



**ANNUAL COMPREHENSIVE FINANCIAL REPORT**  
**FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

CITY OF VALLEJO, CALIFORNIA  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2025

Prepared by the Finance Department

CITY OF VALLEJO  
VALLEJO, CALIFORNIA

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## INTRODUCTORY SECTION



February 18, 2026

**To the Honorable Mayor, Members of the City Council  
And Citizens of the City of Vallejo, California**

It is our pleasure to present to you the 2025 Annual Comprehensive Financial Report (ACFR) for the City of Vallejo, California. The Finance Department has prepared this ACFR in conformance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). This report presents the City of Vallejo's financial position as of June 30, 2025, the results of its operations, and the cash flows of its proprietary funds for the year then ended in accordance with Generally Accepted Accounting Principles (GAAP).

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the City. To the best of our knowledge, we believe the data, as presented, is accurate in all material aspects. It is presented in a manner designed to fairly set forth the City's financial position and changes in financial position. All disclosures necessary to enable the reader to gain an understanding of the City's financial affairs have been included.

LSL, LLP, a fully licensed public accounting firm qualified to perform audits of the state and local governments within the State of California, have audited the City's basic financial statements. The independent auditor's goal was to provide reasonable assurance that the City's basic financial statements for the fiscal year ended June 30, 2025, are free of material misstatement. The independent auditors' report is presented as the first component of the financial section of this report.

The ACFR is presented in three parts: introductory, financial and statistical sections. This transmittal letter is the introductory section together with organizational chart. Management's Discussion and Analysis (MD&A) provides a narrative introduction, overview, and analysis to accompany the basic financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The MD&A can be found immediately following the report of the independent auditors in the financial section. The statistical section includes selected financial and demographic information presented on a multi-year basis.

**PROFILE OF GOVERNMENT**

The City of Vallejo is a municipal corporation incorporated in March 1868, under the laws of the State of California. A Charter City located within Solano County in Northern California, the City operates under a City Charter initially adopted in 1911 and last amended in November 2013. The Charter provides for a Council-Manager form of government in which the City Manager recommends policy, program, and budget priorities to the City Council, who in turn develops legislation and policies to direct the City.

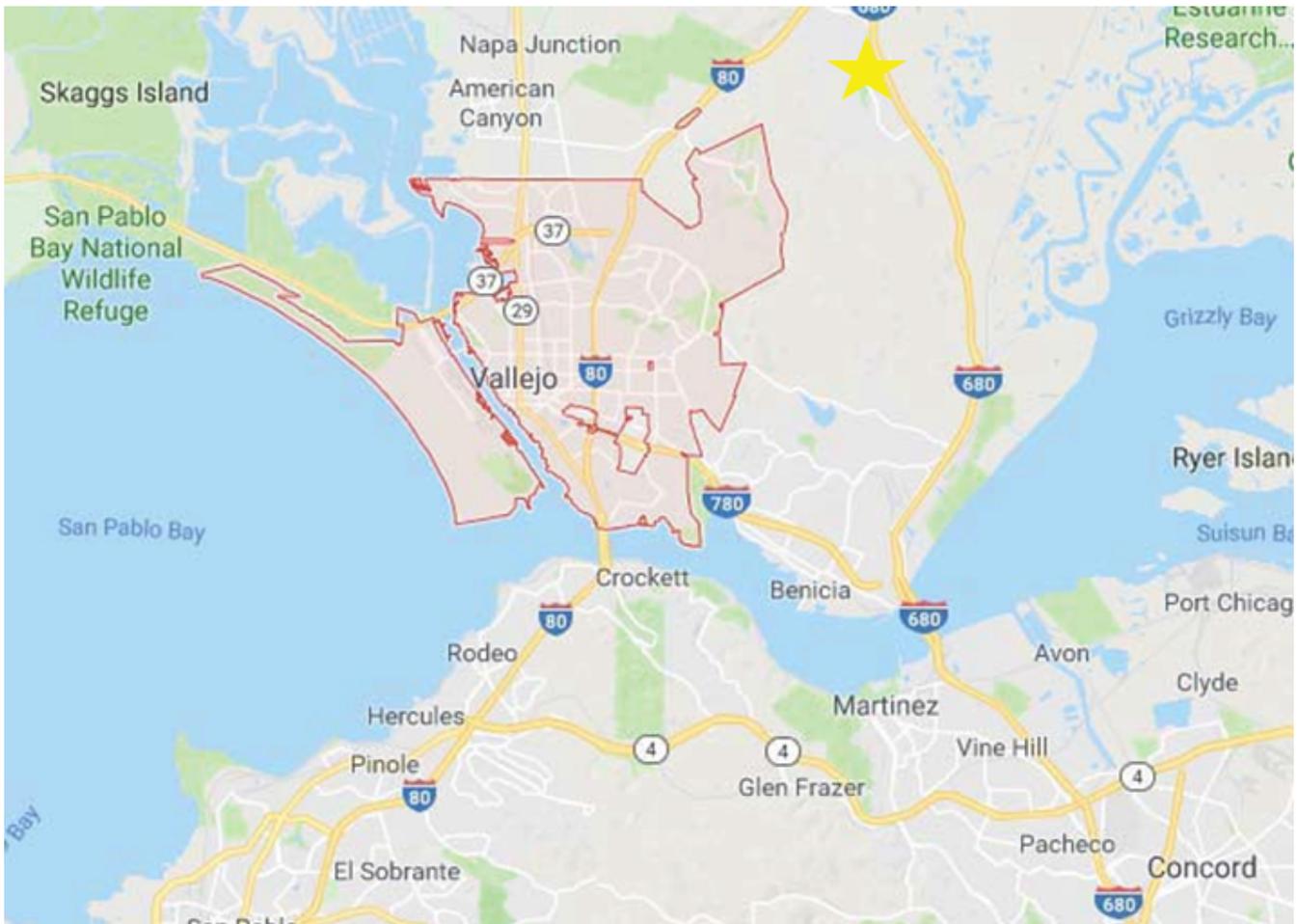
The citizens elect the City of Vallejo's governing body in a general, popular election. The Mayor, elected by the community-at-large to a four-year term, acts as the City's formal representative and presides over Council meetings. The City Council, elected on a nonpartisan basis, consists of six members elected by the six districts to four-year, staggered terms. Vallejo is the largest city in Solano County with a population of approximately 123,475. Vallejo is the site of Mare Island Naval Shipyard, the first United States naval base established on the Pacific Ocean. Established in 1854, the shipyard began building ships the following year. More than 500 naval vessels were constructed, and thousands were overhauled at Mare Island before the base closure in 1996.



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The Sacramento, Napa, and San Joaquin Rivers all flow into the San Francisco Bay at Vallejo. Rolling hills surround the City, protecting it from fog and wind typical of many coastal towns. Vallejo enjoys a mild Mediterranean climate. It is connected to the Greater Bay Area, the Pacific Rim, and the rest of the world by ship, rail, automobile, and air.

Vallejo is located in Northern California, 30 miles northeast of San Francisco, Approximately 60 miles southwest of Sacramento, 70 miles north of Silicon Valley, and 385 miles north of Los Angeles.



\*Map Source: Google Maps

The City provides a wide range of municipal services, including public safety (police and fire protection), a municipal water system, street maintenance, and other public works infrastructure functions, housing assistance, golf courses, planning, building inspection, public marina, and general administration. The separate Greater Vallejo Recreation District (GVRD) provides for Parks and Recreation programs and services, Water Emergency Transport Agency (WETA) provides for ferry services, and Solano County Transit (SolTrans) provides bus services.



This report includes all organizations and activities for which elected City officials exercise financial accountability. The notes to the financial statements further discuss the City as a financial reporting entity.

Accordingly, the following entities, although legally separate, are component units and are incorporated in the accompanying financial statements:

- Housing Authority of the City of Vallejo (Blended Component Unit)
- Marine World Joint Powers Authority (Blended Component Unit)
- Parking Authority of the City of Vallejo (Blended Component Unit)
- Public Financing Authority of the City of Vallejo (Blended Component Unit)
- Vallejo Flood and Wastewater District (Discrete Component Unit)
- Vallejo Flood and Wastewater District Financing Corporation (Discrete Component Unit)

## ECONOMIC CONDITION AND OUTLOOK

During fiscal year 2024–25, the City of Vallejo experienced steady economic activity, supported by housing affordability and ongoing revitalization efforts. Regional employment trends remain stable, with Solano County unemployment at 5.6% in September 2025, well below the 2020 peak. The City is advancing its 2025 Economic Development Strategic Plan to support local businesses and attract investment. At the same time, Vallejo faces challenges common to many California cities, including aging infrastructure, rising labor costs, and increasing service demands. In response, the City is emphasizing fiscal prudence, cost control, and responsible financial management while pursuing key development projects such as the Mare Island Mixed-Use Development, Cooke Property Costco and housing project, Blue Rock Springs golf and housing development, and Solano360 at the Solano County Fairgrounds. Together, these initiatives, along with careful financial oversight and ongoing infrastructure investment, position the City to foster economic growth, expand its tax base, and maintain long-term fiscal stability and community vitality, even as regional and national economic conditions evolve.

At the state level, California continues to show a strong and diverse economy. In 2024, California became the fourth-largest economy in the world, supported by major industries such as technology, manufacturing, agriculture, and trade.

Similar to local trends, the state's job market has softened slightly, with the unemployment rate increasing to about 5.6% as of September 2025. Even with this increase, California's economy has remained steady, helped by continued consumer spending and solid personal income growth.

Looking ahead to 2026, California's outlook includes both opportunities and challenges. The Governor's proposed FY 2026–27 Budget anticipates modest economic growth while taking a cautious approach due to uncertainty in financial markets, inflation, and federal policy. While recent revenues have performed better than expected, slower job growth and rising costs may limit future revenue growth. The State's focus on maintaining reserves and responsible budgeting is intended to help California manage economic changes and continue investing in infrastructure, public services, and workforce development over the long term.

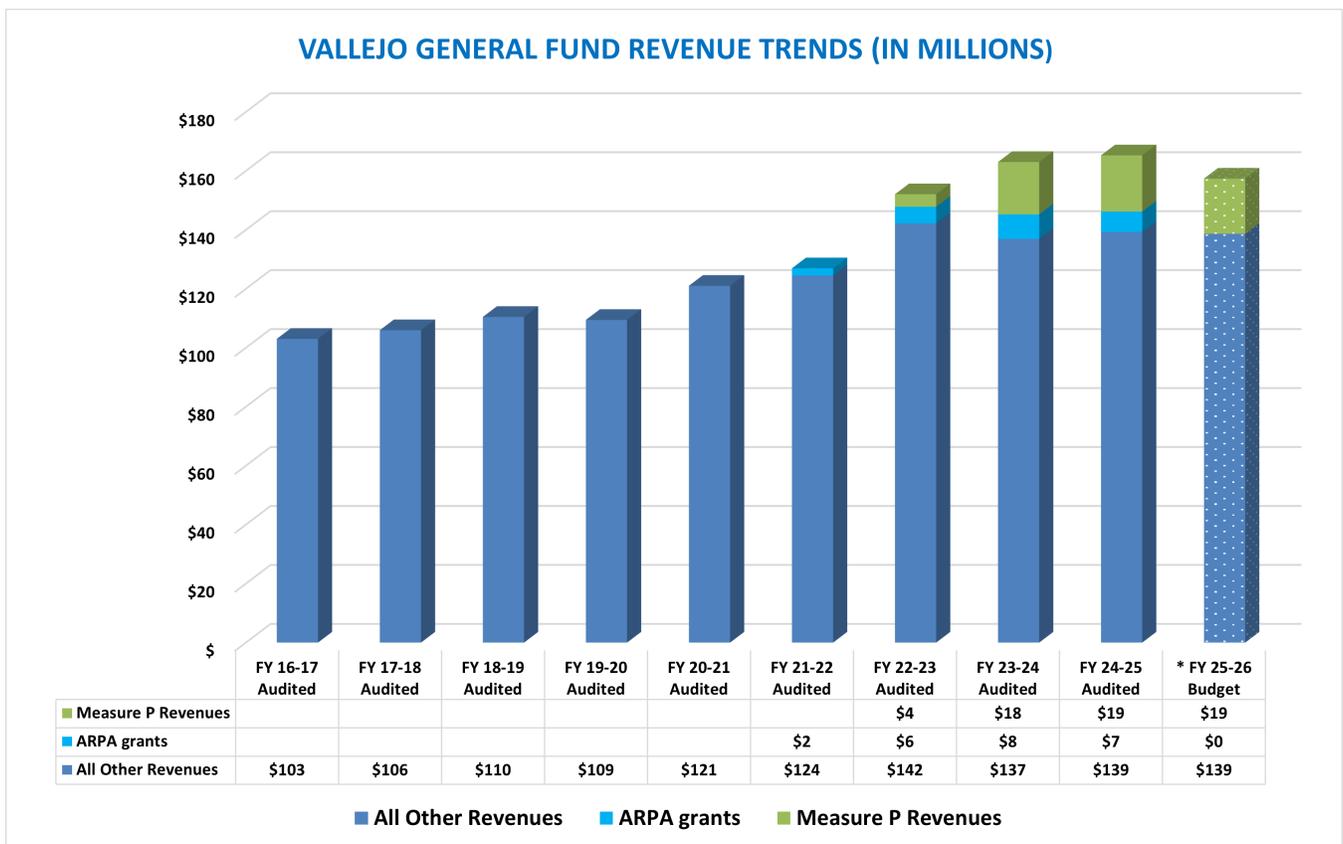
**Revenues and Local Sales Tax Increase** - In November 2016, Vallejo voters approved a sales tax measure, known as "Measure V," which permanently extended the City's 2011 Measure B one-cent per dollar transaction and use tax. This tax continues to generate approximately \$20.1 million in annual revenue, which the City Council strategically allocates to specific projects, targeted staffing, and the rebuilding of reserves.



In November 2022, voters approved “Measure P,” adding an additional 0.875% transaction tax to the existing 8.375% rate, resulting in a total City sales tax of 9.25% effective April 1, 2023. Measure P generated approximately \$17.5 million in 2025 and is projected to provide \$17.7 million in 2026. These funds support street maintenance and essential services, including fire protection and emergency medical response, crime prevention, and programs addressing homelessness and blight.

The chart below illustrates improvements in total General Fund revenues over the past ten years. The revenue budget for FY 2025–26 is lower than the prior two years because it does not include multi-year ARPA grants.

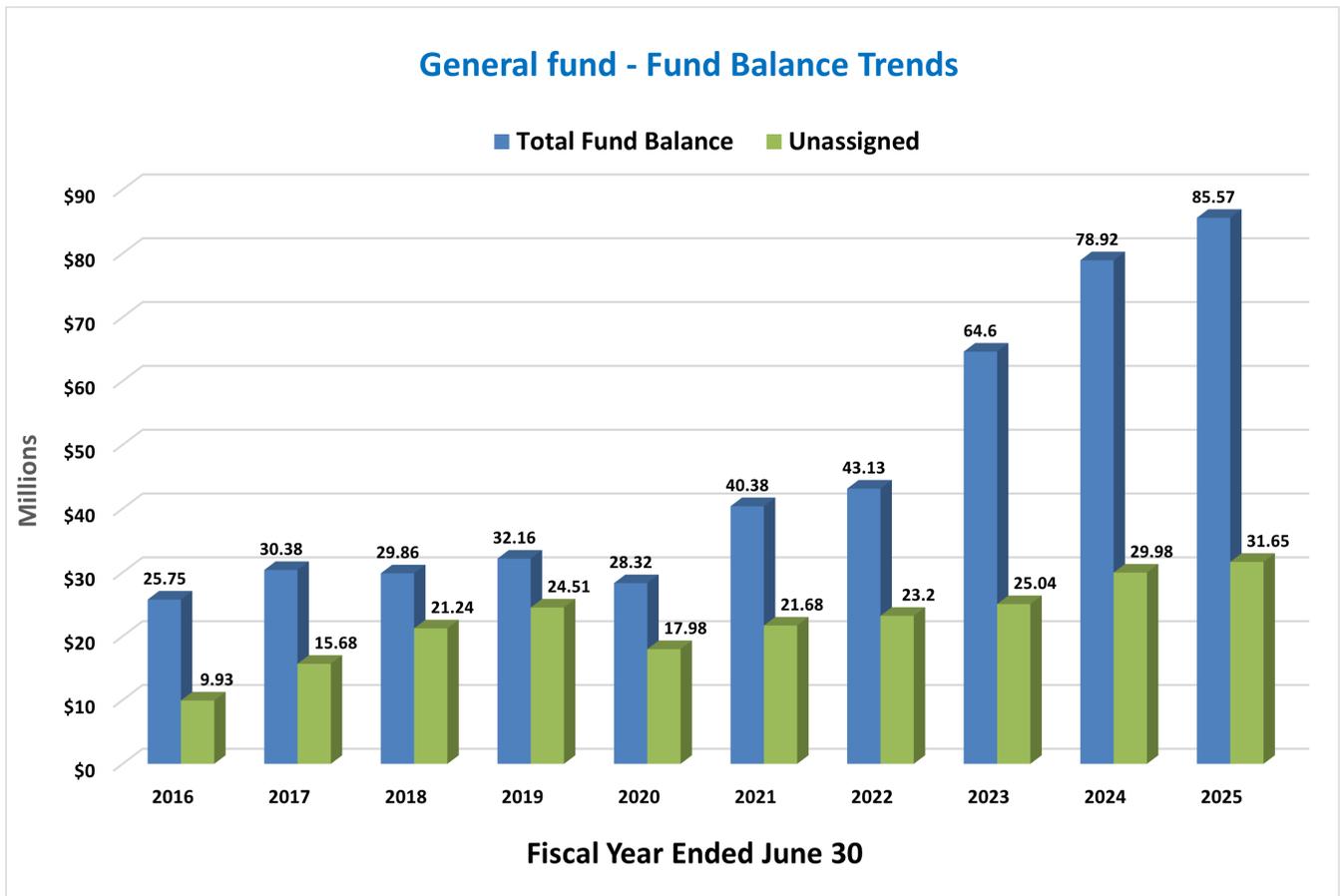
### General Fund - Revenue Trends





## CURRENT FINANCIAL CONDITIONS

**Current Financial Conditions** – The graph below illustrates the City’s improved fiscal stability following the passage of the 2011 Measure B/V tax and the 2022 Measure P tax, showing changes in the General Fund balance over the past ten years. The City also maintained its General Fund unassigned fund balance above the Government Finance Officers Association (GFOA) recommended level of two months of expenditures. These reserves provide a financial cushion to support ongoing operations, address unexpected costs, and help mitigate potential fiscal challenges, reinforcing sustainable service delivery and long-term financial stability.



**Pension and Other Post-Employment Benefit (OPEB) Obligations** – While CalPERS has made progress in improving its funded status and investment returns, California cities, including Vallejo, continue to face rising pension obligations. Ongoing adjustments to actuarial assumptions remain essential to managing these challenges effectively.



During fiscal year 2024–25, the City contributed 21.98% and 11.35% of employee salaries toward the normal cost of its Safety and Miscellaneous pension plans, respectively. In addition, in July 2024, the City made its \$28.1 million required annual payment on the Unfunded Accrued Liability (UAL). Based on projections using July 2025 CalPERS data, the City’s FY 2029–30 normal rates for the Safety and Miscellaneous plans are expected to decrease to 18.4% and 9.7%, respectively, as new employees are hired into lower benefit tiers, while the total required annual payment on the UAL is projected to increase to \$38.8 million.

The City has taken proactive steps to mitigate both CalPERS rate increases and its OPEB obligations. In 2013, the City made a supplemental contribution of \$6.5 million to CalPERS to begin stabilizing the pension plan. In August 2017, the City established an Internal Revenue Code (IRC) Section 115 Trust with the Public Agency Retirement Services (PARS) to further address future CalPERS cost increases. As of June 30, 2025, the General Fund reported total cumulative contributions of \$24.3 million to the PARS Pension Trust Fund, including investment earnings.

To address OPEB obligations, the City established a dedicated and irrevocable retiree health benefits trust during 2013–14. As of June 30, 2025, the market value of the City’s California Employers’ Retiree Benefit Trust (CERBT) was \$31.7 million, representing 93% of the City’s total OPEB liability of \$34.0 million as of the June 30, 2024, measurement date.

These funding strategies, combined with the City’s ongoing financial monitoring and corrective actions, support the long-term sustainability of pension and retiree health benefits and are integrated into the City’s broader financial planning to maintain fiscal stability over the coming years.

**Five-Year Financial Forecasting**

**General Fund Five-Year Financial Forecast** – The City uses the General Fund five-year financial forecast to guide planning, assess risks, and anticipate future funding needs. The table below presents a five-year view of the City’s fiscal condition, incorporating both operating and capital requirements.

**General Fund Long Term Forecast through Fiscal Year 29/30 (In millions)**

	<b>FY 24/25 Actual</b>	<b>FY 25-26 Adopted</b>	<b>FY 26-27 Projected</b>	<b>FY 27-28 Projected</b>	<b>FY 28-29 Projected</b>	<b>FY 29-30 Projected</b>
Revenues	\$ 139	\$ 139	\$ 137	\$ 142	\$ 149	\$ 156
Expenditures	136	137	147	152	159	163
(Deficit)/ Surplus for Year	3	2	(10)	(10)	(10)	(7)
<b>Ending Available Balance</b>	<b>\$ 32</b>	<b>\$ 25</b>	<b>\$ 15</b>	<b>\$ 5</b>	<b>\$ (5)</b>	<b>\$ (12)</b>
Excludes Measure P						

While the City operates with a budget surplus in FY 2025–26, the five-year forecast projects potential fiscal challenges, including deficits beginning in FY 2026-27. These projected shortfalls highlight the importance of proactive financial management. The City is committed to taking timely corrective action, including revenue enhancements, expenditure controls, and operational adjustments, to address potential deficits. By incorporating both operating and capital needs, the forecast ensures that resource allocation decisions support sustainable service delivery and infrastructure investment throughout the five-year period.



**Capital Improvement Project Planning** – The City's Capital Improvement Program (CIP) is planned for five years and analyzed using City-specific prioritization criteria. This is updated regularly to reflect changing needs, funding availability and removal of projects which have been completed. The CIP budget for 2025-26 is \$11.7 million. Funding comes from multiple sources, including General fund transfers, fees, grants, and bond proceeds.

## **MAJOR INITIATIVES**

Each year the City is provided with a new opportunity to identify, address, and resolve issues facing the community and its residents.

### **Economic Development Strategic Plan Initiatives**

The City continues to focus on economic development with a commitment to advance job growth, create sustainable revenue, and to maintain an excellent quality of life for all residents. The Economic Development Strategic Plan was approved in 2025. This document provides strategies and a road map to implement them to ensure economic development growth in the future. Some of the first milestones moving towards implementation are the Pop-Up Events Downtown and Waterfront (RFP drafted), Shop Local Campaign (RFP drafted), Small Business Revolving Loan fund (in process), Capital Facilities and Long-Range Property Management Plan (RFP being drafted).

Several exciting Economic and Community Improvement Projects on key pieces of property are seeing movement over the past year with a list of opportunities in the coming year. The City continues to see many business and development inquiries, and staff are working diligently to expedite these projects with the vision that their success will ripple through the community and help bolster future development opportunities. Some of these projects include:

#### **Mare Island - Proposed Mixed-Use Development**

The Nimitz group took ownership of the majority of Mare Island and contracted with development partner Southern Land Company at the end of 2019. The Nimitz Group and Southern Land Company embarked on a program of hiring a development team, facilitating business in their core commercial area, assessing current buildings for upgrades, providing security and improvements, analyzing the infrastructure costs on the island, and the costs for North Mare Island. They also have added to their design and planning team to develop an island-wide master plan to set up Mare Island as a community of manufacturing, business, employment, housing, and recreation. Over the past year they have held monthly community meetings to keep all informed of plans and progress as well as meeting regularly with the City staff to implement the North Mare Island exclusive negotiating agreement into a full Development Agreement (DA). The DA was approved in the first quarter of 2022 and will guide development of the island over the next several years and includes a requirement for a new island-wide Specific Plan to guide future development. The initial transfer of the City's 125 acres closed October 12, 2022, and the remaining 32 acres will be conveyed to Nimitz after the Navy completes the environmental cleanup and transfers the parcels to the City. Phase 1 of the DA implementation includes the Connelly Corridor development to be constructed within 60 months of closing. This proposal includes approximately 29,000 sq. ft. of office, 373 multifamily units, a 200-room hotel, 46,000 sq ft of ancillary uses, and 194,000 sq ft open space.



### **Cooke Property - New Costco and Housing Development in Process**

Vallejo Fairview Developers/Lewis Group received entitlement approval for a Master Plan to construct a new, expanded Costco, additional retail and 178 new single-family homes on the 50-acre parcel formerly known as the Cooke Property on Admiral Callahan Lane adjacent to I-80 in 2020. The applicant is working towards increasing density on the site to allow for additional residential units. The long-vacant site's size and visibility make it an ideal relocation site for Costco, and it allows the City to retain this major employer and sales tax collector, as well as provides much needed housing to the community housing stock. After lengthy litigation, the agreements to implement this project are complete and the land is purchased with the developer preparing to move forward with construction in the coming months.

### **Blue Rock Springs - Proposed Golf and Housing Development**

Currently, under an Exclusive Negotiating Agreement with the Greg Norman Company and Lewis Group, the proposed Project Concept would transform two fiscally unsustainable City golf courses and an aging clubhouse on 225 acres of City-owned land into a new community of approximately 400 single-family homes designed within a single 18-hole Greg Norman golf course and state-of-the-art clubhouse. Revenue from the proposed project would cover modernization of the golf course and a new clubhouse and eliminate potential General Fund subsidies, but the golf component would remain public/City-owned. The Pandemic, neighbor concerns, and other challenges have slowed this project process, but the coming year should see increased movement as the disposition of the land has been completed and negotiation of the key deal terms and performance timelines is currently taking place.

### **Solano360 - Solano Fairgrounds**

The overall site consists of 149.1 acres in the Vallejo City limits. The City and the County worked together on a Request for Qualifications (RFQ) process that selected two primary development groups to propose on a Request for Proposals (RFP) to amend the 2009 Specific Plan. The City and County selected one master developer based on their proposal in October 2020. The County has signed an agreement with the preferred developer to facilitate their vision for the development of the area as an iconic region-serving public entertainment destination and private-mixed use development, and an integrated "Fair of the Future". A proposed Specific Plan Amendment envisions that the site would develop with a mix of region-serving entertainment uses along with restaurant, retail and hospitality uses that complement the existing Solano County Fairgrounds and the adjacent Six Flags Discovery Kingdom facility. Development kickoff meetings began in 2021 and the County and developer are preparing detailed plans to be submitted to the City in preparation of moving this project forward in the coming year.

### **Firm Foundation Housing Project - Broadway Project**

The City, along with non-profit developer Firm Foundation, received a \$12 Million grant from the State Housing and Community Development Commission (HCD) for the Homekey grant to build 48 units on Broadway Street to serve as permanent supportive housing for chronically homeless individuals in the community. The City and Firm Foundation partnered with Factory OS to provide the units and ground broke in the fall of 2022. Construction was completed August 2025 and anticipated to be completely lease up by December 31, 2025.

### **Improving Technology**

The City is actively modernizing its technology to enhance operational efficiency, strengthen cybersecurity, and expand digital access for residents. These efforts reflect the City's commitment to providing reliable, secure, and equitable services in a rapidly evolving digital environment.



**Enterprise Systems:** The City completed an upgrade of its ERP financial system, replacing a decades-old legacy system. Additional enhancements are in progress, including the implementation of Human Resources Information Systems (HRIS), budgeting software, and enterprise asset management, which will streamline processes, improve data accuracy, and provide more timely reporting.

**Cybersecurity:** Recognizing the growing threat of cyber-attacks to local governments, the City has established a comprehensive cybersecurity program. Key measures include the adoption of a cybersecurity incident response plan, the hiring of a dedicated Cybersecurity Administrator, ongoing network infrastructure upgrades, and regular staff training and awareness initiatives. These steps are designed to protect critical systems, ensure business continuity, and maintain public trust.

**Broadband and Digital Equity:** The City is advancing its fiber network strategy to expand broadband access and close the digital divide. Projects include expanding public Wi-Fi in key community locations, connecting municipal buildings to the City's fiber network, and deploying fiber to underserved housing units. These initiatives not only improve connectivity for residents and City operations but also position Vallejo to leverage federal infrastructure funding and support long-term digital equity goals.

Through these initiatives, the City is strengthening internal operations, enhancing cybersecurity, and improving digital services and access for the community, ensuring residents benefit from modern, secure, and equitable technology infrastructure.

#### **Pavement Management Program**

The City continues to develop and deliver a comprehensive 10-year Pavement Management Program aimed at improving and maintaining roadway infrastructure to ensure long-term sustainability and safety. This initiative focuses on conducting thorough assessments of the current pavement conditions, identifying areas in need of repair or reconstruction, addressing accessibility compliance, and implementing a data-driven approach to prioritize repairs based on factors such as traffic volume, pavement age, and severity of deterioration. The program incorporates modern technologies like geographic information systems (GIS) and pavement condition index (PCI) tracking to optimize resources and budget allocation. Pavement management efforts have traditionally been funded from gas tax revenues, but this latest effort is being significantly increased with additional funding from Measure P. Over the 10 years, the City aims to treat ~80% of Vallejo's roadway network, significantly reduce the backlog of deteriorating roads, and significantly improve overall driving conditions for its residents.

#### **Mare Island Bridge Upgrade and Rehabilitation Project**

The Mare Island Causeway Bridge upgrade and rehabilitation project involves extensive preventative maintenance and structural repairs to the historic vertical lift span bridge that connects Vallejo to Mare Island. The work includes repairing and repainting the lift span and towers, replacing deteriorated piles and damaged concrete, overlaying the bridge deck, replacing joint seals, fixing sidewalks and railings, upgrading lighting and fenders, and more. The project is funded primarily through grant sources, and is expected to improve safety, reliability, and long-term connectivity, with anticipated completion around early 2027.

#### **Solar Street Lights**

The Solar Street Light project will convert existing streetlights to solar-powered streetlights and install new solar streetlights where needed, supporting the City's goals of reducing operating costs and expanding green infrastructure. By relying on renewable solar energy, the project will lower long-term electricity and maintenance expenses, reduce dependence on the power grid, and provide more resilient lighting during power outages. In addition, the use of solar streetlights will decrease greenhouse gas emissions, advance sustainability objectives, and improve public safety by delivering reliable, energy-efficient lighting throughout the community.



### **Advanced Metering Infrastructure (AMI) Program**

The Advanced Metering Infrastructure (AMI) Program modernizes the City’s water metering system by replacing legacy meters with industry-standard smart meters and upgrading supporting communications and data systems. AMI provides secure 15-minute interval consumption data to the City and customers, improving meter accuracy, billing efficiency, and system visibility. As of this week, the program is approximately 97% complete and is scheduled to reach full implementation by mid-February. Once complete, AMI is expected to result in approximately 1,184 acre-feet of annual water savings, support faster leak detection, enable monthly billing, and enhance customer access to water-use information.

During fiscal year 2024–25, the City continued implementation of the Advanced Metering Infrastructure (AMI) Program to modernize the water metering system with industry-standard smart meters and supporting communications and data systems. Implementation activities during the fiscal year focused on system deployment, testing, and integration to support improved meter accuracy, billing efficiency, leak detection, and customer access to water-use information.

### **Skyview Tank Replacement Project**

The Skyview Tank Replacement Project involves construction of a new 6.0-million-gallon AWWA D110 Type I prestressed concrete water storage reservoir to replace the existing Skyview Reservoir, which has reached the end of its useful life. The project includes demolition of the existing tank, site preparation and earthwork, geotechnical investigation, and construction of a new tank foundation, walls, roof, liner system, and appurtenant mechanical, electrical, instrumentation, and security systems. Upon completion, the new reservoir will improve water storage reliability, water quality, pressure stabilization, and fire protection for the surrounding service area.

During fiscal year 2024–25, the City completed final design for the Skyview Tank Replacement Project, which will replace an existing water storage reservoir that has reached the end of its useful life. Design efforts included development of a new 6.0-million-gallon prestressed concrete reservoir and associated structural, mechanical, electrical, and site improvements. The project advanced toward construction readiness but had not yet entered procurement during the fiscal year.

### **SCADA System Upgrades**

The SCADA (Supervisory Control and Data Acquisition) System Upgrades program modernizes the City’s computerized monitoring and control systems that support 24/7/365 operation of the water treatment and distribution system. SCADA enables staff to remotely monitor and control processes at the City’s three water treatment plants and throughout approximately 600 miles of distribution infrastructure. The program includes replacement of aging fiber infrastructure, improvements to alarm and event management, development of standardized HMI and PLC programming, establishment of SCADA policies and governance, and evaluation of long-term data management solutions. Collectively, these upgrades improve system reliability, cybersecurity, operational efficiency, and long-term maintainability of critical water system assets.

During fiscal year 2024–25, the City finalized the Supervisory Control and Data Acquisition (SCADA) system master plan, which establishes standards and long-term strategies for monitoring and controlling the water treatment and distribution system. The master plan provides the framework for future SCADA infrastructure upgrades, system standardization, cybersecurity improvements, and data management enhancements.



### **Dams Maintenance Program**

The Dams Maintenance Program addresses ongoing maintenance and rehabilitation needs at the City's seven water supply dams to ensure continued regulatory compliance, structural integrity, and long-term operational reliability. The program includes vegetation management, embankment surface repairs, erosion control, rodent damage remediation, drainage and outlet maintenance, access road improvements, and targeted concrete repairs at dam crests, spillways, and outlet structures. The City is preparing to bid a maintenance contract to systematically address identified deficiencies across multiple facilities, support dam safety requirements, and reduce long-term maintenance risks associated with aging infrastructure.

During fiscal year 2024–25, the City initiated planning and design efforts for a Dams Maintenance Program to address identified maintenance needs at the City's seven water supply dams. Activities during the fiscal year included development of maintenance scopes, preparation of bid documents, and project design to support future contracting and implementation.

### **BUDGETARY CONTROL**

The City maintains budgetary control through an annual budget adopted by the City Council. The City Manager is required to submit the proposed budget to the City Council at least 45 days prior to the beginning of the new fiscal year. Expenditures may not legally exceed the amounts appropriated in the adopted budget. However, pursuant to City Council resolution, the City Manager is authorized to transfer unencumbered appropriations within departments or between funds, as appropriate.

Budgetary control is established at varying levels depending on the type of fund: (a) General Fund—department level; (b) other governmental funds—fund level; and (c) capital projects—department level. The City Manager is authorized to approve line-item budget transfers within the adopted appropriations. Salary-related transfers and capital project budget adjustments are subject to review and approval by the Finance Director and the City Manager.

The City uses encumbrance accounting as an extension of formal budgetary integration to reserve budget authority for purchase orders, contracts, and other commitments. Encumbered amounts represent commitments related to unperformed contracts and are reported as restricted, committed, or assigned fund balance, as appropriate. Unused appropriations lapse at fiscal year-end, except for encumbered balances, capital projects, grants, and multi-year programs, which are carried forward into the subsequent fiscal year.

In addition, contracting and spending authority is delegated to the City Manager and City Attorney for contracts up to \$100,000, with further delegation to staff in accordance with established internal signature authority limits.

### **ACCOUNTING SYSTEM CONTROL**

Note 1 in the Basic Financial Statements provides a comprehensive overview of the City's significant accounting policies. To protect government assets from loss, theft, or misuse and to ensure the responsible management of public resources, the City has implemented a system of internal controls. While recognizing that the cost of these controls should not exceed their benefits, the City's control framework is designed to provide reasonable—not absolute—assurance that financial statements are free from material misstatements.

The City also maintains several documented financial policies, including policies related to purchasing, debt management, investments, capital assets, and cash handling. These policies establish consistent standards and procedures to promote transparency, accountability, and compliance with applicable laws and regulations. The policies are periodically reviewed and updated to reflect changes in regulations, operational needs, and recognized best practices.



Fiscal Year 2024–25 marked the City’s second year utilizing the Central Square Finance Enterprise Resource Planning (ERP) system. The financial modules went live in March 2024, replacing the City’s legacy financial system. As a result, FY 2024–25 continued to represent an implementation, stabilization, and refinement period rather than a fully mature operating year. During this second year, the City continued to refine system configurations, adjust business processes, enhance internal controls, and improve staff proficiency as users gained additional experience with the system. Management continues to monitor system functionality and related controls during this refinement phase. As refinement efforts progress, the ERP system is expected to further strengthen internal controls, improve reporting efficiency, and support reliable and sustainable financial operations over the long term.

## **AWARDS**

### **GOVERNMENT FINANCE OFFICERS ASSOCIATION OF THE UNITED STATES AND CANADA (GFOA) CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING**

We are once again pleased to report that the Government Finance Officers Association of the United States and Canada (GFOA) awarded a *Certificate of Achievement for Excellence in Financial Reporting* to the City of Vallejo for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024.

The Certificate of Achievement is a prestigious national award recognizing conformance with the highest standards for preparing state and local government financial reports. To be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized annual comprehensive financial report, whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. In addition, the City has also been awarded the Triple Crown, having achieved all three of GFOA’s top certifications including the Popular Annual Financial Reporting Award and the Distinguished Budget Presentation Award.

## **ACKNOWLEDGMENTS**

The preparation of this Annual Comprehensive Financial Report would not have been possible without the outstanding efforts, dedication, and teamwork throughout the year of the entire Finance Department, in particular the Accounting and Audit team, with the cooperation and assistance of all City departments.

I also recognize the professional support and guidance of the City’s audit firm, LSL, LLP.

Finally, I would like to express my gratitude to the Mayor, City Council and City Manager, for their vision and continued support to maintain long-term fiscal stability for the City.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Nalungo Conley".

Nalungo Conley  
Acting Finance Director



# CITY COUNCIL, ELECTED OFFICIALS, AND MANAGEMENT



**Andrea Sorce  
Mayor**



**Peter Bregenzer  
Vice Mayor  
District 5**



**Alexander Matias,  
Councilmember  
District 1**



**Diosdado "JR" Matulac,  
Councilmember  
District 2**



**Tonia Lediju,  
Councilmember  
District 3**



**Charles Palmares,  
Councilmember  
District 4**



**Helen-Marie Gordon,  
Councilmember  
District 6**

## MANAGEMENT

**Andrew Murray  
City Manager**

**Veronica A.F. Nebb  
City Attorney**

**Dawn G. Abrahamson  
City Clerk**

**Gillian Hayes  
Assistant City Manager**

**Vacant  
Assistant City Manager**

**Vacant  
Economic Development Director**

**Rekha Nayar  
Finance Director**

**Arthur Gonzales  
Interim Fire Chief**

**Alicia Jones  
Housing Director**

**Stephanie Sifuentes  
Human Resources Director**

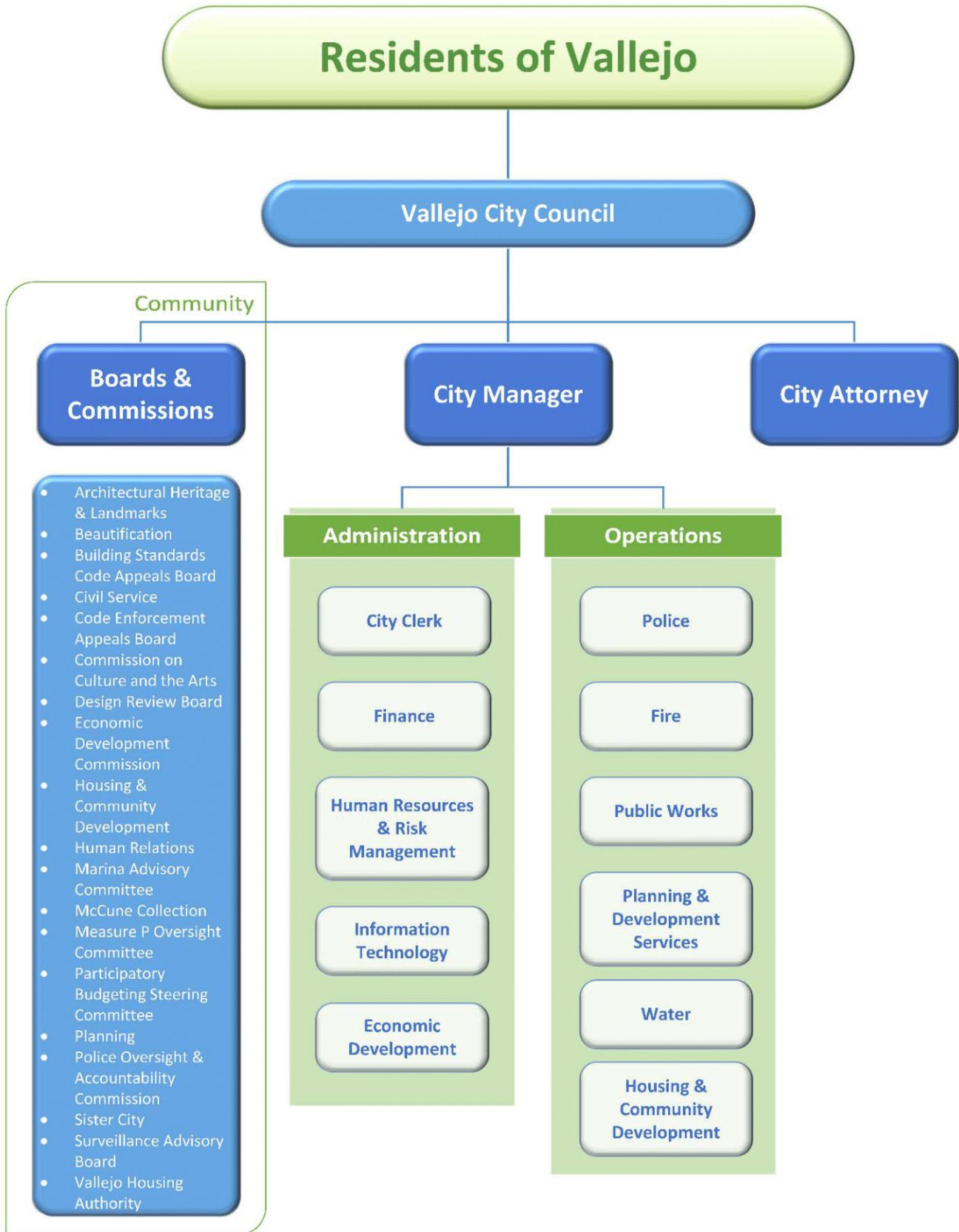
**Naveed Ashraf  
Chief Innovation Officer**

**Kristin Pollot  
Planning & Development  
Services Director**

**Jason Ta  
Police Chief**

**Melissa Tigbao  
Public Works Director**

**Beth Schoenberger  
Water Director**





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Vallejo  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO

## **FINANCIAL SECTION**



## INDEPENDENT AUDITORS' REPORT

To the Honorable Mayor and Members of the City Council  
City of Vallejo  
Vallejo, 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, the discretely presented component unit, and the aggregate remaining fund information of the City of Vallejo, California, (hereafter, the City) as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the 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, the discretely presented component unit, 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.

We did not audit the financial statements of the Vallejo Flood and Wastewater District (VFWD), a discretely presented component unit, as of June 30, 2025. Those statements were audited by other auditors whose report has been furnished to us, and our opinions, insofar as it relates to the amounts included for VFWD, are based solely on the report of the other auditors.

#### ***Basis for Opinions***

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

#### ***Emphasis of Matter***

##### Change in Accounting Principle

As described in Note 1 to the financial statements, in 2025, the City adopted new accounting guidance, GASB Statement No. 101, *Compensated Absences*. Our opinion is not modified with respect to this matter.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of 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.



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

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.

### ***Auditors' 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 auditors' 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 generally accepted auditing standards, *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.



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

***Required Supplementary Information***

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

***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 financial statements and schedules (supplementary information) 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 supplementary information is 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 and statistical sections but does not include the basic financial statements and our auditors' 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.



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

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 18, 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 City's internal control over financial reporting and compliance.

*LSL, LLP*

Sacramento, California  
February 18, 2026

## **MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)**

This narrative of the City of Vallejo's financial performance provides an overview and analysis of the City's financial activities for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the Transmittal Letter, the Basic Financial Statements, and the accompanying notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

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Government-wide (full accrual basis)

- The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year 2025 by \$466.3 million (net position). This amount improved by \$25.1 million from the prior fiscal year.
- The City's net position increased by \$25.1 million during the fiscal year. Governmental activities contributed an increase of \$4.6 million and Business-type activities accounted for an increase of \$20.5 million. These changes reflect the City's overall positive financial performance for the year, strengthening its capacity to support ongoing operations, capital projects, and community services.

Fund level (modified accrual basis)

- As of June 30, 2025, the City's governmental funds reported a combined fund balance of \$230.3 million, \$17.9 million higher than the prior year balance. Approximately 12.7% of this amount, or \$29.3 million, is categorized as unassigned funds, providing the City with discretionary resources for targeted spending initiatives.
- At the end of the fiscal year, the General Fund reported a fund balance of \$85.6 million, reflecting an increase of \$6.6 million from the prior year. Of this total, \$31.7 million, or 37%, is unassigned. This unassigned portion represents 2.8 months, or 23%, of the Fiscal Year 2025-26 original budgeted expenditures, excluding Measure P appropriations, exceeding both the City's target and the recommendations of the Government Finance Officers Association (GFOA). The City's commitment to maintaining a reserve level above the two-month expenditure benchmark demonstrates prudent financial management and provides a strong foundation for meeting future obligations and supporting community needs.
- The passage of Measure P implemented a new transaction tax of 0.875%, increasing the City's total sales tax rate to 9.25%, effective April 2023. This strategic measure was intended to provide additional financial resources to support essential services and community initiatives. In Fiscal Year 2024-25, the city received \$17.5 million in Measure P sales tax revenue.
- The city has expended \$23.3 million of the \$25.7 million received through the American Rescue Plan Act (ARPA). These one-time funds were strategically allocated by the City Council to a variety of carefully selected projects to address the diverse needs of the community, with implementation planned through December 2026. For Fiscal Year 2024-25, the City spent \$6.9 million of these allocated funds.
- The Water Fund reported an unrestricted net position of \$44.3 million, an increase of \$12.2 million from the prior year. This improvement positions the Water Fund to effectively meet its operational and capital requirements.

Detailed discussion of the changes in net position and fund balances can be found in the subsequent sections.

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## **OVERVIEW OF THE FINANCIAL STATEMENTS**

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The financial section of this report is presented in the following sections:

- 1) This introductory commentary, *Management's Discussion and Analysis*
- 2) *Basic Financial Statements*, including:
  - a. Government-wide financial statements
  - b. Fund financial statements
  - c. Notes
- 3) *Required Supplementary Information*
  - a. Net OPEB Liability and Contribution Schedules
  - b. Net Pension Liability and Contribution Schedules
- 4) *Supplemental Information*:
  - a. Non-major governmental funds
  - b. Internal service funds
  - c. Custodial funds

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## **BASIC FINANCIAL STATEMENTS**

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This discussion and analysis is intended to serve as an introduction to the City's Basic Financial Statements, comprised of the Government-wide Financial Statements and the Fund Financial Statements. These two sets of financial statements provide two different views of the City's financial activities and financial position.

### ***Government-wide Financial Statements***

The Government-wide Financial Statements provide a long-term view of the City's activities as a whole. The Statement of Net Position provides information about financial position, including capital assets and long-term liabilities on a full accrual basis, similar to that used by commercial enterprises. The Statement of Activities provides information about the City's revenues and expenses, also on a full accrual basis, with emphasis on measuring the net revenues and expenses of City programs. Information is presented both in total and separately for governmental activities, which are generally supported by taxes and grants, and for business-type activities, which are generally supported by user fees. The City's activities include the activities of multiple legal entities, and the Vallejo Flood and Wastewater District (VFWD, formerly Vallejo Sanitation and Flood Control District), a discretely presented component unit, because the City is either financially accountable for these entities or has control of the governing board of these entities.

### ***Fund Financial Statements***

The Fund Financial Statements report the City's operations in more detail than the government-wide statements. The focus is on the individual funds that are used to report the status of restricted or otherwise segregated resources and also to demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into the following three categories:

- **Governmental Funds** – Governmental funds account for essentially the same functions reported as governmental activities in the Government-wide Financial Statements. However, unlike the Government-wide Financial Statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year (Modified Accrual Basis of Accounting). Such information may be useful in evaluating the City's near-term financing requirements. To understand the long-term impact of the City's near-term financing decisions, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the Government-wide Financial Statements. Both the Governmental Funds Balance Sheet and the Governmental Funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.
- **Proprietary Funds** – The City maintains two different types of proprietary funds: enterprise funds and internal service funds.

Enterprise Funds report the same functions presented as business-type activities in the Government-wide Financial Statements. The City has five enterprise funds. Water Fund is reported as major fund, while others are reported as nonmajor.

Internal Service Funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City's internal service funds account for fleet maintenance and replacement, risk management and insurance, payroll and retiree health benefits. Since these services predominantly benefit governmental rather than business-type functions, they are consolidated within governmental activities in the Government-wide Financial Statements.

Proprietary funds provide the same type of information as the Government-wide Financial Statements, but in more detail. The proprietary funds financial statements provide separate information for each of the enterprise funds. Data for the four internal service funds are combined into a single, aggregated presentation in the proprietary funds financial statements.

- **Fiduciary Funds** – Fiduciary funds account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected in the Government-wide Financial Statements because the resources of those funds are not available to support the City's own programs. Fiduciary fund accounting is similar to proprietary fund accounting. The City has two types of fiduciary funds: the custodial funds and the private purpose trust funds.

### ***Notes to the 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. The notes to the Financial Statements follow the basic financial statements.

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## **OTHER INFORMATION**

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In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's progress in funding its obligation to provide pension and retiree medical benefits to its employees. Required Supplementary Information follows the notes to the financial statements. Supplementary information on non-major governmental funds and internal service funds are also presented immediately following the required supplementary information on pensions.

