net pension liability as percentage of covered payroll	445.90%	463.58%	597.00%	550.53%	482.36%
Plan's fiduciary net position as percentage of the total pension liability	75.26%	75.26%	73.31%	74.06%	78.40%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Fire Plans

Fiscal Year Ended June 30:	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 7,992,242	\$ 7,254,285	\$ 6,940,599	\$ 6,791,444	\$ 5,708,093
Contributions in relation to the actuarially determined contribution	(7,992,242)	(7,254,285)	(6,940,599)	(6,791,444)	(5,708,093)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 13,787,911	\$ 13,527,689	\$ 12,823,623	\$ 11,615,639	\$ 11,387,448
Contributions as a percentage of covered payroll	57.97%	53.63%	54.12%	58.47%	50.13%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2025 were derived from the June 30, 2022 funding valuation report.

Actuarial cost method	Entry age normal cost method
Amortization method/period	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing
Asset valuation method	Market value of assets
Inflation	2.30%
Salary increases	Varies by category, entry age, and service
Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80% of the Society of Actuaries' Scale MP-2020

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
City Fire Plans (Continued)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 5,058,738	\$ 4,369,284	\$ 5,440,481	\$ 5,132,440	\$ 4,732,759
Contributions in relation to the actuarially determined contribution	(5,058,738)	(4,369,284)	(16,741,091)	(5,132,440)	(4,732,759)
Contribution deficiency (excess)	\$ -	\$ -	\$ (11,300,610)	\$ -	\$ -
Covered payroll	\$ 11,013,870	\$ 10,748,465	\$ 9,763,022	\$ 9,636,368	\$ 9,436,668
Contributions as a percentage of covered payroll	45.93%	40.65%	171.47%	53.26%	50.15%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2025 were derived from the June 30, 2022 funding valuation report.

Actuarial cost method	Entry age normal cost method
Amortization method/period	Varies by date established and source. May be level dollar or level percent of pay and may include direct rate smoothing
Asset valuation method	Market value of assets
Inflation	2.30%
Salary increases	Varies by category, entry age, and service
Mortality	Derived using CalPERS' Membership Data for all Funds. The post-retirement mortality rates include 15 years of projected on-going mortality improvement using 80% of the Society of Actuaries' Scale MP-2020

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Single Employer Plan

	2025	2024	2023	2022	2021
Measurement Period, Year Ended June 30:	2024	2023	2022	2021	2020
Total Pension Liability					
Service Cost	\$ 86,971	\$ 91,735	\$ 131,853	\$ 345,756	\$ 325,385
Interest on total pension liability	270,258	274,479	255,632	283,983	506,095
Changes in benefit terms	-	-	-	-	-
Differences between expected and actual experience	-	398,477	-	1,595,858	-
Changes in assumptions	-	(522,172)	(533,090)	(37,244)	907,299
Benefit payments, including refunds of employee contributions	(443,530)	(338,894)	(3,218,471)	(2,656,129)	(9,123,048)
Net change in total pension liability	(86,301)	(96,375)	(3,364,076)	(467,776)	(7,384,269)
Total pension liability - beginning	9,962,372	10,058,747	13,422,823	13,893,599	21,277,868
Total pension liability - ending (a)	\$ 9,876,071	\$ 9,962,372	\$ 10,058,747	\$ 13,425,823	\$ 13,893,599
Plan fiduciary net position					
Contributions - employer	\$ 192,131	\$ 2,180,872	\$ 190,126	\$ 5,695,926	\$ 8,030,028
Contributions - employee	19,213	18,087	19,012	34,635	52,751
Net investment income	1,218,104	46,143	(486,138)	894,536	338,833
Benefit payments, including refunds of employee contributions	(443,530)	(338,894)	(3,218,471)	(2,656,129)	(9,123,048)
Administrative expense	(15,617)	(16,305)	(17,057)	(18,061)	(18,582)
Net change in plan fiduciary net position	970,301	1,889,903	(3,512,528)	3,950,907	(720,018)
Plan fiduciary net position - beginning	8,239,722	6,349,819	9,862,347	5,914,440	6,634,458
Plan fiduciary net position - ending (b)	\$ 9,210,023	\$ 8,239,722	\$ 6,349,819	\$ 9,865,347	\$ 5,914,440
Net pension liability - ending (a) - (b)	\$ 666,048	\$ 1,722,650	\$ 3,708,928	\$ 3,560,476	\$ 7,979,159
Plan fiduciary net position as a percentage of the total pension liability	93.26%	82.71%	63.13%	73.48%	42.57%
Covered payroll	\$ 428,805	\$ 402,079	\$ 437,872	\$ 768,725	\$ 1,176,879
Plan net pension liability as a percentage of covered payroll	155.33%	428.44%	847.03%	463.17%	677.99%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in Net Pension Liability and Related Ratios
Single Employer Plan (Continued)

	2020	2019	2018	2017	2016
Measurement Period, Year Ended June 30:	2019	2018	2017	2016	2015
Total Pension Liability					
Service Cost	\$ 232,193	\$ 302,184	\$ 279,000	\$ 336,000	\$ 436,000
Interest on total pension liability	684,730	679,330	537,000	655,000	676,000
Changes in benefit terms	-	-	-	531,000	-
Differences between expected and actual experience	889,365	-	2,172,000	-	-
Changes in assumptions	217,496	-	(106,000)	-	-
Benefit payments, including refunds of employee contributions	(1,305,661)	(199,769)	(3,508,000)	(87,000)	(3,139,000)
Net change in total pension liability	718,123	781,745	(626,000)	1,435,000	(2,027,000)
Total pension liability - beginning	20,559,745	19,778,000	20,404,000	18,969,000	20,996,000
Total pension liability - ending (a)	<u>\$ 21,277,868</u>	<u>\$ 20,559,745</u>	<u>\$ 19,778,000</u>	<u>\$ 20,404,000</u>	<u>\$ 18,969,000</u>
Plan fiduciary net position					
Contributions - employer	\$ 2,919,589	\$ 1,927,686	\$ 1,654,000	\$ 1,483,000	\$ 1,340,000
Contributions - employee	71,806	70,043	69,000	82,000	77,000
Net investment income	503,893	60,254	(506,000)	84,000	(85,000)
Benefit payments, including refunds of employee contributions	(1,305,661)	(199,769)	(3,508,000)	(87,000)	(3,139,000)
Administrative expense	(19,188)	(54,195)	(75,000)	(83,000)	(100,000)
Net change in plan fiduciary net position	2,170,439	1,804,019	(2,366,000)	1,479,000	(1,907,000)
Plan fiduciary net position - beginning	4,464,019	2,660,000	5,026,000	3,547,000	5,454,000
Plan fiduciary net position - ending (b)	<u>\$ 6,634,458</u>	<u>\$ 4,464,019</u>	<u>\$ 2,660,000</u>	<u>\$ 5,026,000</u>	<u>\$ 3,547,000</u>
Net pension liability - ending (a) - (b)	<u>\$ 14,643,410</u>	<u>\$ 16,095,726</u>	<u>\$ 17,118,000</u>	<u>\$ 15,378,000</u>	<u>\$ 15,422,000</u>
Plan fiduciary net position as a percentage of the total pension liability	31.18%	21.71%	13.45%	24.63%	18.70%
Covered payroll	\$ 1,628,432	\$ 1,610,679	\$ 1,649,359	\$ 1,461,000	\$ 1,738,432
Plan net pension liability as a percentage of covered payroll	899.23%	999.31%	1037.86%	1052.57%	887.12%

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
Single Employer Plan

Fiscal Year Ended June 30:	2025	2024	2023	2022	2021
Actuarially determined contribution	\$ 971,000	\$ 558,000	\$ 697,000	\$ 2,963,000	\$ 4,252,000
Contributions in relation to the actuarially determined contribution	(2,213,909)	(2,180,872)	(145,965)	(208,396)	(10,212,240)
Contribution deficiency (excess)	<u>\$ (1,242,909)</u>	<u>\$ (1,622,872)</u>	<u>\$ 551,035</u>	<u>\$ 2,754,604</u>	<u>\$ (5,960,240)</u>
Covered payroll	\$ 458,504	\$ 420,593	\$ 401,365	\$ 463,101	\$ 804,977
Contributions as a percentage of covered payroll	482.85%	518.52%	36.37%	45.00%	1268.64%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the September 1, 2023 funding valuation report.

Actuarial cost method	Individual aggregate cost method
Amortization method/period	N/A
Asset valuation method	Cash value as reported by New York Life Investment Management, LLC
Discount rate	0.0275
Inflation	0.0225
Salary increases	2.5% annually
Mortality	The probabilities of mortality are based on the CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Pension Plan Contributions
Single Employer Plan (Continued)

Fiscal Year Ended June 30:	2020	2019	2018	2017	2016
Actuarially determined contribution	\$ 4,114,000	\$ 2,000,000	\$ 1,932,000	\$ 1,583,000	\$ 1,520,000
Contributions in relation to the actuarially determined contribution	(5,573,828)	(2,135,107)	(1,614,000)	(1,571,000)	(1,107,000)
Contribution deficiency (excess)	<u>\$ (1,459,828)</u>	<u>\$ (135,107)</u>	<u>\$ 318,000</u>	<u>\$ 12,000</u>	<u>\$ 413,000</u>
Covered payroll	\$ 1,273,326	\$ 1,664,538	\$ 1,693,493	\$ 1,796,000	\$ 1,872,000
Contributions as a percentage of covered payroll	437.74%	128.27%	95.31%	87.47%	59.13%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

The actuarial methods and assumption used to set the actuarially determined contributions for Fiscal Year 2024 were derived from the September 1, 2023 funding valuation report.

Actuarial cost method	Individual aggregate cost method
Amortization method/period	N/A
Asset valuation method	Cash value as reported by New York Life Investment Management, LLC
Discount rate	0.0275
Inflation	0.0225
Salary increases	2.5% annually
Mortality	The probabilities of mortality are based on the CalPERS Experience Study for the period from 2000 to 2019. Pre-retirement and post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Actuaries.

¹Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in the City's Net OPEB Liability

	<u>2025</u>	<u>2024</u>	<u>2023</u>
	2023-2024	2022-2023	2021-2022
For the Measurement Period:			
Total OPEB Liability:			
Service Cost	\$ 774,430	\$ 825,453	\$ 1,043,749
Interest on the total OPEB liability	926,135	982,077	849,992
Changes in benefit terms	-	-	-
Difference between expected and actual experience	-	(2,049,364)	-
Changes in assumptions	(142,193)	(1,094,099)	(3,086,884)
Benefit payments	(614,476)	(739,295)	(685,206)
Net changes in Total OPEB Liability	<u>943,896</u>	<u>(2,075,228)</u>	<u>(1,878,349)</u>
Beginning of Year	<u>17,308,909</u>	<u>19,384,137</u>	<u>21,262,486</u>
End of Year	<u>\$ 18,252,805</u>	<u>\$ 17,308,909</u>	<u>\$ 19,384,137</u>
Plan Fiduciary Net Position:			
Employer contribution	\$ 621,272	\$ 996,208	\$ 940,051
Employee contributions	-	-	-
Net investment income (loss)	477,784	248,010	(599,182)
Benefit payments	(614,476)	(739,295)	(685,206)
Administrative expenses	(8,214)	(8,095)	(5,965)
Net changes in Fiduciary Net Position	<u>476,366</u>	<u>496,828</u>	<u>(350,302)</u>
Beginning of Year	<u>4,350,748</u>	<u>3,853,920</u>	<u>4,204,222</u>
End of Year	<u>\$ 4,827,114</u>	<u>\$ 4,350,748</u>	<u>\$ 3,853,920</u>
Net OPEB Liability	<u>\$ 13,425,691</u>	<u>\$ 12,958,161</u>	<u>\$ 15,530,217</u>
Fiduciary Net Position as a % of Total OPEB Liability	26.45%	25.14%	19.88%
Covered Payroll	<u>\$ 78,487,319</u>	<u>\$ 72,990,943</u>	<u>\$ 69,854,034</u>
Net OPEB Liability as a % of Payroll	17.11%	17.75%	22.23%

Notes to Schedule:

Change of assumptions: For the measurement period ended June 30, 2024, the discount rate changed from 5.21% to 5.28%

Information is only presented from the implementation year.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of Changes in the City's Net OPEB Liability (Continued)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
For the Measurement Period:	2020-2021	2019-2020	2018-2019	2017-2018	2016-2017
Total OPEB Liability:					
Service Cost	\$ 1,639,274	\$ 1,169,996	\$ 1,065,470	\$ 1,085,475	\$ 1,209,000
Interest on the total OPEB liability	884,846	974,493	1,143,094	1,064,391	951,000
Changes in benefit terms	-	-	574,467	-	-
Difference between expected and actual experience	(4,117,866)	-	(4,138,016)	-	-
Changes in assumptions	(4,258,871)	4,678,007	1,474,189	(609,871)	(1,765,000)
Benefit payments	(704,749)	(676,514)	(945,329)	(915,000)	(861,000)
Net changes in Total OPEB Liability	(6,557,366)	6,145,982	(826,125)	624,995	(466,000)
Beginning of Year	27,819,852	21,673,870	22,499,995	21,875,000	22,341,000
End of Year	\$ 21,262,486	\$ 27,819,852	\$ 21,673,870	\$ 22,499,995	\$ 21,875,000
Plan Fiduciary Net Position:					
Employer contribution	\$ 959,007	\$ 931,063	\$ 1,195,329	\$ 1,165,000	\$ 1,111,000
Employee contributions	-	-	-	-	-
Net investment income (loss)	897,217	102,633	152,998	159,215	171,000
Benefit payments	(704,749)	(676,514)	(945,329)	(915,000)	(861,000)
Administrative expenses	(5,500)	(5,988)	(541)	(3,619)	(1,000)
Net changes in Fiduciary Net Position	1,145,975	351,194	402,457	405,596	420,000
Beginning of Year	3,058,247	2,707,053	2,304,596	1,899,000	1,479,000
End of Year	\$ 4,204,222	\$ 3,058,247	\$ 2,707,053	\$ 2,304,596	\$ 1,899,000
Net OPEB Liability	\$ 17,058,264	\$ 24,761,605	\$ 18,966,817	\$ 20,195,399	\$ 19,976,000
Fiduciary Net Position as a % of Total OPEB Liability	19.77%	10.99%	12.49%	10.24%	8.68%
Covered Payroll	\$ 64,469,561	\$ 64,146,096	\$ 64,026,542	\$ 62,965,263	\$ 48,821,000
Net OPEB Liability as a % of Payroll	26.46%	38.60%	29.62%	32.07%	40.92%

Notes to Schedule:

Change of assumptions: For the measurement period ended June 30, 2024, the discount rate changed from 5.21% to 5.28%

Information is only presented from the implementation year.

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of OPEB Contributions

	<u>2025</u>	<u>2024</u>	<u>2023</u>
Actuarially determined contribution	\$ 1,654,796	\$ 1,603,871	\$ 1,733,000
Contributions in relation to the actuarially determined contributions	(825,623)	(621,272)	(996,208)
Contribution deficiency (excess)	\$ 829,173	\$ 982,599	\$ 736,792
Covered payroll	\$ 78,487,319	\$ 72,990,943	\$ 69,854,034
Contributions as a percentage of covered payroll	1.05%	0.85%	1.43%

Notes to Schedule:

assumptions used to set the actuarially

Methods and assumptions used to determine contribution rates:

ADC for fiscal year	6/30/2025
Actuarial valuation date	6/30/2023
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Investment rate of return	6.25%
Healthcare cost trend rate	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076; Medicare - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076;
Projected salary growth and increase	Not applicable
Mortality	CalPERS 2000-2019 Experience Study

¹ Information only presented from the implementation year

City of Salinas
Required Supplemental Information (Unaudited)
Schedule of OPEB Contributions (Continued)

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution	\$ 1,687,000	\$ 1,997,000	\$ 1,938,000	\$ 2,322,000	\$ 2,188,000
Contributions in relation to the actuarially determined contributions	(940,051)	(959,007)	(931,063)	(1,195,329)	(1,165,000)
Contribution deficiency (excess)	<u>\$ 746,949</u>	<u>\$ 1,037,993</u>	<u>\$ 1,006,937</u>	<u>\$ 1,126,671</u>	<u>\$ 1,023,000</u>
Covered payroll	\$ 67,797,683	\$ 64,469,561	\$ 64,146,096	\$ 64,026,452	\$ 51,530,000
Contributions as a percentage of covered payroll	1.39%	1.49%	1.45%	1.87%	2.26%

Notes to Schedule:

assumptions used to set the actuarially

Methods and assumptions used to determine contribution rates:

ADC for fiscal year	6/30/2025
Actuarial valuation date	6/30/2023
Actuarial cost method	Entry-Age Normal Cost Method
Asset valuation method	Actuarial value of assets
Inflation	2.50%
Investment rate of return	6.25%
Healthcare cost trend rate	Non-Medicare - 7.90% for 2026, decreasing to an ultimate rate of 3.45% in 2076; Medicare - 5.65% for 2026, decreasing to an ultimate rate of 3.45% in 2076;
Projected salary growth and increase	Not applicable
Mortality	CalPERS 2000-2019 Experience Study

¹ Information only presented from the implementation year

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SUPPLEMENTARY INFORMATION

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City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
EXPENDITURES:				
Current:				
General government	\$ 2,988,000	\$ 11,225,190	\$ 2,520,742	\$ 8,704,448
Public safety	-	301,998	152,852	149,146
Public works	3,920,000	27,661,602	5,359,159	22,302,443
Recreation	-	3,546,306	1,130,531	2,415,775
Library	-	84,852	-	84,852
Capital outlay	11,854,115	87,145,025	19,484,166	86,611,320
Debt Service:				
Principal	533,930	533,930	533,705	533,930
Interest and fiscal charges	26,030	26,030	25,921	109
Total expenditures	<u>19,322,075</u>	<u>130,524,933</u>	<u>29,207,076</u>	<u>120,802,023</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(19,322,075)</u>	<u>(130,524,933)</u>	<u>(29,207,076)</u>	<u>(120,802,023)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>18,704,000</u>	<u>138,961,302</u>	<u>27,870,450</u>	<u>(111,090,852)</u>
Total other financing sources (uses)	<u>18,704,000</u>	<u>138,961,302</u>	<u>27,870,450</u>	<u>(111,090,852)</u>
Net change in fund balance	<u>\$ (618,075)</u>	<u>\$ 8,436,369</u>	<u>(1,336,626)</u>	<u>\$ (9,772,995)</u>
FUND BALANCE:				
Beginning of year			<u>8,490,095</u>	
End of year			<u>\$ 7,153,469</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2019 Special Tax Bond
Monte Bella Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes - special assessments	\$ 510,000	\$ 510,000	\$ 501,200	\$ (8,800)
Investment income (loss)	12,000	12,000	16,391	4,391
Total revenues	<u>522,000</u>	<u>522,000</u>	<u>517,591</u>	<u>(4,409)</u>
EXPENDITURES:				
Current:				
General government	15,000	15,000	7,126	7,874
Debt Service:				
Principal	155,000	155,000	155,000	155,000
Interest and fiscal charges	304,200	304,200	301,684	2,516
Total expenditures	<u>474,200</u>	<u>474,200</u>	<u>463,810</u>	<u>165,390</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>47,800</u>	<u>47,800</u>	<u>53,781</u>	<u>(169,799)</u>
Net change in fund balance	<u>\$ 47,800</u>	<u>\$ 47,800</u>	53,781	<u>\$ 5,981</u>
FUND BALANCE:				
Beginning of year			<u>933,253</u>	
End of year			<u>\$ 987,034</u>	

