METRO AIR PARK ENHANCED INFRASTRUCTURE FINANCING DISTRICT

Governed by the Metro Air Park Enhanced
Infrastructure Financing District
Public Financing Authority
(A Component Unit of the County of Sacramento, California)

Independent Auditor's Reports and Basic Financial Statements

For the Fiscal Year Ended June 30, 2025

MGO. | Certified Public Accountants

METRO AIR PARK ENHANCED INFRASTRUCTURE FINANCING DISTRICT
Governed by the Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority
(A Component Unit of the County of Sacramento, California)
For the Fiscal Year Ended June 30, 2025

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Independent Auditor's Report

Board of Directors
Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities and major fund of the Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority (EIFD Authority), a component unit of the County of Sacramento, for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the EIFD Authority's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the financial position of the EIFD Authority, as of June 30, 2025, and the respective changes in financial position 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the EIFD Authority, 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 these 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 EIFD Authority's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the EIFD Authority's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the EIFD Authority's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that budgetary comparison information as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Other Reporting Required by *Government Auditing Standards*

In accordance *with Government Auditing Standards*, we have also issued our report dated August 29, 2025, on our consideration of the EIFD Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the EIFD Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the EIFD Authority's internal control over financial reporting and compliance.

Macias Gini & O'Connell LLP

Sacramento, California
August 29, 2025

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BASIC FINANCIAL STATEMENTS

METRO AIR PARK ENHANCED INFRASTRUCTURE FINANCING DISTRICT
Governed by the Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority
(A Component unit of the County of Sacramento, California)
Governmental Fund Balance Sheet and Statement of Net Position
June 30, 2025

	Governmental Fund			Governmental Activities	
	Special Revenue Fund		Reconciling Items		Statement of Net Position
ASSETS					
Cash and investments	$	366,112	$ -	$	366,112
Interest receivable		25,153	-		25,153
Total assets	$	391,265	$ -	$	391,265
FUND BALANCE/NET POSITION					
Restricted for:					
Infrastructure		391,265	-		391,265
Total Fund Balance/Net Position	$	391,265	$ -	$	391,265

METRO AIR PARK ENHANCED INFRASTRUCTURE FINANCING DISTRICT
Governed by the Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority
(A component unit of the County of Sacramento, California)
Governmental Fund Statement of Revenues, Expenditures and Changes of Fund Balance and Statement of Activities
For the Fiscal Year Ended June 30, 2025

	Governmental Funds	Reconciling	Governmental Activities
	Special Revenue Fund	Items	Statement of Activities
xpenses:			
General operations	$ 25,345	$ -	$ 25,345
Public ways and facilities	1,648,894	-	1,648,894
Total Expenses	1,674,239	-	1,674,239
eneral Revenues:			
Property Taxes	1,821,609	-	1,821,609
Intergovernmental	6,638	(6,638)	-
Grants and contributions not restricted to specific programs	-	6,638	6,638
Interest and other income	64,364	-	64,364
Total general revenues	1,892,611	-	1,892,611
Change in Fund Balance/Net Position	218,371	-	218,371
und Balance/Net Position			
Fund Balance/Net Position, beginning of the year	172,894	-	172,894
Fund Balance/Net Position, end of the year	$ 391,265	$ -	$ 391,265

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity

The Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority (MAP EIFD Authority) was established by a County of Sacramento (County) Board of Supervisors Resolution on April 20, 2021, which is authorized under the Enhanced Infrastructure Financing District Law authorized pursuant to California Government Code (EIFD Code) Sections 53398.50 through 53398.88.

The purpose of the MAP EIFD Authority is to facilitate economic growth throughout the Metro Air Park region and to the support the growth of economic activity within the MAP EIFD Authority by utilizing 50% of the County's incremental property tax revenue growth and incremental property tax in lieu of vehicle license fees growth to provide funding for a portion of the public facilities that will enable the Metro Air Park to fully develop and continue to attract new regional-serving business.