**City of Vallejo**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2025**

**FINANCIAL ANALYSIS OF THE CITY AS A WHOLE**

Below is a summary of the City's government-wide net position as of June 30, 2025 and 2024, as measured on a full accrual basis of accounting. Over time, increases or decreases in net position may serve as a useful indicator as to whether the City's financial position is improving or weakening.

**Statement of Net Position**  
**as of June 30, 2025 and 2024**  
(In millions)

	Governmental Activities		Business-type Activities		Government-wide Totals		Increase/ (Decrease)
	2025	2024	2025	2024	2025	2024	
<b>Assets</b>							
Current and other assets	\$346.8	\$340.2	\$134.8	\$130.3	\$481.6	\$470.5	\$11.1
Capital assets	353.3	360.9	124.7	115.6	478.0	476.5	1.5
Total assets	700.1	701.1	259.5	245.9	959.6	947.0	12.6
<b>Deferred Outflows of Resources</b>							
Unamortized loss on refunding of debt			0.7	0.9	0.7	0.9	(0.2)
Related to pensions	52.0	67.5	5.7	8.8	57.7	76.3	(18.6)
Related to OPEB	1.2	3.7	0.4	0.9	1.6	4.6	(3.0)
Total deferred outflows	53.2	71.2	6.8	10.6	60.0	81.8	(21.8)
<b>Liabilities</b>							
Current and other liabilities	49.3	70.4	18.0	13.2	67.3	83.6	(15.5)
Net pension liability	300.6	305.5	38.1	42.2	338.7	347.7	(9.0)
Other long-term liabilities	54.4	50.5	77.1	88.4	131.5	138.9	(8.2)
Total liabilities	404.3	426.4	133.2	143.8	537.5	570.2	(32.7)
<b>Deferred Inflows of Resources</b>							
Related to pensions	0.0	0.8	0.0	0.2	0.0	1.0	(1.0)
Related to OPEB	4.6	4.2	1.1	1.1	5.7	5.3	0.4
Related to leases	10.1	11.1			10.1	11.1	(1.0)
Total deferred inflows	14.7	16.1	1.1	1.3	15.8	17.4	(1.6)
<b>Net position</b>							
Net investment in capital assets	334.5	345.9	87.0	78.6	421.5	424.5	(3.0)
Restricted	139.0	131.1	0.4	0.4	139.4	131.5	7.9
Unrestricted	(139.2)	(147.3)	44.6	32.5	(94.6)	(114.8)	20.2
Total net position	\$334.3	\$329.7	\$132.0	\$111.5	\$466.3	\$441.2	\$25.1

Current and other assets increased by \$11.1 million, or 2.4 %, in fiscal year 2025 compared to the prior year, primarily due to higher cash and investments. Cash inflows from all revenue sources continued to exceed cash outflows, largely attributable to the delayed implementation of certain City capital projects and programs.

Capital assets increased by \$1.5 million, mainly due to the recognition of right-to-use subscription assets related to the Flock Safety Camera System subscription. The Flock Safety subscription, utilized by the Police Department, provides advanced investigative tools designed to help prevent, detect, and solve crimes.

The City's assets and deferred outflows exceeded its liabilities and deferred inflows at the close of the fiscal year by \$466.3 million (net position). This represents an increase of \$25.1 million, or 5.7%, from the prior year and comprised of the following major components:

**City of Vallejo**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2025**

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- Net investment in capital assets decreased from \$424.5 million in the prior year to \$421.5 million, a reduction of \$3.0 million, primarily due to an accounting adjustment related to the Broadway Homekey capital improvement project. The city uses these capital assets to provide services to its residents and other stakeholders; therefore, they are not available for future spending. Although the City's investment in capital assets is reported net of related debt, the resources required to repay this debt must come from other sources, as the capital assets themselves cannot be used to liquidate these liabilities.
- Restricted net position increased by \$7.9 million, reaching \$139.4 million. These resources are subject to legal or contractual restrictions imposed by creditors, developers, grantors, or other governmental entities. By definition, the City cannot use these funds for purposes outside the restrictions, as they are externally imposed.
- The unrestricted net deficit improved to \$94.6 million in 2025, compared with \$114.8 million in 2024, primarily due to a \$32.7 million reduction in total liabilities. The deficit largely reflects the recognition of the net pension obligation. Additional information on the net pension liability is provided in Note 10 to the financial statements, with related trend information included in the Required Supplementary Information (RSI) section.

**City of Vallejo**  
**Management's Discussion and Analysis (Unaudited)**  
**For the Year Ended June 30, 2025**

**Governmental Activities**

The following analysis focuses on the changes in net position of the City's governmental activities for the years ended June 30, 2025 and 2024.

**Statement of Activities**  
**for the years ended June 30, 2025 and 2024**  
(In millions)

	Governmental Activities		Increase/(Decrease)	
	2025	2024	Amount	%
<b>Revenues</b>				
<b>Program revenues</b>				
Charges for services	\$36.2	\$28.9	\$7.3	25%
Operating grants and contributions	54.0	54.2	(0.2)	0%
Capital grants and contributions	7.5	15.0	(7.5)	-50%
Total program revenues	<u>97.7</u>	<u>98.1</u>	<u>(0.4)</u>	<u>0%</u>
<b>General revenues</b>				
Property related taxes	40.8	38.9	1.9	5%
Sales and transaction taxes	57.5	59.3	(1.8)	-3%
Utility users tax and others	31.4	30.3	1.1	4%
Investment earnings and other	19.2	18.2	1.0	5%
Total general revenues	<u>148.9</u>	<u>146.7</u>	<u>2.2</u>	<u>1%</u>
Total revenues	<u>246.6</u>	<u>244.8</u>	<u>1.8</u>	<u>1%</u>
<b>Expenses</b>				
Administration	24.5	22.1	2.4	11%
Community services	33.6	29.8	3.8	13%
Planning and development services	8.0	5.6	2.4	43%
Fire services	42.2	39.4	2.8	7%
Police services	66.1	61.8	4.3	7%
Public works	46.0	34.2	11.8	35%
Interest on long-term debt	0.5	0.5	0.0	0%
Total expenses	<u>220.9</u>	<u>193.4</u>	<u>27.5</u>	<u>14%</u>
Excess before special item and transfers	25.7	51.4	(25.7)	-50%
Special item	(18.0)	0.0	(18.0)	
Transfers	(1.2)	(1.9)	0.7	-37%
<b>Change in net position</b>	<u>6.5</u>	<u>49.5</u>	<u>(43.0)</u>	<u>-87%</u>
Net position - beginning, as restated	327.8	280.2	47.6	17%
<b>Net position - ending</b>	<u>\$334.3</u>	<u>\$329.7</u>	<u>\$4.6</u>	<u>1%</u>

Governmental activities increased the City's net position by \$4.6 million, driven by a 1% growth in total revenues.

**Revenues**

Revenues are classified into two categories: Program Revenues, which are the revenues derived directly from the functional programs or from parties outside the City's taxpayers or citizenry; and General Revenues, which are the revenues that do not meet the requirements of program revenue, most of which are taxes. These are property, sales and transaction, franchise, transit occupancy, and business license taxes.

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Program revenues decreased by \$0.4 million to \$97.7 million. This decrease was primarily attributable to a \$7.5 million reduction in capital grants and contributions, reflecting lower project expenditures funded by grants, mainly related to the California Infill Infrastructure Project and the Bay/Vine Trail, compared to the prior year. Charges for services increased due to higher development activity and related fees. Major projects contributing to this increase included Tri Pointe Homes (Cascade at Waterstone), PG&E infrastructure projects, and Next Phase Construction's West Harbor Park Apartments.

Total general revenues of \$148.9 million increased by \$2.2 million from the prior year. General revenues include general taxes, which provide the City Council with the greatest discretionary spending authority. Significant changes in general revenues were as follows:

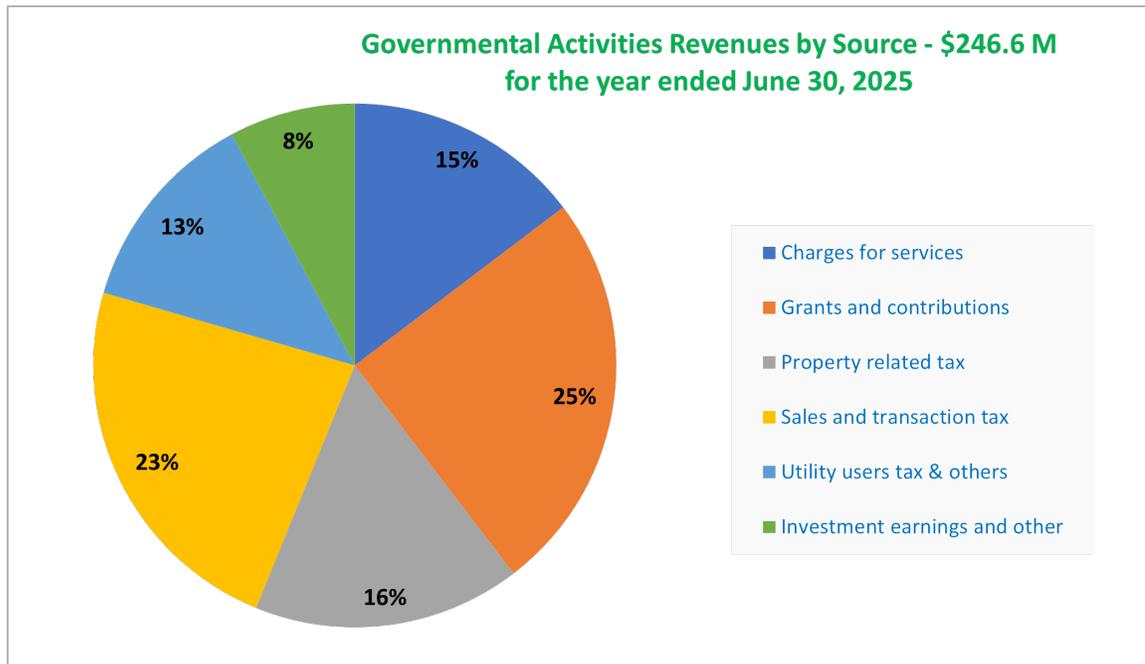
- Property tax increased by \$1.9 million, primarily due to rising home values and reassessments upon property sales.
- Sales and transaction tax revenues decreased by \$1.8 million, or 3%, to \$57.5 million, reflecting a slowdown in consumer spending.
- Investment earnings and other revenues increased by \$1 million, driven by continued positive market performance.

Total revenues for the City's governmental activities showed a modest increase. Combined, general and program revenues grew by \$1.8 million. The largest increase, \$7.3 million, was in charges for services, while capital grants and contributions—the largest revenue source in the prior year—declined by \$7.5 million, reflecting the substantial completion of major projects such as the Bay/Vine Trail.

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The pie chart below illustrates the distribution of the governmental activities revenues by source. The largest source of revenue for governmental activities are grants and contributions at \$61.5 million (25%) and sales tax at \$57.5 million (23%) followed by property related tax (16%) and charge for services (15%). The City's reliance upon grant and tax revenues is evident from the chart, which is consistent with the nature and purpose of governmental funds, particularly in the General Fund, where programs are largely supported by general taxes.



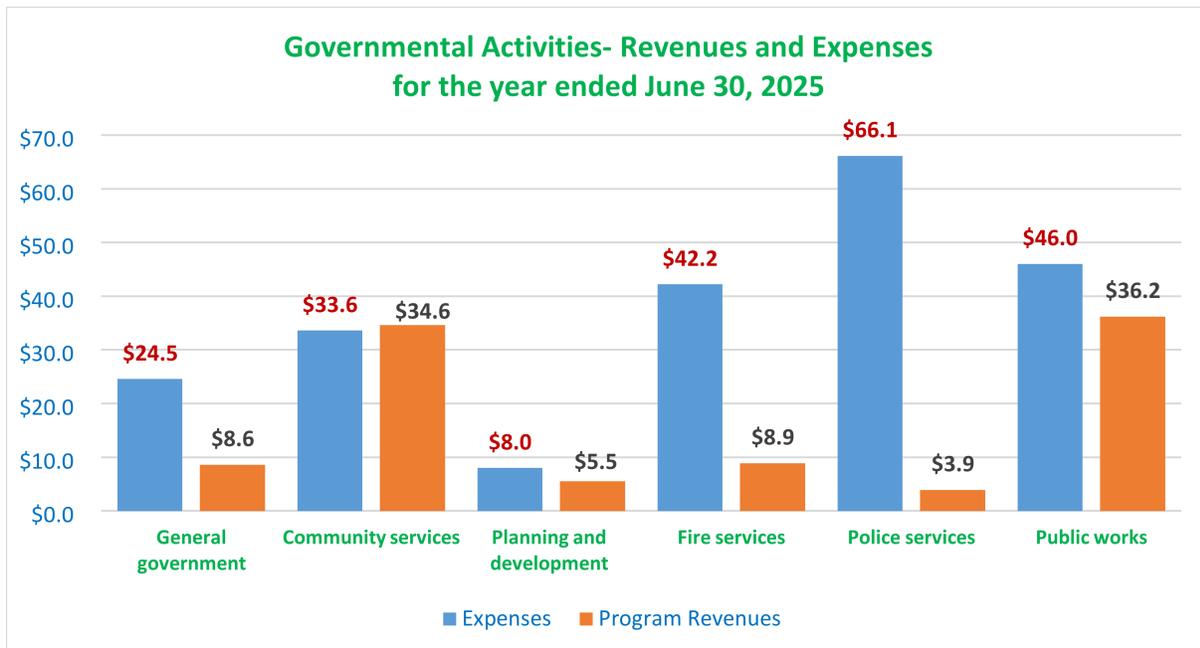
**Expenses**

Overall expenses for governmental activities increased from \$193.4 million in the prior year to \$220.9 million in the current fiscal year. Most functional categories experienced increases, primarily driven by higher salaries and benefits, including pension and OPEB expenses resulting from adjustments required under GASB Statements No. 68 and 75. In addition, the increase in Public Works expenses is largely attributable to \$8.5 million in street maintenance and repair costs that were expensed rather than capitalized.

**Net Revenues (Expenses)**

Program revenues associated with Governmental Activities totaled \$97.7 million, or 44%, of program expenses (\$220.9 million). Expenses not covered by program revenues must be funded from non-program sources like general tax revenues. The table on the next page illustrates the gap between program revenues and expenses by major activity. Public safety programs rely heavily on taxes to support operations. Public Work's program revenues include capital grant funding for capital outlay. General government programs provide benefits to both business-type and governmental activities and receive some funding through internal indirect cost allocations to supplement programs and general tax revenues.

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Detailed analysis of the General Fund and other major governmental funds are discussed in the subsequent sections.

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**Business-type Activities**

The following analysis focuses on the changes in net position of the City's business-type activities for the years ended June 30, 2025, and 2024.

**Statement of Activities**  
**for the years ended June 30, 2025 and 2024**  
(In millions)

	<b>Business-type Activities</b>		<b>Increase/(Decrease)</b>	
	<b>2025</b>	<b>2024</b>	<b>Amount</b>	<b>%</b>
<b>Revenues</b>				
<b>Program revenues</b>				
Charges for services	\$63.8	\$62.2	\$1.6	3%
Operating grants and contributions	2.0	1.7	0.3	18%
Capital grants and contributions	1.1	2.3	(1.2)	-52%
Total Program revenues	<u>66.9</u>	<u>66.2</u>	<u>0.7</u>	<u>1%</u>
<b>General revenues</b>				
Investment earnings and other	5.6	5.2	0.4	-8%
Total revenues	<u>72.5</u>	<u>71.4</u>	<u>1.1</u>	<u>2%</u>
<b>Expenses</b>				
Water	45.6	48.1	(2.5)	-5%
Marina	1.8	1.9	(0.1)	-5%
Golf	4.5	4.3	0.2	5%
Vallejo Station Parking	0.8	0.7	0.1	14%
Fiber Optic	0.3	1.0	(0.7)	-70%
Total expenses	<u>53.0</u>	<u>56.0</u>	<u>(3.0)</u>	<u>-5%</u>
Excess before transfers	19.5	15.4	4.1	27%
Transfers	1.2	1.9	(0.7)	-37%
<b>Change in net position</b>	<u>20.7</u>	<u>17.3</u>	<u>3.4</u>	<u>20%</u>
Net position - beginning, as restated	111.3	94.2	17.1	18%
<b>Net position - ending</b>	<u>\$132.0</u>	<u>\$111.5</u>	<u>\$20.5</u>	<u>18%</u>

Business-type activities increased the City's net position by \$20.5 million, or 18%, to \$132 million.

Charges for services were up by \$1.6 million, or 3%, driven primarily by the Water Fund. Water charges for services rose by \$1 million compared to the previous year.

Capital grants and contributions declined by \$1.2 million, or 52%, reflecting reduced commercial development activity during the year.

Investment earnings of \$5.6 million in the current fiscal year were due to improved investment income and significant unrealized gains resulting from favorable market fluctuations.

Overall expenses of \$53 million decreased from the previous year by \$3 million. This reduction was largely attributable to lower operating expenses in the Water Fund.

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The table on the next page provides a visual representation of the net program cost information for business-type activities for the year ended June 30, 2025. In these programs, annual surpluses or deficits are retained in the programs as an increase or decrease in the program’s net position.

**Net Revenue (Expense) of Business-type Activities  
As of June 30, 2025  
(in millions)**

	<b>Expenses</b>	<b>Program Revenues</b>	<b>Net Revenue (Expense) of Activities</b>
Water	(\$45.6)	\$59.8	\$14.2
Marina	(\$1.8)	1.3	(0.5)
Golf	(\$4.5)	4.7	0.2
Vallejo Station Parking	(\$0.8)	1.0	0.2
Fiber Optic	(\$0.3)	0.0	(0.3)
	(\$53.0)	\$66.8	\$13.8

In total, program revenues for these business-type operations are generally intended to cover operating, debt service, and capital reinvestment requirements. For the current year, Water operations contributed \$14.2 million while the other funds reported a combined loss of \$.4 million. Although each program collected user fees, the fees of Marina and Fiber funds did not generate sufficient revenues to cover their annual costs. The General Fund transferred \$1.0 million to support the Marina Fund’s debt service payments and operations, and the ARPA fund transferred \$0.7 million to Fiber fund to build the physical network necessary to support and sustain retail/residential customers.

Detailed analysis of each of the business-type operations are discussed in the Enterprise Funds section.

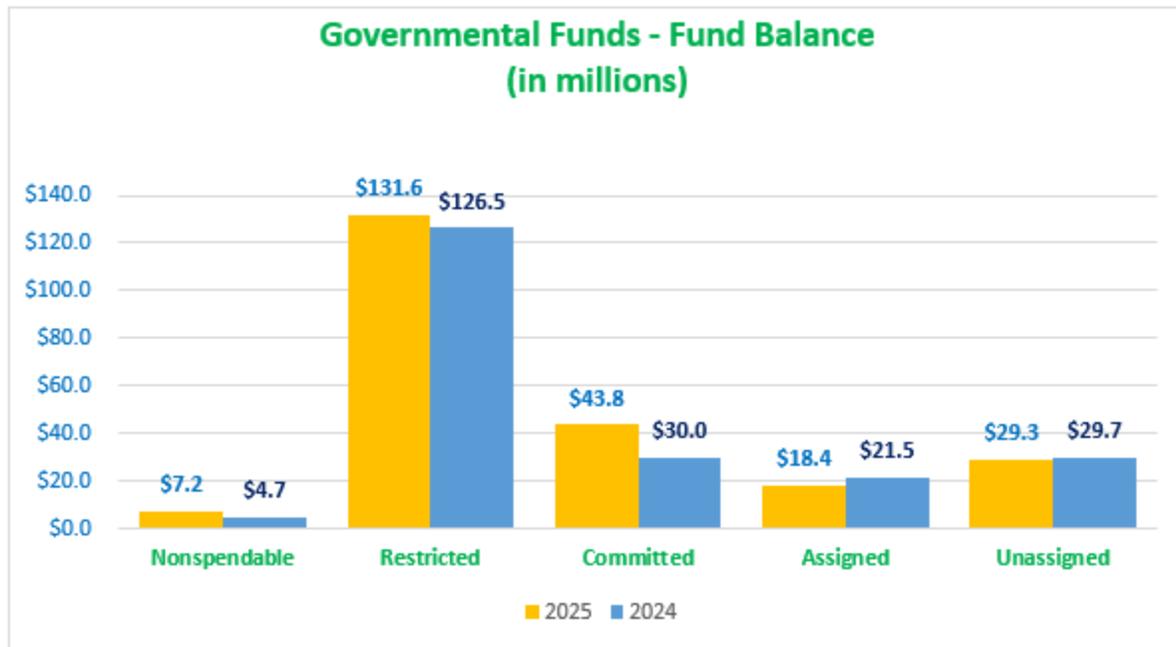
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**FINANCIAL ANALYSIS OF THE CITY’S FUNDS**

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In addition to the full accrual-basis government-wide statements described above, the City also maintains financial records at the fund level for budgetary control. Individual funds are generally established to track the resources and operating results for specific, restricted programs. The results for governmental funds below differ from the results reported above in the government-wide statements. Here, the focus is to provide information on near-term inflows, outflows, and balances of spendable resources, which can be useful in assessing the City’s financing requirements. Specifically, unassigned fund balance can serve as an informative measure of a government’s net resources available for discretionary use at the end of the fiscal year.

As of June 30, 2025, the City’s Governmental Funds reported a combined ending fund balance of \$230.3 million, a \$17.9 million increase in comparison with the prior year’s total ending fund balances. The chart showing the components of City’s governmental total fund balance are presented on the next page.



- Nonspendable Fund Balance increased to \$7.2 million, a \$2.5 million increase from prior year, primarily due to the new Permanent Supportive Housing loan funded by Measure P. These amounts are not spendable in form or are legally or contractually required to be maintained intact and are made up of long-term receivables and prepaid expenses and deposits.
- Restricted Fund Balance increased by \$5.1 million to \$131.6 million. Restricted fund balance represents amounts constrained for specific purposes by creditors, grantors, contributors, laws, regulations, or enabling legislation. Of the total restricted balance, \$47.8 million is restricted for streets and highways, \$33.8 million for community development and housing, \$12.8 million for public facilities projects, and \$24.3 million for pension benefits.
- Committed Fund Balance increased by \$13.8 million to \$43.8 million. These amounts are committed for specific purposes by formal action of the City Council and remain binding unless removed by the Council through the same formal process. Of the total committed balance, \$6.7 million is committed for public facilities projects and \$17.6 million for Measure P programs and \$17.8 million for capital outlay.
- Assigned Fund Balance decreased by \$3.1 million to \$18.4 million. This fund balance reflects amounts the City intends to use for specific purposes that are neither restricted nor committed. Of this total, \$13.5 million is assigned for Measure P programs.
- Unassigned Fund Balance decreased by \$0.4 million to \$29.3 million. The City's General Fund reported an unassigned fund balance of \$31.7 million, which is partially offset by negative balances in other governmental funds.

For more information on governmental fund balances, please refer to Note 12 of the Basic Financial Statements.

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Presented below and on the next pages are the major funds that either qualified under the reporting criteria or are considered to be important to financial statement users.

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**GENERAL FUND**

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The City's General Fund provides police, fire, community development, public works, and administrative services to the City's 122,207 residents, other funds, businesses and visitors. The General Fund is distinct from other funds because it is the only source of unrestricted funds that can be allocated, at the discretion of the City Council, for any municipal purpose. For financial reporting purposes, the scope of General Fund balances and activities includes the City's Measure B/V and Contingency Reserve Funds as well as Measure P voter approved tax.

During fiscal year 2025, the General Fund expended \$108.6 million in labor costs to provide these services, funding 509 authorized full-time equivalent positions. Labor costs comprise 69% of General Fund's total expenditure and transfers out.

***Budgetary Highlights*** – During the fiscal year 2025, adjustments were made between the original budget and the final budget, resulting in an \$8.7 million increase in budgeted revenues and transfers in primarily due to ARPA budget carryover. Similarly, there was a significant \$32.2 million increase in budgeted expenditure and transfers out. Of the \$32.2 million increase, \$16.5 million and \$9.3 million were allocated to Measure P and ARPA projects respectively, with remainder supporting other City programs.

Actual revenues and transfers totaled \$165.3 million, exceeding the final budget by \$4.1 million, or 2.5%. This positive variance was primarily attributable to higher-than-anticipated investment income and SAFER grant revenues.

Total expenditures were \$6.3 million below the final budget, as program departments expended less than their approved appropriations. Expenditure savings were mainly the result of salary savings, unspent ARPA-funded service and supply appropriations, and higher interfund reimbursements. In addition, transfers out were \$5.6 million below budget due to the delayed implementation of ARPA- and Measure P-funded projects.

Collectively, these variances resulted in a total budgetary surplus of \$11.9 million for the fiscal year.

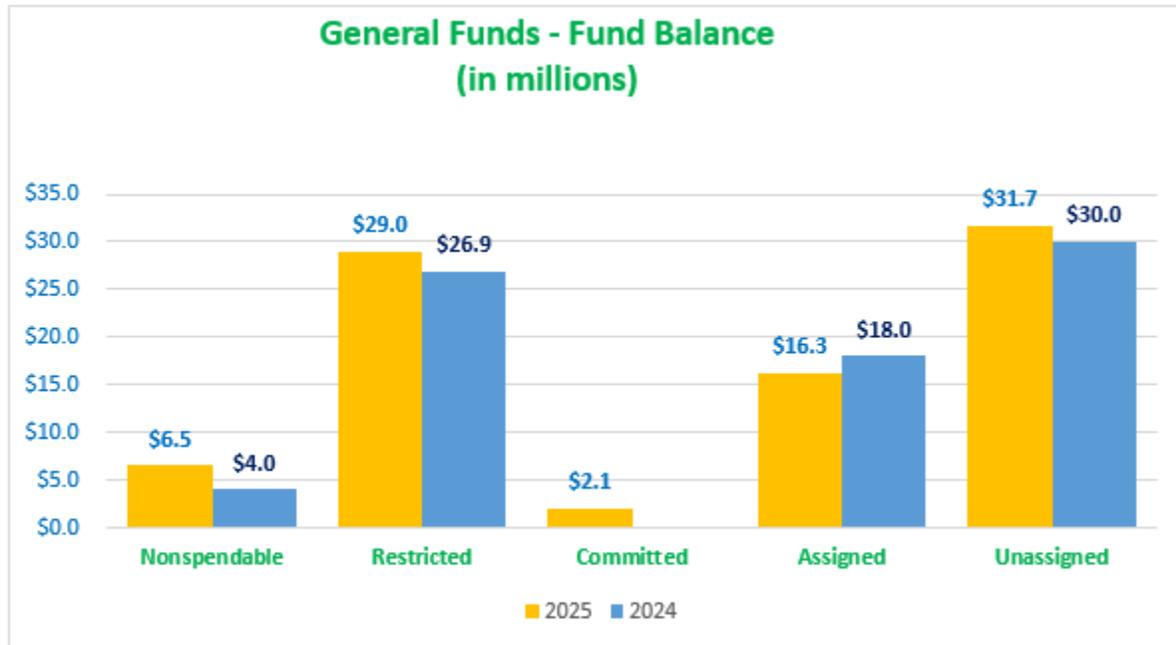
***Current Year Increase in General Fund Revenues/Expenditures*** – General Fund revenues, including other financing sources, increased by \$2.4 million, or 1.4%, from \$162.9 million in the prior fiscal year to \$165.3 million in FY 2024–25. This increase was primarily attributable to OPEB trust reimbursements and the extension of the Fire SAFER grant.

General Fund expenditures, excluding transfers out, totaled \$126.8 million in FY 2024–25, compared to \$121.5 million in the prior year, representing an increase of \$5.3 million, or 4.3%. This change reflects a \$6.6 million increase in salaries and benefits, partially offset by a \$1.3 million decrease in services and supplies. Transfers out increased by \$4.8 million, from \$27.1 million in the prior year to \$31.9 million in the current year, primarily due to an additional \$8.2 million Measure P contribution, offset by reductions of \$1.2 million in ARPA transfers and \$2.2 million in other City program transfers.

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**Fund balance** –At the close of FY 2024–25, the General Fund reported a surplus as total revenues and other financing sources of \$165.3 million exceeded total expenditures and other financing uses of \$158.6 million by \$6.7 million. As a result, the General Fund’s total fund balance increased to \$85.6 million, of which \$31.7 million is unassigned and 13.5 million is assigned for Measure P programs.

The chart below illustrates the changes in the components of the General Fund balance from June 30, 2024, to June 30, 2025.



**OTHER MAJOR GOVERNMENTAL FUNDS**

**Housing Authority Fund** –During the fiscal year, the Housing Authority Fund received \$28.6 million in federal HUD grant allocations and other revenues to support \$29.0 million in Section 8 Housing Choice Voucher Program expenditures. As of June 30, 2025, the Fund reported a combined fund balance of \$16.5 million, consistent with the prior fiscal year. Of this amount, \$14.9 million is restricted and committed. The majority of these resources are invested in long-term loans and mortgages and are not expected to be collected within the next fiscal year.

**Capital Projects Funds** – The Capital Projects Funds, comprised of the Capital Outlay Fund and the Measure P Capital Fund, reported total revenues of \$26.7 million during fiscal year 2025. Revenues consisted of \$1.4 million in interest earnings and \$25.3 million in transfers, including \$10.2 million from the General Fund and \$15.0 million from Measure P. Expenditures totaled \$20.5 million for the year, resulting in an ending fund balance of \$37.4 million. The fund balance is committed to public facilities projects and Measure P–funded programs.

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**ENTERPRISE FUNDS**

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The City’s enterprise fund statements provide the same information as the government-wide financial statements but in greater detail.

As of June 30, 2025, total enterprise funds net position increased to \$131.9 million, an increase of \$20.4 million from \$111.5 million in the prior year. Significant changes by enterprise fund are discussed below:

	Net Position by Fund (in millions)		Increase (Decrease)
	2025	2024	
Water	\$122.5	\$103.0	\$19.5
Marina	2.7	2.3	0.4
Golf	5.0	5.2	(0.2)
Vallejo Parking	1.4	1.1	0.3
Fiber	0.3	(0.1)	0.4
<b>Total</b>	<b>\$131.9</b>	<b>\$111.5</b>	<b>\$20.4</b>

**Water** – The Water Fund reported total net position of \$122.5 million as of June 30, 2025, an increase of \$19.5 million from the prior year. The increase was primarily attributable to higher investment earnings and increased charges for services. Rate structures adopted in June 2017 and October 2019 continued to provide for scheduled user fee increases during the fiscal year, supporting the operation and maintenance of the Vallejo Municipal Water System. The ongoing smart meter replacement project, which is upgrading outdated meters to advanced metering infrastructure, is expected to improve water conservation and operational efficiency.

**Marina** – The Marina Fund reported an increase in total net position of \$0.4 million as of June 30, 2025. During the fiscal year, the fund received \$0.7 million in transfers from the General Fund to support annual debt service payments and \$0.26 million from the State Lands Fund for operating purposes, which primarily contributed to the increase in net position. The Vallejo Municipal Marina is operated by F3, and operations continued to face challenges from silting and vandalism, resulting in reduced operating revenues.

**Golf** – At the end of fiscal year 2025, the Blue Rock Springs Golf Courses generated \$4.7 million in user fees, a 3% increase from the prior year. The increase in revenues supported program operations and debt service payments and was driven by favorable weather, membership tournaments, and higher food, beverage, and merchandise sales. Operating expenses increased by 2.5%, primarily due to higher labor costs for tournament events, irrigation water, and building maintenance and repairs. Total net position of the Golf Fund decreased by \$0.2 million to \$5.0 million as of June 30, 2025, mainly due to the repayment of General Fund advances. The City continues to see positive results from contracting with Touchstone Golf to manage operations. In fiscal year 2025, Touchstone partnered with Kemper Sports, strengthening operational capacity and service delivery.

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**Vallejo Station Parking** – The Vallejo Station Parking Fund reported total net position of \$1.4 million as of June 30, 2025, an increase of \$0.3 million from the prior year. The increase was mainly driven by higher operating revenues, which exceeded \$1.0 million during the fiscal year, reflecting increased commuter traffic at the Vallejo Waterfront and improved collection efficiency from modern electronic payment systems.

**Fiber Optic** – The Fiber Optic Fund was established in May 2017 with a \$0.8 million interfund loan from the General Fund to promote economic development. As of June 30, 2025, total net position increased by \$0.4 million, primarily due to \$0.7 million in ARPA funding for the expansion of the City’s broadband network. In November 2022, the City contracted Smart Fiber Networks to operate the system under a 40 percent revenue-sharing arrangement, which will commence once customer numbers reach 500; this threshold was not met in fiscal year 2025.

**CAPITAL ASSETS**

GASB Statement No. 34 requires that the City record all its capital assets that are used in the performance of the City’s functions, including infrastructure assets. The following is a summary of these assets as of June 30, 2025 and 2024.

**Capital Assets (net of depreciation)**  
(in millions)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2025	2024	2025	2024	2025	2024	
Land	\$116.1	\$116.1	\$17.4	\$17.4	\$133.5	\$133.5	\$0.0
Construction in progress	40.3	44.8	32.0	20.2	72.3	65.0	7.3
Building and improvement	50.1	55.5	22.3	23.8	72.4	79.3	(6.9)
Machinery and equipment	14.8	15.1	10.0	10.3	24.8	25.4	(0.6)
Infrastructure	125.3	125.4	42.1	43.6	167.4	169.0	(1.6)
Right-to-use lease property	3.6	3.6	0.0	0.0	3.6	3.6	0.0
Right-to-use machinery and equipme	0.0		0.8		0.8	0.0	0.8
Right-to-use subscription software	3.1	0.4	0.1	0.3	3.2	0.7	2.5
<b>Total</b>	<b>\$353.3</b>	<b>\$360.9</b>	<b>\$124.7</b>	<b>\$115.6</b>	<b>\$478.0</b>	<b>\$476.5</b>	<b>\$1.5</b>

Throughout the fiscal year, the City’s capital assets experienced notable changes, with major additions in governmental capital assets attributed to construction in progress related to infrastructure enhancements, building and improvements, and right to use assets, totaling \$22.0 million. These additions were partially offset by annual depreciation and amortization of \$11.4 million for Governmental activities.

Major governmental capital projects in FY24-25 included:

- Bay Trail/vine Trail Project - \$3.8 million
- Lake Dalwigk Park Improvement -\$2.6 million
- PD Building Improvement -\$2.9 million
- Homeless Navigation Center - \$4.9 million

Business-type capital assets also increased, with major additions of \$11.8 million in construction in progress related to water equipment and infrastructure improvements. These additions were partially offset by \$5.0 million in annual depreciation.

Key business-type construction in progress projects include:

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- Water main replacement - \$7.5 million
- Advance Metering Infrastructure - \$2.5 million

Overall, the City's capital assets, net of depreciation, increased by \$1.5 million. This net change reflects, in part, the accounting adjustment related to the Broadway HomeKey capital improvement project.

**DEBT ADMINISTRATION**

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

**Outstanding Debt**  
**Long-Term Debt & Obligations**  
(in millions)

	Governmental activities		Business-type activities		Total		Increase/ (Decrease)
	2025	2024	2025	2024	2025	2024	
Certificates of Participation	\$1.5	\$1.7	\$0.0	-	\$1.5	1.70	(\$0.2)
Financed Purchases	0.9	1.3	0.0	-	0.9	1.30	(0.4)
Revenue Bonds	0.0	-	64.5	69.4	64.5	69.40	(4.9)
Loans & Notes Payable	12.5	13.7	15.0	15.9	27.5	29.60	(2.1)
Total City Long-Term Debt	<b>\$14.9</b>	<b>\$16.7</b>	<b>\$79.5</b>	<b>\$85.3</b>	<b>\$94.4</b>	<b>\$102.0</b>	<b>(7.6)</b>
Claims and Judgments	\$30.1	28.5	-	-	\$30.1	28.53	\$1.6
Lease Payables (GASB87)	3.5	3.6	0.9	0.0	4.4	3.6	0.8
Subscription Payables (GASB96)	2.9	0.5	0.1	0.3	3.0	0.80	2.2
Compensated Absences	13.6	12	1.8	1.4	\$15.4	13.37	2.0
Net Pension Liability	300.6	305.5	38.1	42.2	\$338.7	347.65	(9.0)
Net OPEB Obligation	3.5	5.6	0.8	1.4	\$4.3	6.97	(2.7)
Total City Long-Term Obligations	<b>\$354.2</b>	<b>\$355.6</b>	<b>\$41.7</b>	<b>\$45.3</b>	<b>\$395.9</b>	<b>\$401.0</b>	<b>(5.1)</b>
Total City Debt and Obligation	<b>\$369.1</b>	<b>\$372.3</b>	<b>\$121.2</b>	<b>\$130.6</b>	<b>\$490.3</b>	<b>\$503.0</b>	<b>(12.7)</b>

**Annual Activity** – The City's total long-term debt decreased by \$7.6 million as of June 30, 2025, primarily as a result of scheduled debt service payments. Detailed information on the City's outstanding debt, including terms and conditions, is presented in Note 7 to the financial statements.

Total long-term obligations of the City decreased by \$5.1 million as of June 30, 2025. Key factors contributing to this change include the following:

- Net Pension Liability: Decreased by \$9.0 million, largely attributable to higher-than-expected investment returns from CalPERS. Investment income increased from \$33 million in the prior year to \$53 million in the current year.
- Subscription-Based Information Technology Arrangements (SBITA): The City utilizes subscription-based information technology services. During the current year, subscription liabilities recognized under GASB Statement No. 96 increased by \$2.2 million, primarily due to the execution of a new Flock SBITA agreement.
- Other Postemployment Benefits (OPEB): The net OPEB obligation decreased by \$2.7 million, driven by net investment income exceeding benefit payments during the year.

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- **Compensated Absences:** During the fiscal year ended June 30, 2025, the City implemented GASB Statement No. 101, *Compensated Absences*. Adoption of this standard required a restatement of beginning net position to reflect the cumulative effect of the change in accounting principle. As a result, beginning net position decreased by approximately \$1.9 million for governmental activities and \$0.2 million for business-type activities. Compensated absences liabilities increased by approximately \$2.0 million.

Additional information regarding long-term obligations is provided in Note 5 (GASB Statements No. 87 and 96), Note 9 (Compensated Absences), Note 10 (Pensions), and Note 11 (OPEB) to the financial statements.

**Bond Rating** – On June 11, 2024, Standard & Poor’s raised its rating from ‘A-’ to ‘A’ for the 1999 Certificates of Participation. It further states that, given the combination of revenue enhancement, very strong reserve balances, and good financial policies and practices, the city’s financial position will remain at least stable in the near term.

**Net Debt** - The percentage of net bonded debt to taxable property valuation, and the amount of bonded debt per capita, are useful indicators of the City’s net debt position to management, citizens, and investors. A comparison of these indicators follows. Per capita debt outstanding decreased to \$773 as of June 30, 2025, from \$837 in the prior fiscal year.

	<b>June 30, 2025</b>		<b>June 30, 2024</b>	
Net debt (in millions)	\$	94.4	\$	101.9
Net debt per capita	\$	773	\$	837
Net debt per capita as a percentage of per capita personal income		1.89 %		2.05 %
Net debt as a percentage of net assessed value		0.68 %		0.76 %

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**ECONOMIC FACTORS AND NEXT YEAR’S BUDGET**

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**Economic Factors**

The economy and the City’s major initiatives for next year are discussed in detail in the accompanying Transmittal Letter.

**Next Year’s Budget**

Total revenues are budgeted at \$315.7 million, with the General Fund, a key component of the City’s financial plan, projected to contribute \$132.8 million, representing a slight decrease of \$1.5 million from the prior year, excluding Measure P revenues. To achieve a balanced budget, the City applied surplus funds from the prior year, ensuring that planned expenditures align with available resources. General Fund revenues are expected to increase modestly in the coming fiscal year due to economic factors affecting most municipalities, including the implementation of new licensing programs designed to strengthen revenue streams.

The City's total expenditures for FY 2025-26 are set at \$325.9 million, with \$136.9 million allocated to the General Fund. This level of appropriations reflects the City's commitment to maintaining existing service levels and staffing ("status quo" expenditures) while also addressing key priorities such as public safety, infrastructure maintenance, economic development, support for local businesses, and affordable housing initiatives. Strategic cost management measures, including the temporary freezing of 27 vacant positions and careful monitoring of project spending, help ensure that the budget remains balanced.

Vallejo, like many California municipalities, continues to face challenges associated with aging infrastructure, rising labor costs, and increasing service demands. The FY 2025-26 budget demonstrates a deliberate approach to sustaining core services, maintaining financial stability, and planning for the City's long-term fiscal health while aligning resources with community needs and strategic priorities.

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### **CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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This Annual Comprehensive Financial Report (ACFR) is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. For the convenience of the public, a copy of this report is posted on the City's website ([City of Vallejo, CA / Our City / Departments & Divisions / Finance Department](#)). If you have questions about this report, separate reports of the City's component units, or need any additional financial information, contact the Finance Department at 555 Santa Clara Street, Vallejo, California, 94590, phone 707-648-4592.

## **Basic Financial Statements**

**Government-Wide Financial Statements**

**CITY OF VALLEJO**  
**Statement of Net Position**  
**June 30, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Vallejo Flood and Wastewater District
<b>ASSETS</b>				
Cash and investments (Note 2)	\$ 224,452,989	\$ 77,102,013	\$ 301,555,002	\$ 67,778,481
Receivables (net of uncollectibles):				
Accounts	6,515,677	11,586,141	18,101,818	3,203,155
Interest receivable	2,227,825	-	2,227,825	317,234
Due from other governments	21,025,811	1,961,592	22,987,403	8,241,398
Notes and loans (Note 4)	35,304,493	-	35,304,493	254,419
Internal balances (Note 3c)	530,000	(530,000)	-	-
Materials, parts and supplies (Note 1f)	226,743	1,717,247	1,943,990	393,346
Prepays and deposits (Note 1h)	2,301,973	553,100	2,855,073	813,720
Restricted assets:				
Cash and investments (Note 2)	37,400,320	3,404	37,403,724	2,093,267
Cash with fiscal agent (Note 2)	5,269,907	42,304,732	47,574,639	-
Lease receivable (Note 5a)	11,106,339	-	11,106,339	-
Land held for redevelopment	499,684	-	499,684	-
Capital assets not being depreciated (Note 6)	156,381,716	49,354,658	205,736,374	55,995,681
Capital assets, net of depreciation/amortization (Note 6)	196,904,304	75,397,079	272,301,383	173,369,048
<b>Total assets</b>	<b>700,147,781</b>	<b>259,449,966</b>	<b>959,597,747</b>	<b>312,459,749</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions (Note 10)	51,921,968	5,765,455	57,687,423	10,793,313
Related to OPEB (Note 11)	1,246,233	362,767	1,609,000	2,147,990
Deferred charge on refunding (Note 7)	-	680,744	680,744	-
<b>Total deferred outflows of resources</b>	<b>53,168,201</b>	<b>6,808,966</b>	<b>59,977,167</b>	<b>12,941,303</b>

**CITY OF VALLEJO**  
**Statement of Net Position (Continued)**  
**June 30, 2025**

	Primary Government			Component Unit
	Governmental Activities	Business-Type Activities	Total	Vallejo Flood and Wastewater District
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	\$ 19,002,041	\$ 5,074,238	\$ 24,076,279	\$ 6,176,819
Due to other governments	520,755	798,286	1,319,041	-
Accrued interest	134,953	461,012	595,965	396,402
Deposits payable	2,877,943	4,934,998	7,812,941	-
Unearned revenues	12,664,974	663,126	13,328,100	-
Noncurrent liabilities:				
Due within one year:				
Long-term debt due within one year (Note 7)	1,878,995	5,214,920	7,093,915	1,585,000
Employee benefits payable due within one year (Note 9)	3,681,386	513,015	4,194,401	639,342
Claims due within one year (Note 13)	7,828,026	-	7,828,026	-
Lease payable due within one year (Note 5b)	109,659	199,654	309,313	-
Subscription payable due within one year (Note 5c)	635,177	136,237	771,414	-
Due in more than one year:				
Long-term debt due more than one year (Note 7)	12,990,571	74,326,357	87,316,928	58,986,861
Employee benefits payable due in more than one year (Note 9)	9,955,351	1,313,215	11,268,566	2,533,350
Lease payable due in more than one year (Note 5b)	3,387,224	690,271	4,077,495	-
Subscription payable due in more than one year (Note 5c)	2,241,811	-	2,241,811	-
Claims due in more than one year (Note 13)	22,279,743	-	22,279,743	-
Net Pension Liability (Note 10)	300,611,050	38,056,137	338,667,187	32,419,592
Net OPEB Liability (Note 11)	3,523,995	825,005	4,349,000	6,099,423
<b>Total liabilities</b>	<b>404,323,654</b>	<b>133,206,471</b>	<b>537,530,125</b>	<b>108,836,789</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to pensions (Note 10)	-	-	-	891,441
Related to OPEB (Note 11)	4,642,208	1,086,792	5,729,000	3,227,844
Related to leases (Note 5a)	10,061,328	-	10,061,328	-
Deferred amount on refunding	-	-	-	1,615,760
<b>Total deferred inflows of resources</b>	<b>14,703,536</b>	<b>1,086,792</b>	<b>15,790,328</b>	<b>5,735,045</b>
<b>NET POSITION (NOTE 12)</b>				
Net investment in capital assets	334,493,256	87,016,728	421,509,984	162,822,283
Restricted:				
Capital projects	36,906,844	-	36,906,844	30,399,987
Debt service	300,577	11,660	312,237	-
Housing programs	29,075,512	-	29,075,512	-
Mare Island programs	13,640,480	-	13,640,480	-
Community development projects	6,726,859	381,490	7,108,349	-
Pension trust fund	24,300,464	-	24,300,464	-
Public safety	1,501,322	-	1,501,322	-
Landscape maintenance district services	26,469,148	-	26,469,148	-
Nonexpendable - McCune Endowment	64,625	-	64,625	-
Unrestricted (deficit)	(139,190,295)	44,555,791	(94,634,504)	17,606,948
<b>Total net position</b>	<b>\$ 334,288,792</b>	<b>\$ 131,965,669</b>	<b>\$ 466,254,461</b>	<b>\$ 210,829,218</b>

**CITY OF VALLEJO**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2025**

	Program Revenues			
	Expenses	Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants
<b>Functions/Programs:</b>				
<b>Primary government:</b>				
<b>Governmental activities:</b>				
Legislative and advisory	\$ 299,418	\$ -	\$ -	\$ -
Executive	3,932,954	-	1,114,237	-
Finance	3,435,217	-	27,786	-
Human resources	2,486,820	-	-	-
Law	2,554,370	-	-	-
Community services	33,615,620	3,787,508	30,793,486	-
Planning and development services	8,045,416	5,541,274	-	-
Fire services	42,217,667	6,629,118	2,284,809	-
Police services	66,096,035	2,261,246	1,566,898	-
Public works	45,900,716	17,645,667	11,129,840	7,536,328
Economic development	8,521,186	389,611	5,813,393	-
Information technology	3,316,329	-	1,216,261	-
Interest on long-term debt	495,407	-	-	-
<b>Total governmental activities</b>	<b>220,917,155</b>	<b>36,254,424</b>	<b>53,946,710</b>	<b>7,536,328</b>
<b>Business-type activities:</b>				
Water Fund	45,608,675	56,813,666	1,887,054	1,125,715
Marina Fund	1,793,170	1,196,049	77,081	-
Golf Fund	4,464,510	4,691,886	-	-
Vallejo Station Parking Fund	839,459	1,044,526	-	-
Fiber Optic Fund	337,949	22,835	-	-
<b>Total business-type activities</b>	<b>53,043,763</b>	<b>63,768,962</b>	<b>1,964,135</b>	<b>1,125,715</b>
<b>Total primary government</b>	<b>\$ 273,960,918</b>	<b>\$ 100,023,386</b>	<b>\$ 55,910,845</b>	<b>\$ 8,662,043</b>
<b>Component Units:</b>				
Vallejo Flood and Wastewater District	\$ 49,153,339	\$ 60,329,863	\$ -	\$ 354,871

**General revenues and transfers:**

General revenues:

Property taxes, levied for general purpose

Transient occupancy taxes

Sales taxes

Franchise taxes

Utility users tax

Other taxes

Use of money and property

Other

Gain (loss) on sale of capital asset

Transfers (Note 3a)

Special items

**Total general revenues and transfers**

**Change in net position**

Net position-beginning

Restatement-changes in accounting principle (Note 12E)

Net position-beginning, as restated

**Net position-ending**

**CITY OF VALLEJO**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2025**

Net (Expenses) Revenues and Changes in Net Position			
Primary Government			Component Unit
Governmental Activities	Business-Type Activities	Total	Vallejo Flood and Wastewater District
\$ (299,418)	\$ -	\$ (299,418)	\$ -
(2,818,717)	-	(2,818,717)	-
(3,407,431)	-	(3,407,431)	-
(2,486,820)	-	(2,486,820)	-
(2,554,370)	-	(2,554,370)	-
965,374	-	965,374	-
(2,504,142)	-	(2,504,142)	-
(33,303,740)	-	(33,303,740)	-
(62,267,891)	-	(62,267,891)	-
(9,588,881)	-	(9,588,881)	-
(2,318,182)	-	(2,318,182)	-
(2,100,068)	-	(2,100,068)	-
(495,407)	-	(495,407)	-
<b>(123,179,693)</b>	<b>-</b>	<b>(123,179,693)</b>	<b>-</b>
-	14,217,760	14,217,760	-
-	(520,040)	(520,040)	-
-	227,376	227,376	-
-	205,067	205,067	-
-	(315,114)	(315,114)	-
-	<b>13,815,049</b>	<b>13,815,049</b>	-
<b>(123,179,693)</b>	<b>13,815,049</b>	<b>(109,364,644)</b>	<b>-</b>
-	-	-	11,531,395
40,820,706	-	40,820,706	1,548,866
1,733,680	-	1,733,680	-
57,550,258	-	57,550,258	-
7,494,576	-	7,494,576	-
15,821,439	-	15,821,439	-
6,317,901	-	6,317,901	-
16,235,595	5,596,679	21,832,274	2,363,189
2,992,049	-	2,992,049	142,608
26,883	-	26,883	-
(1,227,113)	1,227,113	-	-
(18,078,141)	-	(18,078,141)	-
129,687,833	6,823,792	136,511,625	4,054,663
<b>6,508,140</b>	<b>20,638,841</b>	<b>27,146,981</b>	<b>15,586,058</b>
329,710,435	111,522,953	441,233,388	196,140,431
(1,929,783)	(196,125)	(2,125,908)	(897,271)
327,780,652	111,326,828	439,107,480	195,243,160
<b>\$ 334,288,792</b>	<b>\$ 131,965,669</b>	<b>\$ 466,254,461</b>	<b>\$ 210,829,218</b>

**Fund Financial Statements**

### **Governmental Fund Financial Statements**

The City reported three major governmental funds in fiscal year 2024-25. These major funds were presented in their respective columns and described in Note 1.d. The remaining funds were combined into a column titled "Other Governmental Funds". Individual fund data for each of these non-major funds may be found in the Supplemental Information section.