City of Salinas
Combing Balance Sheet
Nonmajor Governmental Funds
June 30, 2025

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
ASSETS				
Cash and investments	\$ 61,879,186	\$ 2,042,663	\$ 6,745,115	\$ 70,666,964
Receivables, net:				
Accounts	13,483	-	582,758	596,241
Taxes	29,360	-	-	29,360
Interest	1,201,405	6,409	420,117	1,627,931
Due from other agencies	3,396,612	-	1,099,334	4,495,946
Assessments	-	45,000	-	45,000
Leases	18,975	-	3,307,506	3,326,481
Restricted cash and investments	-	6,338,310	13,287	6,351,597
Loans and notes receivable, net of allowance	51,571	-	-	51,571
Land and properties held for resale	1,380,000	-	-	1,380,000
Total assets	<u>\$ 67,970,592</u>	<u>\$ 8,432,382</u>	<u>\$ 12,168,117</u>	<u>\$ 88,571,091</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 231,587	\$ -	\$ -	\$ 231,587
Accrued liabilities	205,235	-	-	205,235
Due to other funds	2,739,499	1,018,962	5,613,106	9,371,567
Unearned revenues	930,869	45,000	-	975,869
Total liabilities	<u>4,107,190</u>	<u>1,063,962</u>	<u>5,613,106</u>	<u>10,784,258</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	654,039	-	-	654,039
Related to leases	14,193	-	2,967,094	2,981,287
Total deferred inflows of resources	<u>668,232</u>	<u>-</u>	<u>2,967,094</u>	<u>3,635,326</u>
Fund Balances:				
Nonspendable	1,431,571	-	-	1,431,571
Restricted	62,320,436	8,080,567	3,587,917	73,988,920
Unassigned (deficit)	(556,837)	(712,147)	-	(1,268,984)
Total fund balances	<u>63,195,170</u>	<u>7,368,420</u>	<u>3,587,917</u>	<u>74,151,507</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 67,970,592</u>	<u>\$ 8,432,382</u>	<u>\$ 12,168,117</u>	<u>\$ 88,571,091</u>

City of Salinas
Combing Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2025

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Projects Funds	Total Non-Major Governmental Funds
REVENUES:				
Taxes	\$ 648,806	\$ -	\$ -	\$ 648,806
Taxes - special assessments	-	-	-	-
Licenses and permits	97,006	-	-	97,006
Intergovernmental	18,042,019	-	7,364,969	25,406,988
Charges for services	1,629,720	-	33,675	1,663,395
Investment income	2,493,166	446,994	295,583	3,235,743
Rental income	310,989	-	-	310,989
Fines and forfeitures	258,136	-	-	258,136
Miscellaneous	2,159,234	-	-	2,159,234
Total revenues	25,639,076	446,994	7,694,227	33,780,297
EXPENDITURES:				
Current:				
General government	1,224,552	954,805	-	2,179,357
Public safety	4,646,283	-	-	4,646,283
Public works	1,569,304	-	188	1,569,492
Recreation	959,621	-	-	959,621
Library	318,877	-	-	318,877
Capital outlay	252,510	-	-	252,510
Debt service:				
Principal	-	6,189,000	-	6,189,000
Interest and fiscal charges	-	4,023,938	-	4,023,938
Bond issuance costs	-	63,684	-	63,684
Total expenditures	8,971,147	11,231,427	188	20,202,762
REVENUES OVER (UNDER) EXPENDITURES	16,667,929	(10,784,433)	7,694,039	13,577,535
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of leases	-	4,735,000	-	4,735,000
Transfers in	3,305,262	12,004,967	-	15,310,229
Transfers out	(10,605,363)	-	(6,480,570)	(17,085,933)
Total other financing sources (uses)	(7,300,101)	16,739,967	(6,480,570)	2,959,296
NET CHANGE IN FUND BALANCES	9,367,828	5,955,534	1,213,469	16,536,831
FUND BALANCES:				
Beginning of year, as previously presented as of June 30, 2024	74,935,717	1,412,886	2,374,448	78,723,051
Change within financial reporting entity: (nonmajor to major)	(21,108,375)	-	-	(21,108,375)
Beginning of year, as restated (Note 22)	53,827,342	1,412,886	2,374,448	57,614,676
End of year	\$ 63,195,170	\$ 7,368,420	\$ 3,587,917	\$ 74,151,507

Nonmajor Governmental Funds

Special Revenue Funds

Special Revenue Funds are used to account for specific revenues that are legally restricted to expenditure for specified purposes. The Special Revenue Funds used by the City in this report are as follows:

Lighting, Landscape and Maintenance District - This fund accounts for monies received from the various maintenance districts throughout the City. Funds are used to pay for the lighting and landscape maintenance of the respective districts.

Local Public Safety - This fund accounts for monies received from federal and state grants, which are expended to enhance law enforcement services.

Gas Tax - This fund accounts for gas tax revenues received from State apportionments of gasoline taxes. Expenditures are restricted to street maintenance and street improvements. No expenditures are made directly from this fund, but transfers are made to the General Fund for street maintenance and engineering salaries and to the Capital Projects Fund for street improvements based on actual expenditures.

Emergency Medical Services - This fund accounts for monies received from County Service Area (CSA) 74. Funds are used to purchase emergency medical and safety equipment under the capital improvement program.

Asset Seizure - This fund accounts for the proceeds from sale of assets seized primarily from illegal narcotics activity. These funds are used for law enforcement.

Traffic Safety - This fund accounts for revenues derived from traffic violations whose use is restricted by State statute for traffic safety and street maintenance purposes. No expenditures are made directly from this fund, but transfers are made to the General Fund for traffic safety expenditures and street maintenance.

Vehicle Abatement - This fund accounts for monies allocated by the State to fund the vehicle abatement program.

Cable - This fund accounts for revenues received for public, educational and governmental (PEG) fees from video service providers. Its use is restricted to provide non-commercial public, educational and government channels.

Contributions and Donations - This fund accounts for contributions and donations from different individuals and agencies to the Library, Rec-Park, Fire and Police Department. Use of the funds are restricted for use of the appropriate Department.

Non-Major Governmental Funds (Continued)

Special Revenue Funds (Continued)

KDF Los Padres Dev Social Services - This fund accounts for social services provided by the City of Salinas to lower income residents of the Development. On June 1, 2003, the Salinas Redevelopment Agency, the City of Salinas and the KDF Los Padres, L.P. entered into a loan agreement where loan payments will be collected annually by the City and used to provide recreational and social services to lower income residents of the Development. Term of the loan is 55 years commencing in 2006. Payment will increase by 3% annually.

Measure X Transport Safety & Inv Plan - This fund accounts for revenues allocated by TAMC from the transportation sales and use tax. Expenditures are restricted to road improvements, pothole repairs, street and road maintenance, traffic deduction and regional safety, mobility and walkability.

SBI Road Maintenance & Rehab & SBI Traffic Congestion Relief - This fund accounts for gas tax revenues received from State apportionments of an increased tax on gasoline and a new vehicle license fee from Senate Bill 1 (SB 1), the Road Repair and Accountability Act of 2017. Expenditures are restricted to street maintenance and street improvements including facilities for bicycles and pedestrians. No expenditures are made directly from this fund, but transfers are made to the General Fund for street maintenance and engineering salaries and to the Capital Projects Fund for street improvements based on actual expenditures.

SRA Public Improvement Grant - This fund accounts for the use of monies received from proceeds of the land sale located in Main Street where the “Taylor Farms” headquarters is constructed and other properties held for re-sale.

Affordable Housing - These funds are used to improve and increase the supply of low income housing within the City.

Grants - This fund accounts for various minor grants received for purposes ranging from library to police operations.

Rent Stabilization - This fund accounts for the monies received from the Residential Rental Registration and Rent Stabilization Programs. The Residential Rental Registration and Rent Stabilization Programs require property owners to register their residential rental units, ensuring compliance with approved ordinances.

Local Housing Trust - This fund accounts for the monies received from the California Department of Housing and Community Development Local Housing Trust Fund Program.

City of Salinas
Combining Balance Sheet
Nonmajor Special Revenue Funds
June 30, 2025

	Lighting, Landscape, and Maintenance District	Local Public Safety	Gas Tax	Emergency Medical Services	Asset Seizure
ASSETS					
Cash and investments	\$ 11,033,471	\$ 3,175,200	\$ 7,703,029	\$ -	\$ 302,248
Receivables, net:					
Accounts	-	-	4,198	-	-
Taxes	-	-	-	-	-
Interest	35,926	4,470	26,632	-	928
Due from other agencies	-	117,433	456,977	-	-
Leases	-	-	-	-	-
Loans and notes receivable, net of allowance	-	-	-	-	-
Land and properties held for resale	-	-	-	-	-
Total assets	\$ 11,069,397	\$ 3,297,103	\$ 8,190,836	\$ -	\$ 303,176
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 47,308	\$ -	\$ -	\$ 3,085	\$ -
Accrued liabilities	11,139	-	-	65,398	-
Due to other funds	53,127	-	45,187	27,506	-
Unearned revenues	-	-	-	-	-
Total liabilities	111,574	-	45,187	95,989	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	10,957,823	3,297,103	8,145,649	-	303,176
Unassigned (deficit)	-	-	-	(95,989)	-
Total fund balance (deficit)	10,957,823	3,297,103	8,145,649	(95,989)	303,176
Total liabilities, deferred inflows of resources, and fund balances	\$ 11,069,397	\$ 3,297,103	\$ 8,190,836	\$ -	\$ 303,176

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2025

	Traffic Safety	Vehicle Abatement	Cable	Contributions & Donations	KDF Los Padres Dev Social Services
ASSETS					
Cash and investments	\$ -	\$ 274,888	\$ 520,844	\$ 549,339	\$ 232,094
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	29,360	-	-
Interest	-	-	-	-	-
Due from other agencies	-	-	-	-	-
Leases	-	-	-	-	-
Loans and notes receivable, net of allowance	-	-	-	-	-
Land and properties held for resale	-	-	-	-	-
Total assets	\$ -	\$ 274,888	\$ 550,204	\$ 549,339	\$ 232,094
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 36,250	\$ 13,548	\$ -
Accrued liabilities	-	11,096	-	-	-
Due to other funds	59,575	-	-	-	-
Unearned revenues	-	-	-	-	-
Total liabilities	59,575	11,096	36,250	13,548	-
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	-	-
Restricted	-	263,792	513,954	535,791	232,094
Unassigned (deficit)	(59,575)	-	-	-	-
Total fund balance (deficit)	(59,575)	263,792	513,954	535,791	232,094
Total liabilities, deferred inflows of resources, and fund balances	\$ -	\$ 274,888	\$ 550,204	\$ 549,339	\$ 232,094

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2025

	Measure X Transport Safety & Inv Plan	SB1 Road Maintenance & Rehab	SB1 Traffic Congestion Relief	SRA Public Improvement Grant	Affordable Housing
ASSETS					
Cash and investments	\$ 15,706,794	\$ 9,468,932	\$ 628,062	\$ 1,800,598	\$ 3,494,779
Receivables, net:					
Accounts	-	-	-	-	-
Taxes	-	-	-	-	-
Interest	50,937	29,685	2,024	5,735	1,041,751
Due from other agencies	1,429,839	370,598	-	-	-
Leases	-	-	-	-	-
Loans and notes receivable, net of allowance	-	-	-	-	51,571
Land and properties held for resale	-	-	-	584,419	795,581
Total assets	\$ 17,187,570	\$ 9,869,215	\$ 630,086	\$ 2,390,752	\$ 5,383,682
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 591
Accrued liabilities	-	-	-	-	-
Due to other funds	27,809	41,475	-	-	-
Unearned revenues	-	-	-	-	930,869
Total liabilities	27,809	41,475	-	-	931,460
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue	-	-	-	-	-
Related to leases	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances:					
Nonspendable	-	-	-	584,419	847,152
Restricted	17,159,761	9,827,740	630,086	1,806,333	3,605,070
Unassigned (deficit)	-	-	-	-	-
Total fund balance (deficit)	17,159,761	9,827,740	630,086	2,390,752	4,452,222
Total liabilities, deferred inflows of resources, and fund balances	\$ 17,187,570	\$ 9,869,215	\$ 630,086	\$ 2,390,752	\$ 5,383,682

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Special Revenue Funds
June 30, 2025

	Grants	Rent Stabilization	Local Housing Trust	Total
ASSETS				
Cash and investments	\$ 1,945,507	\$ 1,568,160	\$ 3,475,241	\$ 61,879,186
Receivables, net:				
Accounts	9,285	-	-	13,483
Taxes	-	-	-	29,360
Interest	3,317	-	-	1,201,405
Due from other agencies	1,021,765	-	-	3,396,612
Leases	18,975	-	-	18,975
Loans and notes receivable, net of allowance	-	-	-	51,571
Land and properties held for resale	-	-	-	1,380,000
Total assets	\$ 2,998,849	\$ 1,568,160	\$ 3,475,241	\$ 67,970,592
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 130,691	\$ 114	\$ -	\$ 231,587
Accrued liabilities	116,379	197	1,026	205,235
Due to other funds	2,484,820	-	-	2,739,499
Unearned revenues	-	-	-	930,869
Total liabilities	2,731,890	311	1,026	4,107,190
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue	654,039	-	-	654,039
Related to leases	14,193	-	-	14,193
Total deferred inflows of resources	668,232	-	-	668,232
Fund Balances:				
Nonspendable	-	-	-	1,431,571
Restricted	-	1,567,849	3,474,215	62,320,436
Unassigned (deficit)	(401,273)	-	-	(556,837)
Total fund balance (deficit)	(401,273)	1,567,849	3,474,215	63,195,170
Total liabilities, deferred inflows of resources, and fund balances	\$ 2,998,849	\$ 1,568,160	\$ 3,475,241	\$ 67,970,592

(Concluded)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	Lighting, Landscape, and Maintenance District	Local Public Safety	Gas Tax	Development Fees	Emergency Medical Services
REVENUES:					
Taxes	\$ -	\$ 648,806	\$ -		\$ -
Licenses and permits	-	-	-		-
Intergovernmental	-	486,395	4,340,025		138,646
Charges for services	-	-	-		-
Investment income (loss)	531,904	12,858	394,885		-
Rental income	-	-	260,632		-
Fines and forfeitures	-	-	-		-
Miscellaneous	1,780,468	-	-		-
Total revenues	<u>2,312,372</u>	<u>1,148,059</u>	<u>4,995,542</u>		<u>138,646</u>
EXPENDITURES:					
Current:					
General government	1,938	-	-		-
Public safety	-	546,882	-		1,687,861
Public works	1,434,862	-	-		-
Recreation	62,157	-	-		-
Library	-	-	-		-
Capital outlay	-	-	-		1,116
Total expenditures	<u>1,498,957</u>	<u>546,882</u>	<u>-</u>		<u>1,688,977</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>813,415</u>	<u>601,177</u>	<u>4,995,542</u>		<u>(1,550,331)</u>
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-		1,600,000
Transfers out	(62,618)	-	(3,436,791)		-
Total other financing sources (uses)	<u>(62,618)</u>	<u>-</u>	<u>(3,436,791)</u>		<u>1,600,000</u>
NET CHANGE IN FUND BALANCES	750,797	601,177	1,558,751		49,669
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	10,207,026	2,695,926	6,586,898	21,108,375	(145,658)
Change within financial reporting entity: (nonmajor to major)	-	-	-	(21,108,375)	-
Beginning of year, as restated (Note 22)	10,207,026	2,695,926	6,586,898	-	(145,658)
End of year	<u>\$ 10,957,823</u>	<u>\$ 3,297,103</u>	<u>\$ 8,145,649</u>	<u>\$ -</u>	<u>\$ (95,989)</u>

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	Asset Seizure	Traffic Safety	Vehicle Abatement	Cable	Contributions & Donations
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	97,006	-
Intergovernmental	48,818	-	252,344	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	11,691	-	-	-	-
Rental income	-	-	-	-	-
Fines and forfeitures	-	258,136	-	-	-
Miscellaneous	-	-	-	-	54,362
Total revenues	60,509	258,136	252,344	97,006	54,362
EXPENDITURES:					
Current:					
General government	-	85,205	-	145,000	-
Public safety	4,128	-	244,883	-	-
Public works	-	-	124,703	-	-
Recreation	-	-	-	-	1,920
Library	-	-	-	-	22,880
Capital outlay	-	-	-	-	-
Total expenditures	4,128	85,205	369,586	145,000	24,800
REVENUES OVER (UNDER) EXPENDITURES	56,381	172,931	(117,242)	(47,994)	29,562
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(200,000)	-	-	-
Total other financing sources (uses)	-	(200,000)	-	-	-
NET CHANGE IN FUND BALANCES	56,381	(27,069)	(117,242)	(47,994)	29,562
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	246,795	(32,506)	381,034	561,948	506,229
Change within financial reporting entity: (nonmajor to major)	-	-	-	-	-
Beginning of year, as restated (Note 22)	246,795	(32,506)	381,034	561,948	506,229
End of year	<u>\$ 303,176</u>	<u>\$ (59,575)</u>	<u>\$ 263,792</u>	<u>\$ 513,954</u>	<u>\$ 535,791</u>

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	KDF Los Padres Dev Social Services	Measure X Transport Safety & Inv Plan	SB1 Road Maintenance & Rehab	SB1 Traffic Congestion Relief	SRA Public Improvement Grant
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	4,628,185	4,403,564	-	-
Charges for services	-	-	-	-	-
Investment income (loss)	-	807,998	409,185	30,573	88,127
Rental income	-	-	-	-	-
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	-	5,436,183	4,812,749	30,573	88,127
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Public works	-	-	-	-	-
Recreation	17,175	-	-	-	-
Library	-	-	-	-	-
Capital outlay	-	-	-	-	-
Total expenditures	17,175	-	-	-	-
REVENUES OVER (UNDER) EXPENDITURES	(17,175)	5,436,183	4,812,749	30,573	88,127
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	-	(5,140,925)	(1,765,029)	-	-
Total other financing sources (uses)	-	(5,140,925)	(1,765,029)	-	-
NET CHANGE IN FUND BALANCES	(17,175)	295,258	3,047,720	30,573	88,127
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	249,269	16,864,503	6,780,020	599,513	2,302,625
Change within financial reporting entity: (nonmajor to major)	-	-	-	-	-
Beginning of year, as restated (Note 22)	249,269	16,864,503	6,780,020	599,513	2,302,625
End of year	<u>\$ 232,094</u>	<u>\$ 17,159,761</u>	<u>\$ 9,827,740</u>	<u>\$ 630,086</u>	<u>\$ 2,390,752</u>

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Special Revenue Funds
For the Year Ended June 30, 2025