The MAP EIFD Authority is a legally separate entity from the County; however, the County is the sole participating taxing entity. As required by EIFD Code Section 53398.51.1, the Board of Directors is composed of three members from the County Board of Supervisors and two members of the public as chosen by the County Board of Supervisors. MAP EIFD Authority meets the criteria set forth in accounting principles generally accepted in the United States of America (GAAP) as a blended component unit of the County, because the three members of the County Board of Supervisors comprise a voting majority of the MAP EIFD Authority Board of Directors.

Measurement Focus and Basis of Accounting

Government–wide Financial Statements

The Statement of Net Position and Statement of Activities display information about the primary government (MAP EIFD Authority).

The Statement of Activities presents direct expenses and program revenues for the general operations and support of economic growth throughout the Metro Air Park region and to support the growth of economic activity within the MAP EIFD Authority for the MAP EIFD Authority's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges for services and grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues are presented instead as general revenues. There were no program revenues recorded for the MAP EIFD Authority for the fiscal year ended June 30, 2025.

When both restricted and unrestricted resources are available, restricted resources are used first, then unrestricted resources as needed.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Financial Statements

The fund financial statements provide information about the MAP EIFD Authority's fund, which includes only a *governmental fund.*

The MAP EIFD Authority reports the following major governmental fund:

The *Special Revenue Fund* is used to account for the proceeds of specific revenue sources, other than those for debt service or capital projects, that are restricted for specified purposes.

This fund was established to finance certain public infrastructure and community benefit projects authorized under the Enhanced Infrastructure Financing District Law Government Code sections 53398.50 through 53398.88.

Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Charges for services are recorded as revenue in the year they are earned. Intergovernmental revenues are recognized as soon as all eligibility requirements imposed by the provider have been met.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Interest and intergovernmental revenue are accrued and recognized when their receipt occurs within one hundred twenty days after the end of the accounting period, so as to be both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting.

Cash and Investments

Pursuant to the formation documents, the County Treasurer has custody of all cash for the MAP EIFD Authority, which is invested in the County Investment Pool (Pool). The MAP EIFD Authority's share of the pooled cash account is separately accounted for and interest earned, net of related expenses, is apportioned at the end of each quarter based upon the relationship of its average daily cash balance to the total of the pooled account.

The value of the MAP EIFD Authority's shares in the Pool is determined on an amortized cost basis, which approximates fair value.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurement

The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As the MAP EIFD Authority participates in the Pool, an external investment pool, it is not subject to the fair value hierarchy.

Property Taxes

The County assesses, bills, collects, and apportions property taxes on behalf of numerous special districts and incorporated cities, including the MAP EIFD Authority. The MAP EIFD Authority receives the current year's taxes through periodic apportionments from the County.

The County's tax calendar is from July 1 to June 30. Property taxes attach as a lien on property on January 1. Taxes are levied on July 1, based on the assessed value as of the lien date, are payable in two equal installments on November 1 and February 1, and become delinquent after December 10 and April 10, respectively.

At the government-wide level, property tax revenue is recognized in the fiscal year for which the taxes have been levied. Property taxes received after the fiscal year which do not meet the 60 day availability criterion are not considered available as a resource that can be used to finance the current year operation of the MAP EIFD Authority, and therefore, would be recorded as deferred inflows of resources in the governmental funds.

Net Position

Government-wide financial statements utilize a net position presentation.

- *Investment in capital assets* – This category groups all capital assets, including infrastructure into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. The MAP EIFD Authority did not report any net investment in capital assets as of June 30, 2025.

- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. The MAP EIFD Authority reported $391,265 as restricted net position as of June 30, 2025.

- *Unrestricted Net Position* – This category represents net position of the MAP EIFD Authority not restricted for any project or other purpose. The MAP EIFD Authority did not report any unrestricted net position as of June 30, 2025.