**CITY OF VALLEJO**  
**Balance Sheet - Governmental Funds**  
**June 30, 2025**

	<u>General Fund</u>	<u>Special Revenue Funds</u> Housing Authority	<u>Capital Projects Funds</u> Capital Outlay Fund #201 and Measure P Capital Fund #228
<b>ASSETS</b>			
Cash and investments	\$ 49,528,409	\$ 3,400,881	\$ 38,211,659
Receivables (net of allowance for uncollectible):			
Accounts receivable	4,632,520	140,723	45,337
Notes and loans receivable	5,822,314	17,371,672	-
Interest and dividends receivable	2,142,289	-	618
Leases	5,955,138	-	501,643
Prepays and deposits	88,015	-	613,392
Due from other governments, current	11,493,325	-	-
Advances from other funds	530,000	-	-
Materials, parts, and supplies	1,434	-	-
Land held for redevelopment	499,684	-	-
Restricted assets:			
Cash and investments, restricted	24,300,464	832,952	-
Cash with fiscal agent	-	-	-
<b>Total assets</b>	<b>\$ 104,993,592</b>	<b>\$ 21,746,228</b>	<b>\$ 39,372,649</b>
<b>LIABILITIES</b>			
Accounts payable and accrued liabilities	\$ 8,539,903	\$ 164,838	\$ 1,522,277
Unearned revenues	4,025,142	-	-
Deposits payable	988,719	587,038	-
Due to other governments	1,169	-	-
Due to other funds (Note 3b)	-	-	-
<b>Total liabilities</b>	<b>13,554,933</b>	<b>751,876</b>	<b>1,522,277</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenues	612,614	4,459,410	-
Deferred inflows for leases	5,254,279	-	465,549
<b>Total deferred inflows of resources</b>	<b>5,866,893</b>	<b>4,459,410</b>	<b>465,549</b>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	6,491,321	-	613,392
Restricted	29,015,061	13,555,711	3,449,787
Committed	2,082,623	1,317,657	33,321,644
Assigned	16,323,844	1,661,574	-
Unassigned	31,658,917	-	-
<b>Total fund balances (deficits)</b>	<b>85,571,766</b>	<b>16,534,942</b>	<b>37,384,823</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 104,993,592</b>	<b>\$ 21,746,228</b>	<b>\$ 39,372,649</b>

**CITY OF VALLEJO**  
**Balance Sheet - Governmental Funds (Continued)**  
**June 30, 2025**

	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>		
Cash and investments	\$ 84,406,589	\$ 175,547,538
Receivables (net of allowance for uncollectible):		
Accounts receivable	1,334,912	6,153,492
Notes and loans receivable	12,110,507	35,304,493
Interest and dividends receivable	84,918	2,227,825
Leases	4,649,558	11,106,339
Prepays and deposits	37,276	738,683
Due from other governments, current	9,532,486	21,025,811
Advances from other funds	-	530,000
Materials, parts, and supplies	-	1,434
Land held for redevelopment	-	499,684
Restricted assets:		
Cash and investments, restricted	12,266,904	37,400,320
Cash with fiscal agent	300,577	300,577
<b>Total assets</b>	<b><u>\$ 124,723,727</u></b>	<b><u>\$ 290,836,196</u></b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 7,471,093	\$ 17,698,111
Unearned revenues	8,639,832	12,664,974
Deposits payable	1,302,186	2,877,943
Due to other governments	519,586	520,755
Due to other funds (Note 3b)	5,189,959	5,189,959
<b>Total liabilities</b>	<b><u>23,122,656</u></b>	<b><u>38,951,742</u></b>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenues	6,505,837	11,577,861
Deferred inflows for leases	4,341,500	10,061,328
<b>Total deferred inflows of resources</b>	<b><u>10,847,337</u></b>	<b><u>21,639,189</u></b>
<b>FUND BALANCES (DEFICITS)</b>		
Nonspendable	101,901	7,206,614
Restricted	85,543,176	131,563,735
Committed	7,101,356	43,823,280
Assigned	392,867	18,378,285
Unassigned	(2,385,566)	29,273,351
<b>Total fund balances (deficits)</b>	<b><u>90,753,734</u></b>	<b><u>230,245,265</u></b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b><u>\$ 124,723,727</u></b>	<b><u>\$ 290,836,196</u></b>

**CITY OF VALLEJO**  
**Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position**  
**June 30, 2025**

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Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balances - governmental funds	\$ 230,245,265
Capital assets, net of accumulated depreciation/amortization, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	344,408,085
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings, and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the Statement of Net Position.	
Deferred outflows-pension related	<u>51,334,167</u>
Total deferred outflows and inflows related to postemployment benefits	51,334,167
Other long-term assets that are not available to pay for current period expenditures and, therefore, are either labeled unavailable or not reported in the funds.	
Miscellaneous revenues	<u>11,577,861</u>
Total other long-term assets	11,577,861
Internal service funds provide services to other funds on a cost-reimbursement basis. The assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the internal service funds are included in governmental activities in the Statement of Activities.	24,685,824
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.	
Long-term debt	(11,134,566)
Lease payable	(3,496,883)
Subscription payable	(2,876,988)
Employee benefits payable	(13,342,992)
Accrued interest payable on long-term debt	(123,188)
Net pension liability	<u>(296,987,793)</u>
Total long-term liabilities	<u>(327,962,410)</u>
<b>Net position of governmental activities</b>	<b><u>\$ 334,288,792</u></b>

**CITY OF VALLEJO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<u>Special Revenue Funds</u>		<u>Capital Projects Funds</u>
	<u>General Fund</u>	<u>Housing Authority</u>	<u>Capital Outlay Fund #201 and Measure P Capital Fund #228</u>
<b>REVENUES</b>			
Taxes	\$ 127,710,220	\$ -	\$ -
Licenses and permits	5,350,262	-	192,804
Intergovernmental revenues	12,684,624	28,600,490	-
Charges for services	9,294,078	-	-
Use of money and property	6,101,131	103,376	1,393,851
Fines and forfeitures	964,723	-	-
Contribution revenue	-	-	-
Other	1,969,331	107,795	148,576
<b>Total revenues</b>	<b>164,074,369</b>	<b>28,811,661</b>	<b>1,735,231</b>
<b>EXPENDITURES</b>			
Current:			
Legislative and advisory	256,666	-	-
Executive	2,381,127	-	372,965
Finance	2,600,071	-	-
Human resources	2,278,898	-	-
Law	2,220,186	-	-
Community services	-	29,002,065	-
Planning and development services	5,655,081	-	1,470,409
Fire services	35,314,757	-	37,033
Police services	55,560,870	-	-
Public works	9,587,190	-	31,274
Economic development	1,740,750	-	144,012
Information technology	1,620,917	-	1,434,820
Non departmental	7,515,401	-	-
Capital outlay	-	-	15,664,087
Debt service:			
Principal long term debt payments	-	-	436,208
Principal - lease payments	18,166	443	88,461
Principal - subscription payments	-	-	729,797
Interest and fiscal charges	1,244	-	83,793
<b>Total expenditures</b>	<b>126,751,324</b>	<b>29,002,508</b>	<b>20,492,859</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>37,323,045</b>	<b>(190,847)</b>	<b>(18,757,628)</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (Note 3a)	1,178,060	190,000	25,271,060
Transfers out (Note 3a)	(31,864,825)	-	-
Issuance of debt - leases	17,782	-	-
Issuance of debt - subscriptions	-	-	2,361,660
<b>Total other financing sources (uses)</b>	<b>(30,668,983)</b>	<b>190,000</b>	<b>27,632,720</b>
<b>Net change in fund balances</b>	<b>6,654,062</b>	<b>(847)</b>	<b>8,875,092</b>
Fund balances-beginning	78,917,704	16,535,789	28,509,731
Restatements-changes within financial reporting entity	-	-	-
Fund balances (deficit)-beginning, as restated	78,917,704	16,535,789	28,509,731
<b>Fund balances (deficit)-ending</b>	<b>\$ 85,571,766</b>	<b>\$ 16,534,942</b>	<b>\$ 37,384,823</b>

**CITY OF VALLEJO**  
**Statement of Revenues, Expenditures and Changes in Fund Balances (Continued)**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<b>Capital Project Funds</b>		
	<b>Formerly Major Fund</b>		
	<b>Mare Island Conversion #106</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>			
Taxes	\$ -	\$ 5,266,456	\$ 132,976,676
Licenses and permits	-	452,468	5,995,534
Intergovernmental revenues	-	20,260,515	61,545,629
Charges for services	-	13,581,207	22,875,285
Use of money and property	-	6,049,398	13,647,756
Fines and forfeitures	-	8,656	973,379
Contribution revenue	-	6,800	6,800
Other	-	81,559	2,307,261
<b>Total revenues</b>	<b>-</b>	<b>45,707,059</b>	<b>240,328,320</b>
<b>EXPENDITURES</b>			
Current:			
Legislative and advisory	-	-	256,666
Executive	-	-	2,754,092
Finance	-	-	2,600,071
Human resources	-	-	2,278,898
Law	-	-	2,220,186
Community services	-	1,130,134	30,132,199
Planning and development services	-	369,835	7,495,325
Fire services	-	2,632,124	37,983,914
Police services	-	2,409,212	57,970,082
Public works	-	12,538,273	22,156,737
Economic development	-	6,511,956	8,396,718
Information technology	-	-	3,055,737
Non departmental	-	-	7,515,401
Capital outlay	-	17,556,007	33,220,094
Debt service:			
Principal long term debt payments	-	823,687	1,259,895
Principal - lease payments	-	25,044	132,114
Principal - subscription payments	-	373,508	1,103,305
Interest and fiscal charges	-	143,365	228,402
<b>Total expenditures</b>	<b>-</b>	<b>44,513,145</b>	<b>220,759,836</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>1,193,914</b>	<b>19,568,484</b>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers in (Note 3a)	-	1,899,613	28,538,733
Transfers out (Note 3a)	-	(1,928,060)	(33,792,885)
Issuance of debt - leases	-	-	17,782
Issuance of debt - subscriptions	-	1,163,041	3,524,701
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>1,134,594</b>	<b>(1,711,669)</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>2,328,508</b>	<b>17,856,815</b>
Fund balances-beginning	4,333,793	84,091,433	212,388,450
Restatements-changes within financial reporting entity	(4,333,793)	4,333,793	-
Fund balances (deficit)-beginning, as restated	-	88,425,226	212,388,450
<b>Fund balances (deficit)-ending</b>	<b>\$ -</b>	<b>\$ 90,753,734</b>	<b>\$ 230,245,265</b>

See accompanying Notes to the Basic Financial Statements

**CITY OF VALLEJO**

**Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances of Governmental Funds to the Statement of Activities For the Fiscal Year Ended June 30, 2025**

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds: \$ 17,856,815

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of these assets is allocated over their estimated useful lives and reported as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization expense in the current period.

Capital outlay	\$ 19,130,398	
Deletion of capital asset project at 2441 Broadway st	(18,078,141)	
Adjustments due to subscription/leases and other capital assets	(153,733)	
Depreciation/amortization expense	<u>(9,423,633)</u>	
Total adjustment		(8,525,109)

Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.

Earned but unavailable other revenues	<u>3,787,507</u>	
Total adjustment		3,787,507

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Repayment of debt principal is added back to fund balance	1,259,895	
Interest accrued to principal is deducted from fund balance	(101,463)	
Leases issued	(17,782)	
Lease payable payments	107,070	
Subscription issued	(3,643,372)	
Subscription payments	<u>1,270,423</u>	
Total adjustment		(1,125,229)

Internal service funds provide services to other funds on a cost-reimbursement basis. The net revenue of certain activities of internal service funds is reported with governmental activities.

5,032,593

Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	2,588	
Compensated absences	(626,254)	
Changes in pension liabilities and related deferred outflows and inflows of resources	<u>(9,894,771)</u>	
Total adjustment		<u>(10,518,437)</u>

**Change in net position of governmental activities \$ 6,508,140**

### **Proprietary Fund Financial Statements**

The City reported Water enterprise fund as major fund in fiscal year 2024-25. This fund was presented in its respective columns and described in Note 1.d. In addition, all the remaining enterprise funds were combined into a single column titled "Other Enterprise Funds". All internal service funds were combined into a single, aggregated presentation. Individual fund data for each of the other enterprise funds and internal service funds may be found in the Supplemental Information section.

**CITY OF VALLEJO**  
**Statement of Net Position**  
**Proprietary Funds**  
**June 30, 2025**

	<b>Business-Type Activities</b>			<b>Governmental Activities</b>
	<b>Water Fund</b>	<b>Other Enterprise Funds</b>	<b>Totals</b>	<b>Internal Service Funds</b>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 73,432,542	\$ 3,669,471	\$ 77,102,013	\$ 48,905,451
Receivables (net of uncollectibles):				
Accounts receivable	11,451,026	135,115	11,586,141	362,185
Due from other governments, current	1,887,054	74,538	1,961,592	-
Prepays and deposits	434,400	118,700	553,100	1,563,290
Due from other funds (Note 3b)	-	-	-	5,266,078
Materials, parts, and supplies	1,587,536	129,711	1,717,247	225,309
Restricted:				
Cash and investments, restricted	3,404	-	3,404	-
Cash with fiscal agent	41,923,242	381,490	42,304,732	4,969,330
<b>Total current assets</b>	<b>130,719,204</b>	<b>4,509,025</b>	<b>135,228,229</b>	<b>61,291,643</b>
Noncurrent:				
Capital assets, net	102,244,912	22,506,825	124,751,737	8,877,935
<b>Total noncurrent assets</b>	<b>102,244,912</b>	<b>22,506,825</b>	<b>124,751,737</b>	<b>8,877,935</b>
<b>Total assets</b>	<b>232,964,116</b>	<b>27,015,850</b>	<b>259,979,966</b>	<b>70,169,578</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Related to pensions	5,765,455	-	5,765,455	587,802
Related to OPEB	362,767	-	362,767	1,246,234
Unamortized loss on refunding of debt	680,744	-	680,744	-
<b>Total deferred outflows of resources</b>	<b>6,808,966</b>	<b>-</b>	<b>6,808,966</b>	<b>1,834,036</b>

**CITY OF VALLEJO**  
**Statement of Net Position (Continued)**  
**Proprietary Funds**  
**June 30, 2025**

	<u>Business-Type Activities</u>			<u>Governmental Activities</u>
	<u>Water Fund</u>	<u>Other Enterprise Funds</u>	<u>Totals</u>	<u>Internal Service Funds</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable and accrued liabilities	4,364,843	709,395	5,074,238	1,303,930
Accrued interest	337,658	123,354	461,012	11,765
Due to other funds (Note 3b)	-	-	-	76,119
Due to other governments	798,286	-	798,286	-
Unearned revenues	498,620	164,506	663,126	-
Deposits payable	4,824,234	110,764	4,934,998	-
Lease payable	8,680	190,974	199,654	-
Subscription payable	136,237	-	136,237	-
Employee benefits payable, current	513,015	-	513,015	148,545
Accrued claims and judgments	-	-	-	7,828,026
Bonds and notes payable	4,405,000	809,920	5,214,920	690,000
<b>Total current liabilities</b>	<b>15,886,573</b>	<b>2,108,913</b>	<b>17,995,486</b>	<b>10,058,385</b>
Noncurrent liabilities:				
Advances from other funds	-	530,000	530,000	-
Employee benefits payable	1,313,215	-	1,313,215	145,200
Accrued claims and judgments	-	-	-	22,279,743
Net pension liability	38,056,137	-	38,056,137	3,623,259
Net OPEB liability	825,005	-	825,005	3,523,996
Lease payable	18,240	672,031	690,271	-
Bonds, notes and loans payable	60,074,974	14,251,383	74,326,357	3,045,000
<b>Total noncurrent liabilities</b>	<b>100,287,571</b>	<b>15,453,414</b>	<b>115,740,985</b>	<b>32,617,198</b>
<b>Total liabilities</b>	<b>116,174,144</b>	<b>17,562,327</b>	<b>133,736,471</b>	<b>42,675,583</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Related to OPEB	1,086,792	-	1,086,792	4,642,208
<b>Total deferred inflows of resources</b>	<b>1,086,792</b>	<b>-</b>	<b>1,086,792</b>	<b>4,642,208</b>
<b>NET POSITION</b>				
Net investment in capital assets	78,197,240	8,819,488	87,016,728	8,147,333
Restricted for community development	-	381,490	381,490	-
Restricted for debt service	11,660	-	11,660	-
Net position, unrestricted	44,303,246	252,545	44,555,791	16,538,490
<b>Total net position</b>	<b>\$ 122,512,146</b>	<b>\$ 9,453,523</b>	<b>\$ 131,965,669</b>	<b>\$ 24,685,823</b>

**CITY OF VALLEJO**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Business-Type Activities			Governmental Activities
	Water Fund	Other Enterprise Funds	Total Enterprise Funds	Internal Service Funds
<b>OPERATING REVENUES</b>				
Charges for services	\$ 56,381,713	\$ 6,899,586	\$ 63,281,299	\$ 24,309,241
Other	431,953	55,710	487,663	70,296
<b>Total operating revenues</b>	<b>56,813,666</b>	<b>6,955,296</b>	<b>63,768,962</b>	<b>24,379,537</b>
<b>OPERATING EXPENSES</b>				
General and administrative	26,315,088	2,602,688	28,917,776	-
Operations expenses	12,475,292	4,196,948	16,672,240	10,753,441
Insurance and claims	-	-	-	13,020,775
Depreciation and amortization expense	4,943,570	381,357	5,324,927	2,046,284
<b>Total operating expenses</b>	<b>43,733,950</b>	<b>7,180,993</b>	<b>50,914,943</b>	<b>25,820,500</b>
<b>Operating income (loss)</b>	<b>13,079,716</b>	<b>(225,697)</b>	<b>12,854,019</b>	<b>(1,440,963)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>				
Intergovernmental revenues	1,887,054	77,081	1,964,135	-
Investment income (loss)	5,485,444	111,235	5,596,679	2,587,839
Interest and fiscal charges	(1,874,725)	(254,095)	(2,128,820)	(168,205)
Gain (loss) on disposal of capital assets	-	-	-	26,883
<b>Total nonoperating revenues (expenses)</b>	<b>5,497,773</b>	<b>(65,779)</b>	<b>5,431,994</b>	<b>2,446,517</b>
<b>Income (loss) before capital contributions and transfers</b>	<b>18,577,489</b>	<b>(291,476)</b>	<b>18,286,013</b>	<b>1,005,554</b>
Capital contribution - developers	1,125,715	-	1,125,715	-
Transfers in (Note 3a)	-	1,727,113	1,727,113	4,927,039
Transfers out (Note 3a)	-	(500,000)	(500,000)	(900,000)
<b>Change in net position</b>	<b>19,703,204</b>	<b>935,637</b>	<b>20,638,841</b>	<b>5,032,593</b>
Net position-beginning	103,005,067	8,517,886	111,522,953	19,672,403
Restatements-change in accounting principle	(196,125)	-	(196,125)	(19,173)
Net position-beginning, as restated	102,808,942	8,517,886	111,326,828	19,653,230
<b>Net position-ending</b>	<b>\$ 122,512,146</b>	<b>\$ 9,453,523</b>	<b>\$ 131,965,669</b>	<b>\$ 24,685,823</b>

**CITY OF VALLEJO**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Business-Type Activities			Governmental Activities
	Water Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 57,008,163	\$ 6,918,510	\$ 63,926,673	\$ 110,025,544
Payments to suppliers and service providers	(23,543,026)	(6,921,048)	(30,464,074)	(11,157,363)
Payments to employees for salaries and benefits	(17,945,955)	-	(17,945,955)	(91,806,510)
Claims paid	-	-	-	(6,006,914)
<b>Net cash provided by (used for) operating activities</b>	<b>15,519,182</b>	<b>(2,538)</b>	<b>15,516,644</b>	<b>1,054,757</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Transfers from other funds	-	1,727,113	1,727,113	4,927,039
Transfers to other funds	-	(500,000)	(500,000)	(900,000)
Payments from other funds on interfund borrowings	-	-	-	76,119
Payments to other funds on interfund borrowings	-	(150,000)	(150,000)	(2,110,396)
Operating grants and contributions	50,111	168,888	218,999	-
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>50,111</b>	<b>1,246,001</b>	<b>1,296,112</b>	<b>1,992,762</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	1,125,715	-	1,125,715	-
Acquisition and construction of capital assets	(13,026,707)	(508,704)	(13,535,411)	(2,954,926)
Principal paid on capital debt	(4,406,701)	(794,409)	(5,201,110)	(665,000)
Interest paid on capital debt	(2,154,261)	(260,259)	(2,414,520)	(170,407)
Principal paid on lease liability	(25,062)	(95,874)	(120,936)	-
Interest paid on lease liability	(633)	(612)	(1,245)	-
Principal paid on subscription liability	(146,595)	-	(146,595)	-
Interest paid on subscription liability	(8,413)	-	(8,413)	-
Proceeds from sales of assets	-	-	-	44,713
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(18,642,657)</b>	<b>(1,659,858)</b>	<b>(20,302,515)</b>	<b>(3,745,620)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	5,485,636	111,235	5,596,871	2,587,839
<b>Net cash provided by (used for) investing activities</b>	<b>5,485,636</b>	<b>111,235</b>	<b>5,596,871</b>	<b>2,587,839</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>2,412,272</b>	<b>(305,160)</b>	<b>2,107,112</b>	<b>1,889,738</b>
Cash and cash equivalents-beginning	112,946,916	4,356,121	117,303,037	51,980,587
<b>Cash and cash equivalents-ending</b>	<b>\$ 115,359,188</b>	<b>\$ 4,050,961</b>	<b>\$ 119,410,149</b>	<b>\$ 53,870,325</b>

**CITY OF VALLEJO**  
**Statement of Cash Flows (Continued)**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Business-Type Activities		Governmental Activities	
	Water Fund	Other Enterprise Funds	Totals	Internal Service Funds
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 13,079,716	\$ (225,697)	\$ 12,854,019	\$ (1,440,963)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:				
Depreciation/amortization expense	4,943,570	381,357	5,324,927	2,046,284
(Increase) decrease in accounts receivable	57,522	(51,383)	6,139	9,308
(Increase) decrease in inventories	(287,977)	(11,613)	(299,590)	(27,302)
(Increase) decrease in prepaid items	6,103	(16,709)	(10,606)	(1,130,593)
Increase (decrease) in accounts payable	(1,326,484)	(93,090)	(1,419,574)	84,844
Increase (decrease) in deposits payable	113,231	7,947	121,178	-
Increase (decrease) in unearned revenue	23,742	6,650	30,392	-
Increase (decrease) in compensated absences	217,171	-	217,171	(871,860)
Increase (decrease) in claims and judgments	-	-	-	1,563,169
Increase (decrease) in net pension liability	(1,273,525)	-	(1,273,525)	2,439
Increase (decrease) in net OPEB liability	(33,887)	-	(33,887)	823,887
Total adjustments	2,439,466	223,159	2,662,625	2,500,176
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 15,519,182</b>	<b>\$ (2,538)</b>	<b>\$ 15,516,644</b>	<b>\$ 1,059,213</b>
<b>NON-CASH INVESTING, CAPITAL, AND FINANCING ACTIVITIES:</b>				
Increase in lease liability and the acquisition of right to use assets	\$ 15,238	\$ 958,878	\$ 974,116	\$ -
Amortization of bond premium	499,498	-	499,498	-
Amortization of loss on refunding of debt	(226,914)	-	(226,914)	-

### **Fiduciary Fund Financial Statements**

The City has two types of fiduciary funds: the custodial funds and private purpose trust funds. The custodial funds were combined into a single column. Individual fund data of each of the custodial funds may be found in Supplemental Information section.

**CITY OF VALLEJO**  
**Statement of Fiduciary Net Position**  
**June 30, 2025**

	<b>Private Purpose Trust Fund</b>	
	<b>Successor Agency</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and investments (Note 2b)	\$ 337,933	\$ 3,871,987
Restricted cash and investments with fiscal agents (Note 2b)	198,153	3,985,748
Capital assets, not being depreciated (Note 15b)	189,226	-
Capital assets, net of accumulated depreciation (Note 15b)	31,450	-
<b>Total assets</b>	<b>756,762</b>	<b>7,857,735</b>
<b>LIABILITIES</b>		
Accounts payable and accrued liabilities	-	4,733
Accrued interest	30,888	173,626
Deposits payable	-	252,216
Due to other governments	-	1,869,412
Long-term debt		
Due in one year (Notes 15c)	205,000	900,000
Due in more than one year (Notes 15c)	3,120,116	7,890,000
<b>Total liabilities</b>	<b>3,356,004</b>	<b>11,089,987</b>
<b>NET POSITION (deficit)</b>		
Restricted for governments, individuals or other organizations (deficit)	(2,599,242)	(3,232,252)
<b>Total net position (deficit)</b>	<b>\$ (2,599,242)</b>	<b>\$ (3,232,252)</b>

**CITY OF VALLEJO**  
**Statement of Changes in Fiduciary Net Position**  
**For the Fiscal Year Ended June 30, 2025**

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	<b>Private Purpose Trust Fund</b>	
	<b>Successor Agency</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Investment earnings	\$ 17,780	\$ 314,135
Redevelopment property tax trust fund distribution	1,293,385	-
Collections for assessment districts	-	2,020,611
<b>Total additions</b>	<b>1,311,165</b>	<b>2,334,746</b>
<b>DEDUCTIONS</b>		
Administrative expenses	47,182	71,377
Interest and fiscal charges	132,775	536,622
Depreciation and amortization expense	4,193	-
<b>Total deductions</b>	<b>184,150</b>	<b>607,999</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>1,127,015</b>	<b>1,726,747</b>
Net position-beginning (deficit)	(3,726,257)	(4,958,999)
<b>Net position-ending (deficit)</b>	<b>\$ (2,599,242)</b>	<b>\$ (3,232,252)</b>

**Notes to The Basic Financial Statements**

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Financial Reporting Entity**

The City was incorporated in 1868 as a charter City, with a Council-Manager form of Government, and provides all municipal services, excluding garbage disposal and electricity.

The accompanying basic financial statements present the financial activity of the City, which is the primary government presented, along with the financial activities of its component units, which are entities for which the City is financially accountable. Although they are separate legal entities, blended component units are in substance part of the City's operations and are reported as an integral part of the City's financial statements. Each discretely presented component unit, on the other hand, is reported in a separate column in the basic financial statements to emphasize it is legally separate from the government.

The City's component units are described below:

- Housing Authority of the City of Vallejo (Blended Component Unit)
- Marine World Joint Powers Authority (Blended Component Unit)
- Parking Authority of the City of Vallejo (Blended Component Unit)
- Public Financing Authority of the City of Vallejo (Blended Component Unit)
- Vallejo Flood and Wastewater District (Discrete Component Unit)
- Vallejo Flood and Wastewater District Financing Corporation (Discrete Component Unit)

Additional financial information for each of these entities can be obtained from the Finance Department City of Vallejo, 555 Santa Clara Street, Vallejo, California 94590.

***PRIMARY GOVERNMENT***

The financial statements of the primary government of the City of Vallejo include the activities of the City as well as the Housing Authority of the City of Vallejo, the Marine World Joint Powers Authority, the Parking Authority of the City of Vallejo, and the Public Financing Authority of the City of Vallejo, all of which are controlled by and dependent on the City. While these are separate legal entities, their financial activities are integral to those of the City. Their financial activities have been aggregated and merged (termed "blended") with those of the primary government of the City in the accompanying financial statements.

**Blended Component Units**

**The Housing Authority of the City of Vallejo** — was formed in June 1942 and is organized under the California Health and Safety Code. The objectives of the Housing Authority are to aid low-income families in obtaining decent, safe and sanitary housing through federal assistance programs and mortgage revenue bond programs. On February 1, 2012, the Housing Authority also elected to assume the responsibilities of the Housing Successor for the low/moderate income housing programs of the former Redevelopment Agency. The Housing Authority is governed by a Board of Commissioners composed of the City Council members and two tenants of the Housing Authority. The operations of the Housing Authority are reported in the Housing Authority Special Revenue Fund. Management of the City has operational responsibility for the Authority.

Separate financial statements for the Housing Authority may be obtained by contacting the office of the Finance Director at 555 Santa Clara Street, Vallejo, California, 94590, phone 707-648-4592.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**The Marine World Joint Powers Authority** — was formed in October 1996, pursuant to the Joint Exercise of Powers Act of the Government Code of the State of California for the purpose of assuming ownership of the Marine World Africa USA theme park from the Marine World Foundation. The City Council is the governing body of the Marine World JPA. The City has full accountability for the Authority's fiscal affairs. The Authority had no activity and had no assets or liabilities during the year ended June 30, 2025. The Authority does not issue separate financial statements.

**The Parking Authority of the City of Vallejo** — was formed in May 1975, pursuant to the provisions of California statutes. Operations of the Parking Authority began in May 1977, with the execution of a joint powers agreement with the City. The purpose of this agreement was to provide the acquisition, construction, financing and operation of parking facilities in the downtown area of the City. The City Council is the governing board of the Parking Authority. The City has full accountability for the Authority's fiscal affairs. The Authority's parcels of land had a carrying value of \$72,800 as of June 30, 2025. The Authority is inactive and had no activity during the year ended June 30, 2025. The Authority does not issue separate financial statements.

**The Public Financing Authority of the City of Vallejo** — was formed in July 1990. The primary purpose of the Financing Authority is to provide financing for City projects. The City Council is the governing board of the Financing Authority. The City has full accountability for the Authority's fiscal affairs. The activities of the Authority are blended with the Certificates of Participation Debt Service Fund, Marina Enterprise Fund, Golf Enterprise Fund and fiduciary funds. The Authority does not issue separate financial statements.

***DISCRETELY PRESENTED COMPONENT UNITS***

**Vallejo Flood and Wastewater District (VFWD)** — was created by an act of the California legislature and began operations in April 1952 as the Vallejo Sanitation and Flood Control District (VSFCD). VSFCD changed its name to the Vallejo Flood and Wastewater District during fiscal year 2018. The purpose of the Act was to give autonomous authority to VFWD to provide for the collection, treatment and disposal of wastewater and to control and dispose of storm waters. From 1993 to 1999 VFWD was part of the City's operations. Commencing July 1, 1999 the VFWD became a separate district from the City. The Board now consists of the seven elected City Council members and one member appointed by the Solano County Board of Supervisors. Although the City Council exercises control over the Board of VFWD, there is no operational responsibility or financial benefit or burden relationship with the primary government. Separate financial statements for VFWD may be obtained by contacting 450 Ryder Street, Vallejo, California 94590.

**Vallejo Flood and Wastewater District Financing Corporation (VFWDFC)** — is a non-profit public benefit corporation organized in July 1993 as the Vallejo Sanitation and Flood Control District Financing Corporation (VSFCDFC) and was renamed to the Vallejo Flood and Wastewater District Financing Corporation in March 2018. The VFWDFC was organized under the laws of the State of California for the purpose of assisting the VFWD in funding certain projects and other matters relating to the purpose of VFWD. Members of the Board for VFWD serve as Directors of the VFWDFC. The activities of the VFWDFC are blended with the VFWD and separate financial statements are not prepared for the VFWDFC.

**B. Basis of Presentation**

These *Basic Financial Statements* are prepared in conformity with accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The City's financial position and results of operations are presented from two perspectives in the following two sets of financial statements:

**Government-wide Statements:** The government-wide financial statements, including the Statement of Net Position and the Statement of Activities, report the financial activities of the primary government (the City) and its blended and discretely presented component units.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Fiduciary activities of the City, which are custodial in nature, are not included in these statements and are presented separately. Eliminations have been made to minimize the double counting of internal activities. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental and business-type activities.

The *Statement of Activities* presents a comparison between direct expenses and program revenues for each function of the City. Direct expenses are those that are specifically associated with a program or function. Certain indirect costs are included in program expenses reported for individual functions and activities. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) operating grants and contributions that are restricted to meeting the operational needs of a particular program, and (c) capital fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues are presented as general revenues.

The City may pay for its programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The City's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

**Fund Financial Statements:** In addition to the government-wide statements described above, the City also presents Fund Financial Statements. The accounts of the City are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions or limitations. The City accounts for its operations in governmental, proprietary and fiduciary funds, which include the following categories:

***Governmental Funds:***

General Fund – To account for resources traditionally associated with general government operations of the City, including Measure B Transaction tax and Measure P sales tax and the related expenditures, and pre-1990 Successor Agency loans and the related revenues, that are not required legally or by sound financial management to be accounted for in another fund.

Special Revenue Funds – To account for the proceeds of specific revenue sources that are legally restricted to be expended for specified purposes.

Debt Service Funds – To account for the servicing of long-term debt not being financed by business-type funds.

Capital Projects Funds – To account for capital outlays including the acquisition and construction of capital improvements.

Permanent Funds – To account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs — that is, for the benefit of the government or its citizenry.

***Proprietary Funds:***

Enterprise Funds – To account for operations that are financed substantially through user fees and are operated in a manner similar to private business enterprises.

Internal Service Funds – To account for the financing of goods and services provided by one City department to other departments on a cost reimbursement basis.

***Fiduciary Funds:***

Custodial Funds – To report fiduciary activities that are not held in a trust or equivalent arrangement.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

Private-Purpose Trust Funds – To report trust arrangements under which principal and income benefit other governmental entities.

The financial activities of these funds are excluded from the government-wide financial statements, but are presented in separate Fiduciary Fund financial statements.

**C. Basis of Accounting**

The government-wide, proprietary, and fiduciary fund financial statements are reported using the economic resources measurement focus and the full 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.

**Governmental Funds:** Governmental funds are used to report the majority of the City's programs. These funds are reported in the Fund Financial Statements on the modified accrual basis of accounting, with a focus on current financial resources. This basis differs from the accrual basis of accounting used to report the government-wide financial statements and proprietary and fiduciary fund financial statements.

Revenues are recognized when measurable and available. The City considers revenues reported in the governmental funds to be available if the revenues are collected within ninety days after year-end. This period is extended to one year for grant programs. Revenues susceptible to accrual include taxes, intergovernmental revenues, charges for services and interest revenue. Non-exchange transactions, in which the City gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, compensated absences and claims payable, which are recognized as expenditures to the extent they have matured. Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

**Proprietary Funds:** The proprietary funds of the City are reported on the accrual basis of accounting in the Fund Financial Statements. Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the funds. All other expenses are reported as non-operating expenses.

**D. Major Funds**

The *Fund Financial Statements* focus on the individual major funds of the City, each of which is displayed in a separate column, and the aggregate of remaining funds, which are labeled as non-major funds. Major funds are defined as funds with assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues, expenditures, or expenses equal to ten percent of their fund-type total, and five percent of the grand total, or other funds of reporting significance.

The City reports the following major governmental funds in the accompanying *Fund Financial Statements*:

**General Fund** – This 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 another fund.

**Housing Authority Special Revenue Fund** – is used to account for monies received and expended on housing assistance to low and moderate income families and the assets and liabilities assumed from the Housing Fund of the Former Redevelopment Agency upon the dissolution as of February 1, 2012. Funds are provided by receipts from the Federal Section 8 Housing and Urban Development (HUD) programs.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**Capital Outlay Fund and Measure P Capital Outlay** - is used to account for the expenditure of the General Fund and grant funded capital projects, including acquisitions and improvements of public property, public works projects, facilities, equipment and systems. The Measure P fund accounts for revenues received from Measure P sales tax to support a variety of capital projects and community priorities including street and sidewalk repair, public safety enhancements, homelessness services, blight reduction, and improvements to public spaces.

The City reports the Water Fund as major enterprise fund in the accompanying Fund Financial Statements.

**Water Fund** – is used to account for the production and distribution of water to residents and businesses located within the City. Water service is also provided to Lakes District and Travis Air Force Base customers outside the City limits.

The City also reports the following fund types:

**Internal Service Funds:** These funds account for fleet maintenance and replacement, workers' compensation and general liability self-insurance programs, payroll and retiree health benefits, all of which are provided to other departments on a cost- reimbursement basis. Revenues are recognized based on cycle billings rendered to customers.

**Fiduciary Funds:** Trust funds account for assets held by the City as an agent for various functions. Custodial funds are used to account for assets held by the City as a fiduciary for the bondholders of the improvement and assessment land-based debt districts within the City. The Successor Agency to the Redevelopment Agency Private-Purpose Trust Fund accounts for the accumulation of resources to be used for payments at appropriate amounts and times in the future.

**E. Cash and Cash Equivalents**

For purposes of the Statement of Cash Flows, cash equivalents are defined as cash and investments which are considered to be liquid assets for purposes of measuring cash flows. Cash and investment of all funds are pooled with the City's pooled cash and investments, and are considered cash and cash equivalents because the pool is used essentially as a demand deposit account from the standpoint of the funds. Investments are recorded at fair value; changes in fair value are included with investment income in the operating statements.

**F. Materials, Parts, and Supplies**

City materials, parts and supplies are held for consumption and are valued at average cost. Enterprise fund supplies consist of materials and supplies which are held for future use. General Fund supplies are recorded as an expenditure at the time individual supply items are consumed.

VFWD supplies inventories are valued at cost and follow a first-in-first-out (FIFO) flow. This flow approximates market because ending inventory consists of the most recent items purchased. Inventories are recorded as expenses when consumed rather than when purchased.

**G. Land Held for Redevelopment**

Land held for redevelopment is stated at the lower of historical cost or net realizable value, if estimable. Net realizable value equals the agreed-upon sales price when a disposition agreement has been reached with a developer.

**H. Prepays**

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**I. Deferred Outflows/Inflows of Resources**

In addition to assets, the statement of net position or balance sheet reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents 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. The City has three types of items that qualify for reporting in this category. An unamortized loss on refunding of debt results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also has deferred outflows and inflows of resources related to pensions and OPEB as discussed in Note 10 and 11, respectively.

In addition to liabilities, the statement of net position or balance sheet reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents 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. The City has one type of item, which arises only under the modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from accounts receivable, inter-agency reimbursements, and interest from notes and loans receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has three items, which arise only under the full-accrual basis of accounting that are reported in this category, which are deferred inflows of resources related to leases, pensions and OPEB as discussed in Notes 5, 10 and 11, respectively.

**J. Property Tax Revenues**

Solano County assesses properties and bills, collects, and distributes property taxes to the City. The County remits the entire amount levied and handles all delinquencies, retaining interest and penalties. Secured and unsecured property taxes are levied on January 1 of the preceding fiscal year. Property tax revenues are recognized by the City in the fiscal year they are assessed, provided they become available as defined above.

Secured property tax is due in two installments, on November 1 and March 1, and becomes a lien on January 1. It becomes delinquent after December 10 and April 10, respectively. Unsecured property tax is due on July 1, and becomes delinquent on August 31. The term “unsecured” refers to taxes on personal property other than real estate, land and buildings. These taxes are secured by liens on the property being taxed.

**K. Estimates and Assumptions**

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**L. Fair Value Measurements**

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

**M. Leases**

Lessee: The City is a lessee for noncancellable leases of equipment. The City recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the financial statements. The City recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the right-to-use lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

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

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported separately on the statement of net position.

Lessor: The City is a lessor for a noncancellable leases of various City facilities. The City recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable 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 inflow of resources is 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 inflow of resources is recognized as revenue over the life of the lease term.

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 its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

**N. Subscription-Based Information Technology Arrangements**

The City of Vallejo is a subscriber for a noncancellable subscription of information technology services. The City of Vallejo recognizes a subscription liability and an intangible right-to-use subscription asset (subscription asset) in the government-wide financial statements. The City of Vallejo recognizes subscription liabilities with an initial, individual value of \$50,000 or more.

**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

At the commencement of a subscription, the City of Vallejo initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of subscription payments made. The subscription asset is initially measured as the initial amount of the subscription liability, adjusted for subscription payments made at or before the subscription commencement date, plus certain initial direct costs. Subsequently, the subscription asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to subscriptions include how the City of Vallejo determines (1) the discount rate it uses to discount the expected subscription payments to present value, (2) lease term, and (3) subscription payments.

The City of Vallejo uses the interest rate charged by the vendor as the discount rate. When the interest rate charged by the vendor is not provided, the City of Vallejo generally uses its estimated incremental borrowing rate as the discount rate for subscriptions.

The subscription term includes the noncancellable period of the subscription. Subscription payments included in the measurement of the subscription liability are composed of fixed payments that the City of Vallejo is reasonably certain to exercise.

The City of Vallejo monitors changes in circumstances that would require a remeasurement of its subscriptions and will remeasure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Subscription assets are reported with other capital assets and subscription liabilities are reported separately on the statement of net position.

**O. Budgeting Procedures**

The City follows these procedures in establishing the budgetary data reflected in the financial statements:

The City Charter requires the City Manager to submit to the City Council a proposed operating budget by May 16 for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the financing sources for all funds. Public hearings are conducted to obtain taxpayer comments. The budget is legally enacted through passage of a resolution. The City does not adopt annual budgets for its Capital Projects and Special Revenue Funds for Multi-year grants. Capital Project and multi-year budgets and funding are approved by the City Council as a multi-year budget on a project-by-project basis to cover the total estimated costs of all phases of specific projects that spans over several fiscal years. The Emergency Disaster Fund #109, Justice Assistance Grant Fund #149 and Office of Traffic Safety Fund #146 did not adopt a budget for the fiscal year ended June 30, 2025, as they are special revenue funds with multi-year project based budgets.

Level of Budgetary Control - Budgetary control is established at the following levels: a) General Fund – Department level; b) Other Funds – Fund level. The City Manager may authorize line item budget transfers within a General Fund department, or within a fund other than the General Fund.

Budget Amendments - City Council authorization is required to transfer appropriations between General Fund departments, or between funds. City Council authorization is also required to establish or amend capital project budgets. The Budget may be amended at such times as the City Council may deem necessary, in accordance with the requirements and procedures contained in the City Charter and Municipal Code.

Budgets are adopted on a basis consistent with Generally Accepted Accounting Principles. Budgetary comparisons presented are on this budgetary basis and reflect applicable amendments and revisions.

Expenditures in Excess of Budget

The General Fund had expenditures in excess department budgets for the following departments: human resources \$149,938, planning and development services \$163,416, fire services \$2,254,105, non departmental \$18,590, and for debt service \$19,410. The total expenditures did not exceed the total budgeted expenditures within the General Fund.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

The following funds had fund expenditures in excess of budget as follows:

Housing Authority	\$ 4,819,863
Supplemental Law Enforcement Grant Fund #151	997,802
State Lands Fund #134	60,752
Solid Waste Disposal #135	6,746

The excess expenditures in Housing Authority, Solid Waste Disposal #135, and State Lands Fund #134 were covered by accumulated fund balance.

The excess expenditures in the Supplemental Law Enforcement Grant Fund #151 were due to the recordings of the SBITA capital outlay, offset by other financing sources - issuance of subscriptions.

**P. New GASB Pronouncements Effective during Fiscal Year**

The following Government Accounting Standards Board (GASB) pronouncements were adopted for the fiscal year ended June 30, 2025:

***GASB Statement No. 101, Compensated Absences***

The requirements of this Statement will improve financial reporting by implementing a unified recognition and measurement model that will result in a liability for compensated absences that more appropriately reflects when a government incurs an obligation. Establishing the unified model will result in consistent application to any type of compensated absence and will eliminate potential comparability issues between governments that offer different types of leave. This Statement will also result in a more robust estimate of the amount of compensated absences that a government will pay or settle, which will enhance the relevance and reliability of information about the liability for compensated absences.

***GASB Statement No. 102, Certain Risk Disclosures***

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. The requirements of this statement are effective for the District's fiscal year ending June 30, 2025.

**NOTE 2 - CASH AND INVESTMENTS**

**A. Administration**

Cash and Investments are administered separately by the City and by the discrete component unit, the VFWD. The respective cash and investment positions as of June 30, 2025, for each of these legal entities is as follows:

	Primary Government		Subtotal	Component Unit	Total
	City	Fiduciary Funds			
Cash on Hand	\$ 8,250	\$ -	\$ 8,250	\$ 5,255	\$ 13,505
Deposits	6,362,367	-	6,362,367	7,723,442	14,085,809
Investments	380,162,748	8,393,821	388,556,569	62,143,051	450,699,620
	<u>\$ 386,533,365</u>	<u>\$ 8,393,821</u>	<u>\$ 394,927,186</u>	<u>\$ 69,871,748</u>	<u>\$ 464,798,934</u>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**B. Classification**

Cash and investments are classified in the financial statements as shown below:

Reported on the Statement of Net Position		
<hr/>		
Primary Government:		
Cash and Investments: <sup>1</sup>		
City		
General Fund, including Measure B	\$ 49,528,409	
Other Funds	248,625,712	
Total, City	<hr/>	\$ 298,154,121
Housing Authority		<hr/>
		3,400,881
		<hr/>
		301,555,002
Restricted Cash and Investments (held by fiscal agents): <sup>2</sup>		
City	84,145,411	
Housing Authority	832,952	
	<hr/>	84,978,363
Subtotal Primary Government Cash and Investments		<hr/>
		386,533,365
Discrete Component Unit (VFWD):		
Cash and Investments		67,778,481
Restricted Cash and Investments (held by fiscal agents) <sup>3</sup>		<hr/>
		2,093,267
Subtotal Component Unit Cash and Investments		<hr/>
		69,871,748
Reported on the Statement of Fiduciary Net Position		
<hr/>		
Custodial Funds		
Cash and Investments	\$ 3,871,987	
Restricted Investments (held by fiscal agents)	3,985,748	
Total Custodial Funds	<hr/>	\$ 7,857,735
Successor Agency to the Redevelopment Agency		
Private-Purpose Trust Fund		
Cash and Investments	337,933	
Restricted Investments (held by fiscal agents)	198,153	
Total, Successor Agency to the Redevelopment Agency	<hr/>	536,086
Subtotal Fiduciary Funds Cash and Investments		<hr/>
		8,393,821
Total Cash and Investments		<hr/> <hr/>
		\$ 464,798,934

1. These balances are available for operations of the City's various programs and funds subject to their respective grant, fee, assessment, contract, or other restrictions.
2. These balances are held by the City of third party fiscal agents pursuant to debt covenants or other agreements.
3. These balances are held by third party fiscal agents pursuant to debt covenants or other agreements.

**C. Policies**

The City's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year. The City pools idle cash from all sources and all funds, except Cash with Fiscal Agents, Housing Authority, and the VFWD, so that it can be invested to achieve a reasonable rate of return, consistent with safety and liquidity.

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Cash receipts and disbursements, including payroll, are processed by City staff which administers activities for the following separate legal entities: the City, the Successor Agency to the Redevelopment Agency, and the Housing Authority.

These cash transactions are recorded in the City's main checking account with transactions allocated to each applicable general ledger fund of the City and its blended component units pending periodic reimbursement and settlement of inter-agency balances. As of June 30, 2025, the City held balances of cash for each of the above entities representing their equity in the City's checking account.

Investment income is allocated among funds on the basis of average month-end cash and investment balances in these funds.

California Law requires banks and savings and loan institutions to pledge government securities with a market value of 110% of the City's cash on deposit, or first trust deed mortgage notes with a market value of 150% of the deposit, as collateral for these deposits. Under California Law this collateral is held in a separate investment pool by another institution in the City's name and places the City ahead of general creditors of the institution.

The City invests in individual investments and in investment pools. Individual investments are evidenced by specific identifiable *securities instruments*, or by an electronic entry registering the owner in the records of the Depository Trust Company, known as the book entry system. In order to safeguard the City's funds, the City employs a bank to act as custodian of certain City-managed investments, regardless of their form. The assets are held in the name of the City and are not comingled with bank assets. Funds held in investment pools are also custodied in the aggregate but held in the City's name and tracked by the pool's transfer agent.

The City's investments are carried at fair value, as required by generally accepted accounting principles. The City adjusts the carrying value of its investments to reflect their fair value at each fiscal year end, and it includes the effects of these adjustments in income for that fiscal year.

Cash and cash equivalents, including restricted cash, are considered to be liquid assets for purpose of measuring cash flows.