	Affordable Housing	Grants	Rent Stabilization	Local Housing Trust	Total
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 648,806
Licenses and permits	-	-	-	-	97,006
Intergovernmental	-	3,744,042	-	-	18,042,019
Charges for services	124,439	-	1,505,281	-	1,629,720
Investment income (loss)	164,885	41,060	-	-	2,493,166
Rental income	-	50,357	-	-	310,989
Fines and forfeitures	-	-	-	-	258,136
Miscellaneous	283,790	40,614	-	-	2,159,234
Total revenues	573,114	3,876,073	1,505,281	-	25,639,076
EXPENDITURES:					
Current:					
General government	15,412	664,982	286,230	25,785	1,224,552
Public safety	-	2,162,529	-	-	4,646,283
Public works	-	9,739	-	-	1,569,304
Recreation	-	878,369	-	-	959,621
Library	-	295,997	-	-	318,877
Capital outlay	-	251,394	-	-	252,510
Total expenditures	15,412	4,263,010	286,230	25,785	8,971,147
REVENUES OVER (UNDER) EXPENDITURES	557,702	(386,937)	1,219,051	(25,785)	16,667,929
OTHER FINANCING SOURCES (USES):					
Transfers in	-	59	205,203	1,500,000	3,305,262
Transfers out	-	-	-	-	(10,605,363)
Total other financing sources (uses)	-	59	205,203	1,500,000	(7,300,101)
NET CHANGE IN FUND BALANCES	557,702	(386,878)	1,424,254	1,474,215	9,367,828
FUND BALANCES (DEFICIT):					
Beginning of year, as previously presented as of June 30, 2024	3,894,520	(14,395)	143,595	2,000,000	74,935,717
Change within financial reporting entity: (nonmajor to major)	-	-	-	-	(21,108,375)
Beginning of year, as restated (Note 22)	3,894,520	(14,395)	143,595	2,000,000	53,827,342
End of year	<u>\$ 4,452,222</u>	<u>\$ (401,273)</u>	<u>\$ 1,567,849</u>	<u>\$ 3,474,215</u>	<u>\$ 63,195,170</u>

(Concluded)

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Lighting, Landscape, and Maintenance
District Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 171,400	\$ 171,400	\$ 531,904	\$ 360,504
Miscellaneous	1,975,660	1,975,660	1,780,468	(195,192)
Total revenues	<u>2,147,060</u>	<u>2,147,060</u>	<u>2,312,372</u>	<u>165,312</u>
EXPENDITURES:				
Current:				
General government	-	-	1,938	(1,938)
Public works	1,604,772	1,614,772	1,434,862	179,910
Recreation	55,100	55,100	62,157	(7,057)
Capital outlay	15,000	5,000	-	5,000
Total expenditures	<u>1,674,872</u>	<u>1,674,872</u>	<u>1,498,957</u>	<u>175,915</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>472,188</u>	<u>472,188</u>	<u>813,415</u>	<u>(10,603)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(696,000)	(3,279,706)	(62,618)	3,217,088
Total other financing sources (uses)	<u>(696,000)</u>	<u>(3,279,706)</u>	<u>(62,618)</u>	<u>3,217,088</u>
Net change in fund balance	<u>\$ (223,812)</u>	<u>\$ (2,807,518)</u>	750,797	<u>\$ 3,558,315</u>
FUND BALANCE:				
Beginning of year			<u>10,207,026</u>	
End of year			<u>\$ 10,957,823</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Local Public Safety
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes	\$ 600,000	\$ 600,000	\$ 648,806	\$ 48,806
Intergovernmental	500,000	500,000	486,395	(13,605)
Investment income (loss)	15,600	15,600	12,858	(2,742)
Total revenues	<u>1,115,600</u>	<u>1,115,600</u>	<u>1,148,059</u>	<u>32,459</u>
EXPENDITURES:				
Current:				
Public safety	1,100,000	1,100,000	546,882	553,118
Total expenditures	<u>1,100,000</u>	<u>1,100,000</u>	<u>546,882</u>	<u>553,118</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>15,600</u>	<u>15,600</u>	<u>601,177</u>	<u>(520,659)</u>
Net change in fund balance	<u>\$ 15,600</u>	<u>\$ 15,600</u>	<u>601,177</u>	<u>\$ 585,577</u>
FUND BALANCE:				
Beginning of year			<u>2,695,926</u>	
End of year			<u>\$ 3,297,103</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Gas Tax
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 4,252,000	\$ 4,252,000	\$ 4,340,025	\$ 88,025
Investment income (loss)	80,100	80,100	394,885	314,785
Rental income	250,000	250,000	260,632	10,632
Total revenues	<u>4,582,100</u>	<u>4,582,100</u>	<u>4,995,542</u>	<u>413,442</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,582,100</u>	<u>4,582,100</u>	<u>4,995,542</u>	<u>413,442</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(5,140,000)</u>	<u>(8,581,374)</u>	<u>(3,436,791)</u>	<u>5,144,583</u>
Total other financing sources (uses)	<u>(5,140,000)</u>	<u>(8,581,374)</u>	<u>(3,436,791)</u>	<u>5,144,583</u>
Net change in fund balance	<u>\$ (557,900)</u>	<u>\$ (3,999,274)</u>	1,558,751	<u>\$ 5,558,025</u>
FUND BALANCE:				
Beginning of year			<u>6,586,898</u>	
End of year			<u>\$ 8,145,649</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Emergency Medical Services
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 137,000	\$ 137,000	\$ 138,646	\$ 1,646
Total revenues	<u>137,000</u>	<u>137,000</u>	<u>138,646</u>	<u>1,646</u>
EXPENDITURES:				
Current:				
Public safety	1,758,700	1,757,585	1,687,861	69,724
Capital outlay	-	1,116	1,116	1,116
Total expenditures	<u>1,758,700</u>	<u>1,758,701</u>	<u>1,688,977</u>	<u>70,840</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,621,700)</u>	<u>(1,621,701)</u>	<u>(1,550,331)</u>	<u>(69,194)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,600,000	1,600,000	1,600,000	-
Transfers out	-	(18,158)	-	18,158
Total other financing sources (uses)	<u>1,600,000</u>	<u>1,581,842</u>	<u>1,600,000</u>	<u>18,158</u>
Net change in fund balance	<u>\$ (21,700)</u>	<u>\$ (39,859)</u>	49,669	<u>\$ 89,528</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(145,658)</u>	
End of year			<u>\$ (95,989)</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Asset Seizure
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ 25,000	\$ 25,000	\$ 48,818	\$ 23,818
Investment income (loss)	7,000	7,000	11,691	4,691
Total revenues	<u>32,000</u>	<u>32,000</u>	<u>60,509</u>	<u>28,509</u>
EXPENDITURES:				
Current:				
Public safety	30,000	30,000	4,128	25,872
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>4,128</u>	<u>25,872</u>
Net change in fund balance	<u>\$ 2,000</u>	<u>\$ 2,000</u>	56,381	<u>\$ 54,381</u>
FUND BALANCE:				
Beginning of year			<u>246,795</u>	
End of year			<u>\$ 303,176</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Traffic Safety
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Fines and forfeitures	\$ 325,000	\$ 325,000	\$ 258,136	\$ (66,864)
Total revenues	<u>325,000</u>	<u>325,000</u>	<u>258,136</u>	<u>(66,864)</u>
EXPENDITURES:				
Current:				
General government	125,000	125,000	85,205	39,795
Total expenditures	<u>125,000</u>	<u>125,000</u>	<u>85,205</u>	<u>39,795</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>200,000</u>	<u>200,000</u>	<u>172,931</u>	<u>(106,659)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(200,000)	(200,000)	(200,000)	-
Total other financing sources (uses)	<u>(200,000)</u>	<u>(200,000)</u>	<u>(200,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(27,069)</u>	<u>\$ (27,069)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(32,506)</u>	
End of year			<u>\$ (59,575)</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Vehicle Abatement
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 160,000	\$ 160,000	\$ 252,344	\$ 92,344
Total revenues	<u>160,000</u>	<u>160,000</u>	<u>252,344</u>	<u>92,344</u>
EXPENDITURES:				
Current:				
Public safety	246,400	246,400	244,883	1,517
Public works	-	-	124,703	(124,703)
Total expenditures	<u>246,400</u>	<u>246,400</u>	<u>369,586</u>	<u>(123,186)</u>
Net change in fund balance	<u>\$ (86,400)</u>	<u>\$ (86,400)</u>	(117,242)	<u>\$ (30,842)</u>
FUND BALANCE:				
Beginning of year			<u>381,034</u>	
End of year			<u>\$ 263,792</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Cable
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Licenses and permits	\$ 150,000	\$ 150,000	\$ 97,006	\$ (52,994)
Total revenues	<u>150,000</u>	<u>150,000</u>	<u>97,006</u>	<u>(52,994)</u>
EXPENDITURES:				
Current:				
General government	145,000	145,000	145,000	-
Total expenditures	<u>145,000</u>	<u>145,000</u>	<u>145,000</u>	<u>-</u>
Net change in fund balance	<u>\$ 5,000</u>	<u>\$ 5,000</u>	(47,994)	<u>\$ (52,994)</u>
FUND BALANCE:				
Beginning of year			<u>561,948</u>	
End of year			<u>\$ 513,954</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Contributions & Donations
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Miscellaneous	\$ -	\$ 29,293	\$ 54,362	\$ 25,069
Total revenues	<u>-</u>	<u>29,293</u>	<u>54,362</u>	<u>25,069</u>
EXPENDITURES:				
Current:				
Public safety	-	396,613	-	396,613
Public works	-	5,000	-	5,000
Recreation	-	30,626	1,920	28,706
Library	-	103,284	22,880	80,404
Total expenditures	<u>-</u>	<u>535,523</u>	<u>24,800</u>	<u>510,723</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (506,230)</u>	<u>29,562</u>	<u>\$ 535,792</u>
FUND BALANCE:				
Beginning of year			<u>506,229</u>	
End of year			<u>\$ 535,791</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - KDF Los Padres Dev Social Services
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Current:				
Recreation	\$ -	\$ -	\$ 17,175	\$ (17,175)
Total expenditures	<u>-</u>	<u>-</u>	<u>17,175</u>	<u>(17,175)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(17,175)</u>	<u>17,175</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(17,175)</u>	<u>\$ (17,175)</u>
FUND BALANCE:				
Beginning of year			<u>249,269</u>	
End of year			<u>\$ 232,094</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Measure X Transport Safety & Inv Plan
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 5,500,000	\$ 5,500,000	\$ 4,628,185	\$ (871,815)
Investment income (loss)	194,500	194,500	807,998	613,498
Total revenues	<u>5,694,500</u>	<u>5,694,500</u>	<u>5,436,183</u>	<u>(258,317)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>5,694,500</u>	<u>5,694,500</u>	<u>5,436,183</u>	<u>(258,317)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(5,609,100)</u>	<u>(11,309,062)</u>	<u>(5,140,925)</u>	<u>6,168,137</u>
Total other financing sources (uses)	<u>(5,609,100)</u>	<u>(11,309,062)</u>	<u>(5,140,925)</u>	<u>6,168,137</u>
Net change in fund balance	<u>\$ 85,400</u>	<u>\$ (5,614,562)</u>	295,258	<u>\$ 5,909,820</u>
FUND BALANCE:				
Beginning of year			<u>16,864,503</u>	
End of year			<u>\$ 17,159,761</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - SB1 Road Maintenance & Rehab
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 4,135,000	\$ 4,135,000	\$ 4,403,564	\$ 268,564
Investment income (loss)	129,800	129,800	409,185	279,385
Total revenues	<u>4,264,800</u>	<u>4,264,800</u>	<u>4,812,749</u>	<u>547,949</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>4,264,800</u>	<u>4,264,800</u>	<u>4,812,749</u>	<u>547,949</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(3,600,000)</u>	<u>(7,919,060)</u>	<u>(1,765,029)</u>	<u>6,154,031</u>
Total other financing sources (uses)	<u>(3,600,000)</u>	<u>(7,919,060)</u>	<u>(1,765,029)</u>	<u>6,154,031</u>
Net change in fund balance	<u>\$ 664,800</u>	<u>\$ (3,654,260)</u>	3,047,720	<u>\$ 6,701,980</u>
FUND BALANCE:				
Beginning of year			<u>6,780,020</u>	
End of year			<u>\$ 9,827,740</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - SB1 Traffic Congestion Relief
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 10,600	\$ 10,600	\$ 30,573	\$ 19,973
Total revenues	<u>10,600</u>	<u>10,600</u>	<u>30,573</u>	<u>19,973</u>
Net change in fund balance	<u>\$ 10,600</u>	<u>\$ 10,600</u>	30,573	<u>\$ 19,973</u>
FUND BALANCE:				
Beginning of year			<u>599,513</u>	
End of year			<u>\$ 630,086</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - SRA Public Improvement Grant
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 30,400	\$ 30,400	\$ 88,127	\$ 57,727
Total revenues	<u>30,400</u>	<u>30,400</u>	<u>88,127</u>	<u>57,727</u>
Net change in fund balance	<u>\$ 30,400</u>	<u>\$ 30,400</u>	88,127	<u>\$ 57,727</u>
FUND BALANCE:				
Beginning of year			<u>2,302,625</u>	
End of year			<u>\$ 2,390,752</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Affordable Housing
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Charges for services	\$ 83,000	\$ 220,000	\$ 124,439	\$ (95,561)
Investment income (loss)	61,000	61,000	164,885	103,885
Miscellaneous	-	-	283,790	283,790
Total revenues	<u>144,000</u>	<u>281,000</u>	<u>573,114</u>	<u>292,114</u>
EXPENDITURES:				
Current:				
General government	1,000	222,426	15,412	207,014
Total expenditures	<u>1,000</u>	<u>222,426</u>	<u>15,412</u>	<u>207,014</u>
Net change in fund balance	<u>\$ 143,000</u>	<u>\$ 58,574</u>	557,702	<u>\$ 499,128</u>
FUND BALANCE:				
Beginning of year			<u>3,894,520</u>	
End of year			<u>\$ 4,452,222</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Grants
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Intergovernmental	\$ -	\$ 10,983,526	\$ 3,744,042	\$ (7,239,484)
Investment income (loss)	-	-	41,060	41,060
Rental income	-	-	50,357	50,357
Miscellaneous	-	40,614	40,614	-
Total revenues	-	11,024,140	3,876,073	(7,148,067)
EXPENDITURES:				
Current:				
General government	84,030	2,240,997	664,982	1,576,015
Public safety	475,740	5,625,884	2,162,529	3,463,355
Public works	400	4,096	9,739	(5,643)
Recreation	-	1,834,014	878,369	955,645
Library	83,340	375,866	295,997	79,869
Capital outlay	-	578,098	251,394	578,098
Total expenditures	643,510	10,658,955	4,263,010	6,647,339
REVENUES OVER (UNDER) EXPENDITURES	(643,510)	365,185	(386,937)	(13,795,406)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	59	59
Total other financing sources (uses)	-	-	59	59
Net change in fund balance	\$ (643,510)	\$ 365,185	(386,878)	\$ (752,063)
FUND BALANCE (DEFICIT):				
Beginning of year			(14,395)	
End of year			\$ (401,273)	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Rent Stabilization
Special Revenue Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Charges for services	\$ 80,000	\$ 310,047	\$ 1,505,281	\$ 1,195,234
Total revenues	<u>80,000</u>	<u>310,047</u>	<u>1,505,281</u>	<u>1,195,234</u>
EXPENDITURES:				
Current:				
General government	45,000	605,950	286,230	319,720
Capital outlay	-	49,300	-	49,300
Total expenditures	<u>45,000</u>	<u>655,250</u>	<u>286,230</u>	<u>369,020</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>35,000</u>	<u>(345,203)</u>	<u>1,219,051</u>	<u>826,214</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	205,203	205,203	-
Total other financing sources (uses)	<u>-</u>	<u>205,203</u>	<u>205,203</u>	<u>-</u>
Net change in fund balance	<u>\$ 35,000</u>	<u>\$ (140,000)</u>	<u>1,424,254</u>	<u>\$ 1,564,254</u>
FUND BALANCE:				
Beginning of year			<u>143,595</u>	
End of year			<u>\$ 1,567,849</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Local Housing Trust
Special Revenue Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Current:				
General government	\$ -	\$ 2,000,000	\$ 25,785	\$ 1,974,215
Total expenditures	<u>-</u>	<u>2,000,000</u>	<u>25,785</u>	<u>1,974,215</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>(2,000,000)</u>	<u>(25,785)</u>	<u>(1,974,215)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,500,000	1,500,000	-
Total other financing sources (uses)	<u>-</u>	<u>1,500,000</u>	<u>1,500,000</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (500,000)</u>	1,474,215	<u>\$ 1,974,215</u>
FUND BALANCE:				
Beginning of year			<u>2,000,000</u>	
End of year			<u>\$ 3,474,215</u>	

Nonmajor Governmental Funds

Debt Service Funds

Debt Service Funds are used for the accumulation and disbursement of financial resources that will be used to make principal and interest payments on general long-term debt. The nonmajor debt service funds include the following debt issuances:

Assessment District Debt Service - This fund is used to accumulate monies for payment of the City's Assessment Districts Improvement Bonds. Debt service is financed with special assessments levied against property owners within the respective improvement districts.

COP 1999 & COP 2004 Consolidation (2014) - This fund is used to accumulate funds for the payment of principal and interest on the 2014 Lease Purchase/Agreement that was issued on January 29, 2014 to refinance the portion of the 1999 Certificates of Participation that were used to finance the construction of the City Animal Shelter. Debt service for the Animal Shelter is used to finance the City's General Fund.

2018 Lease-PS Building Police - This fund is used to accumulate monies for the designing, permitting, constructing and equipping the new public safety building, including ancillary parking and related facilities, located at 312 E Alisal Street in Salinas. Salinas Public Safety Facilities Inc. (SPF) issued lease revenue bonds to finance the construction of the new building. Lease payments are made from the City's Measure G Funds.

COP 2018B T.R.I.P. Total Road Improvement - This fund is used to accumulate monies for the principal and interest payments for the Transportation Revenue COP Certificates issued to finance large scale street improvement projects. COPs will be secured by Measure X Revenues the City receives from the Transportation Agency of Monterey County (TAMC).

2018 Lease-El Gabilan Library - This fund is used to accumulate monies for the designing, permitting, constructing and equipping the El Gabilan Library expansion, including ancillary parking, located at 1400 N Main Street in Salinas. Salinas Public Safety Facilities, Inc. (SPF) issued lease revenue bonds to facilitate the construction of the El Gabilan Library. Lease payments are made from the City's Measure E Funds.

2020A Refunding Energy - This fund is used to account for the refunding of the 2014 Energy Improvement Lease and accumulate monies for the payment of principal and interest.

2020A Refunding SVSWA - for the refunding of the outstanding portion of the Certificates of Participation Series 2015B (1997 Capital Improvement Projects) and accumulate monies for the payment of principal and interest.

Assessment District Administration - This fund accounts for the cost of administering the City's assessment district bonds used to finance improvements within those districts. Funding is provided by an assessment equal to 5% of the assessment amount with a maximum \$16 levy per parcel per bond.

Assessment District Reserve - This fund accounts for the reserves on outstanding assessment districts bonds.

2024 Energy Efficiency - This fund is used to account for the 2024 Energy Efficiency solar project at the Salinas Public Safety Building and accumulate monies for the payment of principal and interest.