NOTE 1 – ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances

Governmental funds report fund balance in classifications based primarily on the extent to which the MAP EIFD Authority is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. The MAP EIFD Authority fund balance consists entirely of the following classification:

- *Restricted* – includes amounts that can be spent only for the specific purposes stipulated by external resource providers, constitutionally or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers. The MAP EIFD Authority's revenues are restricted for uses pursuant to EIFD Code Section 53398.75. The MAP EIFD Authority's entire $391,265 is reported as restricted fund balance as of June 30, 2025.

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

Use of Estimates

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

Implementation of New Governmental Accounting Standards

The following statements are effective for fiscal year 2024-2025.

In June 2022, GASB issued Statement No. 101, Compensated Absences, effective for fiscal years beginning after December 15, 2023. 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. This statement had no material impact on the MAP EIFD Authority, as the Authority does not have any employees.

In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*, effective for fiscal years beginning after June 15, 2024. 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. This statement had no material impact on the MAP EIFD Authority.

METRO AIR PARK ENHANCED INFRASTRUCTURE FINANCING DISTRICT
Governed by the Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority
(A component unit of the County of Sacramento, California)
Notes to the Basic Financial Statements (Continued)
For the Fiscal Year Ended June 30, 2025

NOTE 2 – CASH AND INVESTMENTS

As discussed in Note 1, the MAP EIFD Authority maintains cash and investments with the County and involuntarily participates in the external investment pool of the County. The MAP EIFD Authority's share of the investment pool is separately accounted for, and interest earned net of related expenses, is apportioned quarterly based upon the relationship of its average daily cash balance to the total of the pooled account.

The following is a summary of the MAP EIFD Authority's cash and investments as of June 30, 2025:

Cash in County Treasury	$ 366,112

The County Treasurer's investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by Section 27137 of the California Government Code (Code). The pool is not registered with the U.S. Securities and Exchange Commission (SEC) as an investment company.

The following table identifies investment types that are authorized by Code Section 53601 and the County's Investment Policy (Investment Policy).

Authorized Investment Type	Maximum Maturity (per Code/per policy)	Percentage of Portfolio (per Code/per policy)	Maximum Investment in One Issuer (per Code/per policy)	Minimum Rating Per S&P/Moody's/Fitch per policy
U.S. Treasury and Agency Obligations	5 years	not specified/100%	--	A-1/P-1/F1*
Washington Supranational Obligations	5 years	30%	10%	A-1/P-1/F1*
Municipal Notes	5 years	not specified/80%	10%	SP-1/MIG 1/F1
Registered State Warrants	5 years	not specified/80%	10%	--
Bankers' Acceptances	180 days	40%	10%	A-1/P-1/F1*
Commercial Paper	270 days	40%	10%	A-1/P-1/F1*
Negotiable Certificates of Deposit	5 years/270 days	30%	10%	A-1/P-1/F1*
CRA Bank Deposit/Certificates of Deposit	not specified/1 year	not specified/30%	10%	--
Repurchase Agreements	1 year	not specified/30%	10%	A-1/P-1/F1*
Reverse Repurchase Agreements	92 days	20%	10%	A-1/P-1/F1*
Medium-Term Corporate Notes	5 years/180 days	30%	10%	A-1/P-1/F1*
Collateralized Mortgage Obligations	5 years/180 days	20%	10%	A-1/P-1/F1*
Local Agency Investment Fund	not specified	None	--	A-1/P-1/F1*
Money Market Mutual Funds	not specified	20%	10%	A-1/P-1/F1*

*Per Investment Policy, the issuers short-term credit ratings shall be at or above A-1 by Standard and Poor's (S&P), P-1 per Moody's, and if

In addition to the restrictions and guidelines cited in the Code, the County Board of Supervisors annually adopts an "Annual Investment Policy for the Pooled Investment Fund" (Investment Policy). The Investment Policy is prepared by the Department of Finance and is based on criteria cited in the Code. The Investment Policy adds further specificity to investments permitted, reducing concentration within most permitted investment types and reducing concentration of investments with any broker, dealer, or issuer.