**D. Investments Authorized by the California Government Code and the City's Investment Policy**

The City's Investment Policies and the California Government Code permit the following investments, provided the credit ratings of the issuers are acceptable and approved percentages and maturities are not exceeded. The tables below also identify certain provisions of the California Government Code, or Investment Policies if more restrictive, that addresses interest rate risk, credit 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, rather than the general provisions of the California Government Code or investment policies.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

City and Housing Authority

The City's investment policy and the California Government Code allow the City and the Housing Authority to invest in the following investments:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum in Portfolio	Maximum Investment in One Issuer
U.S. Government Treasury Bills, Bonds and Notes	5 years	No Limit	No Limit	No Limit
U.S. Government Agencies and Government Repurchase Agreements	5 years	No Limit	50%	30%
Bankers Acceptances	N/A	No Limit	20%	No Limit
Commercial Paper	180 Days	A	40%	5%
Corporate Medium Term Notes	270 Days	Highest Rating	40%	5%
Certificates of Deposit	5 Years	A	30%	5%
Negotiable Certificates of Deposit	5 Years	No Limit	20%	No Limit
Local Agency Investment Fund State Pool	5 Years	A	30%	5%
State of California or Local Agency Bonds	On Demand	No Limit	Up To Statutory Limits	No Limit
Mutual Funds	5 Years	A	10%	5%
Money Market Mutual Funds	4 Years	Highest Rating	10%	10%
Asset Backed Securities	4 Years	Highest Rating	20%	10%
Mortgage Backed Securities or Collateralized Mortgage	5 Years	AA	20%	5%
Local Government Investment Pools	5 Years	AA	20%	5%
Municipal Bonds of Other States	On Demand	No Limit	No Limit	No Limit
Supranationals	5 Years	A	10%	5%
	5 Years	AA	30%	10%

VFWD

VFWD's investment policy and the California Government Code allow the VFWD to invest in the following investments:

Authorized Investment Type	Maximum Percentage of Portfolio
Government Agency obligations (callable)	20%
Medium Term Corporate Notes, Rate A or better	30%
Certificates of Deposit - Non-Negotiable	20%
California Local Agency Investment Fund	None
Shares in Beneficial Interest Money Market Funds, two highest ratings	20%
United States Treasury Securities	None
Certificates of Deposit - Negotiable	30%
Bankers' Acceptances	40%
Commercial Paper of "Prime" Quality	25%
Repurchase Agreements	None
Municipal Securities	30%
Asset Backed Securities	20%
Supranationals	30%

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**E. Public Agencies Postemployment Trust**

On August 22, 2017, the City Council adopted resolution 17-094 N.C. approving the adoption of the Public Agencies Postemployment Trust administered by Public Agency Retirement Services (PARS). The Trust is an irrevocable trust and qualifies as an Internal Revenue Section 115 trust. This trust will assist the City in mitigating the CalPERS contribution rate volatility. Investments of funds held in Trust are governed by the Investment Guideline Document for the investment account and by the agreement for administrative services with PARS, rather than the general provisions of the California Government Code or the City's investment policy. The City elected a discretionary investment approach which allows the City to maintain oversight of the investment management, control on target yield and the portfolio's risk tolerance, under the Moderate HighMark PLUS Mutual Fund investment option. The assets in the Trust will eventually be used to fund pension plan obligations.

**F. Investments Authorized by Debt Agreements**

The City and VFWD must maintain required amounts of cash and investments with trustees or fiscal agents under the terms of certain debt issues. These funds are unexpended bond proceeds or are pledged reserves to be used if these entities fail to meet their obligations under these debt issues. The California Government Code requires these funds to be invested in accordance with resolutions, bond indentures or State statutes. The table below identifies, by entity, the investment types that are authorized for investments held by fiscal agents. The table also identifies certain provisions of these debt agreements.

City Debt Agreements

Authorized Investment Type	Maximum Maturity	Minimum Credit Quality	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	No Limit	No Limit	No Limit	No Limit
U.S. Government Agency Obligation	No Limit	Two Highest Ratings	No Limit	10%
Money Market Funds	No Limit	Prime-1/AA-m	No Limit	No Limit
Government Money Market Funds	360 Days	Highest Rating	No Limit	No Limit
Insured FDIC Deposits	No Limit	No Limit	No Limit	No Limit
Interest-Bearing & Time Deposits - Banks or Savings	No Limit	A-1	No Limit	No Limit
Bankers Acceptances	180 Days	Two Highest Ratings	No Limit	No Limit
Commercial Paper	270 Days	A-1+	No Limit	No Limit
Repurchase Agreements	180 Days	A	No Limit	No Limit
Tax-Exempt Obligations	No Limit	Two Highest Ratings	No Limit	No Limit
Rated Investment Agreements and Contracts	No Limit	Three Highest Ratings	No Limit	No Limit
State (or Municipality) Bonds/Notes	No Limit	Two Highest Ratings	No Limit	No Limit
Local Agency Investment Fund	No Limit	No Limit	No Limit	No Limit
Local Government Investment Pools	No Limit	No Limit	No Limit	No Limit
Taxable Bonds	No Limit	A-1	No Limit	No Limit

**G. Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Information about the sensitivity of the fair values of these investments (including investments held by bond trustees) to market interest rate fluctuations is provided by the following tables that show the distribution of these investments by maturity date or earliest call date at June 30, 2025.

Investment Type	Less than 1 Year	1 - 3 Years	3 - 5 Years	Total
Held by the City and its Blended Component Units:				
U.S. Government Agencies	\$ 7,767,011	\$ 1,018,351	\$ 3,060,770	\$ 11,846,132
Asset Backed Securities	407,459	803,369	2,680,910	3,891,738
Supranational	-	-	3,809,316	3,809,316
Corporate Medium Term Notes	-	11,483,979	14,634,667	26,118,646
U.S. Treasury Notes	83,742,831	22,292,052	28,623,624	134,658,507
California Local Agency Investment Fund	62,072,412	-	-	62,072,412
Collateralized Mortgage Obligation	-	1,824,603	-	1,824,603
Money Market Mutual Funds	56,009,309	-	-	56,009,309
Held by Fiscal Agents:				
PARS Post - Employment Benefit Trust - HighMark PLUS Mutual Fund	24,300,464	-	-	24,300,464
Money Market Mutual Funds	64,025,442	-	-	64,025,442
Total Investments	<u>\$ 298,324,928</u>	<u>\$ 37,422,354</u>	<u>\$ 52,809,287</u>	<u>\$ 388,556,569</u>

**VFWD**

Investment Type	Less than 1 Year	1 - 5 Years	Total
Government Agency Obligations	\$ 471,747	\$ 2,197,708	\$ 2,669,455
US Treasury	39,530,683	4,272,184	43,802,867
Asset Backed Securities	-	1,162,113	1,162,113
Supranationals	-	447,470	447,470
Medium Term Corporate Notes	721,226	2,574,196	3,295,422
Collateralized Mortgage Obligation	-	1,034,397	1,034,397
California Local Agency Investment Fund	5,365,988	-	5,365,988
Money Market Funds	4,347,840	-	4,347,840
Held by Trustee:			
Money Market Mutual Funds	17,499	-	17,499
Total	<u>\$ 50,454,983</u>	<u>\$ 11,688,068</u>	<u>\$ 62,143,051</u>

**Local Agency Investment Fund**

The City and the VFWD are participants in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The balance is available for withdrawal on demand and is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis, however, each account is limited to fifteen transactions per month. Included in LAIF's investment portfolio are collateralized mortgage obligations, mortgage-backed securities, other asset-backed securities, loans to certain state funds, and floating rate securities issued by federal agencies, government-sponsored enterprises, United States Treasury Notes and Bills, and corporations.

**H. Credit Risk**

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

Presented below is the actual rating as of June 30, 2025 for the City and Housing Authority by investment type as provided by Moody's investment rating system.

***City and Housing Authority***

Investment Type	Aaa	AA1 to AA3	A1 to A3	Total
Held by the City and its Blended Component Units:				
U.S. Government Agencies				
Non-Callable	\$ 11,846,132	\$ -	\$ -	\$ 11,846,132
Asset Backed Securities	3,891,738	-	-	3,891,738
Corporate Medium Term Notes	205,723	9,700,399	16,212,524	26,118,646
Collateralized Mortgage Obligation	-	1,824,603	-	1,824,603
Money Market Mutual Funds	-	-	-	-
Supranational	3,809,316	-	-	3,809,316
Held by Fiscal Agents				
Money Market Mutual Funds	64,025,442	-	-	64,025,442
<b>Total Rated Investments</b>	<b><u>\$ 83,778,351</u></b>	<b><u>\$ 11,525,002</u></b>	<b><u>\$ 16,212,524</u></b>	<b><u>111,515,877</u></b>
Exempt:				
U.S. Treasury Notes				134,658,507
Non-Rated:				
California Local Agency Investment Fund				62,072,412
Money Market Mutual Funds				56,009,309
PARS Post-Employment Benefit Trust				
HighMark Plus Mutual Fund				24,300,464
<b>Total Investments</b>				<b><u>\$ 388,556,569</u></b>

***VFWD***

Presented below is the actual rating as of June 30, 2025 for the VFWD by investment type as provided by Standard and Poor's investment rating system:

Investment Type	AAA/AAAm	AA+/AA+AA-	Total
Government Agency Obligations	\$ -	\$ 2,669,455	\$ 2,669,455
US Treasury	-	43,802,867	43,802,867
Asset Backed Securities	1,162,113	-	1,162,113
Supranational	447,470	-	447,470
Medium Term Corporate Notes	149,349	3,146,073	3,295,422
Collateralized Mortgage Obligation	130,032	904,365	1,034,397
Money Market Funds	4,347,840	-	4,347,840
Money Market Mutual Funds	17,499	-	17,499
	<b><u>\$ 6,254,303</u></b>	<b><u>\$ 50,522,760</u></b>	<b><u>56,777,063</u></b>
Non-Rated:			
California Local Agency Investment Funds			5,365,988
<b>Total Investments</b>			<b><u>\$ 62,143,051</u></b>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**I. Fair Value Hierarchy**

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 fair value of the assets. Level 1 inputs are quoted prices in an active market for identical assets; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs.

**City Housing Authority**

The following is a summary of the fair value hierarchy of the fair value of investments of the City and Housing Authority as of June 30, 2025:

	Level 2	Total
Investments by Fair Value Level:		
U.S. Government Agencies	\$ 11,846,132	\$ 11,846,132
Asset Backed Securities	3,891,738	3,891,738
Collateralized Mortgage Obligation	1,824,603	1,824,603
Supranational	3,809,316	3,809,316
Corporate Medium Term Notes	26,118,646	26,118,646
U.S. Treasury Notes	134,658,507	134,658,507
Subtotal	\$ 182,148,942	\$ 182,148,942
Investments Measured at Amortized Cost:		
Money Market Mutual Funds		56,009,309
PARS Post-Employment Benefit Trust- HighMark PLUS Mutual Fund		24,300,464
Held with Fiscal Agent:		
Money Market Mutual Funds		64,025,442
Investments Not Subject to Fair Value Hierarchy:		
California Local Agency Investment Fund		62,072,412
Total Investments		\$ 388,556,569

Asset Backed Securities, classified in Level 2 of the fair value hierarchy, are valued using IDC CMO pricing service. U.S. Government Agencies, U.S. Treasury Notes, Corporate Medium Term Notes and Collateralized Mortgage Obligations, classified in Level 2 of the fair value hierarchy, are valued using IDC Institutional Bond Pricing. These prices are obtained from various pricing sources by our custodian bank. Fair value is defined as the quoted market value on the last trading day of the period.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**VFWD**

The following is a summary of the fair value hierarchy of the fair value of investments of the VFWD as of June 30, 2025:

	Level 2	Total
Investments by Fair Value Level:		
U.S. Government Agencies	\$ 2,669,455	\$ 2,669,455
U.S. Treasury Notes	43,802,867	43,802,867
Asset Backed Securities	1,162,113	1,162,113
Supranationals	447,470	447,470
Medium Term Corporate Notes	3,295,422	3,295,422
Collateralized Mortgage Obligation	1,034,397	1,034,397
Subtotal	\$ 52,411,724	52,411,724
Investments Measured at Amortized Cost:		
Money Market Mutual Funds		4,347,840
Held with Fiscal Agent:		
Money Market Mutual Funds		17,499
Investments Not Subject to Fair Value Hierarchy:		
California Local Agency Investment Fund		5,365,988
Total Investments		\$ 62,143,051

The District categorizes the fair value measurements of its investments based on the fair value hierarchy established by generally accepted accounting principles. The 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. The District does not have any investments that are measured using Level 1 and 3 inputs. Fair values are based on quoted market prices for similar securities in markets that are not active, and model-based techniques for which all significant assumptions are observable in the market, resulting in a Level 2 valuation.

**J. Concentration Risk**

The City and the VFWD investment policies regarding the amount that can be invested in any one issuer are stipulated by the California Government Code. However, these entities are required to disclose investments that represent a concentration of 5% or more of investments in any one issuer, held by individual Funds in the securities of issuers other than U.S. Treasury securities, mutual funds and external investment pools.

At June 30, 2025, these entities' investments that represent a concentration of investments in the securities of any individual issuers, other than U.S. Treasury securities, mutual funds or external investment parts, are set forth below.

**City Concentration Risk**

City did not have any investment that qualified over the concentration risk.

**VFWD Concentration Risk**

The VFWD had no investments in the securities of any individual issuer, other than U.S. Treasury securities, mutual funds, and external investment pools, that represent 5% or more of total investments for the fiscal year ended June 30, 2025.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 2 - CASH AND INVESTMENTS (CONTINUED)**

**K. Custodial Credit Risk**

The custodial credit risk for cash deposits is the risk that, in the event of the failure of the financial institution holding the deposits, the depositor will not be able to recover the value of its deposits.

At June 30, 2025, the VFWD deposit and investment balances were exposed to custodial risk as follow:

Deposits - uninsured and collateralized with securities held by the pledging bank's trust department or agent not in the District's name \$6,100,807.

**NOTE 3 - INTERFUND TRANSACTIONS**

**A. Transfers Between Funds**

Transfers between funds during the fiscal year ended June 30, 2025, were as follows:

Fund Making Transfers	Fund Receiving Transfers	Amount Transferred	
General Fund:	Other Governmental Funds	\$ 1,099,613	(A)(B)(C)
	Capital Outlay Fund/Measure P Capital Projects	25,271,060	(A)(C)(D)
	Other Enterprise Funds	1,467,113	(B)(C)
	Equipment Replacement	1,677,039	(A)
	General Liability Internal Service Fund	2,350,000	(A)
Special Revenue Funds:			
Other Governmental Funds	General Fund	71,884	(A)
	Other Governmental Funds	800,000	(C)
	Other Enterprise Funds	260,000	(A)
Capital Projects Funds:			
Other Governmental Funds	General Fund	606,176	(A)
	Housing Authority Special Revenue Fund	190,000	(E)
Enterprise Funds:			
Other Enterprise Funds	General Fund	500,000	(A)
Internal Service Funds:			
Workers Comp	General Liability	900,000	(A)
Total		<u>\$ 35,192,885</u>	

- (A) To Fund City Operations
- (B) To Fund Debt Service Payments
- (C) To Fund Capital Program Projects
- (D) To Transfer Technology Surcharge Fees to Capital Projects Fund
- (E) To Fund Affordable Housing

**B. Current Interfund Balances**

As of June 30, 2025, the City's Workers' Compensation Insurance Internal Service Fund had provided \$5,266,078 in short-term lending to other governmental funds with deficit cash positions. It is the City's practice to use the City's Workers' Compensation Insurance Internal Service Fund to cover temporary cash shortfalls, as this fund is primarily funded by the General Fund. Additionally, the Workers' Compensation Insurance Internal Service Fund has built a sufficient cash reserve to be able to cover the temporary cash shortfalls in other funds. These balances are expected to be repaid shortly after the end of the fiscal year upon receipt of grant or other reimbursements.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 3 - INTERFUND TRANSACTIONS (CONTINUED)**

	<u>Due from Other Funds</u>	<u>Due to Other Funds</u>
Governmental Fund:		
Other Governmental	\$ -	\$ 5,189,959
Internal Service Fund:		
Payroll benefits		76,119
Workers' Comp	5,266,078	-
Total	<u>\$ 5,266,078</u>	<u>\$ 5,266,078</u>

**C. Long-Term Interfund Advances**

At June 30, 2025 the funds below made advances that are not expected to be repaid within the next year:

(Asset)	(Liability)	
<u>Fund Making Advance</u>	<u>Funds Receiving Advance</u>	Amount
General Fund	Fiber Optic Enterprise Fund	\$ 530,000
	Marina Enterprise Fund	8,498,950
	Golf Enterprise Fund	4,206,949
	Vallejo Station Parking Enterprise Fund	1,359,984
	Allowance for Collectability	<u>(14,065,883)</u>
Net Advances	Total	<u>\$ 530,000</u>

*Fiber Optic Fund*

In Fiscal Year 2018, the General Fund advanced \$830,000 to the Fiber Optic Enterprise Fund to provide a capital and operating reserve, allowing the project to move forward until revenues commence. Amended payments of \$150,000 are due annually on June 30, 2025 through June 30, 2028 and one final payment of \$80,000 on June 30, 2029 to allow the fund to generate sufficient revenues to make the debt service payments.

*Subsidies Allowance*

Cumulative to June 30, 2025, the General Fund has advanced \$8,498,950 to the Marina Enterprise Fund, \$4,206,949 to the Golf Enterprise Fund and \$1,359,984 to the Vallejo Station Parking Enterprise Fund. These General Fund advances are offset with a 100% allowance for collectability since there are currently no repayment plans established for these loans. However, the City is anticipating that these funds would have sufficient resources to make repayments in the future with the increased user fees, proposed Golf and Housing development, and downtown parking improvements and enforcements.

In Fiscal Year 2025, the Golf Enterprise Fund repaid \$500,000 of its outstanding advance from General Fund. This repayment reflects improved operating performance. While a full repayment schedule has not yet been formalized, this partial payment demonstrates the fund's capacity to begin reducing its outstanding balance over time.

**D. Internal Balances**

Internal balances are presented in the Entity-wide financial statements only. They represent the net interfund receivables and payables remaining after the elimination of all such balances within governmental and business-type activities.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 4 - NOTES & LOANS RECEIVABLE**

**A. Summary of Notes and Loans Receivable**

The following notes and loans receivable were outstanding as of June 30, 2025. These loans are not anticipated to be fully collected within the year:

Type of Loans	Fund Type	Amount
<b>Primary Government and Blended Component Units:</b>		
<u>Housing Programs</u>		
Housing Authority Programs	Major Governmental	
Affordable Housing (20% Set Aside)		
Eden Housing		\$ 1,600,000
Avian Glen		3,093,750
Citizen Housing		2,500,000
Solano Vallejo AR, L.P-Solano Vista I		600,000
Single Family Residential		296,933
Firm Foundation Community Housing		3,298,260
Temple Arts Lofts		750,000
Accrued Interest		4,313,605
Residential Rehabilitation		246,592
Vallejo Housing Collaborative		672,532
		17,371,672
HOME Program	Non-Major Governmental	
Avian Glen		900,000
Temple Arts Lofts		495,734
Vallejo Housing Collaborative		100,000
Habitat for Humanity		93,735
Vallejo PSH, LP		495,229
Single Family Residential		1,700,162
Accrued Interest		891,893
		4,676,753
Community Development Block Grant	Non-Major Governmental	
Reynaissance Family Center		920,362
Bay Area Community Services		240,000
Temple Art Lofts		400,000
Single Family Residential		241,374
Accrued Interest		877,396
		2,679,132
Neighborhood Stabilization Program	Non-Major Governmental	
Temple Arts Lofts		1,437,844
Community Housing Development Program		493,315
Single Family Residential		268,383
Accrued Interest		705,725
		2,905,267
General Fund	Major Governmental	
Vallejo PSH, LLP		1,691,481
Firm Foundation Community Housing		2,879,665
Sereno Village Apartments		777,221
Temple Arts Lofts		23,821
Accrued interest		450,126
		5,822,314
Neighborhood Park Funds	Non-major Governmental	
Sereno Village Apartments		138,760
Accrued Interest		61,391
		200,151

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 4 - NOTES & LOANS RECEIVABLE (CONTINUED)**

Type of Loans	Fund Type	Amount
Transportation Impact Mitigation Fund	Non-major Governmental	
Temple Art Lofts		89,088
		89,088
Hiddenbrooke Overpass Fund	Non-major Governmental	
Empress Theater		
Accrued Interest		155,488
		155,488
Arts and Convention Center Fund	Non-major Governmental	
Exmpress Theater		
Accrued Interest		1,243,898
		1,243,898
Bridge Construction Fund	Non-major Governmental	
Georgia Street Extension		
Accrued Interest		160,730
		160,730
Total Notes and Loans Receivable		\$ 35,304,493

**B. Affordable Housing and Residential Rehabilitation**

On February 1, 2012, the Housing Authority elected to become the Housing Successor of the former Redevelopment Agency (RDA) under the provisions of AB 1484 and assumed the RDA housing assets. These assets include the following various loans granted to developers under the affordable housing programs.

**\$ 1,600,000** In June 30, 2018, the Housing Authority entered into a loan agreement with Eden Housing, Inc., in the amount of \$1,600,000. The proceeds of the loan were used to partially fund the plan, development, and construction of seventy-six housing units on Sacramento Street for extremely low-income individuals and households. The loan bears simple interest of 2% and is repayable from residual receipts as defined in the agreement. The loan will be secured by a deed of trust on the property and unpaid principal and interest is due on or before the fifty-fifth anniversary of the promissory note. As of June 30, 2022, the developer had drawn down the full \$1,600,000 of the loan proceeds.

**\$ 3,093,750** In August 2004, the former Redevelopment Agency of the City of Vallejo entered into an acquisition loan agreement in the amount of \$750,000 and a permanent financing loan agreement in the amount of \$2,343,750 with Avian Glen. The loans were used to partially fund the construction of a multi-family residential housing complex containing 87 units. The term of the promissory note is 30 years at 3% interest per annum and repayable from surplus cash as defined in the agreement.

**\$ 2,500,000** In July 2003, the former Redevelopment Agency of the City of Vallejo entered into an acquisition loan agreement in the amount of \$600,000 and a permanent financing loan agreement in the amount of \$1,900,000 with Sereno Village Associates to partially fund the construction of a multi-family residential housing complex containing 125 units. It was agreed to defer repayment of these notes until the VSFCD note and City/GVRD notes are repaid in full. The term of the promissory note is 3% interest per annum with payments made from pro-rated share of Net Surplus Cash from the project.

**NOTE 4 - NOTES & LOANS RECEIVABLE (CONTINUED)**

- \$ 600,000** In December 2002, the former Redevelopment Agency of the City of Vallejo entered into a loan agreement with the Builders Alliance for Affordable Housing II, L.P. in the original amount of \$500,000 with a term of 30 years and 5 % simple interest to assist covering the costs for the development of a 96-unit senior housing project on the property commonly known as Solano Vista Senior Apartments. In December 2018, an assumption and assignment agreement was entered into between Builder Alliance for Affordable Housing II, L.P. and Solano Vallejo AR L.P., where the original note shall be cancelled and superseded by the amended and restated note. The City capitalized \$100,000 of accrued interest from the remaining loan balance. As a result of entering this agreement, the new principal loan balance is \$600,000 with a term of 40 years and a simple interest rate of 5% starting December 2018.
- \$ 296,933** These various residential purchase and rehabilitation loan programs were offered to qualifying low- to moderate- income individuals by the former Redevelopment Agency through the Affordable Housing Special Revenue Fund. These loans are secured by first or second mortgages on the residential property and are insured by private guaranty mortgage insurance. The terms vary greatly depending on the ability of the property owner to repay the loan. Interest rates on these loans range from 3.0% to 8.0% and the principal maturity dates range from 5 years to 30 years. Deferred interest loans are offered as well as below-market-rate 30-year loans. Interest income is recorded as payments are received.
- \$ 750,000** In October 2010, the former Redevelopment Agency of the City of Vallejo entered into a loan agreement in the original amount of \$750,000 with Temple Art Loft Associates, L.P. This loan will partially fund the acquisition and rehabilitation of two existing buildings at 707-715 Marin Street. The term of the loan is payable either at the sale of the housing project or at 57 years, and a simple interest of 3% per annum.
- \$3,298,260** In March 2024, the Housing Successor Agency of the City of Vallejo and Firm Foundation Community Housing entered into a loan agreement with a principal sum of no more than \$3,300,000. The purpose of this agreement is to effectuate the Permanent Support Housing project for 2441 Broadway Street by providing financial assistance to the Borrower to pay for certain costs associated with the development and construction of the Project, consisting of approximately 47affordable and/or PSH units plus 1 unrestricted manager's unit. As of June 2025, only \$3,298,260 has been drawn down. The term of the loan is payable either at the sale of the Housing project or at 55 years, and a simple interest of 3% per annum.

In addition, the Housing Authority had entered into loan agreements with the following developers under its residential purchase and rehabilitation programs:

- \$ 246,592** The residential rehabilitation loan is a single loan entered into December 2011 with Temple Art Lofts Associates, L.P. The principal shall be due and payable in full upon the 55th anniversary of the date of the note. As long as no Event of Default occurs prior to the maturity date, borrower shall not be obliged to pay periodic payments of principal and or interest on the principal amount. The outstanding balance at June 30, 2025 remains at \$246,592 and recorded in the Section 8 Operating Reserve Fund.

**NOTE 4 - NOTES & LOANS RECEIVABLE (CONTINUED)**

**\$ 672,532** In July 2014, the Housing Authority entered into a loan agreement with Vallejo Housing Collaborative, LLC, in the amount of \$900,000. The proceeds of the loan will be used to partially fund the acquisition, rehab and operations of ten to twelve properties that are improved with housing to provide permanent housing for extremely low-income individuals and households transitioning from homelessness. The loan bears simple interest of 3% and is repayable from residual receipts as defined in the agreement. The loan is secured by up to two deeds of trust on the properties and unpaid principal and interest is due on or before the thirtieth anniversary of the promissory note. As of June 30, 2025, the developer has drawn down \$672,532 of the loan proceeds. This amount is recorded in the Section 8 Operating Reserve Fund and Section 8 Administration Program Fund.

**C. HOME Program, CDBG Program, and NSP Program**

Various residential purchase and rehabilitation loan programs are offered to qualifying low- to moderate- income individuals by the City through the, HOME, CDBG and NSP Programs. The loan portfolio also includes loans made to affordable housing developers for rental housing projects.

**\$ 900,000** In June 2006, the City entered into a loan agreement with Avian Glen to provide additional funding for the construction of a multi-family residential housing complex containing 87 units. The term of the promissory note is 30 years at 3% interest per annum.

**\$ 495,734** In March 2011, the City entered into a loan agreement with Temple Art Loft Associates, L.P. to provide additional funding from HOME program for the construction and rehabilitation of 2 existing buildings located at 707-715 Marin Street. The term of the promissory note is 57 years at 3% interest per annum.

**\$ 100,000** In July 2014, the City entered into a loan agreement with Vallejo Housing Collaborative using HOME funds to partially fund the same project funded with loan from Vallejo Housing Authority. The term of the promissory note is 30 years at 3% interest per annum and repayable from residual receipts as defined in the agreement.

**\$ 93,735** In July 2016, the City entered into a loan agreement with Solano-Napa Habitat for Humanity for the acquisition and development of owner-occupied affordable housing of a single-family home located at 760 Tregaskis Avenue in Vallejo. The loan term is 5 years at 0% simple interest and principal payments are deferred. Management is working on establishing new loan terms with the borrower.

**\$ 495,229** In December 2023, the City entered into a loan agreement with Vallejo PSH, L.P. to partially fund the construction costs of the Blue Oak Landing project at 2118 Sacramento Street. The term of the promissory note is 55 years at 3% interest per annum.

**\$ 1,700,162** Various loans granted for residential purchase and rehabilitation for qualifying low to moderate income individuals through the HOME program.

**\$ 920,362** The City entered into a loan agreement with Reynaissance Family Center for purchase and rehabilitation of a real property located at 2160 Sacramento Street in Vallejo. This loan was due and payable at 3% on December 31, 2017. At the option of the City Council, the loan could be deferred/extended for an additional ten years if the center is still in operation. Management is working on establishing new loan terms with the borrower.

**NOTE 4 - NOTES & LOANS RECEIVABLE (CONTINUED)**

- \$ 240,000** In February 2002, the City entered into a loan agreement with Youth and Family services for "Rosewood House" a six-bed transitional housing facility. In 2014, Youth and Family Services ceased operations and defaulted on loan. In 2015 Bay Area Community Services expressed interest in assuming loan and was assigned loan. This loan was due and payable June 30, 2022 at interest rate of 3% per annum. Loan will be considered paid in full by the city if property is utilized continuously by borrower for transitional housing with supportive service and Annual Performance reports required by HUD are submitted.
- \$ 400,000** In March 2011, the City entered into a loan agreement with Temple Art Loft Associates, L.P. to provide additional funding from CDBG program for the rehabilitation of 2 existing buildings located at 707-715 Marin Street. The term of the promissory note is 57 years at 3% interest per annum.
- \$ 241,374** Various loans granted for residential purchase and rehabilitation for qualifying low to moderate income individuals through the CDBG program. These loans are secured by first or second mortgages on the residential property and are insured by private guaranty mortgage insurance. The terms vary greatly depending on the ability of the property owner to repay the loan. Interest rates on these loans range from 3.0% to 5.0% and the principal maturity dates range from 5 years to 30 years.
- \$ 1,437,844** In March 2011, the City entered into a loan agreement with Temple Art Loft Associates, L.P. from NSP program funds for the rehabilitation of 2 existing buildings located at 707-715 Marin Street. The term of the promissory note is 57 years at 3% interest per annum.
- \$ 493,315** In May 2019, the City entered into a loan agreement with Community Housing Development Corporation (CHDC) in the amount of \$969,612. The CHDC has drawn \$493,315 of the loan for the acquisition of real property located at 759, 747, 720 and 726 Sonoma Boulevard in Vallejo for low-income owner occupied housing project. The loan term is 0% simple interest and principal payments are deferred. The loan is due and payable no later than May 14, 2024. However, the City may, at its option, extend the note for an additional five-year term(s) subject to continuing compliance with the NSP program requirements. City is working on establishing new loan terms with the borrower.
- \$ 268,383** Various loans granted for residential purchase and rehabilitation for qualifying low to moderate income individuals through the NSP program. These loans are secured by first or second mortgages on the residential property and are insured by private guaranty mortgage insurance. The terms vary greatly depending on the ability of the property owner to repay the loan. Interest rates on these loans range from 3.0% to 5.0% and the principal maturity dates range from 5 years to 30 years.

**D. General Fund**

- \$ 1,691,481** In December 2023, the City entered into a loan agreement with Vallejo PSH, LP to recoup HOME funds disallowed by HUD for project noncompliance for the Blue Oak Landing project at 2118 Sacramento Street. The term of the promissory note is 55 years at 3% interest per annum.

**NOTE 4 - NOTES & LOANS RECEIVABLE (CONTINUED)**

**\$2,879,665** In September 2024, the City entered into a loan agreement with Firm Foundation Community Housing to support the development of a Permanent Supportive Housing project at 2441 Broadway Street. The City provided a Measure P-funded loan of \$2,879,665, bearing simple interest at 3%, to finance construction of 47 extremely low-income housing units and one manager's unit, all subject to 55-year affordability restrictions. The loan becomes due upon the earlier of the project's sale or transfer, or 55 years after issuance of a final certificate of occupancy, and includes requirements for the borrower to collaborate with the City on a tenant preference program prioritizing individuals experiencing homelessness within Vallejo.

**\$ 777,221** In May 2003, the City entered into a \$1,400,000 loan agreement with Sereno Village Associates for the development of a 125-unit very low-income rental housing project. The loan bears interest at 3 percent simple interest and is due in full 15 years from issuance. The loan is secured by a deed of trust. To the extent that excess cash flow is generated by the project, the borrower is required to repay accrued interest and principal on an annual basis. As of June 30, 2025, the outstanding balance attributable to the General Fund, including accrued interest, totaled \$1,117,197. City management is currently working with the borrower to establish revised loan terms.

**\$23,281** In December 2011, the City entered into a \$112,909 loan agreement with Temple Art Lofts Associates to pay certain impact fees, permit fees, and administrative fees related to the 707-715 Marin Street Project. The loan bears zero interest and is due and payable in full upon the 55th anniversary of the loan date, December 15, 2066. The loan is recorded in both the General Fund and the Transportation Impact Mitigation Fund. As of June 30, 2025, the portion of the loan attributable to the General Fund totaled \$23,281.

**E. Neighborhood Parks Fund**

**\$138,760** In May 2003, the City provided loan financing to Sereno Village Associates as part of a \$1,400,000 loan agreement supporting the development of a 125-unit very low-income rental housing project. The loan bears interest at 3 percent simple interest, is secured by a deed of trust, and is payable in full 15 years from issuance. Repayment of accrued interest and principal is required annually to the extent that excess project cash flow is available. As of June 30, 2025, the outstanding balance attributable to the Neighborhood Parks Fund, including accrued interest, was \$200,151. City management is currently in the process of negotiating new loan terms with the borrower.

**F. Transportation Impact Mitigation Fund**

**\$ 89,088** In December 2011, the City entered into the same \$112,909 loan agreement with Temple Art Lofts Associates to pay certain impact fees, permit fees, and administrative fees related to the 707-715 Marin Street Project. The loan bears zero interest and is due and payable in full upon the 55th anniversary of the loan date, December 15, 2066. The loan is recorded in both the General Fund and the Transportation Impact Mitigation Fund. As of June 30, 2025, the portion of the loan attributable to the Transportation Impact Mitigation Fund totaled \$89,088.

**G. Golf Cart Storage**

During fiscal year 2007, the City loaned \$350,000 to Vallejo Golf Club, Inc. for the construction of a golf cart storage building. During fiscal year 2011, the City established an allowance for collectability equal to the total amount owed of \$180,843. At June 30, 2025, the outstanding balance of this loan and the offsetting allowance were \$180,843.

**NOTE 4 - NOTES & LOANS RECEIVABLE (CONTINUED)**

**H. Long-Term Loans - Former Redevelopment Agency**

**\$ 1,560,116** From 2003 to 2006, the City had advanced \$4,296,000 to the Vallejo Central Debt Service Fund which the Agency, in turn, loaned to Empress Investment Fund, LLC, for the purpose of theater improvements, and in fiscal year 2003, the City advanced \$500,000 to the Marina Vista Debt Service Fund for the Georgia Street extension project. Repayment of these loans were contingent upon the Successor Agency receiving a Finding of Completion, as defined in Health and Safety Code Section 34179.6. After the Successor Agency receives a Finding of Completion, under the provisions of Health and Safety Code Section 34191.4(b)(2)(A), the loans can be repaid by the Successor Agency. However, the Successor Agency must apply for approval of the loans by the Oversight Board including a finding that the loans were for legitimate redevelopment purposes.

On February 12, 2015 the Oversight Board to the Successor Agency of the former Vallejo Redevelopment Agency approved these pre-dissolution loans between the City and the former Vallejo Redevelopment Agency as enforceable obligations. The DOF approved these loans as enforceable obligations in March 2015.

During the early years of the Agency (pre-1990), the City advanced start-up funds to the Agency. As of January 31, 2012, the date of dissolution of the former Redevelopment Agency, the balance of these advances, including accrued interest at that date totaled \$9,042,032. On February 12, 2015, the Oversight Board also approved these pre-1990 loans between the City and the former Vallejo Redevelopment Agency as enforceable obligations, but the DOF overturned the approval. However, a change in Health and Safety Code Section 34191.4 during fiscal year 2016 provided for the reestablishment of these prior loans as enforceable obligations so long as they were approved by the Oversight Board. On January 28, 2016, the Oversight Board passed resolution OB 16-002 to reaffirm its approval of the Pre-1990 loans.

However, the DOF continued to deny approval of the pre-1990 loans as enforceable obligations during the Recognized Obligation Payment Schedule (ROPS) process. Due to the uncertainty of State approval, the City reports these loans their full value of \$3,450,964, with an offsetting allowance as of June 30, 2025.

The loan balances as of June 30, 2025 are as follows:

	<u>Principal</u>	<u>Accrued Interest</u>	<u>Total</u>
Hiddenbrooke Overpass Capital Projects Fund	\$ -	\$ 155,488	\$ 155,488
Bridge Construction Capital Projects Fund	-	160,730	160,730
Arts and Convention Center Capital Projects Fund	-	1,243,898	1,243,898
General Fund:			
Waterfront	162,805	894,799	1,057,604
Marina Vista	-	647,510	647,510
Central	708,372	1,037,478	1,745,850
Less Allowance for Doubtful Accounts	(871,177)	(2,579,787)	(3,450,964)
	<u>\$ -</u>	<u>\$ 1,560,116</u>	<u>\$ 1,560,116</u>

The loans bear simple interest of 3%. Repayment of these loans is governed by Health and Safety Code Section 34176(e)(6) and the maximum annual repayment is limited based on calculations in that Code Section. Repayment installments were approved by the State Department of Finance starting fiscal year 2016-17 through the annual ROPS process.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 4 - NOTES & LOANS RECEIVABLE (CONTINUED)**

**I. VFWD Notes and Loans**

Notes receivable at June 30, 2025, consisted of the following:

Note receivable with Sereno Village Associates for connection fees dated November 19, 2002, in the principal amount of \$351,635, secured by deed of trust, bearing simple interest at 3% payable from net surplus cash with the entire unpaid interest and principal due in 15 years. As of June 30, 2025, the Note is still outstanding and management is still working on establishing new loan terms with Sereno Village. Management deems the note as collectible. \$ 248,860

Note receivable between the District and District employees for the Computer Literacy program that allows employees to borrow, an amount approved by the District Manager, to purchase personal computers. The principal balance amount of \$31,309, with the rate of interest equal to the rate of interest being earned by District that shall not exceed 9% is to be paid off within 36 months from the date of the loan. 5,559

Total \$ 254,419

**NOTE 5 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS**

**City and Housing Authority**

**A. Governmental Activities**

As of June 30, 2025, the City as a lessor, has 46 qualified leases under GASB Statement No., 87. These agreements involve the leasing of land, office space, facilities and telecommunications infrastructure to various lessees. Leases were initially measured on July 1, 2021, with the City's adoption of the new lease standards. The City also had inflows of resources during the fiscal year totaling \$1,115,578. This includes \$987,222 of lease revenue, \$129,872 of interest revenue and \$61,465 of variable and deletions of \$62,981 excluded in the initial measurement of the lease receivables. The balance of deferred inflows or resources associated with the City's leases agreements is \$10,061,328.

The following is a summary of the 46 qualified leases and description of the lease arrangements and the balance of the deferred inflow of resources associated with the leases:

Lease	Lease Receivable			Inflows of Resources				
	Balance at 6/30/2024	Principal Payments	Deletions	Balance at 6/30/25	Lease Revenue	Interest Revenue	Deletions	Variable Payments
Land	\$ 4,818,587	\$ (93,352)	\$ (75,676)	\$ 4,649,559	\$ 193,661	\$ 48,561	\$ (62,981)	\$ 43,330
Office and Related Space	884,952	(383,309)	-	501,643	266,875	9,802	-	-
Telecommunications	6,293,145	(338,008)	-	5,955,137	526,686	71,509	-	18,135
<b>Total</b>	<u>\$ 11,996,684</u>	<u>\$ (814,669)</u>	<u>\$ (75,676)</u>	<u>\$ 11,106,339</u>	<u>\$ 987,222</u>	<u>\$ 129,872</u>	<u>\$ (62,981)</u>	<u>\$ 61,465</u>

Land Leases - The City is the lessor for 7 ground lease agreements related to land including railroad track, certain tide and submerged lands with varied terms and the latest expiring on September 30, 2066. Interest rates vary between .90% to 2.1%. Total payments for the current year ranged from \$1,200 to \$57,131.

Office and Related Space Lease - On July 31, 2019, the City assumed the existing agreement between Alsation Land Company Vallejo, LLC and Veteran's Administration for the lease of office and related space in 400 Mare Island Way. The lease is for twenty years which includes a termination option that the City is reasonably certain will be exercised by lessee after the ten-year firm term end date in 2027. Interest rate is 1.5%. Total monthly payments received for the current year was \$393,111.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 5 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)**

Telecommunication Leases - The City entered into 38 lease agreements with wireless providers (AT&T, Verizon, T-Mobile, Mobilitie) related to telecommunications. These agreements are for the installation, operation, and maintenance of telecommunication sites, mounting structures and equipment associated with the transmission and reception of radio communication signals. These agreements are all qualified leases under GASB Statement No. 87 with periods covering various ranges and the latest expiring on February 28, 2047. Interest rates range from .90% to 1.5%. Total payments for the current year varied from \$1,342 to \$54,036.

Future annual lease receivables as of June 30, 2025, are as follows:

Fiscal Year Ended	Principal	Interest	Total
2026	\$ 1,056,349	\$ 216,539	\$ 1,272,888
2027	794,793	148,109	942,902
2028	609,628	139,121	748,749
2029	644,921	130,754	775,675
2030	681,938	121,830	803,768
2031 - 2035	2,117,773	500,072	2,617,845
2036 - 2040	1,643,923	365,393	2,009,316
2041 - 2045	1,634,800	236,891	1,871,691
2046 - 2050	1,276,616	116,334	1,392,950
2051 - 2055	199,689	58,036	257,725
2056 - 2060	194,806	38,856	233,662
2061 - 2065	218,607	17,412	236,019
2066 - 2067	32,496	682	33,178
Total	\$ 11,106,339	\$ 2,090,029	\$ 13,196,368

The remaining agreements that are not qualified under GASB Statement No. 87 are either short-term in nature, do not meet the City's threshold or outside the scope of the standard. These non-qualified lease agreements have not been recognized and measured as part of the City's lease receivable, and the receipts related to these agreements are recognized as revenue as appropriate under standard GAAP revenue recognition rules.

**VFW**

The District has entered into a lease agreement with New Inspiration Broadcasting Company, Inc. for certain land on Tubbs Island, California for use as a tower site. The terms of this agreement include monthly rental payments increasing annually based on the Consumer Price Index (CPI) for all Urban Consumers for the San Francisco/Oakland/San Jose Metropolitan Area published by the United States Department of Labor. This lease commenced on April 1, 2021. The lease receivable was discounted to a net present value at April 1, 2021 using a 0.5% interest rate and CPI increase of 2.2% per year. For the year ended June 30, 2025, the District reviewed and updated its capitalization threshold for leases in accordance with Governmental Accounting Standards Board (GASB) Statement No. 87, Leases. Based on the updated threshold, certain lease receivables that would otherwise meet the recognition criteria under GASB 87 fall below the District's capitalization threshold. Accordingly, no lease receivable or corresponding deferred inflow of resources has been recognized for this lease arrangements in the financial statements. Lease payments received under these arrangements are recognized as revenue when earned. Management has assessed that the omission of recognition does not have a material effect on the financial statements. See Note 12 for additional restatement amounts at June 30, 2025.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 5 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)**

**B. Lease Payable**

Lease agreements are summarized as follows:

Description	Balance June 30, 2024	Adjustments	Additions	Retirement	Balance June 30, 2025	Current Portion
<b>Governmental Activities</b>						
Equipment - Copiers - Xerox	\$ 56,941	\$ 5,778	\$ 17,782	\$ (18,610)	\$ 61,891	\$ 21,917
Property - 301 Farragut Street	3,529,230	(5,778)	-	(88,460)	3,434,992	87,742
<b>Total Governmental Activities</b>	<b>3,586,171</b>	<b>-</b>	<b>17,782</b>	<b>(107,070)</b>	<b>3,496,883</b>	<b>109,659</b>
<b>Business-type Activities</b>						
Equipment - Copiers - Xerox	19,978	-	15,238	(8,296)	26,920	8,680
Equipment - Golf Cart	-	-	958,878	(95,873)	863,005	190,974
Equipment - Messer	16,766	-	-	(16,766)	-	-
<b>Total Business-Type Activities</b>	<b>36,744</b>	<b>-</b>	<b>974,116</b>	<b>(120,935)</b>	<b>889,925</b>	<b>199,654</b>
<b>Total</b>	<b>\$ 3,622,915</b>	<b>\$ -</b>	<b>\$ 991,898</b>	<b>\$ (228,005)</b>	<b>\$ 4,386,808</b>	<b>\$ 309,313</b>

The City of Vallejo has fully adopted and implemented GASB87 standard in which the City recognizes leased equipment lease liability and a lease asset. Leased equipment includes lease agreements with Xerox Company for eleven copiers with term in months ranging from 36-60 with fixed interest ranging from 0.25% to 2.35%. In addition, the City has a lease with Messer equipment for Water Department with a 36 month term with a fixed 2.35% interest rate. Leased equipment also includes one PNC agreement for Golf Cart for term of 60 months with a fixed 3% interest rate.

Annual requirements to amortize long-term lease obligations and related interest are as follows:

Ending June 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 109,659	\$ 51,780	\$ 199,654	\$ 2,306	\$ 309,313	\$ 54,086
2027	108,886	50,064	200,216	1,743	309,102	51,807
2028	105,808	48,581	199,991	1,136	305,799	49,717
2029	96,403	46,906	193,698	603	290,101	47,509
2030	93,162	45,505	96,366	119	189,528	45,624
2031-2035	487,224	206,110	-	-	487,224	206,110
2036-2039	2,495,741	138,926	-	-	2,495,741	138,926
<b>Totals</b>	<b>\$ 3,496,883</b>	<b>\$ 587,872</b>	<b>\$ 889,925</b>	<b>\$ 5,907</b>	<b>\$ 4,386,808</b>	<b>\$ 593,779</b>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 5 - LEASES AND SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (CONTINUED)**

**C. Subscription-Based Information Technology Arrangements**

The City has entered into various SBITAs as the subscriber for the use of software solution. The subscription liability range was from \$53,256 to \$1,415,541. As of June 30, 2025, the total value of the subscription liability was \$3,013,225. The subscriptions have interest rates ranging from 2.32% to 3.18%. Information on the subscription assets as of June 30, 2025 are as follows:

Subscription Type	Amount of SBITA Capital Assets	Accumulated Amortization
Governmental Activities		
Software as a service	\$ 4,026,071	\$ 945,268
Business-type Activities		
Software as a service	328,906	211,440
<b>Total</b>	<b>\$ 4,354,977</b>	<b>\$ 1,156,708</b>

Information on the subscription liabilities as of June 30, 2025 are as follows:

Description	Balance June 30, 2024	Additions	Retirement	Balance June 30, 2025	Current Portion
Governmental Activities					
Software liability	\$ 504,039	\$ 3,643,372	\$ (1,270,423)	\$ 2,876,988	\$ 635,177
Business-type Activities					
Software liability	282,832	-	(146,595)	136,237	136,237
<b>Total</b>	<b>\$ 786,871</b>	<b>\$ 3,643,372</b>	<b>\$ (1,417,018)</b>	<b>\$ 3,013,225</b>	<b>\$ 771,414</b>

The future principal and interest subscription payments as of June 30, 2025, were as follows:

Ending June 30,	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2026	\$ 635,177	\$ 72,573	\$ 136,237	\$ 4,154	\$ 771,414	\$ 76,727
2027	728,667	55,140	-	-	728,667	55,140
2028	803,073	36,896	-	-	803,073	36,896
2029	710,071	17,381	-	-	710,071	17,381
<b>Totals</b>	<b>\$ 2,876,988</b>	<b>\$ 181,990</b>	<b>\$ 136,237</b>	<b>\$ 4,154</b>	<b>\$ 3,013,225</b>	<b>\$ 186,144</b>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 6 - CAPITAL ASSETS**

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated acquisition value on the date contributed.

Capital assets with limited useful lives are depreciated over their estimated useful lives. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is determined using the half year convention method, which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year, but only half of the full year depreciation is charged in the first year, while the other half is charged in the last year of depreciation or in the year the asset is sold or retired.

The City has assigned the useful lives and capitalization thresholds listed below to capital assets.

	Useful Lives	Capitalization Threshold
Land	N/A	Capitalize All
Easements	N/A	\$ 500,000
Land Improvements	25 to 60 Years	50,000
Buildings and Improvements	5 to 50 Years	50,000
Machinery and Equipment	5 to 25 Years	5,000
Internally Developed Software	2 to 5 Years	500,000
Purchased Software	2 to 5 Years	50,000
Right-to-use assets		5,000
Machinery and Equipment	Shorter of the lease term or 2-5 years	5,000
Subscription assets	Shorter of subscription term or 2-5 years	50,000
Infrastructure:		
Traffic Signals	5 to 25 Years	50,000
Street Lights	15 to 50 Years	50,000
Bridges and Culverts	15 to 60 Years	50,000
Sidewalks, Curbs and Gutters	15 to 40 Years	50,000
Streets and Roads	15 to 40 Years	50,000

Improvements to existing infrastructure assets in excess of \$50,000 are capitalized if: the estimated useful life of the existing asset has been extended by at least 25%; or the capacity of the existing asset has been substantially improved; or the quality of the output of the existing asset has been substantially improved.