City of Salinas
Combining Balance Sheet
Nonmajor Debt Service Funds
June 30, 2025

	Assessment District Debt Service	COP 1999 & 2004 Consolidation (2014)	2018 Lease-PS Building Police	COP 2018B T.R.I.P. Total Road Improvement	2018 Lease El Gabilan Library
ASSETS					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Receivables, net:					
Interest	-	-	-	-	-
Assessments	45,000	-	-	-	-
Restricted cash and investments	143,413	-	-	2,490,996	-
Total assets	\$ 188,413	\$ -	\$ -	\$ 2,490,996	\$ -
LIABILITIES AND FUND BALANCES					
Liabilities:					
Due to other funds	853,382	-	-	163,402	-
Unearned revenues	45,000	-	-	-	-
Total liabilities	898,382	-	-	163,402	-
Fund Balances:					
Restricted	-	-	-	2,327,594	-
Unassigned (deficit)	(709,969)	-	-	-	-
Total fund balances	(709,969)	-	-	2,327,594	-
Total liabilities and fund balances	\$ 188,413	\$ -	\$ -	\$ 2,490,996	\$ -

(Continued)

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Debt Service Funds
June 30, 2025

	2020A Refunding Energy	2020A Refunding SVSWA	Assessment District Administration	Assessment District Reserve
ASSETS				
Cash and investments	\$ -	\$ -	\$ -	\$ 2,042,663
Receivables, net:				
Interest	-	-	-	6,409
Assessments	-	-	-	-
Restricted cash and investments	-	-	-	-
Total assets	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049,072</u>
LIABILITIES AND FUND BALANCES				
Liabilities:				
Due to other funds	-	-	2,178	-
Unearned revenues	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>2,178</u>	<u>-</u>
Fund Balances:				
Restricted	-	-	-	2,049,072
Unassigned (deficit)	-	-	(2,178)	-
Total fund balances	<u>-</u>	<u>-</u>	<u>(2,178)</u>	<u>2,049,072</u>
Total liabilities and fund balances	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,049,072</u>

City of Salinas
Combining Balance Sheet (Continued)
Nonmajor Debt Service Funds
June 30, 2025

	2024 Energy Efficiency	Total
ASSETS		
Cash and investments	\$ -	\$ 2,042,663
Receivables, net:		
Interest	-	6,409
Assessments	-	45,000
Restricted cash and investments	3,703,901	6,338,310
Total assets	\$ 3,703,901	\$ 8,432,382
LIABILITIES AND FUND BALANCES		
Liabilities:		
Due to other funds	-	1,018,962
Unearned revenues	-	45,000
Total liabilities	-	1,063,962
Fund Balances:		
Restricted	3,703,901	8,080,567
Unassigned (deficit)	-	(712,147)
Total fund balances	3,703,901	7,368,420
Total liabilities and fund balances	\$ 3,703,901	\$ 8,432,382

(Concluded)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Debt Service Funds
For the Year Ended June 30, 2025

	Assessment District Debt Service	COP 1999 & 2004 Consolidation (2014)	2018 Lease-PS Building Police	COP 2018B T.R.I.P. Total Road Improvement	2018 Lease El Gabilan Library
REVENUES:					
Investment income	\$ 7,558	\$ -	\$ -	\$ 261,493	\$ -
Total revenues	<u>7,558</u>	<u>-</u>	<u>-</u>	<u>261,493</u>	<u>-</u>
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Debt service:					
Principal	45,000	179,000	3,210,000	850,000	240,000
Interest and fiscal charges	6,173	49,064	1,262,169	1,486,275	539,719
Bond issuance costs	-	-	-	-	-
Total expenditures	<u>51,173</u>	<u>228,064</u>	<u>4,472,169</u>	<u>2,336,275</u>	<u>779,719</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(43,615)</u>	<u>(228,064)</u>	<u>(4,472,169)</u>	<u>(2,074,782)</u>	<u>(779,719)</u>
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of leases	-	-	-	-	-
Transfers in	-	228,064	4,457,230	4,287,533	777,515
Total other financing sources (uses)	<u>-</u>	<u>228,064</u>	<u>4,457,230</u>	<u>4,287,533</u>	<u>777,515</u>
NET CHANGE IN FUND BALANCES	(43,615)	-	(14,939)	2,212,751	(2,204)
FUND BALANCES (DEFICIT):					
Beginning of year	(666,354)	-	14,939	114,843	2,204
End of year	<u>\$ (709,969)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,327,594</u>	<u>\$ -</u>

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Nonmajor Debt Service Funds
For the Year Ended June 30, 2025

	2020A Refunding Energy	2020A Refunding SVSWA	Assessment District Administration	Assessment District Reserve
REVENUES:				
Investment income	\$ -	\$ -	\$ -	\$ 99,890
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>99,890</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Debt service:				
Principal	1,080,000	585,000	-	-
Interest and fiscal charges	511,295	78,580	-	-
Bond issuance costs	-	-	-	-
Total expenditures	<u>1,591,295</u>	<u>663,580</u>	<u>-</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,591,295)</u>	<u>(663,580)</u>	<u>-</u>	<u>99,890</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of leases	-	-	-	-
Transfers in	1,591,295	663,330	-	-
Total other financing sources (uses)	<u>1,591,295</u>	<u>663,330</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	-	(250)	-	99,890
FUND BALANCES (DEFICIT):				
Beginning of year	-	250	(2,178)	1,949,182
End of year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (2,178)</u>	<u>\$ 2,049,072</u>

(Continued)

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance (Continued)
Nonmajor Debt Service Funds
For the Year Ended June 30, 2025

	<u>2024</u> <u>Energy</u> <u>Efficiency</u>	<u>Total</u>
REVENUES:		
Investment income	\$ 78,053	\$ 446,994
Total revenues	<u>78,053</u>	<u>446,994</u>
EXPENDITURES:		
Current:		
General government	954,805	954,805
Debt service:		
Principal	-	6,189,000
Interest and fiscal charges	90,663	4,023,938
Bond issuance costs	63,684	63,684
Total expenditures	<u>1,109,152</u>	<u>11,231,427</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,031,099)</u>	<u>(10,784,433)</u>
OTHER FINANCING SOURCES (USES):		
Proceeds from issuance of leases	4,735,000	4,735,000
Transfers in	-	12,004,967
Total other financing sources (uses)	<u>4,735,000</u>	<u>16,739,967</u>
NET CHANGE IN FUND BALANCES	3,703,901	5,955,534
FUND BALANCES (DEFICIT):		
Beginning of year	-	1,412,886
End of year	<u>\$ 3,703,901</u>	<u>\$ 7,368,420</u>

(Concluded)

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Assessment District
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Taxes - special assessments	\$ 50,000	\$ 50,000	\$ -	\$ (50,000)
Investment income (loss)	4,400	4,400	7,558	3,158
Total revenues	<u>54,400</u>	<u>54,400</u>	<u>7,558</u>	<u>(46,842)</u>
EXPENDITURES:				
Debt Service:				
Principal	45,000	45,000	45,000	45,000
Interest and fiscal charges	6,900	6,900	6,173	727
Total expenditures	<u>51,900</u>	<u>51,900</u>	<u>51,173</u>	<u>45,727</u>
Net change in fund balance	<u>\$ 2,500</u>	<u>\$ 2,500</u>	(43,615)	<u>\$ (46,115)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(666,354)</u>	
End of year			<u>\$ (709,969)</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - COP 1999 & 2004 Consolidation (2014)
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Debt Service:				
Principal	\$ 179,000	\$ 179,000	\$ 179,000	\$ 179,000
Interest and fiscal charges	49,100	49,100	49,064	36
Total expenditures	<u>228,100</u>	<u>228,100</u>	<u>228,064</u>	<u>179,036</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(228,100)</u>	<u>(228,100)</u>	<u>(228,064)</u>	<u>(179,036)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>228,100</u>	<u>228,100</u>	<u>228,064</u>	<u>(36)</u>
Total other financing sources (uses)	<u>228,100</u>	<u>228,100</u>	<u>228,064</u>	<u>(36)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2018 Lease-PS Building Police
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 8,700	\$ 8,700	\$ -	\$ (8,700)
Total revenues	<u>8,700</u>	<u>8,700</u>	<u>-</u>	<u>(8,700)</u>
EXPENDITURES:				
Debt Service:				
Principal	3,210,000	3,210,000	3,210,000	3,210,000
Interest and fiscal charges	1,263,200	1,263,200	1,262,169	1,031
Total expenditures	<u>4,473,200</u>	<u>4,473,200</u>	<u>4,472,169</u>	<u>3,211,031</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(4,464,500)</u>	<u>(4,464,500)</u>	<u>(4,472,169)</u>	<u>(3,219,731)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	5,543,900	5,543,900	4,457,230	(1,086,670)
Total other financing sources (uses)	<u>5,543,900</u>	<u>5,543,900</u>	<u>4,457,230</u>	<u>(1,086,670)</u>
Net change in fund balance	<u>\$ 1,079,400</u>	<u>\$ 1,079,400</u>	(14,939)	<u>\$ (1,094,339)</u>
FUND BALANCE:				
Beginning of year			<u>14,939</u>	
End of year			<u>\$ -</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2018B T.R.I.P. Total Road Improvement
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 376,300	\$ 376,300	\$ 261,493	\$ (114,807)
Total revenues	<u>376,300</u>	<u>376,300</u>	<u>261,493</u>	<u>(114,807)</u>
EXPENDITURES:				
Debt Service:				
Principal	850,000	850,000	850,000	850,000
Interest and fiscal charges	1,489,100	1,489,100	1,486,275	2,825
Total expenditures	<u>2,339,100</u>	<u>2,339,100</u>	<u>2,336,275</u>	<u>852,825</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,962,800)</u>	<u>(1,962,800)</u>	<u>(2,074,782)</u>	<u>(967,632)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	2,339,100	2,339,100	4,287,533	1,948,433
Total other financing sources (uses)	<u>2,339,100</u>	<u>2,339,100</u>	<u>4,287,533</u>	<u>1,948,433</u>
Net change in fund balance	<u>\$ 376,300</u>	<u>\$ 376,300</u>	2,212,751	<u>\$ 1,836,451</u>
FUND BALANCE:				
Beginning of year			<u>114,843</u>	
End of year			<u>\$ 2,327,594</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2018 Lease El Gabilan Library
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ 1,600	\$ 1,600	\$ -	\$ (1,600)
Total revenues	<u>1,600</u>	<u>1,600</u>	<u>-</u>	<u>(1,600)</u>
EXPENDITURES:				
Debt Service:				
Principal	240,000	240,000	240,000	240,000
Interest and fiscal charges	544,200	544,200	539,719	4,481
Total expenditures	<u>784,200</u>	<u>784,200</u>	<u>779,719</u>	<u>244,481</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(782,600)</u>	<u>(782,600)</u>	<u>(779,719)</u>	<u>(246,081)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,175,100	1,175,100	777,515	(397,585)
Total other financing sources (uses)	<u>1,175,100</u>	<u>1,175,100</u>	<u>777,515</u>	<u>(397,585)</u>
Net change in fund balance	<u>\$ 392,500</u>	<u>\$ 392,500</u>	<u>(2,204)</u>	<u>\$ (394,704)</u>
FUND BALANCE:				
Beginning of year			<u>2,204</u>	
End of year			<u>\$ -</u>	

City of Salinas
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - 2020A Refunding Energy
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Debt Service:				
Principal	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000	\$ 1,080,000
Interest and fiscal charges	512,300	512,300	511,295	1,005
Total expenditures	<u>1,592,300</u>	<u>1,592,300</u>	<u>1,591,295</u>	<u>1,081,005</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(1,592,300)</u>	<u>(1,592,300)</u>	<u>(1,591,295)</u>	<u>(1,081,005)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	<u>1,592,600</u>	<u>1,592,600</u>	<u>1,591,295</u>	<u>(1,305)</u>
Total other financing sources (uses)	<u>1,592,600</u>	<u>1,592,600</u>	<u>1,591,295</u>	<u>(1,305)</u>
Net change in fund balance	<u>\$ 300</u>	<u>\$ 300</u>	<u>-</u>	<u>\$ (300)</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ -</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2020A Refunding SVSWA
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
EXPENDITURES:				
Debt Service:				
Principal	\$ 585,000	\$ 585,000	\$ 585,000	\$ 585,000
Interest and fiscal charges	80,300	80,300	78,580	1,720
Total expenditures	<u>665,300</u>	<u>665,300</u>	<u>663,580</u>	<u>586,720</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(665,300)</u>	<u>(665,300)</u>	<u>(663,580)</u>	<u>(586,720)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	665,300	665,300	663,330	(1,970)
Total other financing sources (uses)	<u>665,300</u>	<u>665,300</u>	<u>663,330</u>	<u>(1,970)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(250)	<u>\$ (250)</u>
FUND BALANCE:				
Beginning of year			<u>250</u>	
End of year			<u>\$ -</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Assessment District Administration
Debt Service Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
Net change in fund balance	\$ -	\$ -	\$ -	\$ -
FUND BALANCE (DEFICIT):				
Beginning of year			(2,178)	
End of year			\$ (2,178)	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Assessment District Reserve
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income	\$ 34,100	\$ 34,100	\$ 99,890	\$ 65,790
Total revenues	<u>34,100</u>	<u>34,100</u>	<u>99,890</u>	<u>65,790</u>
Net change in fund balance	<u>\$ 34,100</u>	<u>\$ 34,100</u>	99,890	<u>\$ 65,790</u>
FUND BALANCE:				
Beginning of year			<u>1,949,182</u>	
End of year			<u>\$ 2,049,072</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2024 Energy Efficiency
Debt Service Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ -	\$ -	\$ 78,053	\$ 78,053
Total revenues	<u>-</u>	<u>-</u>	<u>78,053</u>	<u>78,053</u>
EXPENDITURES:				
Current:				
General government	-	-	954,805	(954,805)
Debt Service:				
Interest and fiscal charges	-	-	90,663	(90,663)
Bond issuance costs	-	-	63,684	(63,684)
Total expenditures	<u>-</u>	<u>-</u>	<u>1,109,152</u>	<u>(1,109,152)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>-</u>	<u>-</u>	<u>(1,031,099)</u>	<u>1,187,205</u>
OTHER FINANCING SOURCES (USES):				
Proceeds from issuance of long-term debt	-	-	4,735,000	4,735,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>4,735,000</u>	<u>4,735,000</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>3,703,901</u>	<u>\$ 3,703,901</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ 3,703,901</u>	

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Nonmajor Governmental Funds

Capital Projects Funds

Capital Projects Funds are used to account for major capital acquisition and construction activities. The nonmajor Capital Projects Funds used by the City in this report are as follows:

Special Construction Assistance Capital Projects - This fund accounts for proceeds of long-term borrowings resulting from the sale of Certificates of Participation to finance the acquisition and construction of capital projects.

Special Aviation - This fund accounts for federal and state airport grants. Funds are used to reimburse the Capital Projects Fund for airport capital expenditures.

Assessment District Projects - This fund accounts for bond proceeds from assessment districts used for capital improvements. Funds are used to reimburse the Capital Projects Fund for assessment district capital project expenditures.

2019 Special Tax Bond Monte Bella - This fund accounts for bond proceeds from assessments from the Monte Bella District for Capital Improvements. Funds are used to reimburse the Capital Projects Fund for Monte Bella District Capital Project Expenditures.

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City of Salinas
Combining Balance Sheet
Nonmajor Capital Projects Funds
June 30, 2025

	Special Construction Assistance	Special Aviation	Assessment District Project	2019 Special Tax Bond Monte Bella	Total
ASSETS					
Cash and investments	\$ 5,413,662	\$ 853,212	\$ 461,149	\$ 17,092	\$ 6,745,115
Receivables, net:					
Accounts	582,758	-	-	-	582,758
Interest	415,985	2,530	1,518	84	420,117
Due from other agencies	1,049,218	50,116	-	-	1,099,334
Assessments	-	-	-	-	-
Leases	3,307,506	-	-	-	3,307,506
Restricted cash and investments	-	-	-	13,287	13,287
Total assets	<u>\$ 10,769,129</u>	<u>\$ 905,858</u>	<u>\$ 462,667</u>	<u>\$ 30,463</u>	<u>\$ 12,168,117</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
Liabilities:					
Due to other funds	\$ 5,605,329	\$ 7,777	\$ -	\$ -	\$ 5,613,106
Total liabilities	<u>5,605,329</u>	<u>7,777</u>	<u>-</u>	<u>-</u>	<u>5,613,106</u>
DEFERRED INFLOWS OF RESOURCES					
Related to leases	2,967,094	-	-	-	2,967,094
Total deferred inflows of resources	<u>2,967,094</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,967,094</u>
Fund Balances:					
Restricted	2,196,706	898,081	462,667	30,463	3,587,917
Total fund balances	<u>2,196,706</u>	<u>898,081</u>	<u>462,667</u>	<u>30,463</u>	<u>3,587,917</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 10,769,129</u>	<u>\$ 905,858</u>	<u>\$ 462,667</u>	<u>\$ 30,463</u>	<u>\$ 12,168,117</u>

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2025

	Special Construction Assistance	Special Aviation	Assessment District Project	2019 Special Tax Bond Monte Bella	Total
REVENUES:					
Intergovernmental	\$ 6,649,188	\$ 715,781	\$ -	\$ -	\$ 7,364,969
Charges for services	33,675	-	-	-	33,675
Investment income (loss)	232,147	39,386	22,290	1,760	295,583
Total revenues	<u>6,915,010</u>	<u>755,167</u>	<u>22,290</u>	<u>1,760</u>	<u>7,694,227</u>
EXPENDITURES:					
Current:					
Public works	-	188	-	-	188
Total expenditures	<u>-</u>	<u>188</u>	<u>-</u>	<u>-</u>	<u>188</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>6,915,010</u>	<u>754,979</u>	<u>22,290</u>	<u>1,760</u>	<u>7,694,039</u>
OTHER FINANCING SOURCES (USES):					
Transfers out	(6,439,355)	(41,215)	-	-	(6,480,570)
Total other financing sources (uses)	<u>(6,439,355)</u>	<u>(41,215)</u>	<u>-</u>	<u>-</u>	<u>(6,480,570)</u>
NET CHANGE IN FUND BALANCES	475,655	713,764	22,290	1,760	1,213,469
FUND BALANCES:					
Beginning of year	1,721,051	184,317	440,377	28,703	2,374,448
End of year	<u>\$ 2,196,706</u>	<u>\$ 898,081</u>	<u>\$ 462,667</u>	<u>\$ 30,463</u>	<u>\$ 3,587,917</u>

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Special Construction Assistance
Capital Projects Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ 100,000	\$ 350,000	\$ 6,649,188	\$ 6,299,188
Charges for services	-	-	33,675	33,675
Investment income (loss)	-	-	232,147	232,147
Total revenues	<u>100,000</u>	<u>350,000</u>	<u>6,915,010</u>	<u>6,565,010</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>100,000</u>	<u>350,000</u>	<u>6,915,010</u>	<u>6,565,010</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(35,037,052)	(6,439,355)	28,597,697
Total other financing sources (uses)	<u>-</u>	<u>(35,037,052)</u>	<u>(6,439,355)</u>	<u>28,597,697</u>
Net change in fund balance	<u>\$ 100,000</u>	<u>\$ (34,687,052)</u>	475,655	<u>\$ 35,162,707</u>
FUND BALANCE:				
Beginning of year			<u>1,721,051</u>	
End of year			<u>\$ 2,196,706</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Special Aviation
Capital Projects Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Intergovernmental	\$ -	\$ -	\$ 715,781	\$ 715,781
Investment income (loss)	14,900	14,900	39,386	24,486
Total revenues	<u>14,900</u>	<u>14,900</u>	<u>755,167</u>	<u>740,267</u>
EXPENDITURES:				
Current:				
Public works	-	-	188	-
Total expenditures	<u>-</u>	<u>-</u>	<u>188</u>	<u>-</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>14,900</u>	<u>14,900</u>	<u>754,979</u>	<u>740,267</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	199,388	(41,215)	(240,603)
Total other financing sources (uses)	<u>-</u>	<u>199,388</u>	<u>(41,215)</u>	<u>(240,603)</u>
Net change in fund balance	<u>\$ 14,900</u>	<u>\$ 214,288</u>	713,764	<u>\$ 499,476</u>
FUND BALANCE:				
Beginning of year			<u>184,317</u>	
End of year			<u>\$ 898,081</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - Assessment District Project
Capital Projects Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ -	\$ -	\$ 22,290	\$ 22,290
Total revenues	<u>-</u>	<u>-</u>	<u>22,290</u>	<u>22,290</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>22,290</u>	<u>\$ 22,290</u>
FUND BALANCE:				
Beginning of year			<u>440,377</u>	
End of year			<u>\$ 462,667</u>	

City of Salinas
Supplementary Information
Budgetary Comparison Schedule - 2019 Special Tax Bond Monte Bella
Capital Projects Fund
For the Year Ended June 30, 2025

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Favorable/ (Unfavorable)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES:				
Investment income (loss)	\$ -	\$ -	\$ 1,760	\$ 1,760
Total revenues	<u>-</u>	<u>-</u>	<u>1,760</u>	<u>1,760</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>1,760</u>	<u>\$ 1,760</u>
FUND BALANCE:				
Beginning of year			<u>28,703</u>	
End of year			<u>\$ 30,463</u>	

Internal Service Funds

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Risk Management - This fund is used to account for the City's risk management program which administers employee benefits and the Internal Service Funds insurance programs.