NOTE 2 – CASH AND INVESTMENTS (Continued)

The County was in full compliance with its own more restrictive Investment Policy and therefore complied with the above-cited Code sections.

The MAP EIFD Authority does not have a deposit or investment policy that addresses a specific type of risk. Investments held in the County's investment pool are available on demand and are reported at amortized cost, which approximates fair value.

Interest Rate Risk – This is the risk that changes in interest rates will adversely affect the fair value of an investment. Under the County's Investment Policy, the dollar-weighted average maturity on all securities shall be equal to or less than three years. As of June 30, 2025, of the County's $8.6 billion in investments held by the Treasurer, 74 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 307 days.

Credit Risk – This is the risk that an issuer or other counterparty to a debt instrument will not fulfill its obligations. The County is permitted to hold investments of issuers with a short-term rating of superior capacity and a minimum long-term rating of upper medium grade by the top two nationally recognized statistical rating organizations (rating agencies). For short-term rating, the issuers' rating must be A-1 and P-1, and the long-term rating must be A and A2, respectively by Standard & Poor's and Moody's rating agencies. In addition, the County is permitted to invest in the State's Local Agency Investment Fund, collateralized certificates of deposits and notes issued by the County that are not rated.

Custodial Credit Risk – This is the risk that in the event a financial institution or counterparty fails, the County would not be able to recover the value of its deposits and investments. As of June 30, 2025, the County has cash deposits with financial institutions in excess of the federal depository insurance limits of $250,000. Banks are required to pledge securities as collateral. Investments are held with a safekeeping agent in the name of the County.

Concentration of Credit Risk – Concentration of credit risk is the risk of loss attributed to the amount of investment in a single issuer. U.S. Treasury and agency securities are considered to be of the best quality grade, as such, there is no limitation on amounts invested in U.S. Treasury or agency securities per the Code.

Required disclosure information regarding the categorization of investments and other deposit and investment risk disclosures can be found in the County's Annual Comprehensive Financial Report (ACFR) NOTE 4 – CASH AND INVESTMENTS. The County's ACFR may be obtained by contacting the Department of Finance at 700 H Street, Sacramento, CA 95814.

NOTE 3 – COMMITMENTS AND CONTINGENCIES

In the ordinary course of business, the MAP EIFD Authority may be subject to various claims, investigations, proceedings, and legal actions from time to time arising out of the conduct of the MAP EIFD Authority's operation. Management believes that, based on current knowledge, there are no such pending matters.

The MAP EIFD Authority does not have any major contractual commitments or contingencies as of the year ended June 30, 2025.

NOTE 4 – RISK MANAGEMENT

The MAP EIFD Authority is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets; errors and omissions, for which the County of Sacramento self-insurance extends to MAP EIFD Authority. And should losses exceed the self-insured retention, the County of Sacramento's excess liability policy would extend to the MAP EIFD Authority as well. During the year ended June 30, 2025, there were no settlements or claims against the MAP EIFD Authority.

Please see the County of Sacramento Annual Comprehensive Financial Report NOTE 16 – SELF INSURANCE for required disclosures over the County's self-insurance and excess liability policy. The County's ACFR may be obtained by contacting the Department of Finance at 700 H Street, Sacramento, CA 95814.

NOTE 5 – RELATED PARTY TRANSACTIONS

For the year ended June 30, 2025, the County of Sacramento owed the MAP EIFD Authority $25,153 for interest earned on treasury deposits. The MAP EIFD Authority also uses other county departments for various administrative services.