The VFWD capitalizes applicable assets greater than \$10,000 and the VFWD has assigned the useful lives listed below to capital assets:

Wastewater Treatment Plant and Facilities	5 to 40 Years
Wastewater and Storm Warm Pump Stations	5 to 25 Years
Wastewater Collection and Storm Water Transmissions Systems	5 to 50 Years
Buildings and Improvements	5 to 40 Years
Machinery and Equipment	5 to 25 Years
Right-of-use lease assets	3 to 10 Years

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

**A. Governmental Capital Asset Activity**

	Balance June 30, 2024	Additions	Deletions	Transfers	Balance June 30, 2025
Governmental activities:					
Capital assets, not being depreciated/amortized					
Land	\$ 116,109,761	\$ -	\$ -	\$ -	\$ 116,109,761
Construction-in-progress	44,783,817	15,137,984	(18,078,141)	(1,571,705)	40,271,955
Total capital assets, not being depreciated/amortized	<u>160,893,578</u>	<u>15,137,984</u>	<u>(18,078,141)</u>	<u>(1,571,705)</u>	<u>156,381,716</u>
Capital assets, being depreciated					
Buildings and Improvements	126,319,561	97,402	-	-	126,416,963
Machinery and equipment	55,251,541	3,307,451	(711,854)	-	57,847,138
Infrastructure	304,372,520	-	-	1,571,705	305,944,225
Total capital assets, being depreciated	<u>485,943,622</u>	<u>3,404,853</u>	<u>(711,854)</u>	<u>1,571,705</u>	<u>490,208,326</u>
Less accumulated depreciation					
Buildings and Improvements	(70,783,830)	(5,536,406)	-	-	(76,320,236)
Machinery and equipment	(40,209,952)	(3,549,017)	694,021	-	(43,064,948)
Infrastructure	(178,979,071)	(1,624,857)	-	-	(180,603,928)
Total accumulated depreciation	<u>(289,972,853)</u>	<u>(10,710,280)</u>	<u>694,021</u>	<u>-</u>	<u>(299,989,112)</u>
Right-to-use assets being amortized					
Right-to-use lease property	3,604,302	-	-	-	3,604,302
Right-to-use lease machinery and equipment	32,318	17,783	(13,480)	-	36,621
Right-to-use subscription software	970,438	3,524,704	(469,071)	-	4,026,071
Total right-to-use assets	<u>4,607,058</u>	<u>3,542,487</u>	<u>(482,551)</u>	<u>-</u>	<u>7,666,994</u>
Less accumulated amortization					
Right-to-use lease machinery and equipment	(28,668)	(21,448)	13,480	-	(36,636)
Right-to-use subscription software	(522,420)	(738,189)	315,341	-	(945,268)
Total accumulated amortization	<u>(551,088)</u>	<u>(759,637)</u>	<u>328,821</u>	<u>-</u>	<u>(981,904)</u>
Total capital assets, being depreciated/amortized, net	<u>200,026,739</u>	<u>(4,522,577)</u>	<u>(171,563)</u>	<u>1,571,705</u>	<u>196,904,304</u>
Total governmental activities capital assets	<u>\$ 360,920,317</u>	<u>\$ 10,615,407</u>	<u>\$(18,249,704)</u>	<u>\$ -</u>	<u>\$ 353,286,020</u>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

**B. Business-Type Capital Asset Activity**

	Balance June 30, 2024	Adjustments	Additions	Deletions	Transfers	Balance June 30, 2025
Business-type activities:						
Capital assets, not being depreciated/ amortized						
Land	\$ 17,405,624	\$ -	\$ -	\$ -	\$ -	\$ 17,405,624
Construction-in-progress	20,192,273	-	12,840,871	-	(1,084,110)	31,949,034
<b>Total capital assets, not being depreciated/ amortized</b>	<b>37,597,897</b>	<b>-</b>	<b>12,840,871</b>	<b>-</b>	<b>(1,084,110)</b>	<b>49,354,658</b>
Capital assets, being depreciated						
Buildings and Improvements	93,671,865	-	-	-	128,948	93,800,813
Machinery and Equipment	27,462,870	-	394,817	-	500,240	28,357,927
Infrastructure	166,388,764	-	299,724	-	454,922	167,143,410
<b>Total capital assets, being depreciated</b>	<b>287,523,499</b>	<b>-</b>	<b>694,541</b>	<b>-</b>	<b>1,084,110</b>	<b>289,302,150</b>
Less accumulated depreciation						
Buildings and Improvements	(69,923,304)	(63,912)	(1,519,950)	-	-	(71,507,166)
Machinery and Equipment	(17,168,144)	63,912	(1,238,221)	-	-	(18,342,453)
Infrastructure	(122,778,048)	-	(2,243,006)	-	-	(125,021,054)
<b>Total accumulated depreciation</b>	<b>(209,869,496)</b>	<b>-</b>	<b>(5,001,177)</b>	<b>-</b>	<b>-</b>	<b>(214,870,673)</b>
<b>Total assets being depreciated, net</b>	<b>77,654,003</b>	<b>-</b>	<b>(4,306,636)</b>	<b>-</b>	<b>1,084,110</b>	<b>74,431,477</b>
Right-to-use assets being amortized						
Right-to-use machinery and equipment	86,823	-	974,116	(63,295)	-	997,644
Right-to-use subscription software	390,673	-	-	(61,767)	-	328,906
<b>Total right-to-use assets being amortized</b>	<b>477,496</b>	<b>-</b>	<b>974,116</b>	<b>(125,062)</b>	<b>-</b>	<b>1,326,550</b>
Less accumulated amortization for						
Right-to-use machinery and equipment	(50,602)	-	(162,201)	63,295	-	(149,508)
Right-to-use subscription software	(111,658)	-	(161,549)	61,767	-	(211,440)
<b>Total accumulated amortization</b>	<b>(162,260)</b>	<b>-</b>	<b>(323,750)</b>	<b>125,062</b>	<b>-</b>	<b>(360,948)</b>
<b>Total right-to-use assets, net</b>	<b>315,236</b>	<b>-</b>	<b>650,366</b>	<b>-</b>	<b>-</b>	<b>965,602</b>
<b>Total capital assets, being depreciated/ amortized, net</b>	<b>77,969,239</b>	<b>-</b>	<b>(3,656,270)</b>	<b>-</b>	<b>1,084,110</b>	<b>75,397,079</b>
<b>Total business-type activities capital assets</b>	<b>\$ 115,567,136</b>	<b>-</b>	<b>\$ 9,184,601</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 124,751,737</b>

**C. City Depreciation and Amortization Allocation**

**Governmental Activities**

Executive	\$ 584,317
Finance	117,221
Community Development	286,332
Fire Services	252,028
Police Services	1,142,537
Public Works	7,041,198
Internal Service	2,046,284
<b>Total depreciation/amortization expense</b>	<b>\$ 11,469,917</b>

**Business-Type Activities**

Water	\$ 4,943,570
Marina	48,386
Golf	248,486
Parking	29,962
Fiber	54,523
<b>Total depreciation/amortization expense</b>	<b>\$ 5,324,927</b>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 6 - CAPITAL ASSETS (CONTINUED)**

**VFWD Capital Asset Activity**

	Balance at June 30, 2024	Additions	Retirements	Transfers	Balance at June 30, 2025
Capital Assets, Not Being Depreciated/Amortized:					
Land and improvements	\$ 2,810,716	\$ -	\$ -	\$ -	\$ 2,810,716
Construction in Progress	36,724,366	24,454,212	(33,691)	(7,959,922)	53,184,965
<b>Total Capital Assets, Not Being Depreciated/ Amortized</b>	<b>39,535,082</b>	<b>24,454,212</b>	<b>(33,691)</b>	<b>(7,959,922)</b>	<b>55,995,681</b>
Capital Assets Being Depreciated/Amortized:					
Buildings and Improvements	4,607,533	-	-	484,098	5,091,631
Pump stations	45,204,413	295,263	-	5,003,498	50,503,174
Plant and facilities	140,609,934	26,400	(1,316,162)	631,725	139,951,897
Collection systems	151,773,654	496,084	-	1,840,601	154,110,339
Collection systems - con cap	46,144,269	-	-	-	46,144,269
Plant and facilities - con cap	2,165,355	-	-	-	2,165,355
Machinery, equipment, vehicles	14,492,216	779,150	(283,263)	-	14,988,103
Right-to-use lease land	1,356,358	100	-	-	1,356,458
Right-to-use lease machinery, equipment and vehicles	898,872	-	(898,872)	-	-
Right-to-use subscription assets	808,556	-	(808,556)	-	-
<b>Total Capital Assets Being Depreciated/Amortized</b>	<b>408,061,160</b>	<b>1,596,997</b>	<b>(3,306,853)</b>	<b>7,959,922</b>	<b>414,311,226</b>
Less Accumulated Depreciation/Amortization for:					
Buildings and Improvements	(3,010,108)	(127,825)	-	-	(3,137,933)
Pump stations	(33,640,598)	(1,084,039)	-	-	(34,724,637)
Plant and facilities	(97,320,327)	(2,976,175)	1,314,446	-	(98,982,056)
Collection systems	(53,276,268)	(3,144,858)	-	-	(56,421,126)
Collection systems - con cap	(34,184,704)	(824,412)	-	-	(35,009,116)
Plant and facilities - con cap	(1,466,129)	(54,132)	-	-	(1,520,261)
Machinery, equipment, vehicles	(10,971,824)	(635,072)	592,672	-	(11,014,224)
Right-to-use lease assets/land assets	(106,220)	(26,605)	-	-	(132,825)
Right-to-use lease machinery, equipment and vehicles	(469,172)	-	469,172	-	-
Right-to-use subscription assets	(368,178)	-	368,178	-	-
<b>Total Accumulated Depreciation/Amortization</b>	<b>(234,813,528)</b>	<b>(8,873,118)</b>	<b>2,744,468</b>	<b>-</b>	<b>(240,942,178)</b>
<b>Net Capital Assets Being Depreciated/Amortized</b>	<b>173,247,632</b>	<b>(7,276,121)</b>	<b>(562,385)</b>	<b>7,959,922</b>	<b>173,369,048</b>
<b>Capital Assets, Net</b>	<b>\$ 212,782,714</b>	<b>\$ 17,178,091</b>	<b>\$ (596,076)</b>	<b>\$ -</b>	<b>\$ 229,364,729</b>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 7 - LONG-TERM DEBT**

The City generally incurs long-term debt to finance projects or purchase assets, which will have useful lives equal to or greater than the related debt.

For governmental fund types, bond premiums and discounts, as well as issuance costs, are recognized during the current period. Bond proceeds are reported as another financing source gross of the applicable premium or discount. Issuance costs, even if withheld from the actual net proceeds received, are reported as debt service expenditures.

For proprietary fund types, bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the year incurred. Any differences between proprietary refunded debt and the debt issued to refund it is recorded as Deferred Outflows/Inflows of Resources and amortized over the remaining life of either the refunded debt or the refunding debt, whichever is shorter.

**A. Current Year Transactions and Balances**

The City's long-term debt issues and transactions were as follows:

	Original Issue Amount	Balance at June 30, 2024	Adjustments	Additions	Retirements	Balance at June 30, 2025	Current Portion
<b>Governmental Activity Debt:</b>							
Certificates of Participation:							
1999 COPs							
(Restructured, see Note 7C)	\$ 4,815,000	\$ 1,701,517	\$ -	\$ -	\$ (235,000)	\$ 1,466,517	\$ 245,000
Total Certificates of Participation	4,815,000	1,701,517	-	-	(235,000)	1,466,517	245,000
UBOC Reimbursement Obligations:							
UBOC Tranche A - General Fund	7,813,780	725,819	-	-	(463,016)	262,803	262,803
Loan Principal	7,906,677	7,906,677	(522,720)	-	(125,671)	7,258,286	236,390
Accreted Interest	-	624,410	522,720	101,463	-	1,248,593	-
	15,720,457	9,256,906	-	101,463	(588,687)	8,769,682	499,193
Bank of America Fleet Loan	5,000,000	4,400,000	-	-	(665,000)	3,735,000	690,000
Total Loans & Note Payable	20,720,457	13,656,906	-	101,463	(1,253,687)	12,504,682	1,189,193
Financed Purchases:							
Motorola Equipment Lease (Police)	3,997,967	1,334,575	-	-	(436,208)	898,367	444,802
Total Financed Purchases	3,997,967	1,334,575	-	-	(436,208)	898,367	444,802
Total Direct Borrowings	24,718,424	14,991,481	-	101,463	(1,689,895)	13,403,049	1,633,995
<b>Total Governmental Activity Debt</b>	<b>\$29,533,424</b>	<b>\$16,692,998</b>	<b>\$ -</b>	<b>\$ 101,463</b>	<b>\$ (1,924,895)</b>	<b>\$14,869,566</b>	<b>\$ 1,878,995</b>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

	Original Issue Amount	Balance at June 30, 2024	Adjustments	Retirements	Balance at June 30, 2025	Current Portion
<b>Business-Type Activity Debt-Revenue Bonds:</b>						
2020A Water Revenue Refunding Bonds, 4%, due 5/1/30	\$ 16,750,000	\$ 6,685,000	\$ -	\$ -	\$ 6,685,000	\$ -
Plus: Unamortized Bond Premium	-	1,180,561	-	(196,760)	983,801	-
2020B Water Revenue Refunding Bonds, var. rate, due 5/1/28	20,075,000	13,135,000	-	(3,550,000)	9,585,000	3,515,000
2021A Water Revenue Bonds, var. rate, due 5/1/51	42,600,000	40,210,000	-	(855,000)	39,355,000	890,000
Plus: Unamortized Bond Premium	-	8,173,911	-	(302,738)	7,871,173	-
<b>Total Revenue Bonds</b>	<b>79,425,000</b>	<b>69,384,472</b>	<b>-</b>	<b>(4,904,498)</b>	<b>64,479,974</b>	<b>4,405,000</b>
<b>Business Activity Debt - Direct Borrowing:</b>						
UBOC Reimbursement Obligations:						
UBOC Tranche A - Golf Course	4,269,641	136,004	-	(136,004)	-	-
UBOC Tranche A - Marina	7,916,579	161,500	-	(161,500)	-	-
UBOC Tranche B - Golf Course						
Loan Principal	4,561,670	4,561,670	-	(128,172)	4,433,498	269,656
Accreted Interest	-	797,895	-	-	797,895	-
UBOC Tranche B - Marina						
Loan Principal	8,899,586	8,899,586	(170,199)	(368,733)	8,360,654	540,264
Accreted Interest	-	1,299,057	170,199	-	1,469,256	-
Other Loans & Notes Payable:						
State Safe Drinking Water 0%, due 1/1/25	68,080	1,701	-	(1,701)	-	-
State Safe Drinking Water 2.32%, due 7/1/20	-	-	-	-	-	-
<b>Total Direct Borrowings</b>	<b>25,715,556</b>	<b>15,857,413</b>	<b>-</b>	<b>(796,110)</b>	<b>15,061,303</b>	<b>809,920</b>
<b>Total Business Activity Debt</b>	<b>\$ 105,140,556</b>	<b>\$ 85,241,885</b>	<b>\$ -</b>	<b>\$ (5,700,608)</b>	<b>\$ 79,541,277</b>	<b>\$ 5,214,920</b>
	Original Issue Amount	Balance at June 30, 2024	Additions	Retirements	Balance at June 30, 2025	Current Portion
<b>VFWD:</b>						
Revenue Bonds:						
2024 Refunding Bond	\$ 18,825,000	\$ 17,070,000	\$ -	\$ (1,505,000)	\$ 15,565,000	\$ 1,585,000
Premium on bond, net	1,935,011	1,870,511	-	(193,501)	1,677,010	-
<b>Total Revenue Bonds</b>	<b>20,760,011</b>	<b>18,940,511</b>	<b>-</b>	<b>(1,698,501)</b>	<b>17,242,010</b>	<b>1,585,000</b>
Other Loans & Notes Payable - Direct Borrowings:						
State Clean Water (2008) 2.4%, due 2025	4,406,072	310,010	-	(310,010)	-	-
2021 State Revolving Fund Loan	2,025,735	26,029,247	17,300,604	-	43,329,851	-
Lease liability	-	384,126	-	(384,126)	-	-
Subscription liability	-	287,414	-	(287,414)	-	-
<b>Total Loans &amp; Notes Payable</b>	<b>6,431,807</b>	<b>27,010,797</b>	<b>17,300,604</b>	<b>(981,550)</b>	<b>43,329,851</b>	<b>-</b>
<b>Total VFWD Debt</b>	<b>\$ 27,191,818</b>	<b>\$ 45,951,308</b>	<b>\$ 17,300,604</b>	<b>\$ (2,680,051)</b>	<b>\$ 60,571,861</b>	<b>\$ 1,585,000</b>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**B. Debt Service Requirements**

Annual debt service requirements to maturity are shown below for all long-term debt:

For the Year Ending June 30	Governmental Activities			
	1999 COPs		Direct Borrowings	
	Principal	Interest	Principal (a)	Interest
2026	\$ 245,000	\$ 65,757	\$ 1,633,995	\$ 303,679
2027	260,000	52,501	1,715,935	256,785
2028	275,000	38,457	1,305,962	210,326
2029	290,000	23,625	1,344,909	171,411
2030	313,006	8,006	1,376,782	131,163
2031-2035	83,511	-	4,659,421	340,579
2036-2040	-	-	1,366,045	28,507
<b>Total</b>	<b>\$ 1,466,517</b>	<b>\$ 188,346</b>	<b>\$ 13,403,049</b>	<b>\$ 1,442,450</b>

(a) Includes accreted interest on the UBOC Retirement Obligations - Tranche B for \$1,248,593.

For the Year Ending June 30	Business-Type Activities			
	Revenue Bonds		Direct Borrowings	
	Principal	Interest	Principal (a)	Interest
2026	\$ 4,405,000	\$ 2,021,210	\$ 809,920	\$ 244,746
2027	4,005,000	1,923,113	823,082	231,585
2028	4,105,000	1,827,963	836,457	218,210
2029	4,200,000	1,724,400	850,049	204,617
2030	4,370,000	1,556,400	863,862	190,804
2031-2035	5,855,000	6,458,000	4,534,496	738,836
2036-2040	7,115,000	5,190,000	4,076,287	358,238
2041-2045	8,665,000	3,647,800	2,267,151	29,680
2046-2050	10,540,000	1,770,800	-	-
2051-2053	2,365,000	94,600	-	-
<b>Total</b>	<b>55,625,000</b>	<b>\$ 26,214,286</b>	<b>15,061,304</b>	<b>\$ 2,216,716</b>
Plus: Unamortized Bond Premium (discount)	8,854,974		-	
<b>Net Long-Term Debt</b>	<b>\$ 64,479,974</b>		<b>\$ 15,061,304</b>	

(a) Includes accreted interest on the UBOC Retirement Obligations - Tranche B for \$2,267,151

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

For the Year Ending June 30	VFWD		
	Revenue Bonds and Certificates of Participation		
	Principal	Interest	Total
2026	\$ 1,585,000	\$ 730,050	\$ 2,315,050
2027	1,660,000	650,800	2,310,800
2028	1,740,000	567,800	2,307,800
2029	1,825,000	480,800	2,305,800
2030	1,915,000	389,550	2,304,550
2031-2034	6,840,000	615,000	7,455,000
Total	15,565,000	<u>\$ 3,434,000</u>	<u>\$ 18,999,000</u>
Plus: Unamortized Bond Premium (discount)	1,677,010		
Net Long-Term Debt	<u>\$ 17,242,010</u>		

**C. Certificates of Participation (COPs)**

**1999 COPs** – In July 1999, the City issued \$4,815,000 of Certificates of Participation (1999 Capital Improvements Project) to finance City capital improvements. Principal payments are payable annually on July 15. Interest payments are due semiannually on January 15 and July 15.

Due to the failure of the City to pay the scheduled amounts due under the original agreement, on January 25, 2011, the City, National Public Finance Guarantee Corporation (National) and the Controller for the State of California (the “Controller”) entered into a Settlement Agreement (the Settlement Agreement).

Commencing July 1, 2013, the City was to pay the Trustee the full scheduled amount when due and commencing on January 15, 2014, to pay National, on January 15 and July 15 of each year, an amount equal to 100% of all MVLF to which the City would be entitled under the California Revenue and Taxation Code during the previous six months, minus the amount paid to the Trustee for the same period, provided that the MVLF exceed the total amounts due for that period. The City’s obligation to pay amounts is not dependent on its receipt of MVLF in any amount.

The MVLF catch-up payment is to be applied to the shortfall indebtedness until paid in full. To the extent that the shortfall indebtedness is not paid in full by the last scheduled payment under the Lease Agreement, the City is to pay the remaining balance of the shortfall indebtedness to National no later than January 15, 2030. As of June 30, 2024, shortfall indebtedness was fully paid.

**Bond Rating** – On June 11, 2024, Standard and Poor’s raised its long-term rating and underlying rating (SPUR) to “A” from “A-” on 1999 COPS. The credit report highlighted the City’s strong financial position during the past five fiscal years.

**D. UBOC Reimbursement Obligations**

On August 2, 2011, Union Bank and the City reached a restructuring agreement regarding series 2000, 2001, 2002, and 2003 Certificates of Participation (COPs) which amended and replaced the COPs as follows:

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

There are two tranches: the “A” obligation and the “B” obligation. The starting principal balance of the “A” obligation is \$18,049,887 and the “B” obligation has a starting principal of \$21,367,933. No interest accrued on either the “A” or the “B” obligation from the effective date of November 1, 2011, through December 31, 2014, and interest commenced accrual on both obligations on January 1, 2015. The “A” obligation has a fixed annual interest rate of 2.5% and the “B” obligation has a fixed annual interest rate of 1.625%. Interest is payable annually on the first business day of each calendar year, in a single annual payment, in advance. Interest payments on the obligations commence in the calendar years 2015 and 2018 for obligations “A” and “B”, respectively, and continuing, in each case, until the principal balance of that obligation has been paid in full.

Principal is payable annually on the first business day of each calendar year, in a single annual payment, commencing with the 2012 calendar year for the “A” obligation and 2025 for the “B” obligation. The outstanding principal balance, all accrued but unpaid interest, and all other amounts due under the New Union Bank Reimbursement Agreement Payment Agreement with respect to the “A” obligation is due and payable on January 1, 2026; and the “B” obligation is due and payable on January 1, 2042.

**E. Revenue Bonds**

**2020 Water Revenue Refunding Bonds** – On March 31, 2020, the City issued \$36,825,000 in Water Revenue Refunding Bonds to refund the outstanding 2006 and 2013 Water Revenue Bonds. The refunding resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$5,583,330.

The Series 2020 A & B Bonds and the interest thereon are payable solely from a first lien on and pledge of the Net Revenues (the amount of the gross revenues less operating expenses) derived by the City from the operation of the City’s water system. Interest is payable on May 1 and November 1. Annual principal payments are due on May 1. The debt is secured and serviced by water system operations. The 2020 Series A&B Bonds were given an AA rating by Standard & Poor’s.

**2021 Water Revenue Bonds Series A** – On February 2, 2021, the City issued \$42,600,000 in Water Revenue Bonds to provide funds to finance capital facilities needed to operate and improve the City’s water system. The Series 2021A Bonds are secured by a pledge of Net Revenues on a parity with the Series 2020A Bonds, the Series 2020B Bonds, and the 2004 SDWSRF Loan. The Series 2021A Bonds will not be secured by amounts on deposit in the Parity Reserve Fund established under the Indenture, or by any other reserve fund, and amounts on deposit in the Parity Reserve Fund are not pledged to the payment of the Series 2021A Bonds. Interest is payable on May 1 and November 1 of each year. Annual principal payments are due on May 1. The debt is secured and serviced by water system operations. The 2021 Series A Bonds were given an A+ rating by Standard & Poor’s.

The pledge of future net revenues ends upon repayment of the \$64,017,000 in remaining debt service on the bonds and loans which is scheduled to occur in 2041. Under the terms of the indenture, net revenues are required to provide a 1.25 debt service coverage ratio.

For fiscal year 2025, operating revenues, investment income, and capital grants and contributions amount to \$63,424,825 and operating costs including operating expenses, but not interest, amounted to \$38,790,380. Net Revenues available for debt service amounts to \$24,634,445, which represents coverage of 3.79 over the \$6,506,807 in combined debt service for the 2020 Series A & B Water Revenue Refunding Bonds, 2021 Series A Water Revenue Bonds and State Safe Drinking Water loans debt service.

**NOTE 7 - LONG-TERM DEBT (CONTINUED)**

**2024 Refunding Bonds** - The District issued 2024 Wastewater Revenue Refunding Bonds, Series 2024A, in the principal amount of \$18,825,000 at a premium of \$1,935,011 (1) to refund the outstanding principal of 2011 Revenue Bonds, (2) to refund the outstanding principal of the 2014 Revenue Bonds, and (3) to pay certain costs of issuing the bonds. The bonds are fully registered with principal due annually on May 1, and interest payable semi-annually on May 1 and November 1.

The transaction resulted in a deferred amount on refunding of \$1,864,339. The deferred amount on refunding is carried as a deferred inflow of resources, and the premium is carried as a net reduction of the 2024 Revenue Bonds. The deferred amount on refunding and the premium are amortized on a straight-line basis over the life of the bonds as components of interest expense.

**F. Other Notes and Loans Payable**

**State Safe Drinking Water, Water Fund** – The loan, with original amount of \$68,080, from the State of California, Department of Water Resources was used to finance construction of a project which enables the City to meet safe drinking water standards. The interest rate is 0%. Semiannual principal payments are due on July 1 and January 2, through 2025. As of June 30, 2025, the loan is fully paid.

**Bank of America Loan for Fleet Purchases** – On June 13, 2023, City entered into a loan agreement with Bank of America Public Capital Corp for the amount of \$5,000,000 to finance the purchase of new fire, police, and public works fleet vehicles. The rate is 3.96% and semiannual principal payments are due on June 1 and December 1, through 2030.

**Vallejo Flood and Wastewater State Clean Water (2008)** – During the fiscal year ended June 30, 2008, the District completed a second loan agreement with the State Water Resources Control Board's Division of Financial Assistance. The loan is dated January 24, 2008 and is in the principal amount of \$4,406,072. Payments in the amount of \$317,450 with interest at 2.4% commence January 24, 2009 and are due annually thereafter until maturity in 2025. This loan has been fully paid off as of June 30, 2025.

**Vallejo Flood and Wastewater State Clean Water (2021)** – During the fiscal year ended June 30, 2022, the District entered into loan agreement with the State Water Resources Control Board's Division of Financial Assistance. The loan is dated April 26, 2022 and is in the principal amount of up to \$40,000,000. The District is drawing down on the loan as the project progresses. There has been no repayment schedule set as of June 30, 2023. Interest is to accrue at a rate of 0.8% per annum and will begin with each disbursement. Final payment date is set at December 31, 2055.

**G. Finance Purchase Agreement**

***Radio Equipment Finance Purchase Agreement***

On May 2020, City entered into a finance purchase agreement in the amount of \$3,997,967 with Motorola Solutions Inc., for the purchase of radio equipment. The City agreed to make a \$1.0 million down payment and annual payments of \$462,500 commencing June 26, 2021 until maturity in 2027.

**NOTE 8 - DEBT WITHOUT CITY COMMITMENT**

***Assessment and Improvement Districts***

Special Assessment and Improvement Districts in various parts of the City have issued debt to finance infrastructure improvements and facilities within their boundaries. The City is the collecting and paying agent for the debt issued by these Districts but has no direct or contingent liability for the payment of this debt. Therefore, this debt is not reported as long-term debt of the City. The outstanding balance of each of these issues as of June 30, 2025 is as follows:

Improvement Bonds	
2004 Hiddenbrooke Improvement District Series A	\$ 5,170,000
Northeast Improvement District 2003-1	<u>3,620,000</u>
Total	<u><u>\$ 8,790,000</u></u>

The following bonds do not constitute or create a debt or pledge of the general credit or taxing power of the city, and, accordingly, are not reported as long-term debt of the city.

***CMFA Multifamily housing revenue Bonds:***

West Harbor Park Apartments- Multifamily housing revenue Bonds 2025 Series A-1 (West Harbor Park Apartments) in the amount of \$37,000,000. The bonds bear interest at the rate of SIFMA+5% interest payments are due annually through April 1,2055. The bonds are dated April 15th 2025 (\$11,650,000)and August 26th 2025 (\$25,350,000) and were issued to provide funding for a mortgage loan for the acquisition and construction of a multifamily housing project. On June 30,2025, \$11,650,000 of these bonds remained outstanding.

**NOTE 9 - EMPLOYEE BENEFITS PAYABLE**

Employee Benefits Payable reported in the Statement of Net Position includes compensated absences as discussed below.

The City provides employees with vacation, sick, and compensatory time-off benefits. A liability for compensated absences is recognized when the leave is earned and it is more likely than not that the leave will be used or otherwise paid or settled. The liability is measured using the employee’s pay rate as of June 30, 2025, including certain salary-related payment directly associated with the leave.

Effective for the fiscal year ended June 30, 2025, the City implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 101, Compensated Absences.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 9 - EMPLOYEE BENEFITS PAYABLE (CONTINUED)**

Compensated absences activity for the City and VFWD for the year ended June 30, 2025 is as follows:

	Governmental Activities	Business-Type Activities	Total	VFWD
Compensated absences activity:				
Beginning balance	\$ 11,965,160	\$ 1,412,934	\$ 13,378,094	\$ 2,416,266
Restatement	1,929,783	196,125	2,125,908	-
Adjusted beginning balance	13,894,943	1,609,059	15,504,002	2,416,266
Net change	(258,206)	217,171	(41,035)	756,426
Ending balance	<u>\$ 13,636,737</u>	<u>\$ 1,826,230</u>	<u>\$ 15,462,967</u>	<u>\$ 3,172,692</u>
Compensated absences				
Classification presentation:				
Current portion:				
Internal service funds - City	\$ 148,545	\$ -	\$ 148,545	\$ -
Entity-wide	3,532,841	513,015	4,045,856	-
Vallejo Flood and Wastewater District	-	-	-	639,342
Current portion	<u>3,681,386</u>	<u>513,015</u>	<u>4,194,401</u>	<u>639,342</u>
Noncurrent portion:				
Internal Service Funds - City	\$ 145,200	\$ -	\$ 145,200	\$ -
Entity-wide	9,810,151	1,313,215	11,123,366	-
Vallejo Flood and Wastewater District	-	-	-	2,533,350
Noncurrent portion	<u>9,955,351</u>	<u>1,313,215</u>	<u>11,268,566</u>	<u>2,533,350</u>
Total	<u>\$ 13,636,737</u>	<u>\$ 1,826,230</u>	<u>\$ 15,462,967</u>	<u>\$ 3,172,692</u>

**NOTE 10 - PENSION PLAN**

**A. General Information about the City's Pension Plans**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the City's separate Safety (police and fire) and Miscellaneous (all other) Plans, agent multiple-employer defined benefit pension plans administered by the 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 City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**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. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law. The Pension Reform Act of 2013 (PEPRA), Assembly Bill 340, is applicable to employees new to CalPERS and hired after December 31, 2012.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 10 - PENSION PLAN (CONTINUED)**

The Plans' provisions and benefits in effect as of the measurement date, are summarized as follows:

	Miscellaneous		
	Classic Tier I	PEPRA	
	Prior to January 1, 2013	On or After January 1, 2013	
Hire date			
Benefit Formula	2.7% @ 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% - 2.7%	1.0% - 2.5%	
Required Employee Contribution Rates	8.00%	7.75%	
Required Employer Contribution Rates (Normal Cost)	11.360%	11.360%	
Required Unfunded Accrued Liability Contribution (Monthly Basis)	\$9,427,216		

	Safety - Fire		
	Classic Tier I	Classic Tier II	PEPRA
	Prior to December 28, 2012	On or After December 28, 2012	On or After January 1, 2013
Hire date			
Benefit Formula	3% @ 50	2% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life	monthly for life
Retirement Age	50	50 - 55	50 - 57
Monthly Benefits, as a % of eligible compensation	3.00%	2.0% - 2.7%	2.0% - 2.7%
Required Employee Contribution Rates	9.00%	9.00%	13.75%
Required Employer Contribution Rates (Normal Cost)	22.750%	22.750%	22.750%
Required Unfunded Accrued Liability Contribution (Monthly Basis)	\$16,190,827		

	Safety - Police	
	Classic Tier I	PEPRA
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit Formula	3% @ 50	2.7% @ 57
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50	50 - 57
Monthly Benefits, as a % of eligible compensation	3.00%	2.0% - 2.7%
Required Employee Contribution Rates	9.00%	13.75%
Required Employer Contribution Rates (Normal Cost)	22.750%	22.750%
Required Unfunded Accrued Liability Contribution (Monthly Basis)	Included in Fire table above	

**Employees Covered** – At the June 30, 2023 actuarial valuation date, the following employees were covered by the benefit terms for each Plan:

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 10 - PENSION PLAN (CONTINUED)**

	Miscellaneous		
	Classic Tier I	Classic Tier II	PEPRA Plan
Inactive employees or beneficiaries currently receiving benefits	613	-	9
Inactive employees eligible to, but not yet receiving benefits	120	-	130
Inactive employees ineligible to, but not yet receiving benefits	81	-	151
Active employees	84	-	240
<b>Total</b>	<b>898</b>	<b>-</b>	<b>530</b>

	Safety		
	Classic Tier I	Classic Tier II	PEPRA Plan
Inactive employees or beneficiaries currently receiving benefits	418	-	-
Inactive employees eligible to, but not yet receiving benefits	39	1	26
Inactive employees ineligible to, but not yet receiving benefits	3	-	38
Active employees	75	1	84
<b>Total</b>	<b>535</b>	<b>2</b>	<b>148</b>

**Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law 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. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Beginning in fiscal year 2016, CalPERS collects employer contributions for each Plan as a percentage of payroll for the normal cost portion and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are either billed on a monthly basis, or may be paid in a lump sum at discount. During the measurement period, the City’s required UAL contributions were made under the lump sum option.

**B. Net Pension Liability**

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plans and additions to/deductions from the Plans’ fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. The net pension liability and related deferred outflows/inflows of resources are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities net pension liability is liquidated primarily by the General Fund.

The City’s net pension liability for each Plan is measured as the total pension liability, less the pension plan’s fiduciary net position. The net pension liability of each of the Plans is measured as of June 30, 2024, using an annual actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions** – For the measurement period ended June 30, 2024, the total pension liabilities were determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2025 total pension liabilities were based on the following actuarial methods and assumptions:

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 10 - PENSION PLAN (CONTINUED)**

	Miscellaneous <sup>1</sup>	Safety <sup>1</sup>
Valuation Date	June 30, 2023	June 30, 2023
Measurement Date	June 30, 2024	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Payroll Growth	Varies by entry age and service	Varies by entry age and service
Projected Salary Increase	Varies by entry age and service	Varies by entry age and service
Investment Rate of Return	6.80%	6.80%
Mortality	Derived using CalPERS Membership Data for all Fund <sup>3</sup>	
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter	

<sup>1</sup> Actuarial assumptions are the same for all benefit tiers (Classic Tier I, Classic Tier II, and PEPR)

<sup>2</sup> Net of pension plan investment and administration expenses, including inflation

<sup>3</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001-2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries

All other actuarial assumptions used in the June 30, 2023 valuation were based on the results of a December 2021 actuarial experience study, including updates to salary increase, mortality and retirement rates. Further details of the Experience Study can be found on the CalPERS website under Forms and Publications.

**Discount Rate** – The discount rate used to measure the total pension liability was 6.90%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at 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.

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

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 10 - PENSION PLAN (CONTINUED)**

Asset Class	Assumed asset allocation	Real Return Years 1 - 10 <sup>1,2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

<sup>1</sup> An Expected Inflation of 2.3% used for this period.

<sup>2</sup> Figures are based on the 2022 Asset Liability Management study.

**Subsequent Events** - During the time period between the valuation date and the publication of this report, price inflation has been higher than the assumed rate of 2.3% per annum. Since inflation influences cost of living adjustments for retirees and beneficiaries and active member pay increases, higher inflation is likely to put at least some upward pressure on the pension expense and the net pension liability in future valuations. The actual impact of higher inflation on future valuation results will depend on, among other factors, how long higher inflation persists. At this time, we continue to believe the long-term price inflation assumption of 2.3% per annum is appropriate.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 10 - PENSION PLAN (CONTINUED)**

**C. Changes in Net Pension Liability**

The changes in the Net Pension Liability for each Plan follow:

**Miscellaneous Plan:**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$ 330,390,689	\$ 206,256,188	\$ 124,134,501
Changes recognized for the measurement period:			
Service cost	5,518,311	-	5,518,311
Interest on total pension liability	22,400,397	-	22,400,397
Differences between expected and actual experience	1,795,213		1,795,213
Contributions-employer	-	12,611,596	(12,611,596)
Contributions-employee	-	2,678,832	(2,678,832)
Net investment income	-	19,539,682	(19,539,682)
Benefit payments, including refunds of employee contributions	(20,603,287)	(20,603,287)	-
Administrative expense	-	(167,831)	167,831
Net changes during 2023-24	<u>9,110,634</u>	<u>14,058,992</u>	<u>(4,948,358)</u>
Balance at June 30, 2024	<u>\$ 339,501,323</u>	<u>\$ 220,315,180</u>	<u>\$ 119,186,143</u>

**Safety Plan:**

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) - (b)
Balance at June 30, 2023	\$ 578,022,707	\$ 354,497,873	\$ 223,524,834
Changes recognized for the measurement period:			
Service cost	7,014,981	-	7,014,981
Interest on total pension liability	39,380,537	-	39,380,537
Differences between expected and actual experience	6,351,165	-	6,351,165
Contributions-employer	-	20,737,383	(20,737,383)
Contributions-employee	-	2,816,104	(2,816,104)
Net investment income	-	33,525,442	(33,525,442)
Benefit payments, including refunds of employee contributions	(34,297,875)	(34,297,875)	-
Administrative expense	-	(288,456)	288,456
Net changes during 2023-24	<u>18,448,808</u>	<u>22,492,598</u>	<u>(4,043,790)</u>
Balance at June 30, 2024	<u>\$ 596,471,515</u>	<u>\$ 376,990,471</u>	<u>\$ 219,481,044</u>
Grand Total Balance at June 30, 2024 (Measurement Date) (Miscellaneous and Safety Plan)	<u>\$ 935,972,838</u>	<u>\$ 597,305,651</u>	<u>\$ 338,667,187</u>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 10 - PENSION PLAN (CONTINUED)**

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate** – The following presents the net pension liability of the City for each Plan, calculated using the discount rate for each Plan, as well as what the City’s net pension liability would be if it were calculated using a discount rate that is 1- percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>	<u>Safety</u>	<u>Total</u>
1% Decrease	5.90%	5.90%	5.90%
Net Pension Liability	\$ 160,042,165	\$ 296,041,397	\$ 456,083,562
Current Discount Rate	6.90%	6.90%	6.90%
Net Pension Liability	\$ 119,186,143	\$ 219,481,044	\$ 338,667,187
1% Increase	7.90%	7.90%	7.90%
Net Pension Liability	\$ 85,274,135	\$ 156,554,890	\$ 241,829,025

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

**D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the year ended June 30, 2025, the City recognized pension expense of \$15,830,516 and \$29,794,563 for the Miscellaneous and Safety Plans, respectively, for total pension expense of \$45,625,079. At June 30, 2025, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan:	<u>Deferred Outflows of Resources</u>
Contributions subsequent to the measurement date	\$ 14,180,928
Differences between expected and actual experience	2,067,416
Net difference between projected and actual earnings on pension plan investments	<u>3,367,081</u>
Total	<u>\$ 19,615,425</u>
Safety Plan:	<u>Deferred Outflows of Resources</u>
Contributions subsequent to the measurement date	\$ 22,692,711
Changes of assumptions	2,366,104
Differences between expected and actual experience	7,109,179
Net difference between projected and actual earnings on pension plan investments	<u>5,904,004</u>
Total	<u>\$ 38,071,998</u>
Total Miscellaneous and Safety Plans	<u>\$ 57,687,423</u>

The \$36,873,639 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended 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:

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 10 - PENSION PLAN (CONTINUED)**

Measurement Periods Ended June 30	Annual Amortizations		
	Miscellaneous	Safety	Total
2025	\$ 1,524,623	\$ 6,616,435	\$ 8,141,058
2026	5,848,893	12,096,355	17,945,248
2027	(836,010)	(1,440,901)	(2,276,911)
2028	(1,103,009)	(1,892,602)	(2,995,611)
Total	\$ 5,434,497	\$ 15,379,287	\$ 20,813,784

**E. Vallejo Flood and Wastewater District Pension Plan**

**1. General Information about the District's Pension Plan**

**Plan Descriptions** – All qualified permanent and probationary employees are eligible to participate in the District's Cost- Sharing Multiple - Employer Defined Benefit Pension Plan (Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pool. Accordingly, rate plans within the miscellaneous pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous pool. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**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. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

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

	Miscellaneous	
	Classic Tier I	PEPRA
Hire Date	Prior to January 1, 2013	On or After January 1, 2013
Benefit Formula	2.7% @ 55	2% @ 62
Benefit Vesting Schedule	5 years of service	5 years of service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 55	52 - 62
Monthly Benefits, as a % of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Required Employee Contribution Rates	8.00%	7.75%
Required Employer Contribution Rates*	16.02%	7.87%
Required UAL Contribution	\$2,629,017	\$9,518

**NOTE 10 - PENSION PLAN (CONTINUED)**

**Required Contributions** – Section 20814(c) of the California Public Employees’ Retirement Law 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. Funding contributions for the Plan is determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2025, the District’s contributions to the Plan were \$4,678,668.

**2. Pension liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions**

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

As of June 30, 2025, the District reported its proportionate share of the net pension liability of the Plan of \$32,419,592.

The District’s net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2024, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 rolled forward to June 30, 2024 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2025 and 2024 was as follows:

Proportion - June 30, 2023	0.65191%
Proportion - June 30, 2024	<u>0.67030%</u>
Change - Increase (Decrease)	<u><u>0.01839%</u></u>

For the year ended June 30, 2025, the District recognized pension expense of \$5,972,905. At June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Miscellaneous Plan - VFWD

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 4,678,668	\$ -
Change in employer's proportion	73,367	677,565
Differences between expected and actual experience	2,802,971	109,370
Changes in assumptions	833,251	-
Difference between employer contributions and the employer's proportionate share of the risk pool's contributions	538,701	104,506
Net difference between projected and actual earnings on plan investments	<u>1,866,355</u>	<u>-</u>
Total	<u><u>\$ 10,793,313</u></u>	<u><u>\$ 891,441</u></u>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 10 - PENSION PLAN (CONTINUED)**

The \$4,678,668 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended 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	Annual Amortization
June 30	
2026	\$ 1,534,547
2027	4,256,698
2028	71,541
2029	(639,582)
	\$ 5,223,204

**Changes in assumptions** – Effective with the June 30, 2023 valuation date (2024 measurement date), there were no changes to the actuarial assumptions or methods in relation to financial reporting.

**Discount Rate** – The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) 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 for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefits payments to determine the total pension liability for the Plan.

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

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. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all 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 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 the assumed administrative expenses.

**NOTE 10 - PENSION PLAN (CONTINUED)**

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

Asset Class	Assumed asset allocation	Real Return Years 1 - 10 <sup>1,2</sup>
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

<sup>1</sup> An Expected Inflation of 2.3% used for this period.

<sup>2</sup> Figures are based on the 2022 Asset Liability Management study.

**Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents the District’s proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	<u>Miscellaneous</u>
1% Decrease	5.90 %
Net Pension Liability	\$ 48,051,886
Current Discount Rate	6.90 %
Net Pension Liability	\$ 32,419,592
1% Increase	7.90 %
Net Pension Liability	\$ 19,551,913

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

**1. Temporary and Seasonal Employees**

Federal law requires that employees not covered by an employer retirement system be covered by Social Security or an alternative plan. The District hires temporary employees whose positions are exempt from PERS membership and utilizes Social Security for these positions.

**NOTE 11 - POSTEMPLOYMENT BENEFITS**

**A. Post Retirement Health Benefits - City**

**1. *Plan Description***

The City's Post-Employment Benefit Plan is an Agent Multiple-Employer Plan. Employees and their dependents are eligible for the CalPERS post-retirement health benefits if they retire directly from the City retaining the Public Employees Medical and Hospital Care Act (PEMHCA) health benefits. The City pays the retiree and eligible dependent premiums up to benefit level established in the collective bargaining agreement for each employee organization.

The following is a summary of benefits by employee group as of June 30, 2025:

Employee Group	Contractual Benefit at June 30, 2025
Vallejo Police Officers Association (VPOA) (imposed)	Retired prior to 7/1/2000 - up to 75% of Kaiser Bay Area non-Medicare Premium
	Retired on or after 7/1/2000 - up to \$500 per month, but not less than PEMHCA minimum
International Association of Fire Fighters (IAFF)	Retired prior to 7/1/2000 - up to 75% of Kaiser Bay Area non-Medicare Premium
	Retired on or after 7/1/2000 - up to \$300 per month, but not less than PEMHCA minimum
Council and Unrepresented	Up to \$300 per month, not less than PEMHCA minimum
Confidential, Administrative, Management, and Professional Employees Association (CAMP)	Hired before 7/1/2013 - up to \$300 per month, but not less than PEMHCA minimum (with the option of electing, no later than 7/1/2016, the RHSA benefit available to CAMP employees hired on or after 7/1/2013)
	Hired on or after 7/1/2013 - PEMHCA minimum plus 1.5% of employee's base monthly salary RHSA contribution
International Brotherhood of Electrical Workers (IBEW)	Hired before 7/1/2014 - up to \$300 per month, but not less than PEMHCA minimum (with the option of electing, no later than 10/31/2016, the RHSA benefit available to CAMP employees hired on or after 7/1/2014)
	Hired on or after 7/1/2014 - PEMHCA minimum plus 1.5% of employee's base monthly salary RHSA contribution

The PEMHCA minimum in 2025 is \$158 per month.

**2. *Funding Policy***

In 2013, the City has established an irrevocable trust with California Employer's Retiree Benefit Trust (CERBT), an agent multiple-employer plan administered by CALPERS. CERBT is funded by employer contributions for the purpose of prefunding the City's OPEB obligations. CERBT provides an annual financial report that may be obtained from the California Public Employees' Retirement System, CERBT, P.O. Box 942703, Sacramento, California 94229-2703.

For the year ended June 30, 2025, the City's contributions to the Plan were \$1,096,000.

**NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

**3. General Information About City's OPEB Plan**

**Employees Covered by Benefit Terms** – Membership in the plan consisted of the following at the measurement date of June 30, 2024:

Active Employees	442
Inactive Employees or beneficiaries currently receiving benefit payments	218
Inactive employees entitled to but not yet receiving benefit payments	498
Total	<u><u>1,158</u></u>

**Net OPEB Liability** – The City's net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2024, based on the following actuarial methods and assumptions:

The net OPEB liability was determined as part of a June 30, 2024 actuarial valuation using the entry age normal actuarial cost method. This is a projected benefit cost method, which takes into account those benefits that are expected to be earned in the future as well as those already accrued. The actuarial assumptions included (a) 6.25% investment rate of return, (b) 2.50% general inflation rate, and (c) 7.90% (non-Medicare) and 6.90% (Medicare) in 2026, decreasing to an ultimate rate of 3.45% in 2076 medical trend. The actuarial methods and assumptions used include techniques that smooth the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets. Actuarial calculations reflect a long-term perspective and actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future. Actuarially determined amounts are subject to revision at least biannually as results are compared to past expectations and new estimates are made about the future. The actuarial accrued liability (AAL) representing the present value of future benefits, is being amortized as a level percentage of projected payroll using a 30-year amortization period.

The underlying mortality assumptions were based on the CalPERS 2000-2019 experience study and all other actuarial assumptions used in the June 30, 2024 valuation were based on the results of the actuarial experience study for the period.

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:

Asset Class	Target Allocation CERBT - Strategy 1	Expected Real Rate of Return
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%
Assumed Long-Term Rate of Inflation	0.00%	2.50%
Expected Long-Term Net Rate of Return	0.00%	6.25%

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Discount Rate** – The discount rate used to measure the total OPEB liability is 6.25%. 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.

**4. Changes in Net OPEB liability follows:**

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at 6/30/24 (Measurement date 6/30/2023)	\$ 33,667,000	\$ 26,683,000	\$ 6,984,000
Changes Recognized for the Measurement Period:			
Service Cost	631,000	-	631,000
Interest	2,063,000	-	2,063,000
Actual vs. Expected Experience	(1,962,000)	-	(1,962,000)
Assumption Changes	(249,000)	-	(249,000)
Change in Benefit Terms	2,366,000		2,366,000
Contributions from the Employer	-	2,582,000	(2,582,000)
Net Investment Income	-	2,938,000	(2,938,000)
Administrative Expenses	-	(36,000)	36,000
Benefit Payments	(2,555,000)	(2,555,000)	-
Net Changes	294,000	2,929,000	(2,635,000)
Balance at 6/30/25 (Measurement date 6/30/2024)	<u>\$ 33,961,000</u>	<u>\$ 29,612,000</u>	<u>\$ 4,349,000</u>

Detailed information about the OPEB plan’s fiduciary net position is available in the separately issued plan financial report that may be obtained from CERBT. The benefit payments and refunds noted above include implied subsidy benefit payments in the amount of \$786,000. The net OPEB liability and related deferred outflows/inflows of resources are liquidated by the fund that has recorded the liability. The long-term portion of governmental activities net OPEB liability is liquidated primarily by the General Fund.

**5. Sensitivity of the Net OPEB Liability to Changes in the Discount Rate and Healthcare Cost Trend Rates**

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage-point higher than the current discount rate:

Net OPEB Liability		
Discount Rate 1% (5.25%)	Discount Rate (6.25%)	Discount Rate 1% (7.25%)
\$ 7,553,000	\$ 4,349,000	\$ 1,614,000

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage-point higher than the current healthcare cost trend rates:

Net OPEB Liability		
Healthcare Trend Rate		
1% Decrease	Current Trend	1% Increase
\$ 2,831,000	\$ 4,349,000	\$ 6,449,000

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

**6. OPEB Expense and Deferred Outflows of Resources Related to OPEB**

For the year ended June 30, 2025, the City recognized OPEB expense of \$1,886,000. At June 30, 2025, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 1,096,000	\$ -
Changes of assumptions	166,000	864,000
Differences between expected and actual experience	347,000	4,865,000
Total	<u>\$ 1,609,000</u>	<u>\$ 5,729,000</u>

The \$1,096,000 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ (1,684,000)
2027	(441,000)
2028	(1,573,000)
2029	(982,000)
2030	(335,000)
Thereafter	(201,000)
Total	<u>\$ (5,216,000)</u>

**B. Post-Retirement Health Benefits - VFWD**

**1. Plan Description**

The District's defined benefit post-employment healthcare plan, Public Agency Post Retirement Health Care Plan (the Plan), provides medical benefits to eligible retired employees and their beneficiaries. The California Employers' Retiree Benefit Trust (CERBT) Fund administers the Plan, an agent multiple-employer trust arrangement established to provide economies of scale and efficiency of administration to public agencies that hold assets used to fund OPEB obligations. Plan benefits were established in accordance with Board policy and Memorandums of Understanding for respective employee groups, and may be amended by the Board of Trustees. CERBT provides an annual financial report that can be found on the CalPERS website.