General Insurance - This fund is used to account for city-wide safety programs, employee assistance programs, unemployment claims, biennial physical exams, and insurance for property, fine arts, and reimbursable damages.

Workers Compensation - This fund is used to account for the City's self-insured workers compensation program.

General Liability - This fund is used to account for the City's self-insured general liability insurance program.

Fleet Maintenance - This fund is used to account for the inspection, maintenance, and repair of all the City's vehicles and equipment.

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City of Salinas
Combining Statement of Net Position
All Internal Service Funds
June 30, 2025

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 194,440	\$ -	\$ 7,090,560	\$ 3,144,515	\$ 255,884	\$ 10,685,399
Due from other funds	-	-	16,831,462	-	-	16,831,462
Accrued interest	-	-	24,541	4,470	-	29,011
Total current assets	194,440	-	23,946,563	3,148,985	255,884	27,545,872
Noncurrent assets:						
Restricted cash and investments	-	-	278,435	235,625	-	514,060
Total noncurrent assets	-	-	278,435	235,625	-	514,060
Total assets	194,440	-	24,224,998	3,384,610	255,884	28,059,932
DEFERRED OUTFLOWS OF RESOURCES						
Related to pensions	-	-	90,721	-	302,410	393,131
Related to OPEB	-	-	10,823	12,787	44,889	68,499
Total deferred outflows of resources	-	-	101,544	12,787	347,299	461,630
LIABILITIES						
Current liabilities:						
Accounts payable	-	28,753	18,596	55,036	56,377	158,762
Accrued liabilities	-	-	19,161	10,424	80,375	109,960
Due to other funds	-	303,832	-	-	-	303,832
Insurance claims payable - due within one year	-	-	7,103,000	2,807,671	-	9,910,671
Compensated absences - due within one year	-	-	8,998	3,791	29,828	42,617
Total current liabilities	-	332,585	7,149,755	2,876,922	166,580	10,525,842
Noncurrent liabilities:						
Insurance claims payable - due in more than one year	-	-	32,240,333	1,162,332	-	33,402,665
Compensated absences - due in more than one year	-	-	35,991	15,167	119,312	170,470
Net pension liability	-	-	335,627	-	1,118,756	1,454,383
Net OPEB liability	-	-	43,633	51,555	180,978	276,166
Total noncurrent liabilities	-	-	32,655,584	1,229,054	1,419,046	35,303,684
Total liabilities	-	332,585	39,805,339	4,105,976	1,585,626	45,829,526
DEFERRED INFLOWS OF RESOURCES						
Related to pensions	-	-	5,085	-	16,952	22,037
Related to OPEB	-	-	35,087	41,457	145,530	222,074
Total deferred inflows of resources	-	-	40,172	41,457	162,482	244,111
NET POSITION						
Unrestricted (deficit)	194,440	(332,585)	(15,518,969)	(750,036)	(1,144,925)	(17,552,075)
Total net position (deficit)	\$ 194,440	\$ (332,585)	\$(15,518,969)	\$ (750,036)	\$(1,144,925)	\$(17,552,075)

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City of Salinas
Combining Statement of Revenues, Expenses, and Changes in Net Position
All Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
OPERATING REVENUES:						
Charges for services	\$ 220	\$ 85,541	\$ 7,067,969	\$ 383,411	\$ -	\$ 7,537,141
Total operating revenues	220	85,541	7,067,969	383,411	-	7,537,141
OPERATING EXPENSES:						
Personnel services	-	-	610,607	365,100	1,556,358	2,532,065
Contractual services	-	87,116	-	-	150,699	237,815
Supplies	-	-	-	-	849,878	849,878
Insurance	-	1,822,554	693,103	3,913,863	-	6,429,520
Insurance claims	-	-	12,287,921	412,574	-	12,700,495
Other	-	151,972	-	-	17,373	169,345
Total operating expenses	-	2,061,642	13,591,631	4,691,537	2,574,308	22,919,118
OPERATING INCOME (LOSS)	220	(1,976,101)	(6,523,662)	(4,308,126)	(2,574,308)	(15,381,977)
NONOPERATING REVENUES (EXPENSES):						
Investment income	-	-	373,423	20,515	-	393,938
Other non-operating revenue (expense)	-	(395)	(252,888)	-	(23,006)	(276,289)
Total nonoperating revenues (expenses)	-	(395)	120,535	20,515	(23,006)	117,649
INCOME (LOSS) BEFORE TRANSFERS	220	(1,976,496)	(6,403,127)	(4,287,611)	(2,597,314)	(15,264,328)
TRANSFERS:						
Transfers in	-	1,450,000	-	6,650,000	2,000,000	10,100,000
Transfers out	-	-	(650,000)	-	-	(650,000)
Total transfers	-	1,450,000	(650,000)	6,650,000	2,000,000	9,450,000
Changes in net position	220	(526,496)	(7,053,127)	2,362,389	(597,314)	(5,814,328)
NET POSITION (DEFICIT):						
Beginning of year	194,220	193,911	(8,465,842)	(3,112,425)	(547,611)	(11,737,747)
End of year	<u>\$ 194,440</u>	<u>\$ (332,585)</u>	<u>\$ (15,518,969)</u>	<u>\$ (750,036)</u>	<u>\$ (1,144,925)</u>	<u>\$ (17,552,075)</u>

City of Salinas
Combining Statement of Cash Flows
All Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Receipts from customers	\$ 220	\$ 85,541	\$ 7,067,969	\$ 383,411	\$ -	\$ 7,537,141
Payments to suppliers for goods and services	-	(1,897,048)	(16,087)	(206,802)	(1,086,924)	(3,206,861)
Payments to employees for services	-	-	(596,326)	(354,615)	(1,600,036)	(2,550,977)
Payments to claimants	-	-	(5,866,616)	(4,105,142)	-	(9,971,758)
Other	-	(151,972)	-	-	(17,373)	(169,345)
Net cash provided by (used in) operating activities	220	(1,963,479)	588,940	(4,283,148)	(2,704,333)	(8,361,800)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:						
Other expenses	-	(395)	(252,888)	-	(23,006)	(276,289)
Transfers from other funds	-	1,450,000	-	6,650,000	2,000,000	10,100,000
Transfers to other funds	-	-	(650,000)	-	-	(650,000)
Net cash provided by (used in) noncapital financing activities	-	1,753,437	(902,888)	6,650,000	1,976,994	9,477,543
CASH FLOWS FROM INVESTING ACTIVITIES:						
Investment income	-	-	376,431	16,045	-	392,476
Net cash provided by investing activities	-	-	376,431	16,045	-	392,476
Net change in cash and cash equivalents	220	(210,042)	62,483	2,382,897	(727,339)	1,508,219
CASH AND CASH EQUIVALENTS:						
Beginning of year	194,220	210,042	7,306,512	997,243	983,223	9,691,240
End of year	<u>\$ 194,440</u>	<u>\$ -</u>	<u>\$ 7,368,995</u>	<u>\$ 3,380,140</u>	<u>\$ 255,884</u>	<u>\$ 11,199,459</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS TO STATEMENT OF NET POSITION:						
Cash and cash investments	\$ 194,440	\$ -	\$ 7,090,560	\$ 3,144,515	\$ 255,884	\$ 10,685,399
Total cash and cash equivalents	<u>\$ 194,440</u>	<u>\$ -</u>	<u>\$ 7,368,995</u>	<u>\$ 3,380,140</u>	<u>\$ 255,884</u>	<u>\$ 11,199,459</u>

City of Salinas
Combining Statement of Cash Flows (Continued)
All Internal Service Funds
For the Year Ended June 30, 2025

	Risk Management	General Insurance	Workers Compensation	General Liability	Fleet Maintenance	Total
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 220	\$(1,976,101)	\$ (6,523,662)	\$(4,308,126)	\$(2,574,308)	\$(15,381,977)
Adjustments to reconcile operating (loss) to net cash provided by (used in) operating activities:						
Changes in operating assets and liabilities, and deferred outflows and inflows of resources:						
Deferred outflows - related to pensions	-	-	47,274	-	203,764	251,038
Deferred outflows - related to OPEB	-	-	2,369	2,799	9,826	14,994
Accounts payable	-	12,622	(16,087)	(206,802)	(86,347)	(296,614)
Accrued liabilities	-	-	19,161	10,424	80,375	109,960
Insurance claims payable	-	-	7,114,408	221,295	-	7,335,703
Compensated absences	-	-	11,578	4,274	21,712	37,564
Net pension liability	-	-	(55,626)	-	(316,386)	(372,012)
Net OPEB liability	-	-	1,519	1,796	6,302	9,617
Deferred inflows - related to pensions	-	-	(4,539)	-	(18,351)	(22,890)
Deferred inflows - related to OPEB	-	-	(7,455)	(8,808)	(30,920)	(47,183)
Total adjustments	-	12,622	7,112,602	24,978	(130,025)	7,020,177
Net cash provided by (used in) operating activities	\$ 220	\$(1,963,479)	\$ 588,940	\$(4,283,148)	\$(2,704,333)	\$(8,361,800)

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Fiduciary Funds

PRIVATE PURPOSE TRUST FUNDS

The private-purpose trust funds accounts for assets and activities of the dissolved Redevelopment Agency, which is accounted for in the Successor Agency Trust, and other trust arrangement not otherwise reported in a pension trust.

Successor Agency Redevelopment Obligation Retirement – This fund accounts for all the financial activities of the Redevelopment Obligation Retirement Fund (RORF) related to the former Redevelopment Project Area in accordance with AB 1x26 and AB 1484 which unwind the Redevelopment Agency of the City of Salinas.

Successor Agency Administration – This fund accounts for the administrative activities of the Successor Agency to the former Salinas Redevelopment Agency which was dissolved on February 1, 2012 in accordance with AB 1x26 (enacted June 28, 2011).

Other Private Purpose Trust Funds – These funds are used to account for other trust arrangements not properly reported in a pension trust fund under which principal and income benefit individuals, private organizations, or other governments. The City accounts for the following trust funds: Community Center, Monterey Regional Water Pollution Control Agency (MRWPCA) Fees, Sales Tax, Payroll Taxes, Developer Deposits, Evidence Room, Construction Bonds, Monterey County Tourism Improvement District, Leadership Salinas, and miscellaneous.

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City of Salinas
Combining Statement of Fiduciary Net Position
Private Purpose Trust Funds
June 30, 2025

	Successor Agency Trust			Other Private Purpose Trust Fund	Total Private Purpose Trust Funds
	Redevelopment Obligation Retirement Fund	Administration	Total Successor Agency Trust		
ASSETS					
Cash and investments	\$ 2,340,179	\$ 34,018	\$ 2,374,197	\$ 1,310,130	\$ 3,684,327
Receivables:					
Accounts	-	-	-	7,618	7,618
Interest	6,662	-	6,662	1,096	7,758
Loans and notes	163,900	-	163,900	-	163,900
Total assets	<u>2,510,741</u>	<u>34,018</u>	<u>2,544,759</u>	<u>1,318,844</u>	<u>3,863,603</u>
LIABILITIES					
Accounts payable	-	66	66	191,758	191,824
Deposits payable	-	-	-	169,744	169,744
Unearned revenue	817,554	10,000	827,554	-	827,554
Long-term debt:					
Due in more than one year	157,500	-	157,500	-	157,500
Total liabilities	<u>975,054</u>	<u>10,066</u>	<u>985,120</u>	<u>361,502</u>	<u>1,346,622</u>
NET POSITION					
Restricted for individuals and organizations	1,535,687	23,952	1,559,639	957,342	2,516,981
Total net position	<u>\$ 1,535,687</u>	<u>\$ 23,952</u>	<u>\$ 1,559,639</u>	<u>\$ 957,342</u>	<u>\$ 2,516,981</u>

City of Salinas
Combining Statement of Changes in Fiduciary Net Position
Private Purpose Trust Funds
For the Year Ended June 30, 2025

	Successor Agency Trust				Total Private Purpose Trust Funds
	Redevelopment Obligation Retirement Fund	Total Successor Agency Trust		Other Private Purpose Trust Fund	
	Administration				
ADDITIONS:					
Taxes	\$ 4,246,550	\$ 10,000	\$ 4,256,550	\$ -	\$ 4,256,550
Private contributions	-	-	-	6,306,404	6,306,404
Interest	90,738	-	90,738	18,445	109,183
Miscellaneous	-	-	-	449,032	449,032
Total additions	<u>4,337,288</u>	<u>10,000</u>	<u>4,347,288</u>	<u>6,773,881</u>	<u>11,121,169</u>
DEDUCTIONS:					
Expenses	107,621	1,159	108,780	130,790	239,570
Payments on behalf of trustees	-	4,309	4,309	6,106,395	6,110,704
Contributions to other agencies	3,192,836	-	3,192,836	-	3,192,836
Payments to City	946,093	-	946,093	-	946,093
Total deductions	<u>4,246,550</u>	<u>5,468</u>	<u>4,252,018</u>	<u>6,237,185</u>	<u>10,489,203</u>
Change in net position	90,738	4,532	95,270	536,696	631,966
NET POSITION:					
Beginning of year	1,444,949	19,420	1,464,369	420,646	1,885,015
End of year	<u>\$ 1,535,687</u>	<u>\$ 23,952</u>	<u>\$ 1,559,639</u>	<u>\$ 957,342</u>	<u>\$ 2,516,981</u>

Fiduciary Funds

Custodial Funds

Custodial Funds are used to account for assets held by the City as an agent for individuals, private organizations, other governments and/or other funds. Agency Funds operate as a clearing mechanism. Cash resources are collected, held for a brief period and then distributed to the proper recipients. The City has a fiduciary responsibility for the assets, which it does not own outright.

Flexible Spending - This fund is used to account for revenues resulting of employee concessions contributions used to reduce the cost of medical, vision and dental health insurance premiums.

Downtown Community Benefit District - This fund accounts for the property assessment generated revenues imposed on the Downtown Community Benefit District. The concept is that eventually the Downtown Community Benefit District will grow and receive revenues from multiple sources within a defined boundary that can among other things, including entrepreneurial activities, special mandate, are not be excluded, and no exemptions for not-for-profit entities are being considered. It can be governed by a 501(c)3 non-profit corporation, merging the existing energies in Downtown into just one organization, rather than the 501(c)6 BID and the OSA Foundation. It can receive grants and donations, and merge these with more assessments that are powerful.

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City of Salinas
Combining Statement of Fiduciary Net Position
Custodial Funds
June 30, 2025

	Flexible Spending	Downtown Community Benefit District	Total Custodial Funds
ASSETS			
Cash and investments	\$ 77,986	\$ 3,890	\$ 81,876
Total assets	77,986	3,890	81,876
LIABILITIES			
Accounts payable	169,087	3,890	172,977
Total liabilities	169,087	3,890	172,977
NET POSITION (DEFICIT)			
Restricted for individuals and organizations	(91,101)	-	(91,101)
Total net position (deficit)	\$ (91,101)	\$ -	\$ (91,101)

City of Salinas
Combining Statement of Changes of Fiduciary Net Position
Custodial Funds
For the Year Ended June 30, 2025

	<u>Flexible Spending</u>	<u>Downtown Community Benefit District</u>	<u>Total Custodial Funds</u>
ADDITIONS:			
Taxes	\$ -	\$ 505,983	\$ 505,983
Plan member contributions	365,659	-	365,659
Total additions	<u>365,659</u>	<u>505,983</u>	<u>871,642</u>
DEDUCTIONS:			
Expenses	352,368	-	352,368
Benefit payments	136,722	-	136,722
Assessments disbursed to other governments	-	505,983	505,983
Total deductions	<u>489,090</u>	<u>505,983</u>	<u>995,073</u>
Change in net position	(123,431)	-	(123,431)
NET POSITION (DEFICIT):			
Beginning of year	<u>32,330</u>	<u>-</u>	<u>32,330</u>
End of year	<u>\$ (91,101)</u>	<u>\$ -</u>	<u>\$ (91,101)</u>

City of Salinas
Combining Balance Sheet
General, Measure E, & Measure G Funds
June 30, 2025

	General Fund	Measure E Fund	Measure G Fund	Total
ASSETS				
Cash and investments	\$ 41,278,214	\$ 23,730,631	\$ 25,211,234	\$ 90,220,079
Receivables, net:				
Accounts	917,236	-	-	917,236
Taxes	10,127,718	3,499,433	7,035,175	20,662,326
Interest	296,775	74,550	80,284	451,609
Due from other agencies	98,864	-	-	98,864
Leases	1,052,262	-	-	1,052,262
Due from other funds	11,784,054	-	-	11,784,054
Advances to other funds	2,785,000	-	-	2,785,000
Total assets	\$ 68,340,123	\$ 27,304,614	\$ 32,326,693	\$ 127,971,430
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ 2,473,046	\$ 231,382	\$ 625,829	\$ 3,330,257
Accrued liabilities	4,129,409	457,226	773,794	5,360,429
Due to other funds	17,235,353	313,154	975,077	18,523,584
Deposits payable	52,802	-	-	52,802
Total liabilities	23,890,610	1,001,762	2,374,700	27,267,072
DEFERRED INFLOWS OF RESOURCES				
Related to leases	995,273	-	-	995,273
Total deferred inflows of resources	995,273	-	-	995,273
Fund Balances (deficit):				
Nonspendable	2,785,000	-	-	2,785,000
Restricted	6,000,000	1,320,000	2,680,000	10,000,000
Committed	21,362,658	3,713,235	13,166,286	38,242,179
Assigned	8,134,367	7,702,794	8,987,839	24,825,000
Unassigned (deficit)	5,172,215	13,566,823	5,117,868	23,856,906
Total fund balances (deficit)	43,454,240	26,302,852	29,951,993	99,709,085
Total liabilities, deferred inflows of resources, and fund balances	\$ 68,340,123	\$ 27,304,614	\$ 32,326,693	\$ 127,971,430

City of Salinas
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
General, Measure E, & Measure G Funds
For the Year Ended June 30, 2025