NOTE 6 – FUTURE GASB PRONOUNCEMENTS

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

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, effective for fiscal years beginning after June 15, 2025. The objective of this statement is to provide users of government financial statements with improved disclosures of information about certain types of capital assets. It also establishes additional disclosure requirements for capital assets held for sale. The MAP EIFD Authority has not determined the effect, if any, on the financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

METRO AIR PARK ENHANCED INFRASTRUCTURE FINANCING DISTRICT
Governed by the Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority
(A component unit of the County of Sacramento, California)
Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Special Revenue Fund
For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	**Final**	**Amounts**	**Final Budget -**
Revenues:				
Taxes	$ 1,200,000	$ 1,210,489	$ 1,821,609	$ 611,120
Intergovernmental	-	365,511	6,638	(358,873)
Interest and other income	-	-	64,364	64,364
Total revenues	1,200,000	1,576,000	1,892,611	316,611
Expenditures:				
General operations	100,000	81,060	25,345	55,715
Public ways and facilities	1,100,000	1,648,894	1,648,894	-
Total expenditures	1,200,000	1,729,954	1,674,239	55,715
Net change in fund balance	-	(153,954)	218,371	372,325
Fund balance, beginning of the year	172,894	172,894	172,894	-
Fund balance, end of the year	$ 172,894	$ 18,940	$ 391,265	$ 372,325

NOTE 1 – BUDGETARY INFORMATION

The MAP EIFD Authority's budget for the Special Revenue Fund is prepared on the budgetary basis of accounting. Encumbrances not liquidated in the current year are added to the subsequent-year budget for reporting and control purposes.

Encumbrances, which are commitments related to the future purchase of goods or services, are recorded in the Special Revenue Fund. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as restricted, committed or assigned fund balance for subsequent-year expenditures.

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OTHER REPORT

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

Board of Directors
Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (Government Auditing Standards), the financial statements of the Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority (EIFD Authority), a component unit of the County of Sacramento, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the EIFD Authority's basic financial statements, and have issued our report thereon dated August 29, 2025.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Macias Gini & O'Connell LLP

Sacramento, California
August 29, 2025

METRO AIR PARK
ENHANCED INFRASTRUCTURE
FINANCING DISTRICT
PUBLIC FINANCING AUTHORITY

Report to the Board of Directors

For the Fiscal Year Ended June 30, 2025

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Board of Directors
Metro Air Park Enhanced Infrastructure Financing District
Public Financing Authority
Sacramento, California

We are pleased to present this report related to our audit of the basic financial statements of the Metro Air Park Enhanced Infrastructure Financing District Public Financing Authority (MAP EIFD Authority), as of and for the year ended June 30, 2025. This report summarizes certain matters required by professional standards to be communicated to you in your oversight responsibility for the MAP EIFD Authority's financial reporting process.

This report is intended solely for the information and use of the Board of Directors and management of the MAP EIFD Authority and is not intended to be, and should not be, used by anyone other than these specified parties. It will be our pleasure to respond to any questions you have about this report. We appreciate the opportunity to continue to be of service to the MAP EIFD Authority.

Macias Gini & O'Connell LLP

Sacramento, California
August 29, 2025

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REQUIRED COMMUNICATIONS

Auditing standards generally accepted a in the United States of America (AU-C 260, *The Auditor's Communication With Those Charged With Governance*) require the auditor to promote effective two-way communication between the auditor and those charged with governance. Consistent with this requirement, the following summarizes our responsibilities regarding the basic financial statement audit as well as observations arising from our audit that are significant and relevant to your responsibility to oversee the financial and related compliance reporting process.

Our Responsibilities With Regard to the Financial Statement Audit

Our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards* issued by the Comptroller General of the United States have been described to you in our engagement letter dated May 12, 2025. Our audit of the basic financial statements does not relieve management or those charged with governance of their responsibilities, which are also described in that letter.

Accounting Policies and Practices

Preferability of Accounting Policies and Practices

Management has the ultimate responsibility for the appropriateness of the accounting policies used by the MAP EIFD Authority. The MAP EIFD Authority, as a blended component unit of the County of Sacramento (County) did not adopt any significant new accounting policies, nor have there been any changes in existing significant accounting policies during the fiscal year ended June 30, 2025.

Significant Accounting Policies

A summary of the significant accounting policies adopted by the MAP EIFD Authority is included in Note 1 to the financial statements. We did not identify any significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Unusual Transactions

We did not identify any significant unusual transactions.