**2. Funding Policy**

The Plan is funded by employer contributions plus a retirement for employee matching in the amount of 2% of gross salary for all employees. As the plan's sponsor, the District establishes and may amend employee and employer contribution requirements.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

**3. Benefits Provided**

The following is a summary of Plan benefits by employee group as of June 30, 2025:

Eligibility	Attained age 50 Completed 5 years of District service  Retire concurrently from both District and CalPERS after leaving District employment
Benefit	
Hired prior to 11/1/2013	The District will pay the retired employee's entire monthly medical premium which may include his/her spouse and/or dependents, up to the highest costs local HMO.
Hired on or after 11/1/2013	Follows State of California Vesting Schedule, employer pays: 10 years (PERS covered service): 50% Each additional year, add: 5% 20+ years: 100%

Membership in the plan consisted of the following at the measurement date of June 30, 2024:

Active employees	89
Inactive employees or beneficiaries currently receiving benefit payments	87
	176

**4. Net OPEB Liability**

**Actuarial Assumptions** – The District’s net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated January 1, 2022 that was rolled forward using standard update procedures to determine the total OPEB liability as of June 30, 2025 based on the following actuarial methods and assumptions:

	Actuarial Assumptions
Valuation Date	June 30, 2024
Measurement Date	June 30, 2025
Actuarial Cost Method	Entry Age Method, level of percentage of salary
Actuarial Assumptions:	
Discount Rate	6.40%
Inflation	2.30%
Investment Rate of Return	6.40%
Mortality Rate	Based on the CalPERS mortality tables for Public Agencies (Miscellaneous Employees)
Healthcare Trend Rate	
Pre-Medicare	6.80%*
Medicare	4.90%*
*Trending down to 3.73% over 52 years	

The long-term expected rate of return on OPEB plan investments was determined using the long-term rates of return developed by the CalPERS Investment Office for financial reporting after June 30, 2024.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

Expected future real rates of return by asset class are shown below:

Asset Class	1 - 20 Year Projected Compound Return	Allocation		
		Strategy I	Strategy II	Strategy III
Global Equity	6.9 %	49 %	34 %	23 %
Fixed Income	4.1 %	23 %	41 %	51 %
Global Equity (REITs)	6.3 %	20 %	17 %	14 %
Treasury Inflation-Protected Securities (TIPS)	3.9 %	5 %	5 %	9 %
Commodities	4.6 %	3 %	3 %	3 %
Total		100 %	100 %	100 %
CERBT	Inflation	Expected Compound Return		
Expected Compound Return (1-20 Years)		6.4 %	6.1 %	5.8 %
Expected Volatility		11.5 %	9.5 %	8.1 %

**Discount Rate** – The final equivalent single discount rate used for accounting is 6.40 percent with the expectation that the Plan Sponsor will contribute in accordance with the Funding Policy. Under this Funding Policy, the OPEB Trust is not expected to be depleted in the future.

**Investment Rate of Return** – For the year ended June 30, 2025, the annual money-weighted rate of return on investments, net of investment expense, was 6.40%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

**Changes in Net OPEB Liability** – The changes in the net OPEB liability were as follows:

	Increase (Decrease)		
	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability (a)-(b)
Balance at 6/30/24 (Measurement Date)	\$ 24,235,016	\$ 17,172,068	\$ 7,062,948
Changes Recognized for the Measurement Period:			
Service Cost	844,757	-	844,757
Interest on the total OPEB liability	1,454,238	-	1,454,238
Differences between expected and actual experience	2,028,905	-	2,028,905
Assumption Changes	(1,231,680)	-	(1,231,680)
Contributions from the Employer	-	1,353,582	(1,353,582)
Contributions from the Employer - Implicit subsidy	-	331,383	(331,383)
Contributions from the Employee	-	253,535	(253,535)
Net Investment Income	-	2,127,162	(2,127,162)
Administrative Expenses	-	(5,917)	5,917
Benefit Payments	(1,353,582)	(1,353,582)	-
Implicit Subsidy	(331,383)	(331,383)	-
Net Changes	1,411,255	2,374,780	(963,525)
Balance at 6/30/25 (Measurement Date)	\$ 25,646,271	\$ 19,546,848	\$ 6,099,423

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

**Sensitivity of the Net OPEB Liability to Changes in the Discount Rate** – The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower or 1-percentage point higher than the current discount rate:

Plan's Net OPEB Liability		
Discount Rate 1% (5.40%)	Discount Rate (6.40%)	Discount Rate 1% (7.40%)
\$ 9,009,097	\$ 6,099,423	\$ 3,658,458

**Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate** - The following presents the net OPEB liability of the District, as well as what the District’s net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage-point lower or 1-percentage- point higher than the current healthcare cost trend rates:

Plan's Net OPEB Liability		
Healthcare Trend Rate		
1% Decrease	Current Trend (6.80%)	1% Increase
\$ 3,137,494	\$ 6,099,423	\$ 9,708,262

**OPEB Expense and Deferred Outflows/Inflows of Resources related to OPEB** - For the year ended June 30, 2025, the District recognized OPEB expense of \$1,481,627. At June 30, 2025, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	\$ 1,795,158	\$ 1,198,287
Changes in assumptions	352,832	1,109,626
Net Differences Between Projected and Actual Earnings on OPEB Plan Investments	-	919,931
<b>Total</b>	<b>\$ 2,147,990</b>	<b>\$ 3,227,844</b>

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 11 - POSTEMPLOYMENT BENEFITS (CONTINUED)**

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as part of OPEB expense as follows:

Fiscal year ended June 30,	Deferred Outflows/(Inflows) of Resources
2026	\$ 211,077
2027	(675,431)
2028	(663,284)
2029	(106,522)
2030	128,584
Thereafter	25,722
Total	<u>\$ (1,079,854)</u>

**NOTE 12 - NET POSITION AND FUND BALANCES**

**A. Net Position - Statement of Net Position**

Net Position is the excess of all assets and deferred outflows of resources over all liabilities and deferred inflows of resources. Net Position is divided into three captions. These captions apply only to Net Position, which is determined only at the Government-wide level, proprietary fund level, and fiduciary fund level and are described below:

Net investment in capital assets, describes the portion of Net Position which is represented by the current net book value of capital assets, less the outstanding balance of any debt issued to finance these assets.

At June 30, 2025, the City's net investment in capital assets is calculated as follows:

	Governmental Activities(B)	Business-Type Activities					Total Business-Type Activities	Internal Service Funds
		Water Fund	Marina Fund	Golf Fund	Vallejo Station Parking Fund	Fiber Optic Fund		
Capital assets, net of accumulated depreciation	\$ 353,286,020	\$ 102,244,912	\$ 12,063,251	\$ 9,081,679	\$ 554,407	\$ 807,488	\$ 124,751,737	\$ 8,877,935
Less:								
Bonds, notes and finance purchase agreements (A)	(11,134,566)	(64,479,974)	(9,829,910)	(5,231,393)	-	-	(79,541,277)	-
Accounts/retainage payable	(2,532,920)	(2,000,271)	-	-	-	(30,180)	(2,030,451)	(730,602)
Lease/subscription payable	(6,373,871)	(163,157)	-	(863,005)	-	-	(1,026,162)	-
Add:								
Deferred charges	-	680,744	-	-	-	-	680,744	-
Negative accreted interest (A)	1,248,593	-	1,469,256	797,895	-	-	2,267,151	-
Unspent Bond Proceeds	-	41,914,986	-	-	-	-	41,914,986	-
Net investment in capital assets	<u>\$ 334,493,256</u>	<u>\$ 78,197,240</u>	<u>\$ 3,702,597</u>	<u>\$ 3,785,176</u>	<u>\$ 554,407</u>	<u>\$ 777,308</u>	<u>\$ 87,016,728</u>	<u>\$ 8,147,333</u>

(A) Bonds, notes and finance purchase agreements include accreted interest. Since interest on long-term debt is excluded in the calculation of the net investment in capital assets, the accreted interest portion of the debt is added back.

(B) Includes Internal Service Funds Amount

(C) The City's loan repayments exceeded the capital asset additions funded by the related debt. To more accurately present the City's net investment in capital assets (NICA), the outstanding loan balance and any unspent proceeds were excluded from the NICA calculation. In FY 2023-24, the inclusion of these amounts resulted in NICA exceeding the reported capital assets, net of accumulated depreciation.

**NOTE 12 - NET POSITION AND FUND BALANCES (CONTINUED)**

Restricted describes the portion of Net Position which is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions which the City cannot unilaterally alter.

Unrestricted describes the portion of Net Position which is not restricted to use.

**B. Fund Balance - Governmental Funds Balance Sheet**

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The City's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the City prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

Nonspendable represents balances set aside to indicate items do not represent available, spendable resources even though they are a component of assets. Fund balances required to be maintained intact, such as Permanent Funds, and assets not expected to be converted to cash, such as prepaids, notes receivable, and land held for redevelopment are included. However, if proceeds realized from the sale or collection of non-spendable assets are restricted, committed or assigned, then non-spendable amounts are required to be presented as a component of the applicable category.

Restricted fund balances have external restrictions imposed by creditors, grantors, contributors, laws, regulations, or enabling legislation which requires the resources to be used only for a specific purpose. Encumbrances and non-spendable amounts subject to restrictions are included along with spendable resources.

Committed fund balances have constraints imposed by formal action of the City Council which may be altered only by resolution of the City Council. Encumbrances and non-spendable amounts subject to council commitments are included along with spendable resources.

Assigned fund balances are amounts constrained by the City's intent to be used for a specific purpose but are neither restricted nor committed. Intent is expressed by the City Council or its designee and may be changed at the discretion of the City Council or its designee. This category includes encumbrances; non-spendables, when it is the City's intent to use proceeds or collections for a specific purpose, and residual fund balances, if any, of Special Revenue, Capital Projects and Debt Service Funds which have not been restricted or committed.

Unassigned fund balance represents residual amounts that have not been restricted, committed, or assigned. This includes the residual General Fund balance and residual fund deficits, if any, of other governmental funds.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 12 - NET POSITION AND FUND BALANCES (CONTINUED)**

Detailed classifications of the City's Fund Balances, as of June 30, 2025, are below:

Fund Balance Classifications	General Fund	Housing Authority Fund	Capital Outlay Fund and Measure P Capital Fund	Non Major Governmental Funds	Total
<b>Nonspendable:</b>					
Items not in spendable form:					
Prepays and deposits	\$ 88,015	\$ -	\$ 613,392	\$ 37,276	\$ 738,683
Notes receivable	5,372,188	-	-	-	5,372,188
Advance to other funds	530,000	-	-	-	530,000
Land held for redevelopment	499,684	-	-	-	499,684
Materials, parts and supplies	1,434	-	-	-	1,434
Subtotal	<u>6,491,321</u>	<u>-</u>	<u>613,392</u>	<u>37,276</u>	<u>7,141,989</u>
Amounts required to be maintained intact:					
Permanent funds	-	-	-	64,625	64,625
<b>Total nonspendable fund balances</b>	<b><u>6,491,321</u></b>	<b><u>-</u></b>	<b><u>613,392</u></b>	<b><u>101,901</u></b>	<b><u>7,206,614</u></b>
<b>Restricted for:</b>					
Bond indentures	-	-	-	300,577	300,577
Pension trust (PARS)	24,300,464	-	-	-	24,300,464
Streets and highways	-	-	-	47,769,402	47,769,402
Community development and housing	-	13,555,711	-	20,263,868	33,819,579
Public safety programs	561,375	-	-	918,259	1,479,634
Settlement	4,153,222	-	-	-	4,153,222
Public facilities projects	-	-	3,449,787	9,343,110	12,792,897
Hiddenbrooke overpass	-	-	-	6,947,960	6,947,960
<b>Total restricted fund balances</b>	<b><u>29,015,061</u></b>	<b><u>13,555,711</u></b>	<b><u>3,449,787</u></b>	<b><u>85,543,176</u></b>	<b><u>131,563,735</u></b>
<b>Committed to:</b>					
Measure P programs	2,082,623	-	15,472,774	-	17,555,397
Capital outlay development	-	-	17,848,870	-	17,848,870
Community development and housing	-	1,317,657	-	398,269	1,715,926
Public facilities projects (other funds)	-	-	-	6,703,087	6,703,087
<b>Total committed fund balances</b>	<b><u>2,082,623</u></b>	<b><u>1,317,657</u></b>	<b><u>33,321,644</u></b>	<b><u>7,101,356</u></b>	<b><u>43,823,280</u></b>
<b>Assigned to:</b>					
Measure P programs	13,521,320	-	-	-	13,521,320
Other contracts	802,524	-	-	-	802,524
Public Facilities Maintenance	-	-	-	272,443	272,443
Staffing support and recruitment	2,000,000	-	-	-	2,000,000
Community development and housing	-	1,661,574	-	120,424	1,781,998
<b>Total assigned fund balances</b>	<b><u>16,323,844</u></b>	<b><u>1,661,574</u></b>	<b><u>-</u></b>	<b><u>392,867</u></b>	<b><u>18,378,285</u></b>
<b>Unassigned:</b>					
General fund	31,658,917	-	-	-	31,658,917
Other governmental fund deficit residuals	-	-	-	(2,385,566)	(2,385,566)
<b>Total unassigned fund balances</b>	<b><u>31,658,917</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>(2,385,566)</u></b>	<b><u>29,273,351</u></b>
<b>Total fund balances</b>	<b><u>\$ 85,571,766</u></b>	<b><u>\$ 16,534,942</u></b>	<b><u>\$ 37,384,823</u></b>	<b><u>\$ 90,753,734</u></b>	<b><u>\$ 230,245,265</u></b>

**C. Minimum Fund Balances**

The City's Budget and Fiscal Policy requires the City to strive to maintain two months of annual appropriations in the General Fund's Unassigned Fund Balance. As of June 30, 2025, the Unassigned Fund Balance reached \$31,658,917, which is 2.8 months of 2025-26 annual appropriations of \$136.9 million, excluding Measure P.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 12 - NET POSITION AND FUND BALANCES (CONTINUED)**

**D. Deficits**

The funds below had fund balance or net position deficits at June 30, 2025:

Special Revenue Fund:		
Justice Assistant Grant Fund #149	(A) \$	21,688
Capital Projects Fund		
Capital Grant & Contribution Fund #221	(A)	2,363,878
Internal Service Funds:		
Retiree Health Benefits	(B)	6,194,269
Fiduciary Funds		
Hiddenbrooke Improvement District	(C)	783,599
NE Quadrant Improvement District	(C)	2,496,121
Successor Agency	(C)	2,599,242

(A) The net position deficit is due to grant reimbursements not received within the City’s availability period.

(B) The Retiree Health Benefits Internal Service Fund had a net position deficit of \$6,194,269 due to recognition of the net OPEB liability. The City had established an irrevocable trust plan to prefund the liability and reduce the deficit.

(C) The net position deficits in fiduciary funds are mainly due to the recognition of the long-term of Assessment Districts and Successor Agency. The special assessments and Redevelopment Property Tax Trust Fund (RPTTF) received by the City on behalf of the bondholders continued to provide sufficient resources for these funds to cover the required annual debt service.

**E. Restatement of Net Position - Prior Period Adjustments**

***City***

Changes to or within the Reporting Entity

Mare Island Conversion Fund was previously reported as a major governmental fund during the prior fiscal year. Due to a significant decrease in activity of the fund during the year, it did not meet the requirements of being presented as a major fund, in accordance with GASB Statement No. 34, during the fiscal year ended June 30, 2025. The effects of that change to or within the financial reporting entity are shown on the next page.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 12 - NET POSITION AND FUND BALANCES (CONTINUED)**

Change in Accounting Principle

For fiscal year ended June 30, 2025, the City implemented GASB Statement No. 101, Compensated Absences, which updated the recognition and measurement guidance for compensated absences, to align recognition and measurement under a single unified model to better meet the needs of financial statement users; refer to note 1. The effect of the implementation of the change in accounting principle is shown in the table below.

	6/30/2024 As Previously Reported	Changes to or within the Reporting Entity	Changes in Accounting Principle	6/30/2024 As Restated
<b>Government-wide</b>				
Governmental activities	\$ 329,710,435	\$ -	\$ (1,929,783)	\$ 327,780,652
Business-type activities	111,522,953	-	(196,125)	111,326,828
<b>Total government-wide</b>	<b>\$ 441,233,388</b>	<b>\$ -</b>	<b>\$ (2,125,908)</b>	<b>\$ 439,107,480</b>
<b>Governmental funds</b>				
Major funds				
General fund	\$ 78,917,704	\$ -	\$ -	\$ 78,917,704
Housing Authority	16,535,789	-	-	16,535,789
Capital Outlay Fund #201	28,509,731	-	-	28,509,731
Mare Island Conversion #106	4,333,793	(4,333,793)	-	-
Nonmajor funds	84,091,433	4,333,793	-	88,425,226
<b>Total governmental funds</b>	<b>\$ 212,388,450</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 212,388,450</b>
<b>Proprietary funds</b>				
Major funds				
Water fund	\$ 103,005,067	\$ -	\$ (196,125)	\$ 102,808,942
Nonmajor enterprise funds	8,517,886	-	-	8,517,886
Internal service funds	19,672,403	-	(19,173)	19,653,230
<b>Total proprietary funds</b>	<b>\$ 131,195,356</b>	<b>\$ -</b>	<b>\$ (215,298)</b>	<b>\$ 130,980,058</b>

**NOTE 13 - SELF-INSURANCE PROGRAM**

The City manages risk by participating in the public entity risk pools described below and by retaining certain risks.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by members beyond their representation on that board. Obligations and liabilities of these risk pools are not the City's responsibility.

**A. Risk Coverage**

**City** – The City of Vallejo has operated a self-insured liability program for many years. Its self-insured retention (SIR) for 2024-25 was \$1,000,000, with an additional \$1,000,000 corridor deductible. Public Risk Innovation, Solutions and Management (PRISM) provides coverage in excess of the City's SIR. During the fiscal year ended June 30, 2025, the City contributed \$3,300,452 for general liability coverage during the current year.

PRISM also covers the City's workers' compensation claims up to statutory limits. The City has an SIR of \$500,000 per claim. During the fiscal year ended June 30, 2025, the City contributed \$666,872 for current year coverage.

The City's contributions to the risk pool is based on the ratio of its payroll to the payroll of all participating members. At the end of the policy period, any actual financial surpluses or losses are shared among the members according to a retrospective rating formula outlined in the JPA agreement.

The City maintains a comprehensive property insurance program with the following key components. The City has an all-risk Property Insurance Policy with a general deductible of \$25,000 for most claims types. Flood claims are covered under the Property Insurance Policy and are subject to a minimum of \$100,000 deductible. Earthquake coverage is provided through a separate Difference in Conditions (DIC) policy with a limit of \$25,000,000. This coverage is subject to a deductible of 5% of the total insured value per building, with a minimum deductible of \$25,000 per occurrence. The City also maintains ancillary insurance policies for other exposures, including Cyber Liability, Pollution Liability, Aircraft Liability, and Crime Insurance.

**Vallejo Flood and Wastewater District—VFWD** is a member of the California Sanitation Risk Management Authority which provides coverage up to \$0 for general liability claims, subject to a deductible of \$2,500. Excess public entity general liability insurance is obtained for coverage up to \$15,750,000 associated with either sanitary sewer or storm drain operations. Auto liability is subject to a deductible of \$1,000 with coverage up to \$5,164,817.

California Sanitation Risk Management Authority also provides coverage up to \$750,000 for workers' compensation. Excess workers compensation insurance provides coverage up to \$1,000,000. Pollution remediation insurance provides coverage up to \$1,000,000 and \$5,000,000 in the aggregate, with a deductible of \$25,000. Property insurance provides coverage up to \$241,341,679 with a deductible of \$10,000.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 13 - SELF-INSURANCE PROGRAM (CONTINUED)**

**B. Liability for Uninsured Claims**

The following is a summary of changes in the City's recorded claims liabilities during the years ended June 30, 2025:

	<u>2025</u>	<u>2024</u>
Beginning Balance	\$ 28,532,000	\$ 28,391,000
Current year claims and increase (decrease) in prior estimates	7,582,683	7,548,285
Claims paid	<u>(6,006,914)</u>	<u>(7,407,285)</u>
Ending Balance	<u>\$ 30,107,769</u>	<u>\$ 28,532,000</u>
Current Portion	<u>\$ 7,828,026</u>	<u>\$ 6,938,010</u>

The claims payable are reported at their present value using expected future investment yield assumption of 3%. The undiscounted claims totaled \$34,179,489 at June 30, 2025.

The City and VFWD have not significantly reduced insurance coverage from the prior year. Furthermore, settlements have not exceeded insurance coverage for the past three fiscal years.

**NOTE 14 - COMMITMENTS AND CONTINGENCIES**

**A. Litigation**

The City is involved in various claims and litigation resulting from its normal operations. The ultimate outcome of these matters is not presently determinable. In City management's opinion these matters will not have significant adverse effect of the City's financial position.

**B. Federal and State Grant Programs**

The City participates in several federal and State grant programs. These programs are subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The City expects such amounts, if any, to be immaterial.

**C. Encumbrances**

The City uses an encumbrance system as an extension of normal budgetary accounting for governmental funds. Under this system, purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of applicable appropriations. Encumbrances outstanding at year end are recorded as restricted, committed or assigned fund balance, depending on the classification of the resources to be used to liquidate the encumbrance, since they do not constitute expenditures or liabilities. Outstanding encumbrances at year-end are automatically reappropriated for the following year. Unencumbered and unexpended appropriations lapse at year-end. Encumbrances outstanding by fund as of June 30, 2025 were as follows:

Major Governmental Funds:	
General Fund	\$ 1,510,572
Capital Outlay fund 201/Measure P Capital fund 228	3,168,975
Housing Authority	70,724
Non-Major Governmental Funds	<u>2,346,276</u>
	<u>\$ 7,096,547</u>

**NOTE 14 - COMMITMENTS AND CONTINGENCIES (CONTINUED)**

**D. Long Term Construction Contracts**

In addition to the encumbrances discussed above, the City and Vallejo Flood and Wastewater District have various ongoing capital projects that involve long-term construction contracts with progress payments billed and paid on a percentage-of-completion basis. Construction commitments related to these contracts at June 30, 2025 of City and VFWD amounted to approximately \$7 million and \$10.2 million, respectively.

**NOTE 15 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES**

The City Council assumed the duties of the Successor Agency to the Former Vallejo Redevelopment Agency (Successor Agency) upon State redevelopment dissolution on February 1, 2012. Amendments to the State Health and Safety Code, enacted through ABx1 26 on June 28, 2011, AB1484 on June 27, 2012, and SB107 on September 11, 2015 suspended most redevelopment activities and charged successor agencies to retire redevelopment obligations and dispose of assets.

The activities of the Successor Agency are subject to review and approval of an Oversight Board, which is comprised of seven members, including one member representing the City Council, one representing the former Redevelopment Agency (RDA) employees, and five members representing other taxing agencies within the County. Oversight Board actions are further subject to review and approval by the State Department of Finance (DOF).

The activities of the Successor Agency are reported in the Successor Agency to the Former Redevelopment Agency Private-Purpose Trust Fund, because activities are under the control of the Oversight Board. The City provides administrative services to the Successor Agency.

Cash and investments of the Successor Agency as of June 30, 2025 are discussed in Note 2. Information about other assets and liabilities of the Successor Agency as of June 30, 2025 is presented on the following pages.

**A. Notes and Loans Receivable**

Meyer Cookware Industries, Inc.

Pursuant to a Disposition and Development Agreement between the RDA and Meyer Cookware Industries, Inc., the former RDA paid certain development fees on behalf of Meyer totaling \$1,500,000. Meyer agreed to repay \$500,000 of these fees to the RDA over a 24-year period commencing in 1998. This loan to Meyer is secured by a corporate guarantee and is non-interest bearing. The final payment was made in the fiscal year ending June 30, 2018.

The obligation of Meyer to repay the remaining \$1,000,000 is contingent upon either on the sale of the property or the refinancing of the existing debt. As a result, the \$1,000,000 is not included as a receivable in the accompanying basic financial statements. Meyer has agreed to pay the RDA either 9% of the net sale proceeds upon any sale of the property as satisfaction in full of the development contribution, or net refinancing proceeds if such a refinancing should occur. Ten years following the issuance of the Certificate of Occupancy (1995), the participation in proceeds from the sale of property or refinancing has been reduced from 9% to 5%.

**B. Capital Assets**

The Successor Agency assumed the capital assets of the RDA as of February 2012. All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The Successor Agency's policy is to capitalize all assets with costs exceeding certain minimum thresholds and with useful lives exceeding two years. Capital assets at June 30, 2025 were comprised of land of \$189,226 and Building and Improvements, net of accumulated depreciation, of \$31,450.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

**NOTE 15 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (CONTINUED)**

**C. Long-Term Obligations**

The Successor Agency assumed the long-term obligations of the former RDA as of February 2012.

**1. Current Year Transactions and Balances**

	Original Issue Amount	Balance June 30, 2024	Retirements/ Adjustments	Balance June 30, 2025	Current Portion
Tax Allocation Bonds:					
Housing Set Aside 7.0%, due 10/1/2031	\$ 5,410,000	\$ 1,955,000	\$ 190,000	\$ 1,765,000	\$ 205,000
Total Tax Allocation Bonds	5,410,000	1,955,000	190,000	1,765,000	205,000
Other Obligations:					
Advances from the City of Vallejo	4,436,351	2,503,928	943,812	1,560,116	-
Total Other Obligations	4,436,351	2,503,928	943,812	1,560,116	-
Total Successor Agency Debt	<u>\$ 9,846,351</u>	<u>\$ 4,458,928</u>	<u>\$ 1,133,812</u>	<u>\$ 3,325,116</u>	<u>\$ 205,000</u>

**2. Tax Allocation Bonds**

**Vallejo Housing Set Aside** – In August 2001, the RDA issued Tax Allocation Bonds in the amount of \$5,410,000 to finance housing activities of the RDA and to repay a loan from the PFA. Semi-annual interest payments are due on April 1 and October 1 and annual principal payments are due October 1. The bonds are subject to mandatory sinking fund redemption and payment is made solely from, and secured by, housing set-aside tax increment revenues generated within the redevelopment project areas.

**Pledge of Tax Revenues** – As discussed above, the RDA has pledged all future tax increment revenues, less amounts required to be set aside in the RDA's Low and Moderate Income Housing Fund, for the repayment of the Tax Allocation Bonds. The pledge of all future tax increment revenues ends upon repayment of \$2,872,975 debt service on the Bonds above, which is scheduled to occur in 2032. With the dissolution of the RDA discussed above, Tax Increment is no longer distributed and instead the Successor Agency receives payments from the County's Redevelopment Property Tax Trust fund (RPTTF) that are to be used to fund debt service on the Bonds, with no distinction between housing and non-housing revenues. In fiscal year 2025, the Successor Agency received sufficient RPTTF distributions to meet all bond obligations for the year.

**3. Advances from the City**

The loan balances as of June 30, 2025 are as follows:

	Principal	Accrued Interest	Total
Hiddenbrooke Overpass Capital Project Fund	\$ -	\$ 155,488	\$ 155,488
Bridge Construction Capital Projects Fund	-	160,730	160,730
Arts and Convention Center Capital Projects	-	1,243,898	1,243,898
General Fund:			
Waterfront	162,805	894,799	1,057,604
Marina Vista	-	647,510	647,510
Central	708,372	1,037,478	1,745,850
Less: Allowance for Doubtful Accounts	(871,177)	(2,579,787)	(3,450,964)
	<u>\$ -</u>	<u>\$ 1,560,116</u>	<u>\$ 1,560,116</u>

The loans bear simple interest of 3.00%. Repayment of these loans is governed by Health and Safety Code Section 34176(e)(6) and the maximum annual repayment is limited based on calculations in that Code Section. Repayment installments were approved by the State Department of Finance starting fiscal year 2016-17 through the annual ROPS process. Additional information about these advances can be found in Note 4h.

**CITY OF VALLEJO**  
**Notes to Financial Statements**  
**For the Fiscal Year Ended June 30, 2025**

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**NOTE 15 - REDEVELOPMENT AGENCY DISSOLUTION AND SUCCESSOR AGENCY ACTIVITIES (CONTINUED)**

**4. Debt Service Requirements**

Debt service requirements to maturity are shown below for all long-term debt, except the advances from the City, because the ultimate repayment terms cannot be determined at this time, as discussed above:

Ending June 30,	Principal	Accrued Interest
2026	\$ 205,000	\$ 116,375
2027	220,000	101,500
2028	235,000	85,575
2029	250,000	68,600
2030	265,000	50,575
2031-2033	590,000	42,000
Total	<u>\$ 1,765,000</u>	<u>\$ 464,625</u>

**D. Commitments and Contingencies**

**1. Oversight Board and State Approval of Enforceable Obligations**

The Successor Agency prepares an annual Recognized Obligation Payment Schedule (ROPS) that contains proposed expenditures for the upcoming fiscal year. All payment obligations are subject to annual review and re-approval by the Oversight Board and the State DOF. The City expects future adjustments by the Oversight Board and State DOF, if any, to be immaterial.

**NOTE 16 - RESTATEMENT OF BEGINNING NET POSITION - VFWD**

During the year ended June 30, 2025, the District updated its capitalization threshold related to Subscriptions Based Information Technology Arrangements (SBITAs) and Leases in accordance with Governmental Accounting Standards Board (GASB) Statement No 87 & 96. Based on the updated threshold, certain SBITA and Leases contracts that would otherwise meet the recognition criteria under GASB 96 fall below the District's capitalization threshold. This resulted in the decreased in beginning net position in the amount of (\$897,271).

	As Previously Reported	Restated	Change in Net Position
Subscription Liability	\$ 196,140,431	\$ (897,271)	\$ 195,243,160

**NOTE 17 - SUBSEQUENT EVENTS**

The City evaluated subsequent events for recognition and disclosure through February 18, 2026, the date on which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025, that required recognition or disclosure in these financial statements.

**Required Supplementary Information**

## **Budgetary Information**

**Schedules of Revenues, Expenditures, and Changes in Fund Balances:  
Budget and Actual - General Fund and Major Special Revenue Funds**

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**General Fund**  
**For the Fiscal Year Ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes	\$ 127,896,490	\$ 128,080,790	\$ 127,710,220	\$ (370,570)
Licenses and permits	5,542,896	4,434,115	5,350,262	916,147
Intergovernmental revenues	3,603,075	13,269,316	12,684,624	(584,692)
Charges for services	10,487,120	10,073,533	9,294,078	(779,455)
Use of money and property	2,300,533	2,300,533	6,101,131	3,800,598
Fines and forfeitures	1,072,998	837,596	964,723	127,127
Other	103,734	754,692	1,969,331	1,214,639
<b>Total revenues</b>	<b>151,006,846</b>	<b>159,750,575</b>	<b>164,074,369</b>	<b>4,323,794</b>
<b>EXPENDITURES</b>				
Current:				
Legislative and advisory	457,157	468,553	256,666	211,887
Executive	3,642,959	2,980,373	2,381,127	599,246
Finance	2,849,206	2,671,188	2,600,071	71,117
Human resources	1,812,649	2,128,960	2,278,898	(149,938)
Law	2,439,437	2,407,349	2,220,186	187,163
Planning and development services	5,907,019	5,491,665	5,655,081	(163,416)
Fire services	32,316,308	33,060,652	35,314,757	(2,254,105)
Police services	62,540,839	60,625,235	55,560,870	5,064,365
Public works	10,359,854	11,122,531	9,587,190	1,535,341
Economic development	2,111,747	2,218,808	1,740,750	478,058
Information technology	2,253,438	2,385,141	1,620,917	764,224
Non departmental	584,460	7,496,811	7,515,401	(18,590)
Debt service:				
Principal - lease payments	-	-	18,166	(18,166)
Interest and fiscal charges	-	-	1,244	(1,244)
<b>Total expenditures</b>	<b>127,275,073</b>	<b>133,057,266</b>	<b>126,751,324</b>	<b>6,305,942</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>23,731,773</b>	<b>26,693,309</b>	<b>37,323,045</b>	<b>10,629,736</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3a)	1,419,455	1,419,455	1,178,060	(241,395)
Transfers out (Note 3a)	(11,037,461)	(37,485,142)	(31,864,825)	5,620,317
Lease proceeds	-	-	17,782	17,782
Total other financing sources (uses)	(9,618,006)	(36,065,687)	(30,668,983)	5,396,704
<b>Net change in fund balances</b>	<b>\$ 14,113,767</b>	<b>\$ (9,372,378)</b>	<b>6,654,062</b>	<b>\$ 16,026,440</b>
Fund balances-beginning			78,917,704	
<b>Fund balances-ending</b>			<b>\$ 85,571,766</b>	

CITY OF VALLEJO

Required Supplementary Information

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual

Housing Authority

For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 24,163,241	\$ 24,163,241	\$ 28,600,490	\$ 4,437,249
Use of money and property	-	-	103,376	103,376
Other	8,600	8,600	107,795	99,195
<b>Total revenues</b>	<b>24,171,841</b>	<b>24,171,841</b>	<b>28,811,661</b>	<b>4,639,820</b>
<b>EXPENDITURES</b>				
Current:				
Community services	23,024,944	24,182,645	29,002,065	(4,819,420)
Debt service:				
Principal - lease payments	-	-	443	(443)
<b>Total expenditures</b>	<b>23,024,944</b>	<b>24,182,645</b>	<b>29,002,508</b>	<b>(4,819,863)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>1,146,897</b>	<b>(10,804)</b>	<b>(190,847)</b>	<b>(180,043)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3a)	189,999	189,999	190,000	1
<b>Total other financing sources (uses)</b>	<b>189,999</b>	<b>189,999</b>	<b>190,000</b>	<b>1</b>
<b>Net change in fund balances</b>	<b>\$ 1,336,896</b>	<b>\$ 179,195</b>	<b>(847)</b>	<b>\$ (180,042)</b>
Fund balances-beginning			16,535,789	
<b>Fund balances-ending</b>			<b>\$ 16,534,942</b>	

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**City's Retiree Medical Benefits (OPEB)**  
**Agent Multiple-Employer Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>(1)</sup>**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021
<b>Total OPEB Liability</b>				
Service cost	\$ 631,000	\$ 614,000	\$ 946,000	\$ 919,000
Interest on the total OPEB liability	2,063,000	2,062,000	2,621,000	2,576,000
Differences between expected and actual experiences	(1,962,000)	-	(5,020,000)	-
Changes in assumptions	(249,000)	-	(1,229,000)	-
Changes in benefit terms	2,366,000	-	-	-
Benefit payments	(2,555,000)	(2,792,000)	(2,835,000)	(2,893,000)
<b>Net change in total OPEB liability</b>	<b>294,000</b>	<b>(116,000)</b>	<b>(5,517,000)</b>	<b>602,000</b>
Total OPEB liability - beginning	33,667,000	33,783,000	39,300,000	38,698,000
<b>Total OPEB liability - ending (a)</b>	<b>33,961,000</b>	<b>33,667,000</b>	<b>33,783,000</b>	<b>39,300,000</b>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	2,582,000	2,821,000	2,860,000	2,919,000
Net investment income	2,938,000	1,611,000	(3,878,000)	6,249,000
Benefit payments	(2,555,000)	(2,792,000)	(2,835,000)	(2,893,000)
Administrative expense	(36,000)	(36,000)	(32,000)	(35,000)
<b>Net change in plan fiduciary net position</b>	<b>2,929,000</b>	<b>1,604,000</b>	<b>(3,885,000)</b>	<b>6,240,000</b>
Plan fiduciary net position - beginning	26,683,000	25,079,000	28,964,000	22,724,000
<b>Plan fiduciary net position - ending (b)</b>	<b>29,612,000</b>	<b>26,683,000</b>	<b>25,079,000</b>	<b>28,964,000</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 4,349,000</b>	<b>\$ 6,984,000</b>	<b>\$ 8,704,000</b>	<b>\$ 10,336,000</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>87.19%</b>	<b>79.26%</b>	<b>74.24%</b>	<b>73.70%</b>
Covered-employee payroll	\$ 71,494,000	\$ 67,500,000	\$ 64,940,000	\$ 64,879,000
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>6.08%</b>	<b>10.35%</b>	<b>13.40%</b>	<b>15.93%</b>

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**CITY OF VALLEJO**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)**  
**Agent Multiple-Employer Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>(1)</sup>**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Measurement Period	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
<b>Total OPEB Liability</b>				
Service cost	\$ 912,000	\$ 889,000	\$ 988,000	\$ 965,000
Interest on the total OPEB liability	2,668,000	2,624,000	2,886,000	2,831,000
Differences between expected and actual experiences	(2,947,000)	-	(5,289,000)	-
Changes in assumptions	911,000	-	(1,054,000)	-
Changes in benefit terms	-	-	-	-
Benefit payments	(2,886,000)	(2,909,000)	(2,997,000)	(2,957,000)
<b>Net change in total OPEB liability</b>	<b>(1,342,000)</b>	<b>604,000</b>	<b>(5,466,000)</b>	<b>839,000</b>
Total OPEB liability - beginning	40,040,000	39,436,000	44,902,000	44,063,000
<b>Total OPEB liability - ending (a)</b>	<b>38,698,000</b>	<b>40,040,000</b>	<b>39,436,000</b>	<b>44,902,000</b>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	2,914,000	2,941,000	4,340,000	6,468,000
Net investment income	776,000	1,277,000	1,437,000	1,479,000
Benefit payments	(2,886,000)	(2,909,000)	(2,997,000)	(2,957,000)
Administrative expense	(39,000)	(36,000)	(76,000)	(42,000)
<b>Net change in plan fiduciary net position</b>	<b>765,000</b>	<b>1,273,000</b>	<b>2,704,000</b>	<b>4,948,000</b>
Plan fiduciary net position - beginning	21,959,000	20,686,000	17,982,000	13,034,000
<b>Plan fiduciary net position - ending (b)</b>	<b>22,724,000</b>	<b>21,959,000</b>	<b>20,686,000</b>	<b>17,982,000</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 15,974,000</b>	<b>\$ 18,081,000</b>	<b>\$ 18,750,000</b>	<b>\$ 26,920,000</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>58.72%</b>	<b>54.84%</b>	<b>52.45%</b>	<b>40.05%</b>
Covered-employee payroll	\$ 61,630,000	\$ 58,767,558	\$ 55,348,748	\$ 54,537,858
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>25.92%</b>	<b>30.77%</b>	<b>33.88%</b>	<b>49.36%</b>

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Contributions**  
**City's Retiree Medical Benefits (OPEB)**  
**Agent Multiple-Employer Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>(1)</sup>**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Actuarially Determined Contribution	\$ 1,110,000	\$ 1,178,000	\$ 2,038,000	\$ 2,114,000
Contribution in Relation to the Actuarially Determined Contributions	(1,096,000)	(2,582,000)	(2,821,000)	(2,860,000)
Contribution Deficiency (Excess)	<u>\$ 1,485,999</u>	<u>\$ (1,404,000)</u>	<u>\$ (783,000)</u>	<u>\$ (746,000)</u>
Covered-employee payroll	\$ 74,511,000	\$ 71,494,000	\$ 67,500,000	\$ 64,940,000
Contributions as a percentage of covered-employee payroll	1.47%	3.61%	4.18%	4.40%

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**Notes to Schedule:**

\*Actuarial methods and assumptions used to set the actuarially determined contribution for Fiscal Year 2025 were from the June 30, 2022 actuarial valuation.

**Methods and assumptions used to determine contributions:**

Actuarial cost method	Entry age normal, level percent of payroll
Amortization method	Level percent of pay
Amortization period	15-year fixed period on average for FY2024/25
Asset valuation method	Investment gains and losses spread over 5 year rolling period
Discount rate	6.25%
Inflation	2.50%
Medical trend	Non-Medicare -8.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Non-Kaiser) - 7.50% for 2024, decreasing to an ultimate rate of 3.45% in 2076 Medicare (Kaiser) - 6.25% for 2024, decreasing to an ultimate rate of 3.45% in 2076
Mortality	CalPERS 2000-2019 Experience study
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2021
All other assumptions	Same as those used to determine the total OPEB liability

**CITY OF VALLEJO**  
**Schedule of Contributions (Continued)**  
**City's Retiree Medical Benefits (OPEB)**  
**Agent Multiple-Employer Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>(1)</sup>**

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	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>
Actuarially Determined Contribution	\$ 2,442,000	\$ 2,382,000	\$ 2,321,000	\$ 2,994,000
Contribution in Relation to the Actuarially Determined Contributions	(2,919,000)	(2,914,000)	(2,941,000)	(4,340,000)
Contribution Deficiency (Excess)	<u>\$ (477,000)</u>	<u>\$ (532,000)</u>	<u>\$ (620,000)</u>	<u>\$ (1,346,000)</u>
Covered-employee payroll	\$ 64,879,000	\$ 61,630,000	\$ 58,767,558	\$ 55,348,748
Contributions as a percentage of covered-employee payroll	4.50%	4.73%	5.00%	7.84%

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**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios**  
**Vallejo Flood and Wastewater District**  
**Agent Multiple-Employer Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>(1)</sup>**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
<b>Total OPEB Liability</b>					
Service cost	\$ 844,757	\$ 821,747	\$ 950,869	\$ 916,059	\$ 352,376
Interest on the total OPEB liability	1,454,238	1,407,369	1,443,515	1,388,866	1,456,214
Differences between expected and actual experiences	2,028,905	111,792	(2,280,906)	73,206	(603,460)
Changes in assumptions	(1,231,680)	-	(153,210)	-	3,681,452
Benefit payments	(1,684,965)	(1,480,570)	(1,458,265)	(1,487,182)	(1,276,392)
<b>Net change in total OPEB liability</b>	<b>1,411,255</b>	<b>860,338</b>	<b>(1,497,997)</b>	<b>890,949</b>	<b>3,610,190</b>
Total OPEB liability - beginning	24,235,016	23,374,678	24,872,675	23,981,726	20,371,536
<b>Total OPEB liability - ending (a)</b>	<b>25,646,271</b>	<b>24,235,016</b>	<b>23,374,678</b>	<b>24,872,675</b>	<b>23,981,726</b>
<b>Plan Fiduciary Net Position</b>					
Contribution - employer	1,684,965	1,500,570	1,958,265	1,987,182	1,776,392
Contribution - member	253,535	239,050	222,071	210,111	214,047
Net investment income	2,127,162	1,690,349	899,005	(2,056,062)	3,091,825
Benefit payments	(1,684,965)	(1,480,570)	(1,458,265)	(1,487,182)	(1,276,392)
Administrative expense	(5,917)	(7,799)	(6,872)	(2,780)	(2,635)
Other changes in net position	-	-	-	-	(589)
<b>Net change in plan fiduciary net position</b>	<b>2,374,780</b>	<b>1,941,600</b>	<b>1,614,204</b>	<b>(1,348,731)</b>	<b>3,802,648</b>
Plan fiduciary net position - beginning	17,172,068	15,230,468	13,616,264	14,964,995	11,162,347
<b>Plan fiduciary net position - ending (b)</b>	<b>19,546,848</b>	<b>17,172,068</b>	<b>15,230,468</b>	<b>13,616,264</b>	<b>14,964,995</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 6,099,423</b>	<b>\$ 7,062,948</b>	<b>\$ 8,144,210</b>	<b>\$ 11,256,411</b>	<b>\$ 9,016,731</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>76.22%</b>	<b>70.86%</b>	<b>65.16%</b>	<b>54.74%</b>	<b>62.40%</b>
Covered-employee payroll	\$ 12,239,742	\$ 12,160,640	\$ 11,699,877	\$ 10,603,644	\$ 10,393,617
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>49.83%</b>	<b>58.08%</b>	<b>69.61%</b>	<b>106.16%</b>	<b>86.75%</b>

**Notes to Schedule:**

Changes of Assumptions: For the measurement period June 30, 2025, the discount rate was increased from 6.00 percent to 6.40 percent. For the measurement period June 30, 2024, there were no changes in assumptions. For the measurement period June 30, 2023, the discount rate was increased from 5.75 percent to 6.00 percent. For the measurement period ended June 30, 2022, there were no changes in assumptions. For the measurement ended June 30, 2021, the discount rate was changed from 7.25 percent (net of administrative expense) to 5.75 percent and the inflation rate was changed from 2.75 percent to 2.25 percent. For the measurement period June 30, 2020, to maintain consistency with CalPERS demographic rates, rates of retirement, termination, disability, and mortality were updated. For the measurement period ended June 30, 2018, the discount rate was changed from 5.09 percent (net of administrative expense) to 5.52 percent.

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Changes in the Net OPEB Liability and Related Ratios (Continued)**  
**Vallejo Flood and Wastewater District**  
**Agent Multiple-Employer Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>(1)</sup>**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016
<b>Total OPEB Liability</b>				
Service cost	\$ 362,299	\$ 351,747	\$ 341,502	\$ 323,479
Interest on the total OPEB liability	1,296,524	1,252,722	1,209,603	1,166,959
Differences between expected and actual experiences	1,721,805	-	(6,230)	-
Changes in assumptions	-	-	-	-
Benefit payments	(1,041,544)	(981,223)	(940,234)	(836,221)
<b>Net change in total OPEB liability</b>	<b>2,339,084</b>	<b>623,246</b>	<b>604,641</b>	<b>654,217</b>
Total OPEB liability - beginning	18,032,452	17,409,206	16,804,565	16,150,348
<b>Total OPEB liability - ending (a)</b>	<b>20,371,536</b>	<b>18,032,452</b>	<b>17,409,206</b>	<b>16,804,565</b>
<b>Plan Fiduciary Net Position</b>				
Contribution - employer	1,541,544	1,481,223	1,440,234	1,336,221
Contribution - member	191,439	173,100	156,902	171,665
Net investment income	352,141	1,070,440	83,311	794,510
Benefit payments	(1,041,544)	(981,223)	(940,234)	(836,221)
Administrative expense	(2,780)	(2,348)	(3,094)	(36,633)
Other changes in net position	(84,912)	-	-	-
<b>Net change in plan fiduciary net position</b>	<b>955,888</b>	<b>1,741,192</b>	<b>737,119</b>	<b>1,429,542</b>
Plan fiduciary net position - beginning	10,206,459	8,465,267	7,728,148	6,298,606
<b>Plan fiduciary net position - ending (b)</b>	<b>11,162,347</b>	<b>10,206,459</b>	<b>8,465,267</b>	<b>7,728,148</b>
<b>Net OPEB Liability/(Assets) - ending (a) - (b)</b>	<b>\$ 9,209,189</b>	<b>\$ 7,825,993</b>	<b>\$ 8,943,939</b>	<b>\$ 9,076,417</b>
<b>Plan fiduciary net position as a percentage of the total OPEB liability</b>	<b>54.79%</b>	<b>56.60%</b>	<b>48.63%</b>	<b>45.99%</b>
Covered-employee payroll	\$ 9,670,727	\$ 10,102,073	\$ 8,334,837	\$ 8,022,329
<b>Net OPEB liability as a percentage of covered-employee payroll</b>	<b>95.23%</b>	<b>77.47%</b>	<b>107.31%</b>	<b>113.14%</b>

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2017 was the first year of implementation. Future years' information will be displayed up to 10 years as information becomes available.

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Contributions**  
**Vallejo Flood and Wastewater District**  
**Agent Multiple-Employer Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>(1)</sup>**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 1,477,791	\$ 1,437,491	\$ 1,788,161	\$ 1,740,303	\$ 1,143,845
Contribution in relation to the actuarially determined contributions	<u>(1,353,582)</u>	<u>(1,500,570)</u>	<u>(1,958,265)</u>	<u>(1,987,182)</u>	<u>(1,776,392)</u>
Contribution deficiency (excess)	<u>\$ 124,209</u>	<u>\$ (63,079)</u>	<u>\$ (170,104)</u>	<u>\$ (246,879)</u>	<u>\$ (632,547)</u>
Covered-employee payroll	\$12,239,742	\$12,160,640	\$11,699,877	\$10,603,644	\$10,393,617
Contributions as a percentage of covered-employee payroll	13.77%	12.34%	16.74%	18.74%	17.09%

(1) Schedule is intended to show information for ten years. Fiscal year 2017 was the first year of implementation, therefore only seven years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF VALLEJO**  
**Schedule of Contributions (Continued)**  
**Vallejo Flood and Wastewater District**  
**Agent Multiple-Employer Plan**  
**As of June 30, for the Last Ten Fiscal Years <sup>(1)</sup>**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Actuarially determined contribution	\$ 1,110,529	\$ 1,082,230	\$ 1,050,709	\$ 1,092,974
Contribution in relation to the actuarially determined contributions	<u>(1,541,544)</u>	<u>(1,481,223)</u>	<u>(1,440,234)</u>	<u>(1,336,221)</u>
Contribution deficiency (excess)	<u>\$ (431,015)</u>	<u>\$ (398,993)</u>	<u>\$ (389,525)</u>	<u>\$ (243,247)</u>
Covered-employee payroll	\$ 9,670,727	\$ 10,102,073	\$ 8,334,837	\$ 8,022,329
Contributions as a percentage of covered-employee payroll	15.94%	14.66%	17.28%	16.66%

(1) Schedule is intended to show information for ten years. Fiscal year 2017 was the first year of implementation, therefore only seven years are shown. Additional years' information will be displayed as it becomes available.