	General Fund	Measure E Fund	Measure G Fund	Intrafund Eliminations	Total
REVENUES:					
Taxes	\$ 105,760,656	\$ 17,960,622	\$ 36,033,894	\$ -	\$ 159,755,172
Licenses and permits	10,919,325	-	-	-	10,919,325
Intergovernmental	1,428,928	-	-	-	1,428,928
Charges for services	9,305,281	-	-	-	9,305,281
Interest (loss)	3,102,038	1,088,861	1,279,159	-	5,470,058
Rental income	406,138	-	-	-	406,138
Fines and forfeitures	198,664	-	-	-	198,664
Miscellaneous	1,017,855	(123)	351	-	1,018,083
Total revenues	132,138,885	19,049,360	37,313,404	-	188,501,649
EXPENDITURES:					
Current:					
General government	27,329,978	2,736	2,836,272	-	30,168,986
Public safety	75,823,190	3,961,042	9,339,186	-	89,123,418
Public works	10,079,553	8,383	6,898,201	-	16,986,137
Recreation	791,896	2,569,713	5,496,409	-	8,858,018
Library	-	6,095,902	-	-	6,095,902
Capital outlay	254,055	-	152,635	-	406,690
Debt service:					
Principal	1,148,865	-	-	-	1,148,865
Interest and fiscal charges	163,990	-	-	-	163,990
Total expenditures	115,591,527	12,637,776	24,722,703	-	152,952,006
REVENUES OVER (UNDER) EXPENDITURES	16,547,358	6,411,584	12,590,701	-	35,549,643
OTHER FINANCING SOURCES (USES):					
Proceeds from issuance of long-term debt	239,641	-	-	-	239,641
Transfers in	4,977,200	-	-	(2,512,200)	2,465,000
Transfers out	(18,221,803)	(2,391,593)	(14,805,692)	2,512,200	(32,906,888)
Total other financing sources (uses)	(13,004,962)	(2,391,593)	(14,805,692)	-	(30,202,247)
NET CHANGE IN FUND BALANCES	3,542,396	4,019,991	(2,214,991)	-	5,347,396
FUND BALANCES:					
Beginning of year	39,911,844	22,282,861	32,166,984	-	94,361,689
End of year	<u>\$ 43,454,240</u>	<u>\$ 26,302,852</u>	<u>\$ 29,951,993</u>	<u>\$ -</u>	<u>\$ 99,709,085</u>

City of Salinas
Budgetary Comparison Schedule
Measure E
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 17,200,000	\$ 17,200,000	\$ 17,960,622	\$ 760,622
Interest	300,000	300,000	1,088,861	788,861
Miscellaneous	-	-	(123)	(123)
Total revenues	<u>17,500,000</u>	<u>17,500,000</u>	<u>19,049,360</u>	<u>1,549,360</u>
EXPENDITURES:				
Current:				
General government	59,000	59,000	2,736	56,264
Public safety	4,456,200	4,459,200	3,961,042	498,158
Public works	-	9,772	8,383	1,389
Recreation	2,888,270	2,878,498	2,569,713	308,785
Library	6,136,900	6,136,901	6,095,902	40,999
Total expenditures	<u>13,540,370</u>	<u>13,543,371</u>	<u>12,637,776</u>	<u>905,595</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>3,959,630</u>	<u>3,956,629</u>	<u>6,411,584</u>	<u>(2,454,955)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,169,700)	(12,098,972)	(2,391,593)	(9,707,379)
Total other financing sources (uses)	<u>(2,169,700)</u>	<u>(12,098,972)</u>	<u>(2,391,593)</u>	<u>(9,707,379)</u>
Net change in fund balance	<u>\$ 1,789,930</u>	<u>\$ (8,142,343)</u>	4,019,991	<u>\$ 12,162,334</u>
FUND BALANCE:				
Beginning of year			<u>22,282,861</u>	
End of year			<u>\$ 26,302,852</u>	

City of Salinas
Budgetary Comparison Schedule
Measure G
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Favorable/ (Unfavorable)
	Original	Final		
REVENUES:				
Taxes	\$ 34,400,000	\$ 34,400,000	\$ 36,033,894	\$ 1,633,894
Interest	500,000	500,000	1,279,159	779,159
Total revenues	<u>34,900,000</u>	<u>34,900,000</u>	<u>37,313,404</u>	<u>2,413,404</u>
EXPENDITURES:				
Current:				
General government	2,965,170	3,777,670	2,836,272	941,398
Public safety	8,713,520	8,728,560	9,339,186	(610,626)
Public works	7,038,678	7,264,252	6,898,201	366,051
Recreation	5,363,377	5,647,689	5,496,409	151,280
Capital outlay	122,825	136,998	152,635	136,998
Total expenditures	<u>24,203,570</u>	<u>25,555,169</u>	<u>24,722,703</u>	<u>985,101</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>10,696,430</u>	<u>9,344,831</u>	<u>12,590,701</u>	<u>(3,245,870)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(10,256,200)	(33,113,804)	(14,805,692)	(18,308,112)
Total other financing sources (uses)	<u>(10,256,200)</u>	<u>(33,113,804)</u>	<u>(14,805,692)</u>	<u>(18,308,112)</u>
Net change in fund balance	<u>\$ 440,230</u>	<u>\$ (23,768,973)</u>	(2,214,991)	<u>\$ 21,553,982</u>
FUND BALANCE:				
Beginning of year			<u>32,166,984</u>	
End of year			<u>\$ 29,951,993</u>	

OTHER INFORMATION

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - General Liability Insurance
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net earned required contribution and investment revenues	\$ 1,019,378	\$ 1,074,526	\$ 863,563	\$ 342,324	\$ 263,104
Unallocated expenses	339,171	314,127	374,303	651,645	748,046
Estimated incurred claims and expenses, end of policy year	534,565	36,271	7,532	892,986	4,006
Paid claims as of:					
End of policy year	116,262	15,603	6,310	75,401	3,618
One year later	20,991	227,379	22,088	387,594	7,635
Two years later	64,153	846,232	285,818	2,660,599	312,080
Three years later	65,043	947,734	340,771	2,723,293	225,494
Four years later	66,412	1,019,825	1,072,628	895,990	308,901
Five years later	835,586	1,721,882	438,723	927,957	354,018
Six years later	588,263	90,970	525,270	927,957	
Seven years later	563,125	90,970	525,675		
Eight years later	563,125	90,970			
Nine years later	563,125				
Reestimated incurred claims and expenses:					
End of policy year	234,565	36,271	7,532	892,986	4,006
One year later	194,433	357,416	796,619	1,583,466	42,411
Two years later	79,955	1,714,261	327,418	3,952,801	468,435
Three years later	94,678	949,419	666,518	3,936,716	51,124
Four years later	80,580	1,041,511	1,144,430	17,475	204,287
Five years later	835,586	1,721,882	8,760	2,434,585	204,287
Six years later	1,234,203	131,016	1,000,872	2,434,585	
Seven years later	26,455	1,635,665	1,000,872		
Eight years later	622,109	1,635,665			
Nine years later	622,109				
Increase/(decrease) in estimated incurred claims and expenses	387,544	1,599,394	993,340	1,541,599	200,281

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - General Liability Insurance (Continued)
Last Ten Fiscal Years

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net earned required contribution and investment revenues	\$ 276,393	\$ 1,228,577	\$ 273,301	\$ 265,624	\$ 403,927
Unallocated expenses	1,090,415	1,860,605	2,140,090	2,890,348	2,537,406
Estimated incurred claims and expenses, end of policy year	53,317	603,165	19,883	19,203	50,678
Paid claims as of:					
End of policy year	2,999	233,121	120	50,111	81,911
One year later	33,435	47,068	337	877,899	
Two years later	428,518	126,776	328,869		
Three years later	513,811	340,302			
Four years later	538,056				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Reestimated incurred claims and expenses:					
End of policy year	53,317	603,165	19,883	19,203	50,678
One year later	778,790	66,288	38,767	51,986	
Two years later	11,615	818,262	122,675		
Three years later	707,865	1,143,262			
Four years later	887,865				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Increase/(decrease) in estimated incurred claims and expenses	834,548	540,097	102,793	32,783	-

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - Workers Compensation Insurance
Last Ten Fiscal Years

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
Net earned required contribution and investment revenues	\$ 13,748,053	\$ 4,743,276	\$ 4,922,253	\$ 6,079,547	\$ 10,151,619
Unallocated expenses	471,472	334,542	1,056,134	210,341	436,618
Estimated incurred claims and expenses, end of policy year	813,874	953,545	1,284,514	1,222,180	1,638,983
Paid claims as of:					
End of policy year	333,561	357,390	346,475	722,652	567,497
One year later	1,061,264	1,070,983	1,177,834	1,580,493	1,844,018
Two years later	1,602,857	1,997,607	1,617,945	1,987,948	2,550,102
Three years later	1,895,742	2,329,308	1,937,327	2,763,247	2,996,808
Four years later	2,014,757	2,558,332	2,010,366	2,941,966	3,444,801
Five years later	2,044,352	270,304	2,133,667	3,077,553	3,641,213
Six years later	2,064,349	2,846,811	2,170,114	3,470,753	
Seven years later	2,105,316	3,594,261	2,199,891		
Eight years later	2,151,551	3,654,630			
Nine years later	2,158,501				
Reestimated incurred claims and expenses:					
End of policy year	813,874	953,545	1,284,514	1,222,180	1,638,983
One year later	1,711,199	1,934,390	1,833,783	2,488,357	3,759,255
Two years later	2,433,616	2,924,696	2,290,339	3,269,045	4,558,744
Three years later	2,406,924	2,932,147	3,249,184	4,060,647	2,012,955
Four years later	2,505,621	3,111,763	3,195,733	1,061,645	1,801,516
Five years later	2,618,375	3,804,982	1,135,620	1,134,913	1,616,899
Six years later	2,636,313	1,104,685	1,088,259	1,016,053	
Seven years later	576,053	319,687	1,073,138		
Eight years later	727,812	321,398			
Nine years later	318,619				
Increase/(decrease) in estimated incurred claims and expenses	(495,255)	(632,147)	(211,376)	(206,127)	(22,084)

City of Salinas
Other Information (Unaudited)
Claims Development
Internal Service Funds - Workers Compensation Insurance (Continued)
Last Ten Fiscal Years

	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Net earned required contribution and investment revenues	\$ 8,119,793	\$ 5,176,801	\$ 5,807,667	\$ 6,502,944	\$ 7,441,392
Unallocated expenses	323,042	216,651	216,651	216,651	223,150
Estimated incurred claims and expenses, end of policy year	4,366,805	2,233,467	2,515,012	2,311,342	3,403,343
Paid claims as of:					
End of policy year	1,420,172	930,895	1,518,668	1,093,682	824,823
One year later	2,372,771	3,271,499	3,811,029	2,767,901	
Two years later	3,310,505	5,525,014	5,416,865		
Three years later	4,778,794	6,724,967			
Four years later	5,111,407				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Reestimated incurred claims and expenses:					
End of policy year	4,366,805	2,223,467	2,515,012	2,311,342	3,403,343
One year later	5,391,076	4,145,263	3,587,562	2,812,896	
Two years later	3,959,616	4,678,243	3,180,582		
Three years later	1,495,635	4,480,758			
Four years later	1,092,887				
Five years later					
Six years later					
Seven years later					
Eight years later					
Nine years later					
Increase/(decrease) in estimated incurred claims and expenses	(3,273,918)	2,257,291	665,570	501,554	-

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STATISTICAL SECTION

City of Salinas
Net Position by Component
Last Ten Fiscal Years
accrual basis of accounting

	2015-16	2016-17	2017-18	2018-19	2019-20
Governmental Activities:					
Net investment in capital assets	\$ 149,110,836	\$ 151,863,517	\$ 165,269,307	\$ 132,079,740	\$ 143,281,912
Restricted	44,746,885	38,505,368	43,285,333	87,701,244	89,496,097
Unrestricted (deficit)	(134,121,226)	(116,218,453)	(133,796,786)	(120,946,521)	(134,321,510)
Total government activities net position	\$ 59,736,495	\$ 74,150,432	\$ 74,757,854	\$ 98,834,463	\$ 98,456,499
Business-type Activities:					
Net investment in capital assets	\$ 86,565,608	\$ 83,589,376	\$ 80,551,269	\$ 78,755,026	\$ 76,397,363
Restricted	3,696,823	3,018,809	1,932,223	1,965,948	1,949,081
Unrestricted	6,578,760	6,639,777	7,886,163	8,036,958	8,998,352
Total business-type net position	\$ 96,841,191	\$ 93,247,962	\$ 90,369,655	\$ 88,757,932	\$ 87,344,796
Primary Government					
Net investment in capital assets	\$ 235,676,444	\$ 235,452,893	\$ 245,820,576	\$ 210,834,766	\$ 219,679,275
Restricted	48,443,708	41,524,177	45,217,556	89,667,192	91,445,178
Unrestricted (deficit)	(127,542,466)	(109,578,676)	(125,910,623)	(112,909,563)	(125,323,158)
Total primary government net position	\$ 156,577,686	\$ 167,398,394	\$ 165,127,509	\$ 187,592,395	\$ 185,801,295

City of Salinas
Net Position by Component (Continued)
Last Ten Fiscal Years
accrual basis of accounting

Schedule 1

	2020-21	2021-22	2022-23	2023-24	2024-25
Governmental Activities:					
Net investment in capital assets	\$ 167,726,772	\$ 204,559,079	\$ 212,511,725	\$ 223,199,988	\$ 221,270,561
Restricted	80,741,294	76,573,216	84,106,986	89,559,884	123,726,335
Unrestricted (deficit)	(132,215,799)	(111,270,940)	(103,386,480)	(125,547,113)	(129,249,480)
Total government activities net position	\$ 116,252,267	\$ 169,861,355	\$ 193,232,231	\$ 187,212,759	\$ 215,747,416
Business-type Activities:					
Net investment in capital assets	\$ 77,467,957	\$ 47,973,525	\$ 45,330,812	\$ 44,273,730	\$ 42,828,175
Restricted	6,807	-	-	-	-
Unrestricted (deficit)	7,395,738	8,245,394	7,105,284	10,174,571	10,485,064
Total primary government net position	\$ 84,870,502	\$ 56,218,919	\$ 52,436,096	\$ 54,448,301	\$ 53,313,239
Primary Government					
Net investment in capital assets	\$ 245,194,729	\$ 252,532,604	\$ 257,842,537	\$ 267,473,718	\$ 264,098,736
Restricted	80,748,101	76,573,216	84,106,986	89,559,884	123,726,335
Unrestricted (deficit)	(124,820,061)	(103,025,546)	(96,281,196)	(115,372,542)	(118,764,416)
Total primary government net position	\$ 201,122,769	\$ 226,080,274	\$ 245,668,327	\$ 241,661,060	\$ 269,060,655

City of Salinas
Changes in Net Position
Last Ten Fiscal Years
accrual basis of accounting

	2015-16	2016-17	2017-18	2018-19	2019-20
Program Functions					
Governmental activities					
General government	\$ (10,490,317)	\$ (11,703,239)	\$ (15,576,829)	\$ 3,892,145	\$ (3,549,819)
Public safety	(54,464,917)	(62,938,627)	(65,552,658)	(87,583,641)	(99,190,153)
Public works	(17,413,222)	(26,931,555)	(27,431,103)	(22,913,235)	(18,938,990)
Recreation	(2,523,212)	(2,535,785)	(2,873,180)	(4,153,713)	(4,212,571)
Library	(3,942,678)	(4,289,362)	(4,760,510)	(4,926,139)	(4,681,660)
Interest on long-term debt	(1,486,654)	(1,639,707)	(1,103,866)	(3,746,197)	(3,807,469)
Total government activities program functions	<u>(90,321,000)</u>	<u>(110,038,275)</u>	<u>(117,298,146)</u>	<u>(119,430,780)</u>	<u>(134,380,662)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Sales tax	\$ 62,373,876	\$ 64,579,520	\$ 64,924,869	\$ 72,866,480	\$ 69,670,899
Property tax	26,049,176	26,987,393	28,499,277	30,099,616	31,484,162
Utility users tax	12,060,151	11,669,515	12,562,782	11,663,551	11,654,328
Franchise tax	8,701,170	9,064,319	8,920,619	9,088,100	9,305,059
Business tax	4,828,100	7,435,123	7,205,531	8,040,739	7,434,073
Transient occupancy tax	2,601,117	2,730,456	2,917,997	3,610,296	2,824,027
Other taxes	1,029,889	580,430	421,584	773,899	708,577
Investment Earnings	304,982	509,020	1,045,387	4,487,749	2,753,098
Gain (loss) on sale of capital assets	2,239,354	377,969	(270,444)	54,930	-
Miscellaneous revenue	581,326	1,505,726	1,271,291	1,792,717	2,231,781
Transfers	(1,290,241)	(855,521)	(1,900,111)	(3,703,420)	(4,063,306)
Total government activities general revenues	<u>119,478,900</u>	<u>124,583,950</u>	<u>125,598,782</u>	<u>138,774,657</u>	<u>134,002,698</u>
Total government activities changes in net position	<u>\$ 29,157,900</u>	<u>\$ 14,545,675</u>	<u>\$ 8,300,636</u>	<u>\$ 19,343,877</u>	<u>\$ (377,964)</u>
Program Functions					
Business Type activities					
Airport	\$ 712,576	\$ 168,108	\$ (240,653)	\$ (631,541)	\$ (463,611)
Industrial waste	2,759,859	1,476,455	1,763,043	851,477	1,030,744
Municipal golf courses	(731,129)	(622,086)	(599,405)	(441,054)	(228,041)
Sanitary sewer	(254,385)	(581,000)	(164,315)	(498,418)	(663,157)
Storm sewer	(4,074,720)	(4,541,418)	(4,086,805)	(5,710,647)	(4,563,120)
Water utility	(10,267)	(10,046)	(15,731)	(15,774)	(13,381)
Downtown parking	(1,305,652)	(1,356,967)	(1,505,068)	36,662	(3,232)
Permit services	-	-	102,237	691,666	(362,346)
Interest on long-term debt	-	-	-	-	-
Total business type program function	<u>(2,903,718)</u>	<u>(5,466,954)</u>	<u>(4,746,697)</u>	<u>(5,717,629)</u>	<u>(5,266,144)</u>
General Revenues and Other Changes in Net Position					
Business Type activities					
Taxes					
Revenue from Fiduciary Funds	\$ -	\$ -	\$ -	\$ -	\$ -
Investment Earnings	106,627	67,261	157,966	379,511	328,265
Gain (loss) on sale of capital assets	-	-	(18,843)	3,886	4,501
Miscellaneous revenue	950,535	950,943	951,566	-	-
Transfers	1,314,577	855,521	1,900,111	3,703,420	4,063,306
Total business type activities general revenues	<u>2,371,739</u>	<u>1,873,725</u>	<u>2,990,800</u>	<u>4,086,817</u>	<u>4,396,072</u>
Total business type activities changes in net position	<u>\$ (531,979)</u>	<u>\$ (3,593,229)</u>	<u>\$ (1,755,897)</u>	<u>\$ (1,630,812)</u>	<u>\$ (870,072)</u>
Total primary government changes in net position	<u>\$ 28,625,921</u>	<u>\$ 10,952,446</u>	<u>\$ 6,544,739</u>	<u>\$ 17,713,065</u>	<u>\$ (1,248,036)</u>

City of Salinas
Changes in Net Position (Continued)
Last Ten Fiscal Years
accrual basis of accounting