Management's Judgments and Accounting Estimates

Accounting estimates are an integral part of the preparation of financial statements and are based upon management's current judgment. The process used by management encompasses their knowledge and experience about past and current events, and certain assumptions about future events. We have not identified any accounting estimates made by management that are significant to the financial statements of the MAP EIFD Authority

Audit Adjustments and Uncorrected Misstatements

There were no audit adjustments made to the original trial balance presented to us to begin our audit.

Observations About the Audit Process

Disagreements With Management

We encountered no disagreements with management over the application of significant accounting principles, the basis for management's judgments on any significant matters, the scope of the audit or significant disclosures to be included in the basic financial statements.

Consultations With Other Accountants

We are not aware of any consultations management had with other accountants about accounting or auditing matters.

Significant Issues Discussed With Management

No significant issues arising from the audit were discussed or were the subject of correspondence with management.

Significant Difficulties Encountered in Performing the Audit

We did not encounter any significant difficulties in dealing with management during the audit.

Difficult or Contentious Matters That Required Consultation

We did not encounter any significant and difficult or contentious matters that required consultation outside the engagement team.

Shared Responsibilities for Independence

Independence is a **joint responsibility** and is managed most effectively when management, audit committees (or their equivalents), and audit firms work together in considering compliance with American Institute of Certified Public Accountants (AICPA) and *Government Accountability Office* (GAO) independence rules. For MGO to fulfill its professional responsibility to maintain and monitor independence, management, the Board of Directors and MGO each play an important role.

Our Responsibilities

- AICPA and GAO rules require independence both of mind and in appearance when providing audit and other attestation services. MGO is to ensure that the AICPA and GAO's General Requirements for performing non-attest services are adhered to and included in all letters of engagement.

- Maintain a system of quality management over compliance with independence rules and firm policies.

The MAP EIFD Authority's Responsibilities

- Timely inform MGO, before the effective date of transactions or other business changes, of the following:

  - New affiliates, directors, or officers.
  - Changes in the organizational structure or the reporting entity impacting affiliates such as partnerships, related entities, investments, joint ventures, jointly governed organizations.

- Provide necessary affiliate information such as new or updated structure charts, as well as financial information required to perform materiality calculations needed for making affiliate determinations.

- Understand and conclude on the permissibility, prior to the MAP EIFD Authority and its affiliates, officers, directors, or persons in a decision-making capacity, engaging in business relationships with MGO.

- Not entering into arrangements of nonaudit services resulting in MGO being involved in making management decisions on behalf of the MAP EIFD Authority.

- Not entering into relationships resulting in close family members of MGO covered persons, temporarily or permanently acting as an officer, director, or person in an accounting, financial reporting or compliance oversight role at the MAP EIFD Authority.

Internal Control and Compliance Matters

We have separately communicated on internal control and compliance over financial reporting identified during our audit of the basic financial statements as required by *Government Auditing Standards*. This communication is included in the report on the basic financial statements, other report section.

EXHIBIT A

Recent Accounting Pronouncements

RECENT ACCOUNTING PRONOUNCEMENTS

The following accounting pronouncements have been issued as of August 29, 2025, but are not yet effective and may affect the future financial reporting by the MAP EIFD Authority.

Pronouncement	Summary
GASB 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. This Statement also addresses certain application issues: (1) Management's Discussion and Analysis, (2) Unusual or Infrequent Items, (3) Presentation of the Proprietary Fund Statement of Revenues, (4) Expenses, and Changes in Fund Net Position, (5) Major Component Unit Information, and (6) Budgetary Comparison Information. The requirements of this Statement are effective for the MAP EIFD Authority's fiscal year ending June 30, 2026. MAP EIFD Authority has not determined the effect, if any, on the financial statements.
GASB Statement No. 104, *Disclosure of Certain Capital Assets*	The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for the MAP EIFD Authority's fiscal year ending June 30, 2026. MAP EIFD Authority has not determined the effect, if any, on the financial statements.