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
<b>Total Pension Liability</b>					
Service cost	\$ 5,518,311	\$ 5,113,704	\$ 5,054,977	\$ 4,651,311	\$ 4,388,206
Interest on total pension liability	22,400,397	21,812,820	21,094,227	20,921,652	20,357,309
Differences between expected and actual experience	1,795,213	3,819,680	(2,109,415)	1,213,833	(7,463)
Changes in assumptions	-	-	8,211,629	-	-
Benefit payments, including refunds of employee contributions	(20,603,287)	(20,213,600)	(18,954,164)	(18,594,010)	(17,801,978)
<b>Net change in total pension liability</b>	<b>9,110,634</b>	<b>10,532,604</b>	<b>13,297,254</b>	<b>8,192,786</b>	<b>6,936,074</b>
Total pension liability-beginning	330,390,689	319,858,085	306,560,831	298,368,045	291,431,971
<b>Total pension liability-ending (a)</b>	<b>339,501,323</b>	<b>330,390,689</b>	<b>319,858,085</b>	<b>306,560,831</b>	<b>298,368,045</b>
<b>Plan Fiduciary Net Position</b>					
Contributions-employer	12,611,596	12,706,200	11,645,027	11,062,044	10,258,622
Contributions-employee	2,678,832	2,342,099	2,104,544	2,145,220	2,184,791
Net investment income	19,539,682	12,213,090	(16,576,076)	41,389,429	8,999,002
Benefit payments, including refunds of employee contributions	(20,603,287)	(20,213,600)	(18,954,164)	(18,594,010)	(17,801,978)
Plan to plan resource movement	-	(1,853)	-	-	-
Other miscellaneous expense	-	-	-	-	-
Administrative expense	(167,831)	(146,598)	(137,841)	(185,261)	(256,680)
<b>Net change in plan fiduciary net position</b>	<b>14,058,992</b>	<b>6,899,338</b>	<b>(21,918,510)</b>	<b>35,817,422</b>	<b>3,383,757</b>
Plan fiduciary net position-beginning	206,256,188	199,356,850	221,275,360	185,457,938	182,074,181
<b>Plan fiduciary net position-ending (b)</b>	<b>220,315,180</b>	<b>206,256,188</b>	<b>199,356,850</b>	<b>221,275,360</b>	<b>185,457,938</b>
<b>Net pension liability-ending (a) - (b)</b>	<b>\$ 119,186,143</b>	<b>\$ 124,134,501</b>	<b>\$ 120,501,235</b>	<b>\$ 85,285,471</b>	<b>\$ 112,910,107</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>64.89%</b>	<b>62.43%</b>	<b>62.33%</b>	<b>72.18%</b>	<b>62.16%</b>
Covered payroll	\$ 30,209,748	\$ 28,054,444	\$ 26,874,700	\$ 27,081,533	\$ 26,137,221
<b>Net pension liability as a percentage of covered payroll</b>	<b>394.53%</b>	<b>442.48%</b>	<b>448.38%</b>	<b>314.92%</b>	<b>431.99%</b>

**Notes to Schedule:**

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**Miscellaneous Plan - Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
<b>Total Pension Liability</b>					
Service cost	\$ 4,029,310	\$ 4,397,962	\$ 4,404,558	\$ 3,796,340	\$ 3,687,869
Interest on total pension liability	19,881,349	19,468,568	19,104,676	18,913,669	18,270,528
Differences between expected and actual experience	(1,474,483)	(1,082,338)	(2,220,738)	1,132,193	(1,151,730)
Changes in assumptions	-	(1,680,478)	14,463,351	-	(4,077,633)
Benefit payments, including refunds of employee contributions	(17,049,717)	(15,819,384)	(15,488,076)	(15,103,869)	(14,371,625)
<b>Net change in total pension liability</b>	<b>5,386,459</b>	<b>5,284,330</b>	<b>20,263,771</b>	<b>8,738,333</b>	<b>2,357,409</b>
Total pension liability-beginning	286,045,512	280,761,182	260,497,411	251,759,078	249,401,669
<b>Total pension liability-ending (a)</b>	<b>291,431,971</b>	<b>286,045,512</b>	<b>280,761,182</b>	<b>260,497,411</b>	<b>251,759,078</b>
<b>Plan Fiduciary Net Position</b>					
Contributions-employer	9,173,697	7,923,395	7,619,965	6,951,327	5,947,979
Contributions-employee	1,863,321	1,839,196	1,922,977	1,920,952	1,825,329
Net investment income	11,419,992	14,227,594	17,221,783	810,323	3,661,248
Benefit payments, including refunds of employee contributions	(17,049,717)	(15,819,384)	(15,488,076)	(15,103,869)	(14,371,625)
Plan to plan resource movement	(150,117)	(413)	-	(576)	-
Other miscellaneous expense	413	(501,696)	-	-	-
Administrative expense	(126,270)	(264,187)	(230,440)	(99,958)	(184,697)
<b>Net change in plan fiduciary net position</b>	<b>5,131,319</b>	<b>7,404,505</b>	<b>11,046,209</b>	<b>(5,521,801)</b>	<b>(3,121,766)</b>
Plan fiduciary net position-beginning	176,942,862	169,538,357	158,492,148	164,013,949	167,135,715
<b>Plan fiduciary net position-ending (b)</b>	<b>182,074,181</b>	<b>176,942,862</b>	<b>169,538,357</b>	<b>158,492,148</b>	<b>164,013,949</b>
<b>Net pension liability-ending (a) - (b)</b>	<b>\$ 109,357,790</b>	<b>\$ 109,102,650</b>	<b>\$ 111,222,825</b>	<b>\$ 102,005,263</b>	<b>\$ 87,745,129</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>62.48%</b>	<b>61.86%</b>	<b>60.39%</b>	<b>60.84%</b>	<b>65.15%</b>
Covered payroll	\$ 22,605,141	\$ 22,403,043	\$ 20,887,797	\$ 21,778,435	\$ 20,358,941
<b>Net pension liability as a percentage of covered payroll</b>	<b>483.77%</b>	<b>487.00%</b>	<b>532.48%</b>	<b>468.38%</b>	<b>430.99%</b>

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Plan Contributions**  
**Miscellaneous Plan**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarial determined contribution	\$ 14,180,928	\$ 12,580,393	\$ 12,579,782	\$ 11,568,843	\$ 10,944,409
Contribution in relation to the actuarially determined contribution	<u>(14,180,928)</u>	<u>(12,580,393)</u>	<u>(12,579,782)</u>	<u>(11,568,843)</u>	<u>(10,944,409)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 35,056,794	\$ 30,209,748	\$ 28,054,444	\$ 26,874,700	\$ 27,081,533
Contributions as a percentage of covered payroll	40.45%	41.64%	44.84%	43.05%	40.41%

**Notes to Schedule:**

Valuation date June 30, 2024

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal cost method

Amortization method Level percentage of pay, a summary of the current policy is provided in the table below:

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non-investment			
Amortization period	30 years	30 years	20 years	20 years	5 years
Escalation rate					
Active plans	2.80 %	2.80 %	2.80 %	2.80 %	2.80 %
Inactive plans	- %	- %	- %	- %	- %
Ramp up	5 %	5 %	5 %	- %	- %
Ramp down	5 %	5 %	5 %	- %	- %

Asset valuation method Market value

Inflation 2.30%

Salary increases Varies by entry age and service

Payroll growth 2.80%

Investment rate of return 6.8%, net of pension plan investment expenses, including inflation.

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.

**CITY OF VALLEJO**  
**Schedule of Plan Contributions (Continued)**  
**Miscellaneous Plan**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarial determined contribution	\$ 10,259,296	\$ 9,183,028	\$ 7,920,957	\$ 7,641,298	\$ 6,951,327
Contribution in relation to the actuarially determined contribution	<u>(10,259,296)</u>	<u>(9,183,028)</u>	<u>(7,920,957)</u>	<u>(7,641,298)</u>	<u>(6,951,327)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 26,137,221	\$ 22,605,141	\$ 22,403,043	\$ 20,887,797	\$ 21,778,435
Contributions as a percentage of covered payroll	39.25%	40.62%	35.36%	36.58%	31.92%

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Changes in the Net Pension Liability and Related Ratios**  
**Safety Plan**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

	<b>2025</b>	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
<b>Total Pension Liability</b>					
Service cost	\$ 7,014,981	\$ 7,175,447	\$ 7,679,475	\$ 6,840,081	\$ 6,916,858
Interest on total pension liability	39,380,537	38,158,430	36,816,284	36,031,428	35,436,006
Changes in benefit terms	-	187,838	-	-	-
Differences between expected and actual experience	6,351,165	7,475,497	502,309	(4,341,410)	1,732,575
Changes in assumptions	-	-	16,562,725	-	-
Benefit payments, including refunds of employee contributions	(34,297,875)	(33,488,367)	(31,423,005)	(30,022,902)	(29,268,078)
<b>Net change in total pension liability</b>	<b>18,448,808</b>	<b>19,508,845</b>	<b>30,137,788</b>	<b>8,507,197</b>	<b>14,817,361</b>
Total pension liability-beginning	578,022,707	558,513,862	528,376,074	519,868,877	505,051,516
<b>Total pension liability-ending (a)</b>	<b>596,471,515</b>	<b>578,022,707</b>	<b>558,513,862</b>	<b>528,376,074</b>	<b>519,868,877</b>
<b>Plan Fiduciary Net Position</b>					
Contributions-employer	20,737,383	20,381,011	19,583,204	18,763,982	16,867,013
Contributions-employee	2,816,104	2,725,868	2,680,187	2,880,179	2,495,800
Net investment income	33,525,442	21,086,111	(28,754,756)	71,416,960	15,405,724
Benefit payments	(34,297,875)	(33,488,367)	(31,423,005)	(30,022,902)	(29,268,078)
Plan to plan resource movement	-	1,853	-	-	-
Other miscellaneous expense	-	-	-	-	-
Administrative expense	(288,456)	(252,994)	(238,086)	(319,139)	(443,256)
<b>Net change in plan fiduciary net position</b>	<b>22,492,598</b>	<b>10,453,482</b>	<b>(38,152,456)</b>	<b>62,719,080</b>	<b>5,057,203</b>
Plan fiduciary net position-beginning	354,497,873	344,044,391	382,196,847	319,477,767	314,420,564
<b>Plan fiduciary net position-ending (b)</b>	<b>376,990,471</b>	<b>354,497,873</b>	<b>344,044,391</b>	<b>382,196,847</b>	<b>319,477,767</b>
<b>Net pension liability-ending (a) - (b)</b>	<b>\$ 219,481,044</b>	<b>\$ 223,524,834</b>	<b>\$ 214,469,471</b>	<b>\$ 146,179,227</b>	<b>\$ 200,391,110</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>63.20%</b>	<b>61.33%</b>	<b>61.60%</b>	<b>72.33%</b>	<b>61.45%</b>
Covered payroll	\$ 21,077,780	\$ 21,042,205	\$ 22,045,380	\$ 23,926,199	\$ 21,941,307
<b>Net pension liability as a percentage of covered payroll</b>	<b>1041.29%</b>	<b>1062.27%</b>	<b>972.85%</b>	<b>610.96%</b>	<b>913.31%</b>

**Notes to Schedule:**

Benefit Changes: The figures above generally include any liability impact that may have resulted from voluntary benefit changes that occurred on or before the Measurement Date. However, offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes) that occurred after the Valuation Date are not included in the figures above, unless the liability impact is deemed to be material by the plan actuary.

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021, valuation date (June 30, 2022, measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. In addition, demographic assumptions and the price inflation assumption were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The accounting discount rate was 7.15% for measurement dates June 30, 2017, through June 30, 2021, and 7.65% for measurement dates June 30, 2015, through June 30, 2016.

**CITY OF VALLEJO**  
**Schedule of Changes in the Net Pension Liability and Related Ratios (Continued)**  
**Safety Plan**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Total Pension Liability					
Service cost	\$ 6,733,397	\$ 6,785,852	\$ 7,141,768	\$ 6,037,920	\$ 5,665,531
Interest on total pension liability	34,420,847	33,457,665	32,842,161	32,721,025	31,830,406
Differences between expected and actual experience	1,076,363	(2,324,275)	(8,355,331)	(675,259)	463,336
Changes in assumptions	-	(2,031,814)	26,697,946	-	(7,623,305)
Benefit payments, including refunds of employee contributions	(28,292,968)	(27,352,200)	(26,330,644)	(25,766,118)	(24,963,470)
<b>Net change in total pension liability</b>	<b>13,937,639</b>	<b>8,535,228</b>	<b>31,995,900</b>	<b>12,317,568</b>	<b>5,372,498</b>
Total pension liability-beginning	491,113,877	482,578,649	450,582,749	438,265,181	432,892,683
<b>Total pension liability-ending (a)</b>	<b>505,051,516</b>	<b>491,113,877</b>	<b>482,578,649</b>	<b>450,582,749</b>	<b>438,265,181</b>
Plan Fiduciary Net Position					
Contributions-employer	15,651,082	13,510,984	12,539,589	12,077,355	10,188,345
Contributions-employee	2,495,658	2,402,540	2,468,689	2,498,407	2,574,737
Net investment income	19,716,865	24,365,266	29,790,194	1,329,651	6,292,622
Benefit payments	(28,292,968)	(27,352,200)	(26,330,644)	(25,766,118)	(24,963,470)
Plan to plan resource movement	150,117	(712)	-	-	(115)
Other miscellaneous expense	712	(867,978)	-	-	-
Administrative expense	(217,595)	(457,067)	(400,264)	(173,865)	(320,958)
<b>Net change in plan fiduciary net position</b>	<b>9,503,871</b>	<b>11,600,833</b>	<b>18,067,564</b>	<b>(10,034,570)</b>	<b>(6,228,839)</b>
Plan fiduciary net position-beginning	304,916,693	293,315,860	275,248,296	285,282,866	291,511,705
<b>Plan fiduciary net position-ending (b)</b>	<b>314,420,564</b>	<b>304,916,693</b>	<b>293,315,860</b>	<b>275,248,296</b>	<b>285,282,866</b>
<b>Net pension liability-ending (a) - (b)</b>	<b>\$ 190,630,952</b>	<b>\$ 186,197,184</b>	<b>\$ 189,262,789</b>	<b>\$ 175,334,453</b>	<b>\$ 152,982,315</b>
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	<b>62.26%</b>	<b>62.09%</b>	<b>60.78%</b>	<b>61.09%</b>	<b>65.09%</b>
Covered payroll	\$ 21,152,620	\$ 20,349,393	\$ 19,733,377	\$ 21,563,045	\$ 20,922,604
<b>Net pension liability as a percentage of covered payroll</b>	<b>901.22%</b>	<b>915.00%</b>	<b>959.10%</b>	<b>813.12%</b>	<b>731.18%</b>

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Plan Contributions**  
**Safety Plan**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
<b>Actuarial determined contribution</b>	\$ 22,692,711	\$ 20,640,831	\$ 20,200,335	\$ 19,484,048	\$ 18,444,829
Contribution in relation to the actuarially determined contribution	<u>(22,692,711)</u>	<u>(20,640,831)</u>	<u>(20,200,335)</u>	<u>(19,484,048)</u>	<u>(18,444,829)</u>
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 23,326,424	\$ 21,077,780	\$ 21,042,205	\$ 22,045,380	\$ 23,926,199
Contributions as a percentage of covered payroll	97.28%	97.93%	96.00%	88.38%	77.09%

**Notes to Schedule:**

Valuation date June 30, 2023

Methods and assumptions used to determine contribution rates:

Actuarial cost method Entry age normal cost method

Amortization method Fair value of assets, for details, see June 30, 2021, funding valuation report.

Driver	Source				
	(Gain)/Loss		Assumption/ Method Change	Benefit Change	Golden Handshake
	Investment	Non- investment			
Amortization period	30 years	30 years	20 years	20 years	5 years
Escalation rate					
Active plans	2.800%	2.800%	2.800%	2.800%	2.800%
Inactive plans	0%	0%	0%	0%	0%
Ramp up	5	5	5	0	0
Ramp down	5	5	5	0	0

Asset valuation method Market value

Inflation 2.30%

Salary increases Varies by entry age and service

Payroll growth 2.80%

Investment rate of return 6.8%, net of pension plan investment expenses, including inflation.

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 improvements using 80% of Scale MP-2020 published by the Society of Actuaries.

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Plan Contributions (Continued)**  
**Safety Plan**  
**Agent Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarial determined contribution	\$ 16,924,131	\$ 15,641,590	\$ 13,511,840	\$ 12,582,017	\$ 12,077,355
Contribution in relation to the actuarially determined contribution	(16,924,131)	(15,641,590)	(13,511,840)	(12,582,017)	(12,077,355)
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 21,941,307	\$ 21,152,620	\$ 20,349,393	\$ 19,733,377	\$ 21,563,045
Contributions as a percentage of covered payroll	77.13%	73.95%	66.40%	63.76%	56.01%

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of the Plan's Proportionate Share**  
**of the Net Pension Liability and Related Ratios**  
**Vallejo Flood and Wastewater District**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

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	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Measurement Period	June 30, 2024	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020
Plan proportion of the net pension liability	0.67030%	0.65191%	0.65022%	0.86588%	0.61886%
Plan proportionate share of the net pension liability	\$ 32,419,592	\$ 32,598,425	\$ 30,425,186	\$ 16,441,417	\$ 26,104,014
Plan covered payroll	\$ 12,160,640	\$ 11,699,877	\$ 10,603,644	\$ 10,393,617	\$ 8,773,461
Plan proportionate share of the net pension liability as percentage of covered payroll	266.59%	278.62%	286.93%	158.19%	297.53%
The pension plan's (PERF-C) fiduciary net position as a percentage of the total pension liability	78.08%	76.21%	76.68%	88.30%	75.10%

**Notes to Schedule:**

Valuation date: June 30, 2023

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of the Plan's Proportionate Share**  
**of the Net Pension Liability and Related Ratios (Continued)**  
**Vallejo Flood and Wastewater District**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Measurement Period	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Plan proportion of the net pension liability	0.60568%	0.59373%	0.57650%	0.56725%	0.14712%
Plan proportionate share of the net pension liability	\$ 24,254,485	\$ 22,376,039	\$ 22,725,984	\$ 19,705,443	\$ 15,432,136
Plan covered payroll	\$ 10,102,073	\$ 8,773,484	\$ 8,334,837	\$ 8,022,329	\$ 7,940,275
Plan proportionate share of the net pension liability as percentage of covered payroll	240.09%	255.04%	272.66%	245.63%	194.35%
The pension plan's (PERF-C) fiduciary net position as a percentage of the total pension liability	75.30%	73.69%	73.31%	74.06%	78.40%

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Plan Contributions**  
**Vallejo Flood and Wastewater District**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

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	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Actuarially determined contribution	\$ 4,178,668	\$ 3,696,267	\$ 3,597,832	\$ 3,307,047	\$ 3,026,216
CEPPT payment	(500,000)	-	-	-	-
Contribution in relation to the actuarially determined contribution	<u>(4,178,668)</u>	<u>(3,696,267)</u>	<u>(3,597,832)</u>	<u>(3,307,047)</u>	<u>(3,026,216)</u>
Contribution deficiency (excess)	<u>\$ (500,000)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 12,239,742	\$ 12,160,640	\$ 11,699,877	\$ 10,603,644	\$ 10,393,617
Contributions as a percentage of covered payroll	34.14%	30.40%	30.75%	31.19%	29.12%

Note: Contractually required contributions and contributions in relation to the actuarially determined contributions for fiscal year 2017 and prior do not include payments toward the District's unfunded accrued liability.

**CITY OF VALLEJO**  
**Required Supplementary Information**  
**Schedule of Plan Contributions (Continued)**  
**Vallejo Flood and Wastewater District**  
**Cost-Sharing Multiple-Employer Defined Benefit Pension Plan**  
**Last 10 Years**

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	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
Actuarially determined contribution	\$ 2,668,281	\$ 2,253,819	\$ 1,944,314	\$ 899,758	\$ 1,064,678
CEPPT payment	-	-	-	-	-
Contribution in relation to the actuarially determined contribution	(2,668,281)	(2,253,819)	(1,944,314)	(899,758)	(1,064,678)
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 9,670,727	\$ 8,773,461	\$ 8,334,589	\$ 8,022,314	\$ 7,682,568
Contributions as a percentage of covered payroll	27.59%	25.69%	23.33%	11.22%	13.86%

Note: Contractually required contributions and contributions in relation to the actuarially determined contributions for fiscal year 2017 and prior do not include payments toward the District's unfunded accrued liability.

**Supplementary Information**

## **Nonmajor Governmental Funds Special Revenue Funds**

**Community Development Block Grant Fund #101** accounts for monies received and expended by the City as a participant in the Federal Community Development Block Grant program.

**HOME Program Fund #102** accounts for monies received and expended by the City as a participant in the Federal HOME Grant program.

**Neighborhood Stabilization Program Fund #103** accounts for monies received and expended by the City as a participant in the Federal NSP Grant.

**Mare Island Base Reuse Fund #107** accounts for monies received from tenants placed on the former Mare Island Naval Shipyard during the conversion process. It also accounts for operating costs to support ongoing development programs on the island. Funds are restricted for use on the island.

**Emergency Disaster Fund #109** accounts for monies received and expended for activities related to damages from the 2014 South Napa earthquake and other emergency disaster funds, including federal and State grant revenues.

**Mare Island CFD 2002 Fund #112** accounts for monies received from general taxes and from property owner assessments for maintenance and repair of infrastructure and facilities on the former Mare Island Naval Shipyard.

**Mare Island CFD 2005 1A (State) Fund #113** accounts for transactions of this district formed under state statute to provide municipal services within the district.

**Mare Island CFD 2005 1B (Local) Fund #114** accounts for transactions of this district formed under local statute to provide municipal services within the district.

**Outside Services Fund #129** accounts for one-time billings to third parties and the related expenditures of these funds. The primary activity is development review.

**State Gas Tax Fund #133** accounts for monies received from the state gas tax allocation and expended on construction, improvement and maintenance of public streets and related infrastructure.

**State Lands Fund #134** accounts for lease rentals generated from City-owned waterfront property subject to State Lands Commission restrictions.

**Solid Waste Disposal Fund #135** accounts for monies received from garbage collection fines and expended on enforcing major portions of the mandatory garbage subscription ordinance. This fund is also used for the mandatory city-wide recycling program and related recycling program grants.

**Hiddenbrooke Community Services District Fund #138** accounts for monies collected as the result of special taxes which are used to fund a variety of municipal services provided to the residents of the Hiddenbrooke development.

**Traffic Offender Vehicle Impound Program Fund #140** accounts for monies received and expended from vehicle impound fees.

**Hazmat Revolving Fund #143** accounts for monies received and expended for hazardous material removal.

**Office of Traffic Safety Fund #146** accounts for the award and expenditure of grants from the California Office of Traffic Safety.

**NLP Nuisance Abatement Fund #147** accounts for monies received and used to demolish dangerous buildings or prevent escalating nuisance conditions.

**Justice Assistance Grant Fund #149** accounts for revenues received from the Justice Assistance Grant.

**Supplemental Law Enforcement Grant Fund #151** accounts for revenues received from the Supplemental Law Enforcement Services Grant.

**Landscape Maintenance Districts Fund #161-188** accounts for special assessments on property within district boundaries for the restricted purpose of providing landscape services within the specified districts.

**Navigation Center Fund #191** accounts for monies received and administration of the Vallejo Homeless Navigation Center.

**Administrative Trust Fund #601** accounts for funds held for special programs, including performance bonds for construction projects.

## Capital Projects Fund

**Mare Island Conversion Capital Projects Fund #106**– accounts for monies received from federal grants which are used for activities relating to the conversion of the Mare Island Naval Shipyard to civilian use.

**Neighborhood Parks (GVRD) Fund #137** accounts for park development impact fee revenue and for contributions to the Greater Vallejo Recreation District for park improvements.

**Transportation Impact Mitigation Fund #203** accounts for monies received from the Transportation Impact fee imposed on commercial and residential development and expended on transportation improvements necessitated by such development.

**Bridge Construction Fund #204** accounts for monies received from the Bridge Construction Development Tax Ordinance.

**Arts and Convention Center Fund #206** accounts for the Empress Theatre advances to the former Redevelopment Agency.

**Northgate Fee & Benefit District #94-1 Fund #208** accounts for monies received from the development of the Northgate District #94-1 and expended for public improvements within that development area.

**Hiddenbrooke Overpass Fund #211** accounts for monies received from the Hiddenbrooke Overpass fee imposed on commercial and residential development within the Hiddenbrooke development area. These funds will be used to renovate the existing Hiddenbrooke overpass.

**Mare Island CFD 2005 1A Facilities Fund #213** accounts for transactions of this district formed under state statute to provide municipal facilities within the district.

**Gas Tax Capital Projects Fund #219** accounts for street maintenance and capital expenditures to be paid from State gas tax allocations.

**Capital Grants & Contributions Fund #221** accounts for capital project expenditures to be reimbursed from by granting agencies, developers, or other third parties.

**Long-Term Maintenance Fund #223** accounts for revenues received from cell tower leases for use on long term repairs and maintenance expenditures.

**Columbus Parkway Improvements Fund #224** accounts for monies received from a developer for the Columbus Parkway widening project.

**Empress Theater Fund #225** accounts for the maintenance of Empress Theater.

**Road Maintenance and Rehabilitation Act Fund #226** accounts for street maintenance and capital projects to be paid from Senate Bill (SB) 1 allocation.

**Waterfront History Park Capital Project Fund #227** accounts for the administration of funds allocated by City Council and donations made to the Waterfront History Park Project.

## Debt Service Fund

**Certificates of Participation Fund #-Various** accounts for the accumulation of lease revenue and the payments of annual General Fund debt service requirements. Debt issues include the 1999, 2000, 2002, and 2003 certificates of participation, which were restructured in 2011 into UBOC Reimbursement Loan Obligations A and B.

## Permanent Fund

**McCune Collection Fund #603** accounts for monies held for the Library which consists of donations and sales of rare books to maintain the McCune book collection. The principal is invested and interest earnings are available to support the McCune Fund Activities.

**CITY OF VALLEJO**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Special Revenue Funds				
	Community Development Block Grant Fund #101	HOME Program Fund #102	Neighborhood Stabilization Program Fund #103	Mare Island Base Reuse Fund #107	Emergency Disaster Fund #109
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 1,273,199	\$ 25,184	\$ 414,195	\$ 939,672
Receivables (net of allowance for uncollectible):					
Accounts receivable	543	28,456	951	-	-
Notes and loans receivable	2,679,132	4,676,753	2,905,267	-	-
Interest and dividends receivable	-	-	-	-	-
Leases	-	-	-	-	-
Due from other governments, current	443,464	1,388	-	-	753,710
Restricted assets:					
Cash and investments, restricted	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<b>\$ 3,123,139</b>	<b>\$ 5,979,796</b>	<b>\$ 2,931,402</b>	<b>\$ 414,195</b>	<b>\$ 1,693,382</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 227,885	\$ 10,354	\$ -	\$ 8,141	\$ -
Deposits payable	-	-	-	7,785	-
Due to other governments	-	519,586	-	-	-
Unearned revenues	-	-	-	-	373,053
Due to other funds	216,121	-	-	-	-
<b>Total liabilities</b>	<b>444,006</b>	<b>529,940</b>	<b>-</b>	<b>15,926</b>	<b>373,053</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	877,396	915,643	705,725	-	-
Deferred inflows for leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>877,396</b>	<b>915,643</b>	<b>705,725</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	1,801,737	4,534,213	2,225,677	-	-
Committed	-	-	-	398,269	1,320,329
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,801,737</b>	<b>4,534,213</b>	<b>2,225,677</b>	<b>398,269</b>	<b>1,320,329</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 3,123,139</b>	<b>\$ 5,979,796</b>	<b>\$ 2,931,402</b>	<b>\$ 414,195</b>	<b>\$ 1,693,382</b>

**CITY OF VALLEJO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Special Revenue Funds				
	Mare Island CFD 2002 Fund #112	Mare Island CFD 2005 1A (State) Fund #113	Mare Island CFD 2005 1B (Local) Fund #114	Outside Services Fund #129	State Gas Tax Fund #133
<b>ASSETS</b>					
Cash and investments	\$ 4,823,063	\$ 633,625	\$ 927,087	\$ 1,237,954	\$ 193,838
Receivables (net of allowance for uncollectible):					
Accounts receivable	128,851	-	-	6,920	1,035,264
Notes and loans receivable	-	-	-	-	-
Interest and dividends receivable	-	-	-	-	-
Leases	-	-	-	-	-
Due from other governments, current	-	-	-	-	-
Restricted assets:					
Cash and investments, restricted	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<b>\$ 4,951,914</b>	<b>\$ 633,625</b>	<b>\$ 927,087</b>	<b>\$ 1,244,874</b>	<b>\$ 1,229,102</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 52,449	\$ 7,035	\$ 2,750	\$ 78,109	\$ 167,262
Deposits payable	-	-	-	1,046,341	-
Due to other governments	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>52,449</b>	<b>7,035</b>	<b>2,750</b>	<b>1,124,450</b>	<b>167,262</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	-	-	-
Deferred inflows for leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	4,899,465	626,590	924,337	-	1,061,840
Committed	-	-	-	-	-
Assigned	-	-	-	120,424	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>4,899,465</b>	<b>626,590</b>	<b>924,337</b>	<b>120,424</b>	<b>1,061,840</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 4,951,914</b>	<b>\$ 633,625</b>	<b>\$ 927,087</b>	<b>\$ 1,244,874</b>	<b>\$ 1,229,102</b>

**CITY OF VALLEJO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Special Revenue Funds				
	State Lands Fund #134	Solid Waste Disposal Fund #135	Hiddenbrooke Community Services District Fund #138	Traffic Offender / Vehicle Impound Program Fund #140	Hazmat Revolving Fund #143
<b>ASSETS</b>					
Cash and investments	\$ 1,208,964	\$ 2,052,808	\$ 4,048,000	\$ 150,039	\$ 167,202
Receivables (net of allowance for uncollectible):					
Accounts receivable	19,558	69,458	-	-	22,138
Notes and loans receivable	-	-	-	-	-
Interest and dividends receivable	74,739	-	-	-	-
Leases	4,649,558	-	-	-	-
Prepays and deposits	-	-	-	-	-
Due from other governments, current	-	-	-	-	-
Restricted assets:					
Cash and investments, restricted	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<b>\$ 5,952,819</b>	<b>\$ 2,122,266</b>	<b>\$ 4,048,000</b>	<b>\$ 150,039</b>	<b>\$ 189,340</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ 1,178,957	\$ 155,722	\$ -	\$ 1,810
Deposits payable	1,387	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenues	-	601,106	332,129	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>1,387</b>	<b>1,780,063</b>	<b>487,851</b>	<b>-</b>	<b>1,810</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	-	-	-
Deferred inflows for leases	4,341,500	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>4,341,500</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	1,609,932	342,203	3,560,149	150,039	187,530
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,609,932</b>	<b>342,203</b>	<b>3,560,149</b>	<b>150,039</b>	<b>187,530</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 5,952,819</b>	<b>\$ 2,122,266</b>	<b>\$ 4,048,000</b>	<b>\$ 150,039</b>	<b>\$ 189,340</b>

**CITY OF VALLEJO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Special Revenue Funds				
	Office of Traffic Safety Fund #146	NLP Nuisance Abatement Fund #147	Justice Assistance Grant Fund #149	Supplemental Law Enforcement Grant Fund #151	Landscape Maintenance Districts Fund #161-188
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 264,382	\$ -	\$ 619,319	\$ 23,203,149
Receivables (net of allowance for uncollectible):					
Accounts receivable	-	-	-	-	9,339
Notes and loans receivable	-	-	-	-	-
Interest and dividends receivable	-	-	-	-	-
Leases	-	-	-	-	-
Prepays and deposits	-	-	-	37,276	-
Due from other governments, current	-	-	758,404	-	-
Restricted assets:					
Cash and investments, restricted	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<b>\$ -</b>	<b>\$ 264,382</b>	<b>\$ 758,404</b>	<b>\$ 656,595</b>	<b>\$ 23,212,488</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ 220,502	\$ 38,629	\$ 303,489
Deposits payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	537,902	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>758,404</b>	<b>38,629</b>	<b>303,489</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	21,688	-	-
Deferred inflows for leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>21,688</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	37,276	-
Restricted	-	-	-	580,690	22,908,999
Committed	-	264,382	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	(21,688)	-	-
<b>Total fund balances (deficits)</b>	<b>-</b>	<b>264,382</b>	<b>(21,688)</b>	<b>617,966</b>	<b>22,908,999</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ -</b>	<b>\$ 264,382</b>	<b>\$ 758,404</b>	<b>\$ 656,595</b>	<b>\$ 23,212,488</b>

**CITY OF VALLEJO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Special Revenue Funds		Capital Projects Funds		
	Navigation Center #191	Administrative Trust Fund #601	Formerly a	Neighborhood Park-Dev Fee Fund #137	Transportation Impact Mitigation Fund #203
			Major Fund		
			Mare Island Conversion #106		
<b>ASSETS</b>					
Cash and investments	\$ 6,734,288	\$ 233,239	\$ 1,051,624	\$ 3,129,070	\$ 5,985,920
Receivables (net of allowance for uncollectible):					
Accounts receivable	-	13,434	-	-	-
Notes and loans receivable	-	-	-	200,151	89,088
Interest and dividends receivable	-	-	10,179	-	-
Leases	-	-	-	-	-
Due from other governments, current	-	-	-	-	-
Restricted assets:					
Cash and investments, restricted	-	-	12,266,904	-	-
Cash with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<b>\$ 6,734,288</b>	<b>\$ 246,673</b>	<b>\$ 13,328,707</b>	<b>\$ 3,329,221</b>	<b>\$ 6,075,008</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 7,429	\$ -	\$ 1,019,781	\$ 737,118	\$ 65,574
Deposits payable	-	246,673	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenues	-	-	7,333,544	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>7,429</b>	<b>246,673</b>	<b>8,353,325</b>	<b>737,118</b>	<b>65,574</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	-	61,391	-
Deferred inflows for leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>61,391</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	6,726,859	-	4,975,382	2,530,712	6,009,434
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>6,726,859</b>	<b>-</b>	<b>4,975,382</b>	<b>2,530,712</b>	<b>6,009,434</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 6,734,288</b>	<b>\$ 246,673</b>	<b>\$ 13,328,707</b>	<b>\$ 3,329,221</b>	<b>\$ 6,075,008</b>

**CITY OF VALLEJO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Capital Projects Funds				
	Bridge Construction Fund #204	Arts and Convention Center Fund #206	Northgate Fee & Benefit District #94-1 Fund #208	Hiddenbrooke Overpass Fund #211	Mare Island CFD 2005 1A Facilities Fund #213
<b>ASSETS</b>					
Cash and investments	\$ 390,119	\$ 104,042	\$ 252,021	\$ 7,081,542	\$ 2,214,706
Receivables (net of allowance for uncollectible):					
Accounts receivable	-	-	-	-	-
Notes and loans receivable	160,730	1,243,898	-	155,488	-
Interest and dividends receivable	-	-	-	-	-
Leases	-	-	-	-	-
Due from other governments, current	-	-	-	-	-
Restricted assets:					
Cash and investments, restricted	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<b>\$ 550,849</b>	<b>\$ 1,347,940</b>	<b>\$ 252,021</b>	<b>\$ 7,237,030</b>	<b>\$ 2,214,706</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 133,582	\$ -
Deposits payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	-	-	-	-
<b>Total liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>133,582</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	160,730	1,243,898	-	155,488	-
Deferred inflows for leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>160,730</b>	<b>1,243,898</b>	<b>-</b>	<b>155,488</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	390,119	-	252,021	6,947,960	2,214,706
Committed	-	-	-	-	-
Assigned	-	104,042	-	-	-
Unassigned	-	-	-	-	-
<b>Total fund balances (deficits)</b>	<b>390,119</b>	<b>104,042</b>	<b>252,021</b>	<b>6,947,960</b>	<b>2,214,706</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 550,849</b>	<b>\$ 1,347,940</b>	<b>\$ 252,021</b>	<b>\$ 7,237,030</b>	<b>\$ 2,214,706</b>

**CITY OF VALLEJO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Capital Projects Funds				
	Gas Tax Capital Projects Fund #219	Capital Grant & Contribution Fund #221	Longterm Maintenance Fund #223	Columbus Parkway Improvement Fund #224	Empress Theater Fund #225
<b>ASSETS</b>					
Cash and investments	\$ 1,822,810	\$ -	\$ 208,072	\$ 4,920,282	\$ 84,305
Receivables (net of allowance for uncollectible):					
Accounts receivable	-	-	-	-	-
Notes and loans receivable	-	-	-	-	-
Interest and dividends receivable	-	-	-	-	-
Leases	-	-	-	-	-
Due from other governments, current	-	6,969,906	-	-	-
Restricted assets:					
Cash and investments, restricted	-	-	-	-	-
Cash with fiscal agent	-	-	-	-	-
<b>Total assets</b>	<b>\$ 1,822,810</b>	<b>\$ 6,969,906</b>	<b>\$ 208,072</b>	<b>\$ 4,920,282</b>	<b>\$ 84,305</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 148,086	\$ 2,533,970	\$ 2,855	\$ -	\$ 3,752
Deposits payable	-	-	-	-	-
Due to other governments	-	-	-	-	-
Unearned revenues	-	-	-	-	-
Due to other funds	-	4,435,936	-	-	-
<b>Total liabilities</b>	<b>148,086</b>	<b>6,969,906</b>	<b>2,855</b>	<b>-</b>	<b>3,752</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	2,363,878	-	-	-
Deferred inflows for leases	-	-	-	-	-
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>2,363,878</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Restricted	1,674,724	-	-	-	-
Committed	-	-	36,816	4,920,282	80,553
Assigned	-	-	168,401	-	-
Unassigned	-	(2,363,878)	-	-	-
<b>Total fund balances (deficits)</b>	<b>1,674,724</b>	<b>(2,363,878)</b>	<b>205,217</b>	<b>4,920,282</b>	<b>80,553</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 1,822,810</b>	<b>\$ 6,969,906</b>	<b>\$ 208,072</b>	<b>\$ 4,920,282</b>	<b>\$ 84,305</b>

**CITY OF VALLEJO**  
**Combining Balance Sheet (Continued)**  
**Nonmajor Governmental Funds**  
**June 30, 2025**

	Capital Projects Funds		Debt Service Funds	Permanent Funds	Total Nonmajor Funds
	Road Maint/ Rehab Act Fund #226	Waterfront History Park Fund #227	Certificates of Participation Fund #- Various	McCune Collection Fund #603	
<b>ASSETS</b>					
Cash and investments	\$ 7,816,213	\$ 80,725	\$ -	\$ 115,931	\$ 84,406,589
Receivables (net of allowance for uncollectible):					
Accounts receivable	-	-	-	-	1,334,912
Notes and loans receivable	-	-	-	-	12,110,507
Interest and dividends receivable	-	-	-	-	84,918
Leases	-	-	-	-	4,649,558
Due from other governments, current	605,614	-	-	-	9,532,486
Restricted assets:					
Cash and investments, restricted	-	-	-	-	12,266,904
Cash with fiscal agent	-	-	300,577	-	300,577
<b>Total assets</b>	<b>\$ 8,421,827</b>	<b>\$ 80,725</b>	<b>\$ 300,577</b>	<b>\$ 115,931</b>	<b>\$ 124,723,727</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	\$ 365,526	\$ -	\$ -	\$ 326	\$ 7,471,093
Deposits payable	-	-	-	-	1,302,186
Due to other governments	-	-	-	-	519,586
Unearned revenues	-	-	-	-	8,639,832
Due to other funds	-	-	-	-	5,189,959
<b>Total liabilities</b>	<b>365,526</b>	<b>-</b>	<b>-</b>	<b>326</b>	<b>23,122,656</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenues	-	-	-	-	6,505,837
Deferred inflows for leases	-	-	-	-	4,341,500
<b>Total deferred inflows of resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>10,847,337</b>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	64,625	101,901
Restricted	8,056,301	-	300,577	50,980	85,543,176
Committed	-	80,725	-	-	7,101,356
Assigned	-	-	-	-	392,867
Unassigned	-	-	-	-	(2,385,566)
<b>Total fund balances (deficits)</b>	<b>8,056,301</b>	<b>80,725</b>	<b>300,577</b>	<b>115,605</b>	<b>90,753,734</b>
<b>Total liabilities, deferred inflows of resources, and fund balances (deficits)</b>	<b>\$ 8,421,827</b>	<b>\$ 80,725</b>	<b>\$ 300,577</b>	<b>\$ 115,931</b>	<b>\$ 124,723,727</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Special Revenue Funds				
	Community Development Block Grant Fund #101	HOME Program Fund #102	Neighborhood Stabilization Program Fund #103	Mare Island Base Reuse Fund #107	Emergency Disaster Fund #109
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	1,077,375	465,076	-	-	604,849
Charges for services	-	-	-	-	-
Use of money and property	2,304	73,092	7,068	39,173	-
Fines and forfeitures	-	-	-	-	-
Contribution revenue	-	-	-	-	-
Other	-	45,696	-	-	-
<b>Total revenues</b>	<b>1,079,679</b>	<b>583,864</b>	<b>7,068</b>	<b>39,173</b>	<b>604,849</b>
<b>EXPENDITURES</b>					
Current:					
Community services	1,083,793	45,108	1,233	-	-
Planning and development services	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	-	-	-	-	-
Public works	-	-	-	-	-
Economic development	-	-	-	154,267	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal long term debt payments	-	-	-	-	-
Principal - lease payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>1,083,793</b>	<b>45,108</b>	<b>1,233</b>	<b>154,267</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(4,114)</b>	<b>538,756</b>	<b>5,835</b>	<b>(115,094)</b>	<b>604,849</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 3a)	-	-	-	90,000	-
Transfers out (Note 3a)	-	-	-	-	-
Issuance of debt - subscriptions	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>90,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>(4,114)</b>	<b>538,756</b>	<b>5,835</b>	<b>(25,094)</b>	<b>604,849</b>
Fund balances (deficit)-beginning	1,805,851	3,995,457	2,219,842	423,363	715,480
Restatement-change within financial reporting entity	-	-	-	-	-
Fund balances (deficit)-beginning, as restated	1,805,851	3,995,457	2,219,842	423,363	715,480
<b>Fund balances (deficit)-ending</b>	<b>\$ 1,801,737</b>	<b>\$ 4,534,213</b>	<b>\$ 2,225,677</b>	<b>\$ 398,269</b>	<b>\$ 1,320,329</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Special Revenue Funds				
	Mare Island CFD 2002 Fund #112	Mare Island CFD 2005 1A (State) Fund #113	Mare Island CFD 2005 1B (Local) Fund #114	Outside Services Fund #129	State Gas Tax Fund #133
<b>REVENUES</b>					
Taxes	\$ 1,829,776	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	3,536,981
Charges for services	2,363,615	281,573	-	444,267	1,794,016
Use of money and property	200,923	28,109	49,836	62,035	43,029
Fines and forfeitures	-	-	-	-	-
Contribution revenue	-	-	-	-	-
Other	3,424	-	-	-	7,321
<b>Total revenues</b>	<b>4,397,738</b>	<b>309,682</b>	<b>49,836</b>	<b>506,302</b>	<b>5,381,347</b>
<b>EXPENDITURES</b>					
Current:					
Community services	-	-	-	-	-
Planning and development services	-	-	-	369,241	-
Fire services	2,632,124	-	-	-	-
Police services	822,000	-	-	-	-
Public works	1,451,514	200,720	135,210	11,831	4,018,390
Economic development	-	-	-	96,540	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal long term debt payments	-	-	-	-	-
Principal - lease payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>4,905,638</b>	<b>200,720</b>	<b>135,210</b>	<b>477,612</b>	<b>4,018,390</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(507,900)</b>	<b>108,962</b>	<b>(85,374)</b>	<b>28,690</b>	<b>1,362,957</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 3a)	-	-	-	-	-
Transfers out (Note 3a)	-	-	-	(57,537)	(800,000)
Issuance of debt - subscriptions	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(57,537)</b>	<b>(800,000)</b>
<b>Net change in fund balances</b>	<b>(507,900)</b>	<b>108,962</b>	<b>(85,374)</b>	<b>(28,847)</b>	<b>562,957</b>
Fund balances (deficit)-beginning	5,407,365	517,628	1,009,711	149,271	498,883
Restatement-change within financial reporting entity	-	-	-	-	-
Fund balances (deficit)-beginning, as restated	5,407,365	517,628	1,009,711	149,271	498,883
<b>Fund balances (deficit)-ending</b>	<b>\$ 4,899,465</b>	<b>\$ 626,590</b>	<b>\$ 924,337</b>	<b>\$ 120,424</b>	<b>\$ 1,061,840</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Special Revenue Funds				
	State Lands Fund #134	Solid Waste Disposal Fund #135	Hiddenbrooke Community Services District Fund #138	Traffic Offender / Vehicle Impound Program Fund #140	Hazmat Revolving Fund #143
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	15,194	-	37,262	-
Intergovernmental revenues	-	216,639	-	-	-
Charges for services	-	2,695,421	691,633	-	60,148
Use of money and property	589,733	87,618	198,736	6,864	7,104
Fines and forfeitures	-	8,656	-	-	-
Contribution revenue	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>589,733</b>	<b>3,023,528</b>	<b>890,369</b>	<b>44,126</b>	<b>67,252</b>
<b>EXPENDITURES</b>					
Current:					
Community services	-	-	-	-	-
Planning and development services	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	-	-	-	13,791	-
Public works	-	2,836,146	856,756	-	6,366
Economic development	91,205	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal long term debt payments	-	-	-	-	-
Principal - lease payments	-	25,044	-	-	-
Principal - subscription payments	-	-	-	-	-
Interest and fiscal charges	-	604	-	-	-
<b>Total expenditures</b>	<b>91,205</b>	<b>2,861,794</b>	<b>856,756</b>	<b>13,791</b>	<b>6,366</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>498,528</b>	<b>161,734</b>	<b>33,613</b>	<b>30,335</b>	<b>60,886</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 3a)	-	-	-	-	-
Transfers out (Note 3a)	(260,000)	-	-	-	-
Issuance of debt - subscriptions	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(260,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>238,528</b>	<b>161,734</b>	<b>33,613</b>	<b>30,335</b>	<b>60,886</b>
Fund balances (deficit)-beginning	1,371,404	180,469	3,526,536	119,704	126,644
Restatement-change within financial reporting entity	-	-	-	-	-
Fund balances (deficit)-beginning, as restated	1,371,404	180,469	3,526,536	119,704	126,644
<b>Fund balances (deficit)-ending</b>	<b>\$ 1,609,932</b>	<b>\$ 342,203</b>	<b>\$ 3,560,149</b>	<b>\$ 150,039</b>	<b>\$ 187,530</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Special Revenue Funds				
	Office of Traffic Safety Fund #146	NLP Nuisance Abatement Fund #147	Justice Assistance Grant Fund #149	Supplemental Law Enforcement Grant Fund #151	Landscape Maintenance Districts Fund #161-188
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	14,774	-	1,013,288	203,066	-
Charges for services	-	-	-	-	4,379,911
Use of money and property	-	12,595	-	41,510	1,101,156
Fines and forfeitures	-	-	-	-	-
Contribution revenue	-	-	-	-	-
Other	-	15,778	-	-	9,340
<b>Total revenues</b>	<b>14,774</b>	<b>28,373</b>	<b>1,013,288</b>	<b>244,576</b>	<b>5,490,407</b>
<b>EXPENDITURES</b>					
Current:					
Community services	-	-	-	-	-
Planning and development services	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	14,774	-	956,316	121,786	-
Public works	-	-	-	-	2,941,741
Economic development	-	-	-	-	-
Capital outlay	-	-	-	1,183,041	26,688
Debt service:					
Principal long term debt payments	-	-	-	-	-
Principal - lease payments	-	-	-	-	-
Principal - subscription payments	-	-	-	373,508	-
Interest and fiscal charges	-	-	-	4,992	-
<b>Total expenditures</b>	<b>14,774</b>	<b>-</b>	<b>956,316</b>	<b>1,683,327</b>	<b>2,968,429</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>-</b>	<b>28,373</b>	<b>56,972</b>	<b>(1,438,751)</b>	<b>2,521,978</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 3a)	-	-	-	-	-
Transfers out (Note 3a)	-	-	-	-	-
Issuance of debt - subscriptions	-	-	-	1,163,041	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,163,041</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>-</b>	<b>28,373</b>	<b>56,972</b>	<b>(275,710)</b>	<b>2,521,978</b>
Fund balances (deficit)-beginning	-	236,009	(78,660)	893,676	20,387,021
Restatement-change within financial reporting entity	-	-	-	-	-
Fund balances (deficit)-beginning, as restated	-	236,009	(78,660)	893,676	20,387,021
<b>Fund balances (deficit)-ending</b>	<b>\$ -</b>	<b>\$ 264,382</b>	<b>\$ (21,688)</b>	<b>\$ 617,966</b>	<b>\$ 22,908,999</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Special Revenue Funds		Capital Projects Funds		
	Navigation Center #191	Administrative Trust Fund #601	Formerly Major Fund	Neighborhood Park-Dev Fee Fund #137	Transportation Impact Mitigation Fund #203
			Mare Island Conversion #106		
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	68,581	331,431
Intergovernmental revenues	-	-	5,636,292	-	-
Charges for services	-	-	-	-	-
Use of money and property	336,789	6,852	768,802	160,609	295,457
Fines and forfeitures	-	-	-	-	-
Contribution revenue	-	6,800	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>336,789</b>	<b>13,652</b>	<b>6,405,094</b>	<b>229,190</b>	<b>626,888</b>
<b>EXPENDITURES</b>					
Current:					
Community services	-	-	-	-	-
Planning and development services	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	-	6,800	-	-	-
Public works	7,429	-	-	-	4,500
Economic development	-	-	5,763,505	-	-
Capital outlay	-	-	-	976,808	304,405
Debt service:					
Principal long term debt payments	-	-	-	-	-
Principal - lease payments	-	-	-	-	-
Principal - subscription payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>7,429</b>	<b>6,800</b>	<b>5,763,505</b>	<b>976,808</b>	<b>308,905</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>329,360</b>	<b>6,852</b>	<b>641,589</b>	<b>(747,618)</b>	<b>317,983</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 3a)	7,429	-	-	-	-
Transfers out (Note 3a)	-	(6,852)	-	-	-
Issuance of debt - subscriptions	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>7,429</b>	<b>(6,852)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>336,789</b>	<b>-</b>	<b>641,589</b>	<b>(747,618)</b>	<b>317,983</b>
Fund balances (deficit)-beginning	6,390,070	-	-	3,278,330	5,691,451
Restatement-change within financial reporting entity	-	-	4,333,793	-	-
Fund balances (deficit)-beginning, as restated	6,390,070	-	4,333,793	3,278,330	5,691,451
<b>Fund balances (deficit)-ending</b>	<b>\$ 6,726,859</b>	<b>\$ -</b>	<b>\$ 4,975,382</b>	<b>\$ 2,530,712</b>	<b>\$ 6,009,434</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Capital Projects Funds				
	Bridge Construction Fund #204	Arts and Convention Center Fund #206	Northgate Fee & Benefit District #94-1 Fund #208	Hiddenbrooke Overpass Fund #211	Mare Island CFD 2005 1A Facilities Fund #213
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	-	-	-	-	-
Charges for services	-	-	-	-	100,003
Use of money and property	88,114	577,652	12,740	411,060	107,748
Fines and forfeitures	-	-	-	-	-
Contribution revenue	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>88,114</b>	<b>577,652</b>	<b>12,740</b>	<b>411,060</b>	<b>207,751</b>
<b>EXPENDITURES</b>					
Current:					
Community services	-	-	-	-	-
Planning and development services	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	-	-	-	-	-
Public works	4,500	-	4,500	4,500	8,007
Economic development	-	-	-	-	-
Capital outlay	-	-	-	351,905	-
Debt service:					
Principal long term debt payments	-	-	-	-	-
Principal - lease payments	-	-	-	-	-
Principal - subscription payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>4,500</b>	<b>-</b>	<b>4,500</b>	<b>356,405</b>	<b>8,007</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>83,614</b>	<b>577,652</b>	<b>8,240</b>	<b>54,655</b>	<b>199,744</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 3a)	-	-	-	-	-
Transfers out (Note 3a)	(19,570)	(757,720)	-	(18,886)	-
Issuance of debt - subscriptions	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(19,570)</b>	<b>(757,720)</b>	<b>-</b>	<b>(18,886)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>64,044</b>	<b>(180,068)</b>	<b>8,240</b>	<b>35,769</b>	<b>199,744</b>
Fund balances (deficit)-beginning	326,075	284,110	243,781	6,912,191	2,014,962
Restatement-change within financial reporting entity	-	-	-	-	-
Fund balances (deficit)-beginning, as restated	326,075	284,110	243,781	6,912,191	2,014,962
<b>Fund balances (deficit)-ending</b>	<b>\$ 390,119</b>	<b>\$ 104,042</b>	<b>\$ 252,021</b>	<b>\$ 6,947,960</b>	<b>\$ 2,214,706</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Capital Projects Funds				
	Gas Tax Capital Projects Fund #219	Capital Grant & Contribution Fund #221	Longterm Maintenance Fund #223	Columbus Parkway Improvement Fund #224	Empress Theater Fund #225
<b>REVENUES</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental revenues	-	7,492,175	-	-	-
Charges for services	-	-	-	770,620	-
Use of money and property	100,617	-	10,604	216,780	3,642
Fines and forfeitures	-	-	-	-	-
Contribution revenue	-	-	-	-	-
Other	-	-	-	-	-
<b>Total revenues</b>	<b>100,617</b>	<b>7,492,175</b>	<b>10,604</b>	<b>987,400</b>	<b>3,642</b>
<b>EXPENDITURES</b>					
Current:					
Community services	-	-	-	-	-
Planning and development services	-	-	-	-	-
Fire services	-	-	-	-	-
Police services	-	473,745	-	-	-
Public works	-	-	-	4,500	23,663
Economic development	-	406,439	-	-	-
Capital outlay	1,547,577	8,770,818	846	-	-
Debt service:					
Principal long term debt payments	-	-	-	-	-
Principal - lease payments	-	-	-	-	-
Principal - subscription payments	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
<b>Total expenditures</b>	<b>1,547,577</b>	<b>9,651,002</b>	<b>846</b>	<b>4,500</b>	<b>23,663</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,446,960)</b>	<b>(2,158,827)</b>	<b>9,758</b>	<b>982,900</b>	<b>(20,021)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 3a)	800,000	-	-	-	27,900
Transfers out (Note 3a)	-	(7,495)	-	-	-
Issuance of debt - subscriptions	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>800,000</b>	<b>(7,495)</b>	<b>-</b>	<b>-</b>	<b>27,900</b>
<b>Net change in fund balances</b>	<b>(646,960)</b>	<b>(2,166,322)</b>	<b>9,758</b>	<b>982,900</b>	<b>7,879</b>
Fund balances (deficit)-beginning	2,321,684	(197,556)	195,459	3,937,382	72,674
Restatement-change within financial reporting entity	-	-	-	-	-
Fund balances (deficit)-beginning, as restated	2,321,684	(197,556)	195,459	3,937,382	72,674
<b>Fund balances (deficit)-ending</b>	<b>\$ 1,674,724</b>	<b>\$ (2,363,878)</b>	<b>\$ 205,217</b>	<b>\$ 4,920,282</b>	<b>\$ 80,553</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)**  
**Nonmajor Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Capital Projects Funds		Debt Service Funds	Permanent Funds	Total Nonmajor Funds
	Road Maint/ Rehab Act Fund #226	Waterfront History Park Fund #227	Certificates of Participation Fund #-Various	McCune Collection Fund #603	
<b>REVENUES</b>					
Taxes	\$ 3,436,680	\$ -	\$ -	\$ -	\$ 5,266,456
Licenses and permits	-	-	-	-	452,468
Intergovernmental revenues	-	-	-	-	20,260,515
Charges for services	-	-	-	-	13,581,207
Use of money and property	383,991	4,164	7,072	5,820	6,049,398
Fines and forfeitures	-	-	-	-	8,656
Contribution revenue	-	-	-	-	6,800
Other	-	-	-	-	81,559
<b>Total revenues</b>	<b>3,820,671</b>	<b>4,164</b>	<b>7,072</b>	<b>5,820</b>	<b>45,707,059</b>
<b>EXPENDITURES</b>					
Current:					
Community services	-	-	-	-	1,130,134
Planning and development services	-	-	-	594	369,835
Fire services	-	-	-	-	2,632,124
Police services	-	-	-	-	2,409,212
Public works	4,500	4,500	9,000	-	12,538,273
Economic development	-	-	-	-	6,511,956
Capital outlay	4,393,919	-	-	-	17,556,007
Debt service:					
Principal long term debt payments	-	-	823,687	-	823,687
Principal - lease payments	-	-	-	-	25,044
Principal - subscription payments	-	-	-	-	373,508
Interest and fiscal charges	-	-	137,769	-	143,365
<b>Total expenditures</b>	<b>4,398,419</b>	<b>4,500</b>	<b>970,456</b>	<b>594</b>	<b>44,513,145</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(577,748)</b>	<b>(336)</b>	<b>(963,384)</b>	<b>5,226</b>	<b>1,193,914</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in (Note 3a)	-	-	974,284	-	1,899,613
Transfers out (Note 3a)	-	-	-	-	(1,928,060)
Issuance of debt - subscriptions	-	-	-	-	1,163,041
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>974,284</b>	<b>-</b>	<b>1,134,594</b>
<b>Net change in fund balances</b>	<b>(577,748)</b>	<b>(336)</b>	<b>10,900</b>	<b>5,226</b>	<b>2,328,508</b>
Fund balances (deficit)-beginning	8,634,049	81,061	289,677	110,379	84,091,433
Restatement-change within financial reporting entity	-	-	-	-	4,333,793
Fund balances (deficit)-beginning, as restated	8,634,049	81,061	289,677	110,379	88,425,226
<b>Fund balances (deficit)-ending</b>	<b>\$ 8,056,301</b>	<b>\$ 80,725</b>	<b>\$ 300,577</b>	<b>\$ 115,605</b>	<b>\$ 90,753,734</b>