Schedule 2

	2020-21	2021-22	2022-23	2023-24	2024-25
Program Functions					
Governmental activities					
General government	\$ 6,262,338	\$ (13,706,071)	\$ (2,980,124)	\$ (14,424,431)	\$ (13,769,549)
Public safety	(95,334,628)	(86,324,078)	(97,734,106)	(120,478,622)	(95,612,921)
Public works	(23,081,474)	(14,887,126)	(23,146,312)	(26,409,016)	(21,246,383)
Recreation	(3,932,796)	(7,503,502)	(10,157,949)	(11,985,675)	(13,532,105)
Library	(4,762,278)	(4,863,134)	(5,820,068)	(6,426,865)	(6,395,481)
Interest on long-term debt	(4,954,767)	(4,808,025)	(4,371,939)	(4,063,122)	(3,921,907)
Total government activities program functions	<u>(125,803,605)</u>	<u>(132,091,936)</u>	<u>(144,210,498)</u>	<u>(183,787,731)</u>	<u>(154,478,346)</u>
General Revenues and Other Changes in Net Position					
Governmental activities					
Taxes					
Sales tax	\$ 80,811,345	\$ 88,968,698	\$ 91,620,947	\$ 91,312,258	\$ 94,640,604
Property tax	33,087,471	34,755,630	37,290,006	39,126,724	40,561,028
Utility users tax	11,608,242	12,106,526	12,766,039	14,050,246	15,758,261
Franchise tax	9,620,994	10,600,386	9,717,168	10,043,832	10,423,060
Business tax	7,034,664	7,234,759	6,902,315	7,481,659	6,724,871
Transient occupancy tax	2,338,402	3,682,621	3,224,396	2,906,219	2,828,874
Other taxes	-	-	-	3,045	261,482
Investment Earnings	777,268	(1,572,611)	6,345,564	11,203,141	11,638,579
Gain (loss) on sale of capital assets	10,926	(34,879)	(47,200)	5,690	(3,653,255)
Miscellaneous revenue	1,834,421	1,220,103	262,754	991,325	418,622
Transfers	(3,524,360)	4,243,402	(500,615)	644,120	3,410,877
Total government activities general revenues	<u>143,599,373</u>	<u>161,204,635</u>	<u>167,581,374</u>	<u>177,768,259</u>	<u>183,013,003</u>
Total government activities changes in net position	<u>\$ 17,795,768</u>	<u>\$ 29,112,699</u>	<u>\$ 23,370,876</u>	<u>\$ (6,019,472)</u>	<u>\$ 28,534,657</u>
Program Functions					
Business Type activities					
Airport	\$ (604,366)	\$ (398,015)	\$ (558,191)	\$ (382,276)	\$ (841,554)
Industrial waste	905,368	878,616	(370,171)	(293,894)	747,922
Municipal golf courses	(336,722)	-	-	-	-
Sanitary sewer	(861,624)	(900,846)	(797,807)	(663,643)	(952,224)
Storm sewer	(5,426,920)	-	-	-	-
Water utility	(12,577)	-	-	-	-
Downtown parking	(220,274)	(1,831,590)	(1,432,311)	(1,576,209)	(1,831,521)
Permit services	444,299	972,911	(370,221)	2,193,952	1,544,963
Interest on long-term debt	-	(709,198)	(671,380)	(629,735)	(584,217)
Total business type program function	<u>(6,112,816)</u>	<u>(1,988,122)</u>	<u>(4,200,081)</u>	<u>(1,351,805)</u>	<u>(1,916,631)</u>
General Revenues and Other Changes in Net Position					
Business Type activities					
Taxes					
Revenue from Fiduciary Funds	\$ -	\$ -	\$ -	\$ -	\$ 946,093
Investment Earnings	87,962	(37,810)	503,455	925,646	1,032,269
Gain (loss) on sale of capital assets	26,200	-	(2,402,411)	(12,058)	-
Miscellaneous revenue	-	2,614,571	1,815,599	3,094,542	2,214,084
Transfers	3,524,360	(4,243,402)	500,615	(644,120)	(3,410,877)
Total business type activities general revenues	<u>3,638,522</u>	<u>(1,666,641)</u>	<u>417,258</u>	<u>3,364,010</u>	<u>781,569</u>
Total business type activities changes in net position	<u>\$ (2,474,294)</u>	<u>\$ (3,654,763)</u>	<u>\$ (3,782,823)</u>	<u>\$ 2,012,205</u>	<u>\$ (1,135,062)</u>
Total primary government changes in net position	<u>\$ 15,321,474</u>	<u>\$ 25,457,936</u>	<u>\$ 19,588,053</u>	<u>\$ (4,007,267)</u>	<u>\$ 27,399,595</u>

City of Salinas
Fund Balances of Governmental Funds
Last Ten Fiscal Years
accrual basis of accounting

	2015-16	2016-17	2017-18	2018-19	2019-20
General Fund					
Nonspendable	\$ 4,226,413	\$ 4,975,310	\$ 6,948,604	\$ 6,171,019	\$ 6,618,146
Restricted	-	-	-	-	-
Committed	12,819,700	15,177,339	5,038,675	5,038,675	5,038,675
Assigned	13,169,516	6,439,802	12,161,256	30,739,004	30,739,004
Unassigned	3,040,076	16,301,224	9,764,806	10,323,543	13,015,196
Total general fund	<u>\$ 33,255,705</u>	<u>\$ 42,893,675</u>	<u>\$ 33,913,341</u>	<u>\$ 52,272,241</u>	<u>\$ 55,411,021</u>
All Other Governmental Funds					
Nonspendable	\$ 6,514,124	\$ 2,507,553	\$ 2,524,124	\$ 2,734,158	\$ 2,507,553
Restricted	37,237,337	35,131,863	40,241,770	84,967,086	86,988,544
Committed	2,000,000	4,159,828	8,516,804	2,000,000	2,096,246
Assigned	1,794,208	-	-	-	-
Unassigned (deficit)	(1,317,970)	(1,264,764)	(9,545,676)	(3,880,400)	(3,166,131)
Total all other governmental funds	<u>\$ 46,227,699</u>	<u>\$ 40,534,480</u>	<u>\$ 41,737,022</u>	<u>\$ 85,820,844</u>	<u>\$ 88,426,212</u>
Total all governmental funds	<u><u>\$ 79,483,404</u></u>	<u><u>\$ 83,428,155</u></u>	<u><u>\$ 75,650,363</u></u>	<u><u>\$ 138,093,085</u></u>	<u><u>\$ 143,837,233</u></u>

City of Salinas
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
accrual basis of accounting

Schedule 3

	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund					
Nonspendable	\$ 7,060,000	\$ 2,785,000	\$ 2,785,000	\$ 2,785,000	\$ 2,785,000
Restricted	-	6,000,000	6,000,000	10,000,000	10,000,000
Committed	2,345,602	36,365,323	36,101,009	39,909,826	38,242,179
Assigned	25,079,875	15,266,804	18,387,565	31,490,364	23,856,906
Unassigned	30,010,062	9,567,543	22,085,188	10,176,499	24,825,000
Total general fund	<u>\$ 64,495,539</u>	<u>\$ 69,984,670</u>	<u>\$ 85,358,762</u>	<u>\$ 94,361,689</u>	<u>\$ 99,709,085</u>
All Other Governmental Funds					
Nonspendable	\$ 2,524,124	\$ 1,463,139	\$ 1,450,526	\$ 1,439,746	\$ 3,303,696
Restricted	70,273,209	73,000,753	81,557,344	88,415,240	112,144,762
Committed	2,000,000	2,141,985	2,141,985	8,632,080	7,153,469
Assigned	-	-	-	-	-
Unassigned (deficit)	(877,889)	(3,263,121)	(4,295,780)	(10,397,442)	(1,268,984)
Total all other governmental funds	<u>\$ 73,919,444</u>	<u>\$ 73,342,756</u>	<u>\$ 80,854,075</u>	<u>\$ 88,089,624</u>	<u>\$ 121,332,943</u>
Total all governmental funds	<u><u>\$ 138,414,983</u></u>	<u><u>\$ 143,327,426</u></u>	<u><u>\$ 166,212,837</u></u>	<u><u>\$ 182,451,313</u></u>	<u><u>\$ 221,042,028</u></u>

City of Salinas
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
accrual basis of accounting

	2015-16	2016-17	2017-18	2018-19	2019-20
Revenues					
Taxes	\$ 116,588,839	\$ 115,611,632	\$ 118,261,582	\$ 127,939,543	\$ 132,305,683
Taxes - special assessments	2,833,325	2,483,106	2,514,982	2,479,777	2,521,100
Licenses and permits	1,591,305	6,642,397	6,357,723	7,490,908	824,569
Intergovernmental	17,239,454	17,441,983	24,531,643	19,052,616	21,287,712
Charges for service	5,779,360	6,340,509	6,507,589	8,304,237	6,224,883
Investment income (loss)	572,229	509,019	1,045,387	3,416,428	2,989,595
Rental income	575,124	512,490	608,312	635,882	545,137
Fines and forfeitures	474,447	792,725	847,826	549,831	640,262
Miscellaneous	1,247,912	1,871,079	1,124,430	1,705,367	4,513,618
Total revenues	146,901,995	152,204,940	161,799,474	171,574,589	171,852,559
Expenditures					
Current:					
General government	20,302,850	27,936,383	34,303,909	19,092,506	29,432,887
Public safety	64,668,021	71,730,386	76,243,153	75,938,379	78,580,637
Public works	12,792,810	13,118,008	13,512,685	12,789,997	17,231,621
Recreation	1,930,449	2,471,488	2,566,808	3,963,593	3,493,581
Library	4,516,332	4,643,159	4,805,647	5,113,905	4,781,223
Capital outlay	36,956,428	20,867,874	29,816,713	23,944,192	10,658,987
Debt service					
Principal	9,300,000	7,979,428	3,232,023	3,159,338	9,905,582
Interest and fiscal charges	1,860,336	1,659,842	1,094,547	3,397,650	4,102,067
Bond issuance costs	-	-	-	-	-
Total expenditures	152,327,226	150,406,568	165,575,485	147,399,560	158,186,585
Excess of revenues over (under) expenditures	(5,425,231)	1,798,372	(3,776,011)	24,175,029	13,665,974
Other Financing Sources (Uses)					
Proceeds from issuance of long-term debt	9,670,683	4,555,000	-	44,207,527	2,295,255
Proceeds from issuance of subscriptions	-	-	-	-	-
Proceeds from issuance of leases	-	-	-	-	-
Transfers in	41,871,648	22,089,828	26,227,345	25,201,691	27,633,653
Transfers out	(43,504,889)	(25,123,449)	(30,229,126)	(34,219,715)	(35,895,259)
Total other financing sources (uses)	8,037,442	1,521,379	(4,001,781)	35,189,503	(5,966,351)
Net change in fund balance	2,612,211	3,319,751	(7,777,792)	59,364,532	7,699,623
Debt service as a percentage of noncapital expenditures	9.7%	7.4%	3.2%	5.3%	9.5%

City of Salinas
Changes in Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
accrual basis of accounting

Schedule 4

	2020-21	2021-22	2022-23	2023-24	2024-25
Revenues					
Taxes	\$ 145,043,435	\$ 146,371,334	\$ 151,267,363	\$ 153,971,152	\$ 160,403,978
Taxes - special assessments	2,774,645	749,723	561,982	502,652	501,200
Licenses and permits	812,083	11,655,858	10,691,862	11,309,586	11,016,331
Intergovernmental	31,404,757	43,503,917	42,767,631	49,384,015	62,746,390
Charges for service	6,854,066	7,779,989	8,114,352	6,050,377	24,969,116
Investment income (loss)	673,582	(2,221,283)	5,505,406	9,883,356	10,254,997
Rental income	927,623	597,016	641,793	812,030	717,127
Fines and forfeitures	623,400	736,590	543,135	711,595	332,097
Miscellaneous	2,243,489	5,205,563	3,117,144	3,465,643	3,586,484
Total revenues	191,357,080	214,378,707	223,210,668	236,090,406	274,527,720
Expenditures					
Current:					
General government	39,992,586	41,040,602	39,056,519	43,240,999	46,965,317
Public safety	82,842,431	86,257,361	90,370,207	93,218,151	96,074,412
Public works	18,892,966	21,406,979	25,392,307	25,959,566	28,351,504
Recreation	2,935,550	6,203,379	9,088,579	10,257,955	11,107,419
Library	4,363,997	4,759,516	5,370,849	5,655,883	6,414,779
Capital outlay	29,525,238	18,038,903	12,436,563	31,688,117	33,353,305
Debt service					
Principal	6,465,528	15,167,720	8,063,292	8,341,358	8,026,570
Interest and fiscal charges	5,951,232	5,474,806	5,096,739	4,774,021	4,515,533
Bond issuance costs	-	-	-	-	63,684
Total expenditures	190,969,528	198,349,266	194,875,055	223,136,050	234,872,523
Excess of revenues over (under) expenditures	387,552	16,029,441	28,335,613	12,954,356	39,655,197
Other Financing Sources (Uses)					
Proceeds from issuance of long-term debt	3,371,258	1	410,213	-	-
Proceeds from issuance of subscriptions	-	-	-	-	239,641
Proceeds from issuance of leases	-	-	-	-	4,735,000
Transfers in	26,900,580	36,013,486	35,916,982	45,212,136	45,711,257
Transfers out	(36,081,640)	(44,551,384)	(41,777,397)	(50,928,016)	(51,750,380)
Total other financing sources (uses)	(5,809,802)	(8,537,897)	(5,450,202)	(5,715,880)	(1,064,482)
Net change in fund balance	(5,422,250)	7,491,544	22,885,411	7,238,476	38,590,715
Debt service as a percentage of noncapital expenditures	7.7%	11.4%	7.2%	6.9%	5.7%

City of Salinas
Assessed Value and Actual Value of Taxable Property
Last Ten Fiscal Years

Schedule 5

Fiscal Year	Secured	Unsecured	SBE Nonunitary	Taxable Assessed Value ⁽¹⁾	Direct Rate
2015-16	\$ 9,319,550,214	\$ 640,297,582	\$ 3,934,826	\$ 9,963,782,622	0.14690%
2016-17	9,767,715,990	651,335,351	3,470,236	10,422,521,577	0.14660%
2017-18	10,238,835,813	669,809,400	3,470,236	10,912,115,449	0.14642%
2018-19	10,757,374,277	656,477,084	3,470,236	11,417,321,597	0.14654%
2019-20	11,276,259,989	800,945,719	3,488,485	12,080,694,193	0.14597%
2020-21	11,827,782,321	803,250,124	5,035,765	12,636,068,210	0.14572%
2021-22	12,232,849,898	813,400,265	5,035,765	13,051,285,928	0.14564%
2022-23	12,989,192,919	839,425,903	5,035,765	13,833,654,587	0.14527%
2023-24	13,568,979,378	923,910,678	5,035,765	14,497,925,821	0.14540%
2024-25	14,253,543,407	969,927,008	5,035,765	15,228,506,180	0.14452%

Notes:

- (1) In 1978 the voters of the State of California passed Proposition 13 which limited taxes to a total maximum rate of 1%, based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum of 2%). With few exceptions, property is only reassessed as a result of new construction activity or at the time it is sold to a new owner. At that point, the property is reassessed based upon the added value of the construction or at the purchase price (market value) or economic value of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source:

Monterey County Assessor 2015/16 - 2024/25 Combined Tax Rolls.

City of Salinas
Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years

Schedule 6

Fiscal Year	Overlapping Rates							Total Direct and Overlapping Rate
	Basic Levy	Alisal Union	Hartnell	Salinas City Elementary	Salinas Union High	Santa Rita Union	Spreckels Union	
2015-16	1.00000%	0.16320%	0.02113%	0.04151%	0.11438%	0.07310%	0.06995%	1.48327%
2016-17	1.00000%	0.17218%	0.01921%	0.03094%	0.09903%	0.06996%	0.05246%	1.44378%
2017-18	1.00000%	0.23166%	0.03724%	0.02309%	0.06521%	0.06869%	0.05825%	1.48414%
2018-19	1.00000%	0.19092%	0.03765%	0.03407%	0.03079%	0.06758%	0.04404%	1.40505%
2019-20	1.00000%	0.23983%	0.03561%	0.02441%	0.03389%	0.01015%	0.03563%	1.37952%
2020-21	1.00000%	0.18954%	0.04289%	0.02646%	0.01004%	0.03771%	0.03624%	1.34288%
2021-22	1.00000%	0.17677%	0.02169%	0.03241%	0.04475%	0.06370%	0.03737%	1.37669%
2022-23	1.00000%	0.12180%	0.04432%	0.02573%	0.05162%	0.03129%	0.03603%	1.31079%
2023-24	1.00000%	0.21538%	0.03313%	0.02999%	0.07862%	0.04833%	0.03577%	1.44122%
2024-25	1.00000%	0.21926%	0.03418%	0.05244%	0.07183%	0.10111%	0.03490%	1.51372%

Notes:

- (1) In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

Source: Monterey County Assessor 2015-16 - 2024/25 Tax Rate Table.

City of Salinas
Principal Property Tax Payers
Current Year and Nine Years Ago

Schedule 7

Taxpayer	2024-25			2015-16		
	Total Assessed Value	Rank	% of Total City Taxable Assessed Value	Total Assessed Value	Rank	% of Total City Taxable Assessed Value
Mersho Investments LLC	\$ 95,046,734	1	0.62%	\$ -	-	-
CMP-1 LLC	91,966,531	2	0.60%	77,151,209	2	0.77%
Harden Ranch Plaza Associates LLC	90,267,425	3	0.59%	76,366,675	3	0.77%
Taylor Farms Retail Inc.	86,671,720	4	0.57%	69,688,383	4	0.70%
Taylor Farms California Inc.	82,773,760	5	0.54%	-	-	-
California Water Service Company	77,524,436	6	0.51%	42,504,267	8	0.43%
Salinas City Center LLC	58,978,438	7	0.39%	-	-	-
The Uni-Kool Partners	56,611,208	8	0.37%	41,493,963	9	0.42%
Chiquita Brands International Inc.	51,522,192	9	0.34%	48,818,705	6	0.49%
Casentini Street Apartments LLC	48,444,260	10	0.32%	-	-	-
Northridge Owner LP	-	-	-	123,435,882	1	1.24%
Fresh Express Inc.	-	-	-	61,579,899	5	0.62%
Mann Packing Company Inc.	-	-	-	45,958,737	7	0.46%
Growers Ice Company	-	-	-	41,199,626	10	0.41%
Total	\$ 739,806,704		4.85%	\$ 628,197,346		6.31%

Source: Monterey County Assessor 2015/16 - 2024/25 Combined Tax Rolls and the SBE Non Unitary Tax Roll.

City of Salinas
Property Tax Levies and Collections
Last Ten Fiscal Years

Schedule 8

Fiscal Year	Taxes Levied for the Fiscal Year ⁽¹⁾	Collected within the Fiscal Year of the Levy		Delinquent Tax Collections ⁽²⁾
		Amount Collected	Percentage of Levy	
2015-16	\$ 13,549,327	\$ 13,434,529	99.15%	\$ 211,345
2016-17	14,283,349	14,158,803	99.13%	200,190
2017-18	14,952,545	14,861,993	99.39%	183,568
2018-19	15,676,194	15,529,233	99.06%	225,285
2019-20	16,446,333	16,144,400	98.16%	161,770
2020-21	17,187,585	17,178,305	99.95%	221,769
2021-22	17,770,945	17,630,571	99.21%	207,476
2022-23	18,867,138	18,775,945	99.52%	141,841
2023-24	19,778,162	19,649,179	99.35%	309,600
2024-25	20,971,156	20,646,267	98.45%	172,421

Notes:

- (1) Taxes levied are based on revenue estimates provided annually by the Monterey County Auditor-Controller Agency.
- (2) The City does not have access to data showing delinquent tax collections by fiscal year of delinquency. Amounts shown are total collections of delinquent property taxes during the year.

