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 Period from April 20, 2021
Through June 30, 2024

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 Period from April 20, 2021 Through June 30, 2024

Table of Contents

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 period from inception on April 20, 2021 to June 30, 2024, 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, 2024, and the changes in financial position for the period from inception to June 30, 2024, 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.

Emphasis of Matter – Inception-to-Date Financial Statements
As discussed in Note 1 to the financial statements, the financial statements of the EIFD Authority cover the period from inception on April 20, 2021 to June 30, 2024. These financial statements may not be comparable to future periods due to the early stage of the entity's operations. Our opinion is not modified in respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, 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.

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 September 23, 2024, 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
September 23, 2024

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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, 2024

	Governmental Fund		Governmental Activities
	Special Revenue Fund	**Adjustments**	**Statement of Net Position**
ASSETS			
Cash and investments	$ 1,856,548	$ -	$ 1,856,548
Interest receivable	16,346	-	16,346
Total assets	$ 1,872,894	$ -	$ 1,872,894
LIABILITIES			
Accounts payable and accrued expenses	211,555	-	211,555
Due to Metro Air Park Community Facility District 2000-1	1,488,445	-	1,488,445
Total Liabilities	1,700,000	-	1,700,000
FUND BALANCE/NET POSITION			
Restricted for:			
Infrastructure	172,894	-	172,894
Total Fund Balance/Net Position	$ 172,894	$ -	$ 172,894

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

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 Period From April 20, 2021 through June 30, 2024

	Governmental Fund		**Governmental Activities**
	Special Revenue Fund	**Adjustments**	**Statement of Activities**
Expenses:			
General operations	$ 215,069	$ -	$ 215,069
Public ways and facilties	1,488,445	-	1,488,445
Total Expense	$ 1,703,514	-	$ 1,703,514
General Revenues:			
Property Taxes	1,846,960		1,846,960
Intergovernmental	5,316	(5,316)	
Grants and contributions not restricted to specific programs		5,316	5,316
Interest and other income	24,132		24,132
Total general revenues	1,876,408	-	1,876,408
Change in Fund Balance/Net Position	172,894		172,894
Fund Balance/Net Position			
Fund Balance/Net Position, beginning of the year	-	-	-
Fund Balance/Net Position, end of the year	$ 172,894	-	$ 172,894

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

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 financial statements represent the operating activity during the period of inception on April 20, 2021 to June 30, 2024, due to the statutorily required time for the MAP EIFD Authority to adopt the Infrastructure Financing Plan and receive Tax Rate Area approval from the State Board of Equalization.

The purpose of the MAP EIFD Authority is to facilitate economic growth throughout the Metro Air Park region and to 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 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. The MAP EIFD Authority meets the criteria set forth in accounting principles generally accepted in the United State 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 period from April 20, 2021 to June 30, 2024.

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 (EIFD) 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.

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.

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

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, 2024.

- *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's revenues are restricted for use pursuant to EIFD Code Section 53398.75. The MAP EIFD Authority's entire $172,894 is reported as restricted net position as of June 30, 2024.

- *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, 2024.

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 $172,894 is reported as restricted fund balance as of June 30, 2024.

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.

Effect of New Government Accounting Standard Board (GASB) Pronouncements

The following statements are effective for fiscal years ending from the period of April 20, 2021 through June 30, 2024. The MAP EIFD Authority has determined that there was no effect on its financial statements as a result of the Statements.

GASB Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported.

GASB Statement No. 90, *Majority Equity Interests–An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units.

GASB Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments.

GASB Statement No. 92, *Omnibus 2020*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements.

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

Effect of New Government Accounting Standard Board (GASB) Pronouncements (Continued)

GASB Statement No. 93, *Replacement of Interbank Offered Rates*. The objective of this Statement is to address those and other accounting and financial reporting implications that result from the replacement of an IBOR (Interbank Offered Rate).