Source: Monterey County Auditor-Controller.

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

Schedule 9

Fiscal Year	Governmental Activities ⁽¹⁾			Total Outstanding Debt	Percentage of Taxable Assessed Value ⁽²⁾	Percentage of Personal Income ⁽³⁾	Debt Per Capita ⁽⁴⁾
	Direct Borrowing - Capital Leases	Certificates Of Participation	Assessment District Bonds				
2015-16	\$ 28,479,082	\$ 7,035,000	\$ 6,160,000	\$ 41,674,082	0.42%	1.52%	\$ 259
2016-17	26,979,654	6,510,000	4,760,000	38,249,654	0.37%	1.38%	235
2017-18	94,647,219	5,970,000	3,775,000	104,392,219	0.96%	3.65%	645
2018-19	96,347,881	46,871,285	5,719,934	148,939,100	1.30%	4.93%	915
2019-20	88,522,299	45,237,690	7,183,854	140,943,843	1.17%	4.39%	869
2020-21	65,977,431	62,304,689	9,489,303	137,771,423	1.09%	4.10%	860
2021-22	56,058,302	65,546,356	8,799,773	130,404,431	1.00%	3.52%	815
2022-23	51,685,223	62,153,846	8,206,866	122,045,935	0.88%	2.99%	765
2023-24	46,818,865	58,620,763	7,583,959	113,023,587	0.78%	2.54%	698
2024-25	47,011,936	54,936,999	7,366,052	109,314,987	0.72%	2.34%	680

Notes:

- (1) Outstanding debt includes unamortized bond premium. Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.

A prior period adjustment of \$6,8771,886 was made in FY 21-22 to move certain debts from business-type activities and to implement GASB 87 Leases.

- (2) Property value data is disclosed in Schedule 5.
(3) Personal income data is disclosed in Schedule 13.
(4) Population data is disclosed in Schedule 13.

City of Salinas
Ratios of Outstanding General Bonded Debt
Last Ten Fiscal Years

Schedule 10

Fiscal Year	General Bonded Debt Outstanding ⁽¹⁾			Percentage of Taxable Assessed Value ⁽²⁾	Debt Per Capita ⁽³⁾
	Certificates Of Participation	Assessment District Bonds	Total Outstanding Debt		
2015-16	7,035,000	\$ 6,160,000	\$ 13,195,000	0.13%	\$ 82
2016-17	6,510,000	4,760,000	11,270,000	0.11%	69
2017-18	5,970,000	3,775,000	9,745,000	0.09%	60
2018-19	46,871,285	5,719,934	52,591,219	0.46%	323
2019-20	45,237,690	7,183,854	52,421,544	0.43%	323
2020-21	62,304,689	9,489,303	71,793,992	0.57%	448
2021-22	65,546,356	8,799,773	74,346,129	0.57%	465
2022-23	62,153,846	8,206,866	70,360,712	0.51%	441
2023-24	58,620,763	7,583,959	66,204,722	0.46%	409
2024-25	54,936,999	7,366,052	62,303,051	0.41%	388

Notes:

- (1) Outstanding debt includes unamortized bond premium. Details regarding the City's outstanding debt can be found in the Notes to the Basic Financial Statements.
- (2) Property value data is disclosed in Schedule 5.
- (3) Population data is disclosed in Schedule 13.

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City of Salinas
Direct and Overlapping Governmental Activities Bonded Debt
As of June 30, 2025

Schedule 11

2024-25 Assessed Valuation: \$15,228,506,180

Overlapping Government Unit	Debt Outstanding	Estimated Percentage Applicable ⁽¹⁾	Amount Applicable to Primary Government ⁽²⁾
Overlapping Tax and Assessment Debt			
Hartnell Joint Community College District	\$ 233,349,103	39.437%	\$ 92,025,886
Salinas Union High School District	176,420,149	67.395%	118,898,359
Salinas Union High School District School Facilities Improvement District	2,590,866	94.993%	2,461,141
Alisal Union School District	91,984,170	89.858%	82,655,135
Salinas City School District	106,257,030	97.238%	103,322,211
Santa Rita Union School District	16,282,651	69.763%	11,359,266
Santa Rita Union School District School Facilities Improvement District No. 2022-1	9,000,000	71.418%	6,427,620
Spreckels Union School District	5,304,920	2.586%	137,185
Monterey County Water Resources Authority Benefit Assessment District, Zone 2C	16,990,000	16.456%	2,795,874
City of Salinas Community Facilities District No. 2016-1, I.A. Nos. 1, 2, & 3	6,865,000	100.000%	6,865,000
City of Salinas 1915 Act Bonds	45,000	100.000%	45,000
Subtotal, overlapping tax and assessment debt			<u>\$ 426,992,678</u>
Direct and Overlapping General Fund Debt			
Monterey County General Fund Obligations	\$ 100,145,000	16.456%	\$ 16,479,861
Monterey County Board of Education General Fund Obligations	36,301,000	16.456%	5,973,693
Salinas Union High School District General Fund Obligations	23,597,339	67.395%	15,903,427
Alisal Union School District General Funds Obligations	7,905,000	89.858%	7,103,275
Salinas City School District Certificates of Participation	3,274,889	97.238%	3,184,437
City of Salinas General Fund Obligations	70,528,000	100.000%	63,386,000
Subtotal, direct and overlapping general fund debt			<u>\$ 112,030,692</u>
Total Direct Debt			\$ 63,386,000
Total Overlapping Debt			475,637,370
Combined Total Debt			<u><u>\$ 539,023,370</u></u>

Notes:

(1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.

(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue, and non-bonded capital lease obligations.

Source: California Municipal Statistics, Inc.

City of Salinas
Legal Debt Margin Information
Last Ten Fiscal Years

	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
Debt limit ⁽¹⁾	\$ 373,641,848	\$ 390,844,559	\$ 409,204,329	\$ 428,149,560	\$ 453,026,032
Debt applicable to limit ⁽²⁾	<u>7,035,000</u>	<u>6,510,000</u>	<u>5,970,000</u>	<u>46,871,285</u>	<u>45,237,690</u>
Legal debt margin	<u>\$ 366,606,848</u>	<u>\$ 384,334,559</u>	<u>\$ 403,234,329</u>	<u>\$ 381,278,275</u>	<u>\$ 407,788,342</u>
Percentage available	98.1%	98.3%	98.5%	89.1%	90.0%

Notes:

- (1) The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed valuation; however, this provision was enacted when assessed valuation was based upon 25% of market value. The computation above reflects a conversion of assessed valuation data from the current full valuation perspective to the 25% level that was in effect at the time that the legal debt margin was enacted by the State of California for local governments.
- (2) Outstanding general obligation bond debt is disclosed in Schedule 9.

Source:

City of Salinas Finance Department; Monterey County Assessor.

City of Salinas
Legal Debt Margin Information (Continued)
Last Ten Fiscal Years

Schedule 12

	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
Debt limit ⁽¹⁾	\$ 473,852,558	\$ 489,423,222	\$ 518,762,047	\$ 543,672,218	\$ 516,131,983
Debt applicable to limit ⁽²⁾	<u>62,304,689</u>	<u>65,546,356</u>	<u>62,153,846</u>	<u>58,620,763</u>	<u>54,936,999</u>
Legal debt margin	<u>\$ 411,547,869</u>	<u>\$ 423,876,866</u>	<u>\$ 456,608,201</u>	<u>\$ 485,051,455</u>	<u>\$ 461,194,984</u>
Percentage available	86.9%	86.6%	88.0%	89.2%	89.4%

Calculation of Legal Debt Margin

Assessed value of taxable property	\$ 15,228,506,180
25% of Assessed Valuation	3,807,126,545
Debt limit (15% of assessed value)	571,068,982
General obligation bonds outstanding	<u>54,936,999</u>
Legal debt margin	<u>\$ 516,131,983</u>

City of Salinas
Demographic and Economic Statistics
Last Ten Calendar Years

Schedule 13

Calendar Year	Population ⁽¹⁾	Per Capita Income	Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2015	161,042	\$ 17,039	\$ 2,744,108,000	8.5%
2016	162,470	17,097	2,777,833,000	8.0%
2017	161,784	17,678	2,860,157,000	7.6%
2018	162,797	18,559	3,021,463,000	8.3%
2019	162,222	19,787	3,209,975,000	8.3%
2020	160,206	20,958	3,357,626,000	12.7%
2021	159,932	23,150	3,702,460,000	10.3%
2022	159,475	25,615	4,084,967,000	7.8%
2023	162,037	27,469	4,451,108,000	9.1%
2024	160,645	29,054	4,667,435,000	8.9%

Sources:

- (1) State of California, Department of Finance.
- (2) U.S. Census Bureau.
- (3) State of California, Employment Development Department.

City of Salinas
Construction Permits Issued and Estimated Value
Last Ten Fiscal Years

Schedule 14

Fiscal Year	Commercial/Industrial ⁽¹⁾		Residential ⁽¹⁾		Total	
	Number of Permits Issued	Estimated Value	Number of Permits Issued	Estimated Value	Number of Permits Issued	Estimated Value
2015-16	511	\$ 42,856,234	2,278	\$ 29,693,305	2,789	\$ 72,549,538
2016-17	466	55,104,426	1,997	21,340,982	2,463	76,445,408
2017-18	501	59,858,711	1,897	35,873,328	2,398	95,732,039
2018-19	700	76,685,250	1,743	31,108,612	2,443	107,793,862
2019-20	391	11,866,830	1,554	31,223,288	1,945	43,090,118
2020-21	612	37,324,800	1,833	60,127,751	2,445	97,452,551
2021-22	439	52,890,556	1,702	30,481,134	2,141	83,371,691
2022-23	258	68,808,346	1,701	36,716,781	1,959	105,525,127
2023-24	261	64,409,303	1,857	51,657,877	2,118	116,067,180
2024-25 ⁽²⁾	309	530,599,522	2,964	49,259,228	3,273	579,858,750

Notes:

- (1) Revision permits that were not identified as commercial or residential are not included in the permit numbers above. Revision permits do not have a valuation.
- (2) Includes approximately \$460M in Amazon construction valuation major permits.

Source: City of Salinas Community Development Department.

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**City of Salinas
Principal Employers
Current Year**

Schedule 15

Employer	2024-25		
	Percentage of Total City Employment	Employees	Rank
County of Monterey	1.54%	3,319	1
Sodexo Management Inc.	1.31%	2,817	2
Sunberry Growers, LLC	1.04%	2,230	3
Newstar Fresh Foods, LLC	0.70%	1,497	4
Salinas Valley Health Service League	0.67%	1,432	5
Employment, Inc.	0.62%	1,327	6
Salinas Union High School District	0.46%	994	7
Unilab Corporation	0.43%	934	8
Salinas City Elementary School District	0.36%	778	9
Monterey County Office of Education	0.35%	745	10
City of Salinas	0.31%	670	11
Natividad Medical Center	0.31%	659	12
Organicgirl, LLC	0.30%	650	13
Roman Catholic Bishop of Monterey, CA	0.30%	644	14
Hartnell College	0.24%	515	15

Source: U.S. Bureau of Labor Statistics and Dun & Bradstreet.

City of Salinas
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

Function/Program	2015-16	2016-17	2017-18	2018-19	2019-20
<u>Public Safety</u>					
Fire	100.000	99.000	100.000	98.000	98.000
Police	229.500	227.500	231.500	231.500	231.500
Total	<u>329.500</u>	<u>326.500</u>	<u>331.500</u>	<u>329.500</u>	<u>329.500</u>
<u>General Operations</u>					
Mayor and City Council	7.000	7.000	7.000	7.000	7.000
Administration	15.275	16.000	16.000	12.000	12.000
Human Resources	-	-	-	-	-
Finance	24.000	24.000	26.000	26.000	26.667
City Attorney	5.000	5.000	5.000	5.000	5.000
Community Development	35.345	39.750	29.000	29.000	29.850
Engineering and Transportation	32.375	32.125	35.200	35.150	35.650
Environmental and Maintenance Services	52.875	47.625	48.700	46.500	46.750
Parks and Community Services	12.620	14.000	14.000	19.000	19.000
Library	43.500	43.500	41.000	41.000	41.500
Total	<u>227.990</u>	<u>229.000</u>	<u>221.900</u>	<u>220.650</u>	<u>223.417</u>
Internal Services	3.000	12.000	13.000	13.200	13.450
Enterprise Operations	31.000	33.500	44.100	43.150	43.383
Assessment and Maintenance Districts	1.750	1.750	1.750	1.750	1.750
Successor Agency	1.260	0.750	0.750	0.750	-
Citywide Total	<u><u>594.500</u></u>	<u><u>603.500</u></u>	<u><u>613.000</u></u>	<u><u>609.000</u></u>	<u><u>611.500</u></u>

Source: City of Salinas FY 2021-22 and FY 2025-26 Adopted Operating Budgets.

City of Salinas
Full-time Equivalent Employees by Function (Continued)
Last Ten Fiscal Years

Schedule 16

Function/Program	2020-21	2021-22	2022-23	2023-24	2024-25
<u>Public Safety</u>					
Fire	98.000	98.000	103.000	104.000	104.000
Police	227.500	221.000	213.000	213.000	208.000
Total	<u>325.500</u>	<u>319.000</u>	<u>316.000</u>	<u>317.000</u>	<u>312.000</u>
<u>General Operations</u>					
Mayor and City Council	7.000	7.000	7.000	7.000	7.000
Administration	6.000	8.000	8.000	10.000	10.000
Human Resources	7.000	7.000	9.000	11.000	11.000
Finance	25.000	28.000	30.000	31.000	31.000
City Attorney	5.000	3.000	7.000	6.000	6.000
Community Development	31.010	34.500	60.000	67.000	76.000
Engineering and Transportation	33.930	34.180	34.180	34.180	33.180
Environmental and Maintenance Services	46.750	33.750	87.820	88.820	89.820
Parks and Community Services	19.000	31.000	33.000	34.000	33.000
Library	41.500	41.500	41.500	41.500	41.000
Total	<u>222.190</u>	<u>227.930</u>	<u>317.500</u>	<u>330.500</u>	<u>338.000</u>
Internal Services	13.450	13.450	-	-	-
Enterprise Operations	43.610	45.370	-	-	-
Assessment and Maintenance Districts	1.750	0.750	-	-	-
Successor Agency	-	-	-	-	-
Citywide Total	<u><u>606.500</u></u>	<u><u>606.500</u></u>	<u><u>633.500</u></u>	<u><u>647.500</u></u>	<u><u>650.000</u></u>

City of Salinas
Operating Indicators by Function
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<u>Police</u>					
Dispatched calls for service ⁽¹⁾	94,740				
Arrest reports	4,258	3,732	3,744	3,676	2,535
Citations and warnings	3,329	3,631	3,904	3,601	2,756
<u>Fire</u>					
Emergency Responses ⁽²⁾		13,659	14,283	15,093	15,042
Fire Responses	612	451	542	657	652
4-6 Minute Response - General Plan Service Standard	84.8%	40.0%	40.9%	41.2%	45.7%
EMS Responses	10,796	10,890	10,890	11,548	10,855
Number of Paramedics	26	24	24	25	27
Number of Firefighters per Capita	0.50	0.60	0.60	0.60	0.60
Number of Fire Code/State Mandated Inspections	282	891	1,063	1,930	1,966
<u>Parks and recreation</u>					
Youth sports registrants	3,936	3,652	3,476	3,354	2,923
Recreation facility attendance (all sites)	220,635	276,554	325,524	286,640	261,403

Notes:

1) Number of dispatched calls for service are not available from FY 16-17 to FY 20-21.

2) Number of emergency responses are not available for FY 15-16.

Source: City of Salinas Police, Fire, and Library and Community Services Departments.

City of Salinas
Operating Indicators by Function (Continued)
Last Ten Fiscal Years

Schedule 17

<u>Function/Program</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<u>Police</u>					
Dispatched calls for service ⁽¹⁾		98,110	96,051	92,119	106,828
Arrest reports	2,291	2,454	2,552	2,200	2,677
Citations and warnings	2,489	2,857	2,882	2,797	4,047
<u>Fire</u>					
Emergency Responses ⁽²⁾	15,336	16,705	17,341	17,605	17,670
Fire Responses	896	1,067	923	921	1,017
4-6 Minute Response - General Plan Service Standard	45.8%	45.7%	44.9%	46.9%	37.8%
EMS Responses	9,452	10,602	11,059	11,418	11,155
Number of Paramedics	25	26	26	26	25
Number of Firefighters per Capita	0.60	0.54	0.54	0.54	0.48
Number of Fire Code/State Mandated Inspections	2,115	2,315	1,349	700	924
<u>Parks and recreation</u>					
Youth sports registrants	492	1,055	3,012	3,536	3,030
Recreation facility attendance (all sites)	1,593	163,031	310,233	299,899	299,839

City of Salinas
Capital Asset Statistics by Function/Program
Last Ten Fiscal Years

<u>Function/Program</u>	<u>2015-16</u>	<u>2016-17</u>	<u>2017-18</u>	<u>2018-19</u>	<u>2019-20</u>
<u>Police</u>					
Stations	1	1	1	1	1
Police fleet cars and motorcycles ⁽¹⁾				85	95
<u>Fire</u>					
Stations	6	6	6	6	6
Engines	8	8	8	8	8
Tiller Ladder Trucks	2	2	2	2	2
Fire fleet vehicles ⁽²⁾			21	26	26
<u>Parks and recreation</u>					
Acreage	460	460	460	409	409
Parks	42	42	42	42	42
Playgrounds	35	35	35	35	35
Baseball/softball diamonds	10	10	10	10	10
Soccer/football fields	11	11	11	11	11
Tennis courts	6	6	6	6	6
Golf courses	2	2	2	2	2
Community/recreation centers	8	8	8	8	8

Notes:

- 1) Police fleet cars and motorcycles are not available from FY 15-16 to FY 17-18.
- 2) Fire fleet vehicles are not available from FY 15-16 to FY 16-17.

Source: City of Salinas Police, Fire, and Library and Community Services Departments.

City of Salinas
Capital Asset Statistics by Function/Program (Continued)
Last Ten Fiscal Years

Schedule 18

<u>Function/Program</u>	<u>2020-21</u>	<u>2021-22</u>	<u>2022-23</u>	<u>2023-24</u>	<u>2024-25</u>
<u>Police</u>					
Stations	1	1	1	1	1
Police fleet cars and motorcycles ⁽¹⁾	110	121	140	147	167
<u>Fire</u>					
Stations	6	6	6	6	6
Engines	8	8	8	8	8
Tiller Ladder Trucks	2	2	2	2	2
Fire fleet vehicles ⁽²⁾	26	25	34	36	36
<u>Parks and recreation</u>					
Acreage	409	391	391	391	391
Parks	42	42	42	42	42
Playgrounds	35	35	35	35	35
Baseball/softball diamonds	10	10	10	10	10
Soccer/football fields	11	11	11	12	12
Tennis courts	6	6	6	6	6
Golf courses	2	2	2	2	2
Community/recreation centers	7	7	7	7	7

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