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans- An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32.* The objectives of this Statement are to increase consistency and comparability related to the reporting of fiduciary component units, mitigate costs associated with reporting of certain defined contributions plans and enhance the relevance, consistency and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans.

GASB Statement No. 98, *The Annual Comprehensive Financial Report*. The objective of this Statement is to replace the title of the Comprehensive Annual Financial Report with Annual Comprehensive Financial Report.

GASB Statement No. 91, *Conduit Debt Obligations*. The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with 1) commitments extended by users, 2) arrangements associated with conduit debt obligations, and 3) related note disclosures.

GASB Statement No. 94, *Public-Private and Public-Public and Availability Payment Arrangements*. The objectives of this Statement are to improve financial reporting by addressing issues related to Public-Private and Public-Public Partnerships (PPPs) and Availability Payment Arrangements (APAs).

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users.

GASB Statement No. 99, *Omnibus 2022 - Paragraphs 4 – 25*. The objectives of these paragraphs and of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation of certain GASB Statements.

GASB Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

NOTE 2 – CASH AND INVESTMENTS

As discussed in Note 1, the MAP EIFD Authority maintains cash deposits 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, 2024:

Cash in County Treasury	$ 1,856,548

The County Treasurer's investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by Section 27134 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 available, F1 per Fitch, and the issuer's long-term credit ratings shall be at or above A by S&P, A2 by Moody's, and A by Fitch.

NOTE 2 – CASH AND INVESTMENTS (Continued)

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.

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, 2024, of the County's $8.9 billion in investments held by the Treasurer, 72 percent of the investments have a maturity of six months or less. The weighted average days to maturity for the entire portfolio was 269 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, 2024, 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 for the period from April 20, 2021 and ended June 30, 2024.

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. In the event loses exceed the self-insured retention, the County of Sacramento's excess liability policy would extend to the MAP EIFD Authority as well. During the period from April 20, 2021 through June 30, 2024, 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 period from April 20, 2021 through June 30, 2024, the County of Sacramento owed the MAP EIFD Authority $16,346 for interest earned on treasury deposits. Additionally, the MAP EIFD Authority owed the Metro Air Park Community Facility District 2000-1 $1,488,445 for capital projects. The MAP EIFD Authority owed the County of Sacramento $211,555 related to entity formation expenses. The MAP EIFD Authority also uses other county departments for various administrative services, which are included with accounts payable and accrued expenses.

NOTE 6 – FUTURE GASB PRONOUNCEMENTS

GASB 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. This Statement is effective for reporting periods beginning after December 15, 2023, or the 2024-2025 fiscal year. The MAP EIFD Authority has not determined the effect, if any, on the financial statements.

GASB 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. This Statement is effective for reporting periods beginning after June 15, 2024, or the 2024-2025 fiscal year. The MAP EIFD Authority has not determined the effect, if any, on the financial statements.

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 is effective for reporting periods beginning after June 15, 2025, or the 2025-2026 fiscal year. The MAP EIFD Authority has not determined the effect, if any on the financial statements.

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 Period from April 20, 2021 through June 30, 2024

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget -
Revenues:				
Taxes	$ -	$ 1,800,000	$ 1,846,960	$ 46,960
Intergovernmental	-	-	5,316	5,316
Interest and other income	-	-	24,132	24,132
Total revenues	-	1,800,000	1,876,408	76,408
Expenditures:				
General operations	-	311,555	215,069	(96,486)
Public ways and facilities		1,488,445	1,488,445	-
Total expenditures	-	1,800,000	1,703,514	(96,486)
Net change in fund balance	-	-	172,894	172,894
Fund balance, beginning of the year	-	-	-	-
Fund balance, end of the year	$ -	$ -	$ 172,894	$ 172,894

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

MGO. Certified Public Accountants

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, from the period of inception on April 20, 2021 to June 30, 2024, 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 September 23, 2024.

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
September 23, 2024