**Combining Schedules of Revenues, Expenditures, and Changes in Fund Balances:  
Budget and Actual - Nonmajor Special Revenue Funds**

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
Community Development Block Grant Fund #101  
For the Fiscal Year Ended June 30, 2025**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 1,007,083	\$ 1,007,083	\$ 1,077,375	\$ 70,292
Use of money and property	5,000	5,000	2,304	(2,696)
Other	-	-	-	-
<b>Total revenues</b>	<b><u>1,012,083</u></b>	<b><u>1,012,083</u></b>	<b><u>1,079,679</u></b>	<b><u>67,596</u></b>
<b>EXPENDITURES</b>				
Current:				
Community services	1,012,083	1,262,334	1,083,793	178,541
<b>Total expenditures</b>	<b><u>1,012,083</u></b>	<b><u>1,262,334</u></b>	<b><u>1,083,793</u></b>	<b><u>178,541</u></b>
<b>Net change in fund balances</b>	<b><u>\$ -</u></b>	<b><u>\$ (250,251)</u></b>	<b><u>(4,114)</u></b>	<b><u>\$ 246,137</u></b>
Fund balances-beginning			<u>1,805,851</u>	
<b>Fund balances-ending</b>			<b><u>\$ 1,801,737</u></b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
HOME Program Fund #102  
For the Fiscal Year Ended June 30, 2025**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 463,688	\$ 463,688	\$ 465,076	\$ 1,388
Use of money and property	100,000	100,000	73,092	(26,908)
Other	-	-	45,696	45,696
<b>Total revenues</b>	<b>563,688</b>	<b>563,688</b>	<b>583,864</b>	<b>20,176</b>
<b>EXPENDITURES</b>				
Current:				
Community services	563,688	566,326	45,108	521,218
<b>Total expenditures</b>	<b>563,688</b>	<b>566,326</b>	<b>45,108</b>	<b>521,218</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (2,638)</b>	<b>538,756</b>	<b>\$ 541,394</b>
Fund balances-beginning			<u>3,995,457</u>	
<b>Fund balances-ending</b>			<b><u>\$ 4,534,213</u></b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Neighborhood Stabilization Program Fund #103  
 For the Fiscal Year Ended June 30, 2025**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$ 6,000	\$ 117,488	\$ 7,068	\$ (110,420)
Other	1,800	1,800	-	(1,800)
<b>Total revenues</b>	<b>7,800</b>	<b>119,288</b>	<b>7,068</b>	<b>(112,220)</b>
<b>EXPENDITURES</b>				
Current:				
Community services	7,800	526,814	1,233	525,581
<b>Total expenditures</b>	<b>7,800</b>	<b>526,814</b>	<b>1,233</b>	<b>525,581</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (407,526)</b>	<b>5,835</b>	<b>\$ 413,361</b>
Fund balances-beginning			2,219,842	
<b>Fund balances-ending</b>			<b>\$ 2,225,677</b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Mare Island Base Reuse Fund #107**  
**For the Fiscal Year Ended June 30, 2025**

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 44,636	\$ 44,636	\$ 39,173	\$ (5,463)
<b>Total revenues</b>	<b>44,636</b>	<b>44,636</b>	<b>39,173</b>	<b>(5,463)</b>
<b>EXPENDITURES</b>				
Current:				
Economic development	295,830	306,073	154,267	151,806
<b>Total expenditures</b>	<b>295,830</b>	<b>306,073</b>	<b>154,267</b>	<b>151,806</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(251,194)</b>	<b>(261,437)</b>	<b>(115,094)</b>	<b>146,343</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3a)	90,000	90,000	90,000	-
<b>Total other financing sources (uses)</b>	<b>90,000</b>	<b>90,000</b>	<b>90,000</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ (161,194)</b>	<b>\$ (171,437)</b>	<b>(25,094)</b>	<b>\$ 146,343</b>
Fund balances-beginning			423,363	
<b>Fund balances-ending</b>			<b>\$ 398,269</b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Mare Island CFD 2002 Fund #112**  
**For the Fiscal Year Ended June 30, 2025**

	<u>Budget Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Taxes	\$ 2,036,897	\$ 2,036,897	\$ 1,829,776	\$ (207,121)
Charges for services	2,363,615	2,363,615	2,363,615	—
Use of money and property	50,500	50,500	200,923	150,423
Other	-	-	3,424	3,424
<b>Total revenues</b>	<b>4,451,012</b>	<b>4,451,012</b>	<b>4,397,738</b>	<b>(53,274)</b>
<b>EXPENDITURES</b>				
Current:				
Fire services	2,640,000	2,640,000	2,632,124	7,876
Police services	1,038,000	1,038,000	822,000	216,000
Public works	1,245,034	1,431,147	1,451,514	(20,367)
<b>Total expenditures</b>	<b>4,923,034</b>	<b>5,109,147</b>	<b>4,905,638</b>	<b>203,509</b>
<b>Net change in fund balances</b>	<b><u>\$ (472,022)</u></b>	<b><u>\$ (658,135)</u></b>	<b>(507,900)</b>	<b><u>\$ 150,235</u></b>
Fund balances-beginning			5,407,365	
<b>Fund balances-ending</b>			<b><u>\$ 4,899,465</u></b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Mare Island CFD 2005 1A (State) Fund #113**  
**For the Fiscal Year Ended June 30, 2025**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 281,569	\$ 281,569	\$ 281,573	\$ 4
Use of money and property	-	-	28,109	28,109
<b>Total revenues</b>	<b>281,569</b>	<b>281,569</b>	<b>309,682</b>	<b>28,113</b>
<b>EXPENDITURES</b>				
Current:				
Public works	212,987	222,787	200,720	22,067
<b>Total expenditures</b>	<b>212,987</b>	<b>222,787</b>	<b>200,720</b>	<b>22,067</b>
<b>Net change in fund balances</b>	<b>\$ 68,582</b>	<b>\$ 58,782</b>	<b>108,962</b>	<b>\$ 50,180</b>
Fund balances-beginning			517,628	
<b>Fund balances-ending</b>			<b>\$ 626,590</b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual**  
**Mare Island CFD 2005 1B (Local) Fund #114**  
**For the Fiscal Year Ended June 30, 2025**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$ -	\$ -	\$ 49,836	\$ 49,836
<b>Total revenues</b>	<b>-</b>	<b>-</b>	<b>49,836</b>	<b>49,836</b>
<b>EXPENDITURES</b>				
Current:				
Public works	209,473	226,356	135,210	91,146
<b>Total expenditures</b>	<b>209,473</b>	<b>226,356</b>	<b>135,210</b>	<b>91,146</b>
<b>Net change in fund balances</b>	<b>\$ (209,473)</b>	<b>\$ (226,356)</b>	<b>(85,374)</b>	<b>\$ 140,982</b>
Fund balances-beginning			1,009,711	
<b>Fund balances-ending</b>			<b>\$ 924,337</b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Outside Services Fund #129  
 For the Fiscal Year Ended June 30, 2025**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Charges for services	\$ 1,020,000	\$ 1,020,000	\$ 444,267	\$ (575,733)
Use of money and property	40,383	40,383	62,035	21,652
<b>Total revenues</b>	<b>1,060,383</b>	<b>1,060,383</b>	<b>506,302</b>	<b>(554,081)</b>
<b>EXPENDITURES</b>				
Current:				
Economic development	320,000	469,270	96,540	372,730
Planning and development services	500,000	500,000	369,241	130,759
Public works	200,000	200,000	11,831	188,169
<b>Total expenditures</b>	<b>1,020,000</b>	<b>1,169,270</b>	<b>477,612</b>	<b>691,658</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>40,383</b>	<b>(108,887)</b>	<b>28,690</b>	<b>137,577</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out (Note 3a)	(40,383)	(40,383)	(57,537)	(17,154)
<b>Total other financing sources (uses)</b>	<b>(40,383)</b>	<b>(40,383)</b>	<b>(57,537)</b>	<b>(17,154)</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ (149,270)</b>	<b>(28,847)</b>	<b>\$ 120,423</b>
Fund balances-beginning			149,271	
<b>Fund balances-ending</b>			<b>\$ 120,424</b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
State Gas Tax Fund #133  
For the Fiscal Year Ended June 30, 2025**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 3,045,000	\$ 3,045,000	\$ 3,536,981	\$ 491,981
Charges for services	1,641,448	1,641,448	1,794,016	152,568
Use of money and property	-	-	43,029	43,029
Other	19,500	19,500	7,321	(12,179)
<b>Total revenues</b>	<b>4,705,948</b>	<b>4,705,948</b>	<b>5,381,347</b>	<b>675,399</b>
<b>EXPENDITURES</b>				
Current:				
Public works	3,779,276	4,065,546	4,018,390	47,156
<b>Total expenditures</b>	<b>3,779,276</b>	<b>4,065,546</b>	<b>4,018,390</b>	<b>47,156</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>926,672</b>	<b>640,402</b>	<b>1,362,957</b>	<b>722,555</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out (Note 3a)	(800,000)	(800,000)	(800,000)	-
<b>Total other financing sources (uses)</b>	<b>(800,000)</b>	<b>(800,000)</b>	<b>(800,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 126,672</b>	<b>\$ (159,598)</b>	<b>562,957</b>	<b>\$ 722,555</b>
Fund balances-beginning			498,883	
<b>Fund balances-ending</b>			<b>\$ 1,061,840</b>	

**Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
State Lands Fund #134  
For the Fiscal Year Ended June 30, 2025**

	<b>Budget Amounts</b>		<b>Actual Amounts</b>	<b>Variance with Final Budget Positive (Negative)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Use of money and property	\$ 301,671	\$ 301,671	\$ 589,733	\$ 288,062
<b>Total revenues</b>	<b>301,671</b>	<b>301,671</b>	<b>589,733</b>	<b>288,062</b>
<b>EXPENDITURES</b>				
Current:				
Economic development	30,453	30,453	91,205	(60,752)
<b>Total expenditures</b>	<b>30,453</b>	<b>30,453</b>	<b>91,205</b>	<b>(60,752)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>271,218</b>	<b>271,218</b>	<b>498,528</b>	<b>227,310</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out (Note 3a)	-	(260,000)	(260,000)	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(260,000)</b>	<b>(260,000)</b>	<b>-</b>
<b>Net change in fund balances</b>	<b>\$ 271,218</b>	<b>\$ 11,218</b>	<b>238,528</b>	<b>\$ 227,310</b>
Fund balances-beginning			1,371,404	
<b>Fund balances-ending</b>			<b>\$ 1,609,932</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Solid Waste Disposal Fund #135  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Licenses and permits	\$ 19,500	\$ 19,500	\$ 15,194	\$ (4,306)
Intergovernmental revenues	-	216,639	216,639	-
Charges for services	1,681,317	2,727,388	2,695,421	(31,967)
Use of money and property	-	-	87,618	87,618
Fines and forfeitures	-	-	8,656	8,656
<b>Total revenues</b>	<b>1,700,817</b>	<b>2,963,527</b>	<b>3,023,528</b>	<b>60,001</b>
<b>EXPENDITURES</b>				
Current:				
Public works	1,791,825	2,855,048	2,836,146	18,902
Debt service:				
Principal - lease payments	-	-	25,044	(25,044)
Interest and fiscal charges	-	-	604	(604)
<b>Total expenditures</b>	<b>1,791,825</b>	<b>2,855,048</b>	<b>2,861,794</b>	<b>(6,746)</b>
<b>Net change in fund balances</b>	<b>\$ (91,008)</b>	<b>\$ 108,479</b>	<b>161,734</b>	<b>\$ 53,255</b>
Fund balances-beginning			180,469	
<b>Fund balances-ending</b>			<b>\$ 342,203</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Hiddenbrooke Community Services District Fund #138  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Charges for services	\$ 723,887	\$ 723,887	\$ 691,633	\$ (32,254)
Use of money and property	33,859	33,859	198,736	164,877
<b>Total revenues</b>	<b>757,746</b>	<b>757,746</b>	<b>890,369</b>	<b>132,623</b>
<b>EXPENDITURES</b>				
Current:				
Public works	931,824	931,843	856,756	75,087
<b>Total expenditures</b>	<b>931,824</b>	<b>931,843</b>	<b>856,756</b>	<b>75,087</b>
<b>Net change in fund balances</b>	<b>\$ (174,078)</b>	<b>\$ (174,097)</b>	<b>33,613</b>	<b>\$ 207,710</b>
Fund balances-beginning			3,526,536	
<b>Fund balances-ending</b>			<b>\$ 3,560,149</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Traffic Offender / Vehicle Impound Program Fund #140  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Licenses and permits	\$ 30,000	\$ 30,000	\$ 37,262	\$ 7,262
Use of money and property	-	-	6,864	6,864
<b>Total revenues</b>	<b>30,000</b>	<b>30,000</b>	<b>44,126</b>	<b>14,126</b>
<b>EXPENDITURES</b>				
Current:				
Police services	136,342	136,342	13,791	122,551
<b>Total expenditures</b>	<b>136,342</b>	<b>136,342</b>	<b>13,791</b>	<b>122,551</b>
<b>Net change in fund balances</b>	<b>\$ (106,342)</b>	<b>\$ (106,342)</b>	<b>30,335</b>	<b>\$ 136,677</b>
Fund balances-beginning			119,704	
<b>Fund balances-ending</b>			<b>\$ 150,039</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Hazmat Revolving Fund #143  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 48,535	\$ 48,535	\$ 60,148	\$ 11,613
Use of money and property	-	-	7,104	7,104
<b>Total revenues</b>	<b>48,535</b>	<b>48,535</b>	<b>67,252</b>	<b>18,717</b>
<b>EXPENDITURES</b>				
Current:				
Public works	25,784	31,766	6,366	25,400
<b>Total expenditures</b>	<b>25,784</b>	<b>31,766</b>	<b>6,366</b>	<b>25,400</b>
<b>Net change in fund balances</b>	<b>\$ 22,751</b>	<b>\$ 16,769</b>	<b>60,886</b>	<b>\$ 44,117</b>
Fund balances-beginning			126,644	
<b>Fund balances-ending</b>			<b>\$ 187,530</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 NLP Nuisance Abatement Fund #147  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 7,000	\$ 7,000	\$ 12,595	\$ 5,595
Other	100,000	100,000	15,778	(84,222)
<b>Total revenues</b>	<b>107,000</b>	<b>107,000</b>	<b>28,373</b>	<b>(78,627)</b>
<b>EXPENDITURES</b>				
Current:				
Law	206,432	206,432	-	206,432
<b>Total expenditures</b>	<b>206,432</b>	<b>206,432</b>	<b>-</b>	<b>206,432</b>
<b>Net change in fund balances</b>	<b>\$ (99,432)</b>	<b>\$ (99,432)</b>	<b>28,373</b>	<b>\$ 127,805</b>
Fund balances-beginning			236,009	
<b>Fund balances-ending</b>			<b>\$ 264,382</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Supplemental Law Enforcement Grant Fund #151  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Intergovernmental revenues	\$ 200,000	\$ 200,000	\$ 203,066	\$ 3,066
Use of money and property	-	-	41,510	41,510
<b>Total revenues</b>	<b>200,000</b>	<b>200,000</b>	<b>244,576</b>	<b>44,576</b>
<b>EXPENDITURES</b>				
Current:				
Police services	309,157	685,525	121,786	563,739
Capital outlay	-	-	1,183,041	(1,183,041)
Debt service:				
Interest and fiscal charges	-	-	4,992	(4,992)
Principal - subscription payments	-	-	373,508	(373,508)
<b>Total expenditures</b>	<b>309,157</b>	<b>685,525</b>	<b>1,683,327</b>	<b>(997,802)</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(109,157)</b>	<b>(485,525)</b>	<b>(1,438,751)</b>	<b>(953,226)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt - subscriptions	-	-	1,163,041	1,163,041
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>1,163,041</b>	<b>1,163,041</b>
<b>Net change in fund balances</b>	<b>\$ (109,157)</b>	<b>\$ (485,525)</b>	<b>(275,710)</b>	<b>\$ 209,815</b>
Fund balances-beginning			893,676	
<b>Fund balances-ending</b>			<b>\$ 617,966</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Landscape Maintenance Districts Fund #161-188  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Charges for services	\$ 4,197,919	\$ 4,197,919	\$ 4,379,911	\$ 181,992
Use of money and property	190,850	190,850	1,101,156	910,306
Other	-	-	9,340	9,340
<b>Total revenues</b>	<b>4,388,769</b>	<b>4,388,769</b>	<b>5,490,407</b>	<b>1,101,638</b>
<b>EXPENDITURES</b>				
Current:				
Public works	3,441,453	3,441,383	2,941,741	499,642
Capital outlay	3,769	3,769	26,688	(22,919)
<b>Total expenditures</b>	<b>3,445,222</b>	<b>3,445,152</b>	<b>2,968,429</b>	<b>476,723</b>
<b>Net change in fund balances</b>	<b>\$ 943,547</b>	<b>\$ 943,617</b>	<b>2,521,978</b>	<b>\$ 1,578,361</b>
Fund balances-beginning			20,387,021	
<b>Fund balances-ending</b>			<b>\$ 22,908,999</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Navigation Center #191  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 50,000	\$ 50,000	\$ 336,789	\$ 286,789
<b>Total revenues</b>	<b>50,000</b>	<b>50,000</b>	<b>336,789</b>	<b>286,789</b>
<b>EXPENDITURES</b>				
Current:				
Public works	-	6,731,665	7,429	6,724,236
<b>Total expenditures</b>	<b>-</b>	<b>6,731,665</b>	<b>7,429</b>	<b>6,724,236</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>50,000</b>	<b>(6,681,665)</b>	<b>329,360</b>	<b>(6,437,447)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3a)	-	340,958	7,429	(333,529)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>340,958</b>	<b>7,429</b>	<b>(333,529)</b>
<b>Net change in fund balances</b>	<b>\$ 50,000</b>	<b>\$ (6,340,707)</b>	<b>336,789</b>	<b>\$ 6,677,496</b>
Fund balances-beginning			6,390,070	
<b>Fund balances-ending</b>			<b>\$ 6,726,859</b>	

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Administrative Trust Fund #601  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Use of money and property	\$ 25,000	\$ 25,000	\$ 6,852	\$ (18,148)
Contribution revenue	20,000	20,000	6,800	(13,200)
<b>Total revenues</b>	<b>45,000</b>	<b>45,000</b>	<b>13,652</b>	<b>(31,348)</b>
<b>EXPENDITURES</b>				
Current:				
Police services	20,000	20,000	6,800	13,200
<b>Total expenditures</b>	<b>20,000</b>	<b>20,000</b>	<b>6,800</b>	<b>13,200</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>25,000</b>	<b>25,000</b>	<b>6,852</b>	<b>(18,148)</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out (Note 3a)	(25,000)	(25,000)	(6,852)	18,148
<b>Total other financing sources (uses)</b>	<b>(25,000)</b>	<b>(25,000)</b>	<b>(6,852)</b>	<b>18,148</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>-</b>	<b>\$ -</b>
Fund balances-beginning			-	
<b>Fund balances-ending</b>			<b>\$ -</b>	

**Schedules of Revenues, Expenditures, and Changes in Fund Balances:  
Budget and Actual - Nonmajor Debt Service Fund**

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 Certificates of Participation Fund #-Various  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 7,752	\$ -	\$ 7,072	\$ 7,072
<b>Total revenues</b>	<b>7,752</b>	<b>-</b>	<b>7,072</b>	<b>7,072</b>
<b>EXPENDITURES</b>				
Current:				
Public works	9,000	9,000	9,000	-
Debt service:				
Principal long term debt payments	962,276	823,687	823,687	-
Interest and fiscal charges	167,194	137,769	137,769	-
<b>Total expenditures</b>	<b>1,138,470</b>	<b>970,456</b>	<b>970,456</b>	<b>-</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>(1,130,718)</b>	<b>(970,456)</b>	<b>(963,384)</b>	<b>7,072</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in (Note 3a)	1,142,563	974,288	974,284	(4)
<b>Total other financing sources (uses)</b>	<b>1,142,563</b>	<b>974,288</b>	<b>974,284</b>	<b>(4)</b>
<b>Net change in fund balances</b>	<b>\$ 11,845</b>	<b>\$ 3,832</b>	<b>10,900</b>	<b>\$ 7,068</b>
Fund balances-beginning			289,677	
<b>Fund balances-ending</b>			<b>\$ 300,577</b>	

**Schedules of Revenues, Expenditures, and Changes in Fund Balances:  
Budget and Actual - Permanent Fund**

CITY OF VALLEJO

Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual  
 McCune Collection Fund #603  
 For the Fiscal Year Ended June 30, 2025

	Budget Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Use of money and property	\$ 2,500	\$ 2,500	\$ 5,820	\$ 3,320
<b>Total revenues</b>	<b>2,500</b>	<b>2,500</b>	<b>5,820</b>	<b>3,320</b>
<b>EXPENDITURES</b>				
Current:				
Planning and development services	2,500	2,500	594	1,906
<b>Total expenditures</b>	<b>2,500</b>	<b>2,500</b>	<b>594</b>	<b>1,906</b>
<b>Net change in fund balances</b>	<b>\$ -</b>	<b>\$ -</b>	<b>5,226</b>	<b>\$ 5,226</b>
Fund balances-beginning			110,379	
<b>Fund balances-ending</b>			<b>\$ 115,605</b>	

## Nonmajor Enterprise Funds

**Marina Fund** - is used to account for the operations, improvement and management of the City marina operations.

**Golf Fund** - is used to account for the capital assets of the City's municipal golf course and the course operator's pass-through revenues that service the City debt used to acquire and improve the assets of the fund.

**Vallejo Station Parking Fund** - is used to account for the operations, maintenance and management of the Vallejo Station Parking Structure.

**Fiber Optic Fund** - is used to account for the operations, maintenance, and distribution of bandwidth and retail internet services throughout the City's fiber optic network.

**CITY OF VALLEJO**  
**Combining Statement of Net Position**  
**Other Enterprise Funds**  
**June 30, 2025**

	<b>Business-Type Activities</b>				<b>Total Other Enterprise Funds</b>
	<b>Marina Fund #415</b>	<b>Golf Fund #425</b>	<b>Vallejo Station Parking Fund #431</b>	<b>Fiber Optic Fund #432</b>	
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 606,544	\$ 2,051,645	\$ 954,374	\$ 56,908	\$ 3,669,471
Receivables (net of uncollectibles):					
Accounts receivable	19,832	82,181	33,102	-	135,115
Due from other governments, current	74,538	-	-	-	74,538
Prepays and deposits	15,498	103,202	-	-	118,700
Materials, parts, and supplies	27,100	102,611	-	-	129,711
Restricted:					
Cash with fiscal agent	-	381,490	-	-	381,490
<b>Total current assets</b>	<b>743,512</b>	<b>2,721,129</b>	<b>987,476</b>	<b>56,908</b>	<b>4,509,025</b>
Noncurrent:					
Capital assets, net	12,063,251	9,081,679	554,407	807,488	22,506,825
<b>Total noncurrent assets</b>	<b>12,063,251</b>	<b>9,081,679</b>	<b>554,407</b>	<b>807,488</b>	<b>22,506,825</b>
<b>Total assets</b>	<b>12,806,763</b>	<b>11,802,808</b>	<b>1,541,883</b>	<b>864,396</b>	<b>27,015,850</b>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable and accrued liabilities	59,596	516,664	99,715	33,420	709,395
Accrued interest	79,868	43,486	-	-	123,354
Unearned revenues	10,649	153,857	-	-	164,506
Deposits payable	110,764	-	-	-	110,764
Lease payable	-	190,974	-	-	190,974
Bonds and notes payable	540,264	269,656	-	-	809,920
<b>Total current liabilities</b>	<b>801,141</b>	<b>1,174,637</b>	<b>99,715</b>	<b>33,420</b>	<b>2,108,913</b>
Noncurrent liabilities:					
Advances from other funds	-	-	-	530,000	530,000
Lease payable	-	672,031	-	-	672,031
Bonds, notes and loans payable	9,289,646	4,961,737	-	-	14,251,383
<b>Total noncurrent liabilities</b>	<b>9,289,646</b>	<b>5,633,768</b>	<b>-</b>	<b>530,000</b>	<b>15,453,414</b>
<b>Total liabilities</b>	<b>10,090,787</b>	<b>6,808,405</b>	<b>99,715</b>	<b>563,420</b>	<b>17,562,327</b>
<b>NET POSITION</b>					
Net investment in capital assets (Note 12A)	3,702,597	3,785,176	554,407	777,308	8,819,488
Restricted for community development	-	381,490	-	-	381,490
Net position, unrestricted (deficit)	(986,621)	827,737	887,761	(476,332)	252,545
<b>Total net position</b>	<b>\$ 2,715,976</b>	<b>\$ 4,994,403</b>	<b>\$ 1,442,168</b>	<b>\$ 300,976</b>	<b>\$ 9,453,523</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Other Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<b>Business-Type Activities</b>				<b>Total Other Enterprise Funds</b>
	<b>Marina Fund #415</b>	<b>Golf Fund #425</b>	<b>Vallejo Station Parking Fund #431</b>	<b>Fiber Optic Fund #432</b>	
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,140,339	\$ 4,691,886	\$ 1,044,526	\$ 22,835	\$ 6,899,586
Other	55,710	-	-	-	55,710
<b>Total operating revenues</b>	<b>1,196,049</b>	<b>4,691,886</b>	<b>1,044,526</b>	<b>22,835</b>	<b>6,955,296</b>
<b>OPERATING EXPENSES</b>					
General and administrative	27,013	2,050,304	525,371	-	2,602,688
Operations expenses	1,553,020	2,076,376	284,126	283,426	4,196,948
Depreciation and amortization expense	48,386	248,486	29,962	54,523	381,357
<b>Total operating expenses</b>	<b>1,628,419</b>	<b>4,375,166</b>	<b>839,459</b>	<b>337,949</b>	<b>7,180,993</b>
<b>Operating income (loss)</b>	<b>(432,370)</b>	<b>316,720</b>	<b>205,067</b>	<b>(315,114)</b>	<b>(225,697)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>					
Intergovernmental revenues	77,081	-	-	-	77,081
Investment income (loss)	27,945	44,092	39,198	-	111,235
Interest and fiscal charges	(164,751)	(89,344)	-	-	(254,095)
<b>Total nonoperating revenues (expenses)</b>	<b>(59,725)</b>	<b>(45,252)</b>	<b>39,198</b>	<b>-</b>	<b>(65,779)</b>
<b>Income (loss) before transfers</b>	<b>(492,095)</b>	<b>271,468</b>	<b>244,265</b>	<b>(315,114)</b>	<b>(291,476)</b>
Transfers in (Note 3a)	960,000	-	52,735	714,378	1,727,113
Transfers out (Note 3a)	-	(500,000)	-	-	(500,000)
<b>Change in net position</b>	<b>467,905</b>	<b>(228,532)</b>	<b>297,000</b>	<b>399,264</b>	<b>935,637</b>
Net position-beginning	2,248,071	5,222,935	1,145,168	(98,288)	8,517,886
<b>Net position-ending</b>	<b>\$ 2,715,976</b>	<b>\$ 4,994,403</b>	<b>\$ 1,442,168</b>	<b>\$ 300,976</b>	<b>\$ 9,453,523</b>

**CITY OF VALLEJO**  
**Combining Statement of Cash Flows**  
**Other Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<b>Business-Type Activities</b>				<b>Totals</b>
	<b>Marina Fund #415</b>	<b>Golf Fund #425</b>	<b>Vallejo Station Parking Fund #431</b>	<b>Fiber Optic Fund #432</b>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,187,185	\$ 4,627,465	\$ 1,081,025	\$ 22,835	\$ 6,918,510
Payments to suppliers and service providers	(1,769,473)	(4,022,846)	(827,494)	(301,235)	(6,921,048)
<b>Net cash provided by (used for) operating activities</b>	<b>(582,288)</b>	<b>604,619</b>	<b>253,531</b>	<b>(278,400)</b>	<b>(2,538)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Interfund receipts	960,000	-	52,735	714,378	1,727,113
Transfers to other funds	-	(500,000)	-	-	(500,000)
Payments to other funds on interfund borrowings	-	-	-	(150,000)	(150,000)
Operating grants and contributions	168,888	-	-	-	168,888
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>1,128,888</b>	<b>(500,000)</b>	<b>52,735</b>	<b>564,378</b>	<b>1,246,001</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	-	(35,827)	(39,165)	(433,712)	(508,704)
Principal paid on capital debt	(530,233)	(264,176)	-	-	(794,409)
Interest paid on capital debt	(169,766)	(90,493)	-	-	(260,259)
Principal paid on lease liability	-	(95,874)	-	-	(95,874)
Interest paid on lease liability	—	(612)	—	-	(612)
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(699,999)</b>	<b>(486,982)</b>	<b>(39,165)</b>	<b>(433,712)</b>	<b>(1,659,858)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest on investments	27,945	44,092	39,198	-	111,235
<b>Net cash provided by (used for) investing activities</b>	<b>27,945</b>	<b>44,092</b>	<b>39,198</b>	<b>-</b>	<b>111,235</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(125,454)</b>	<b>(338,271)</b>	<b>306,299</b>	<b>(147,734)</b>	<b>(305,160)</b>
Cash and cash equivalents-beginning	731,998	2,771,406	648,075	204,642	4,356,121
<b>Cash and cash equivalents-ending</b>	<b>\$ 606,544</b>	<b>\$ 2,433,135</b>	<b>\$ 954,374</b>	<b>\$ 56,908</b>	<b>\$ 4,050,961</b>

**CITY OF VALLEJO**  
**Combining Statement of Cash Flows (Continued)**  
**Other Enterprise Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<b>Business-Type Activities</b>				<b>Totals</b>
	<b>Marina Fund #415</b>	<b>Golf Fund #425</b>	<b>Vallejo Station Parking Fund #431</b>	<b>Fiber Optic Fund #432</b>	
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>					
<b>TO NET CASH PROVIDED BY (USED FOR)</b>					
<b>OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (432,370)	\$ 316,720	\$ 205,067	\$ (315,114)	\$ (225,697)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:					
Depreciation/amortization expense	48,386	248,486	29,962	54,523	381,357
(Increase) decrease in accounts receivable	(14,014)	(73,868)	36,499	-	(51,383)
(Increase) decrease in inventories	(3,273)	(8,340)	-	-	(11,613)
(Increase) decrease in prepaid items	(5,463)	(11,246)	-	-	(16,709)
Increase (decrease) in accounts payable	(180,704)	123,420	(17,997)	(17,809)	(93,090)
Increase (decrease) in deposits payable	7,947	-	-	-	7,947
Increase (decrease) in unearned revenue	(2,797)	9,447	-	-	6,650
Total adjustments	(149,918)	287,899	48,464	36,714	223,159
<b>Net cash provided by (used for)</b>					
<b>operating activities</b>	<b>\$ (582,288)</b>	<b>\$ 604,619</b>	<b>\$ 253,531</b>	<b>\$ (278,400)</b>	<b>\$ (2,538)</b>
<b>SCHEDULE OF NON-CASH NONCAPITAL, CAPITAL, AND INVESTING ACTIVITIES</b>					
Increase in lease liability and the acquisition of right to use assets	\$ -	\$ 958,878	\$ -	\$ -	\$ 958,878

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## Internal Service Funds

Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the City on a cost reimbursement basis.

**Fleet Maintenance/Replacement Fund #501-502** accounts for the maintenance and replacements of vehicles and equipment used by all City departments.

**Retiree Health Benefits Fund #506** accounts for the City's Retiree Healthcare Plan's annual OPEB costs and unfunded actuarial accrued liabilities in compliance with GASB 45.

**Self-Insurance Fund #508-509** accounts for risk management operations involving management of City's Workers Compensation and General Liability Insurance accounts and transactions.

**Payroll Benefits Fund #602** accounts for cash transferred from various funds from which actual cash is remitted to governmental agencies, employees and other agencies for employee benefits

**CITY OF VALLEJO**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**June 30, 2025**

	<b>Fleet Maintenance/ Replacement Fund #501-502</b>	<b>Payroll Benefits #602</b>	<b>Retiree Health Benefits (OPEB) #506</b>	<b>General Liability #508</b>	<b>Workers' Comp #509</b>	<b>Total Internal Service Funds</b>
<b>ASSETS</b>						
Current assets:						
Cash and investments	\$ 9,003,036	\$ -	\$ 487,446	\$ 18,324,542	\$ 21,090,427	\$ 48,905,451
Receivables (net of uncollectibles):						
Accounts receivable	107,905	245,322	46	4,456	4,456	362,185
Prepays and deposits	1,117,079	22,842	-	423,369	-	1,563,290
Due from other funds	-	-	-	-	5,266,078	5,266,078
Materials, parts, and supplies	225,309	-	-	-	-	225,309
Restricted:						
Cash with fiscal agent	4,969,330	-	-	-	-	4,969,330
<b>Total current assets</b>	<b>15,422,659</b>	<b>268,164</b>	<b>487,492</b>	<b>18,752,367</b>	<b>26,360,961</b>	<b>61,291,643</b>
Noncurrent:						
Capital assets, net	8,877,935	-	-	-	-	8,877,935
<b>Total noncurrent assets</b>	<b>8,877,935</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,877,935</b>
<b>Total assets</b>	<b>24,300,594</b>	<b>268,164</b>	<b>487,492</b>	<b>18,752,367</b>	<b>26,360,961</b>	<b>70,169,578</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Related to pensions	317,651	-	-	135,076	135,075	587,802
Related to OPEB	26,339	-	1,205,281	7,307	7,307	1,246,234
<b>Total deferred outflows of resources</b>	<b>343,990</b>	<b>-</b>	<b>1,205,281</b>	<b>142,383</b>	<b>142,382</b>	<b>1,834,036</b>

**CITY OF VALLEJO**  
**Combining Statement of Net Position (Continued)**  
**Internal Service Funds**  
**June 30, 2025**

	Fleet Maintenance/ Replacement Fund #501-502	Payroll Benefits #602	Retiree Health Benefits (OPEB) #506	General Liability #508	Workers' Comp #509	Total Internal Service Funds
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable and accrued liabilities	938,807	99,625	-	242,160	23,338	1,303,930
Accrued interest	11,765	-	-	-	-	11,765
Due to other funds (Note 3b)	-	76,119	-	-	-	76,119
Employee benefits payable	30,077	92,420	-	13,024	13,024	148,545
Accrued claims and judgements	-	-	-	4,139,026	3,689,000	7,828,026
Bonds and notes payable	690,000	-	-	-	-	690,000
<b>Total current liabilities</b>	<b>1,670,649</b>	<b>268,164</b>	<b>-</b>	<b>4,394,210</b>	<b>3,725,362</b>	<b>10,058,385</b>
Noncurrent liabilities:						
Employee benefits payable, current	83,090	-	-	31,055	31,055	145,200
Accrued claims and judgements	-	-	-	9,406,743	12,873,000	22,279,743
Net pension liability	1,990,409	-	-	816,425	816,425	3,623,259
Net OPEB liability	77,412	-	3,403,528	21,528	21,528	3,523,996
Bonds, notes and loans payable	3,045,000	-	-	-	-	3,045,000
<b>Total noncurrent liabilities</b>	<b>5,195,911</b>	<b>-</b>	<b>3,403,528</b>	<b>10,275,751</b>	<b>13,742,008</b>	<b>32,617,198</b>
<b>Total liabilities</b>	<b>6,866,560</b>	<b>268,164</b>	<b>3,403,528</b>	<b>14,669,961</b>	<b>17,467,370</b>	<b>42,675,583</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Related to OPEB	101,976	-	4,483,514	28,359	28,359	4,642,208
<b>Total deferred inflows of resources</b>	<b>101,976</b>	<b>-</b>	<b>4,483,514</b>	<b>28,359</b>	<b>28,359</b>	<b>4,642,208</b>
<b>NET POSITION</b>						
Net investment in capital assets	8,147,333	-	-	-	-	8,147,333
Net position, unrestricted	9,528,715	-	(6,194,269)	4,196,430	9,007,614	16,538,490
<b>Total net position</b>	<b>\$ 17,676,048</b>	<b>\$ -</b>	<b>\$ (6,194,269)</b>	<b>\$ 4,196,430</b>	<b>\$ 9,007,614</b>	<b>\$ 24,685,823</b>

**CITY OF VALLEJO**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Fleet Maintenance/ Replacement Fund #501-502	Payroll Benefits #602	Retiree Health Benefits (OPEB) #506	General Liability #508	Workers' Comp #509	Total Internal Service Funds
<b>OPERATING REVENUES</b>						
Charges for services	\$ 5,702,820	\$ -	\$ 3,253,479	\$ 9,407,978	\$ 5,944,964	\$ 24,309,241
Other	61,384	-	-	4,456	4,456	70,296
<b>Total operating revenues</b>	<b>5,764,204</b>	<b>-</b>	<b>3,253,479</b>	<b>9,412,434</b>	<b>5,949,420</b>	<b>24,379,537</b>
<b>OPERATING EXPENSES</b>						
Operations expenses	3,873,608	-	3,792,644	2,057,790	1,029,399	10,753,441
Insurance and claims	-	-	-	9,264,187	3,756,588	13,020,775
Depreciation and amortization expense	2,046,284	-	-	-	-	2,046,284
<b>Total operating expenses</b>	<b>5,919,892</b>	<b>-</b>	<b>3,792,644</b>	<b>11,321,977</b>	<b>4,785,987</b>	<b>25,820,500</b>
<b>Operating income (loss)</b>	<b>(155,688)</b>	<b>-</b>	<b>(539,165)</b>	<b>(1,909,543)</b>	<b>1,163,433</b>	<b>(1,440,963)</b>
<b>NONOPERATING REVENUES (EXPENSES)</b>						
Investment income (loss)	697,441	-	(7,600)	667,452	1,230,546	2,587,839
Interest and fiscal charges	(168,205)	-	-	-	-	(168,205)
Gain (loss) on disposal of capital assets	26,883	-	-	-	-	26,883
<b>Total nonoperating revenues (expenses)</b>	<b>556,119</b>	<b>-</b>	<b>(7,600)</b>	<b>667,452</b>	<b>1,230,546</b>	<b>2,446,517</b>
<b>Income (loss) before transfers</b>	<b>400,431</b>	<b>-</b>	<b>(546,765)</b>	<b>(1,242,091)</b>	<b>2,393,979</b>	<b>1,005,554</b>
Transfers in (Note 3a)	1,677,039	-	-	3,250,000	-	4,927,039
Transfers out (Note 3a)	-	-	-	-	(900,000)	(900,000)
<b>Change in net position</b>	<b>2,077,470</b>	<b>-</b>	<b>(546,765)</b>	<b>2,007,909</b>	<b>1,493,979</b>	<b>5,032,593</b>
Net position-beginning	15,605,151	-	(5,647,504)	2,194,821	7,519,935	19,672,403
Restatements-change in accounting principle	(6,573)	-	-	(6,300)	(6,300)	(19,173)
Net position-beginning	15,598,578	-	(5,647,504)	2,188,521	7,513,635	19,653,230
<b>Net position-ending</b>	<b>\$ 17,676,048</b>	<b>\$ -</b>	<b>\$ (6,194,269)</b>	<b>\$ 4,196,430</b>	<b>\$ 9,007,614</b>	<b>\$ 24,685,823</b>

**CITY OF VALLEJO**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Fleet Maintenance/ Replacement Fund #501-502	Payroll Benefits #602	Retiree Health Benefits (OPEB) #506	General Liability #508	Workers' Comp #509	Totals
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 5,729,368	\$85,694,257	\$ 3,253,433	\$ 9,403,522	\$ 5,944,964	\$110,025,544
Payments to suppliers and service providers	(3,588,508)	-	-	(6,190,368)	(1,378,487)	(11,157,363)
Payment to or on behalf of employees	(1,253,497)	(86,041,026)	(3,604,491)	(455,856)	(451,640)	(91,806,510)
Claims paid	-	-	-	(3,435,405)	(2,571,509)	(6,006,914)
<b>Net cash provided by (used for) operating activities</b>	<b>887,363</b>	<b>(346,769)</b>	<b>(351,058)</b>	<b>(678,107)</b>	<b>1,543,328</b>	<b>1,054,757</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Interfund receipts	1,677,039	-	-	3,250,000	-	4,927,039
Transfers to other funds	-	-	-	-	(900,000)	(900,000)
Payments from other funds on interfund borrowings	-	76,119	-	-	-	76,119
Payments to other funds on interfund borrowings	-	-	-	-	(2,110,396)	(2,110,396)
<b>Net cash provided by (used for) noncapital financing activities</b>	<b>1,677,039</b>	<b>76,119</b>	<b>-</b>	<b>3,250,000</b>	<b>(3,010,396)</b>	<b>1,992,762</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Acquisition and construction of capital assets	(2,954,926)	-	-	-	-	(2,954,926)
Principal paid on capital debt	(665,000)	-	-	-	-	(665,000)
Interest paid on capital debt	(170,407)	-	-	-	-	(170,407)
Proceeds from sales of assets	44,713	-	-	-	-	44,713
<b>Net cash provided by (used for) capital and related financing activities</b>	<b>(3,745,620)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(3,745,620)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest on investments	697,441	-	(7,600)	667,452	1,230,546	2,587,839
<b>Net cash provided by (used for) investing activities</b>	<b>697,441</b>	<b>-</b>	<b>(7,600)</b>	<b>667,452</b>	<b>1,230,546</b>	<b>2,587,839</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(483,777)</b>	<b>(270,650)</b>	<b>(358,658)</b>	<b>3,239,345</b>	<b>(236,522)</b>	<b>1,889,738</b>
Cash and cash equivalents-beginning	14,456,143	270,650	846,104	15,080,741	21,326,949	51,980,587
<b>Cash and cash equivalents-ending</b>	<b>\$ 13,972,366</b>	<b>\$ -</b>	<b>\$ 487,446</b>	<b>\$18,320,086</b>	<b>\$21,090,427</b>	<b>\$ 53,870,325</b>

**CITY OF VALLEJO**  
**Combining Statement of Cash Flows (Continued)**  
**Internal Service Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Fleet Maintenance/ Replacement Fund #501-502	Payroll Benefits #602	Retiree Health Benefits (OPEB) #506	General Liability #508	Workers' Comp #509	Totals
<b>RECONCILIATION OF OPERATING INCOME (LOSS)</b>						
<b>TO NET CASH PROVIDED BY (USED FOR)</b>						
<b>OPERATING ACTIVITIES</b>						
Operating income (loss)	\$ (155,688)	\$ -	\$ (539,165)	\$ (1,909,543)	\$ 1,163,433	\$ (1,440,963)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:						
Depreciation/amortization expense	2,046,284	-	-	-	-	2,046,284
(Increase) decrease in accounts receivable	(34,836)	53,102	(46)	(4,456)	(4,456)	9,308
(Increase) decrease in inventories	(27,302)	-	-	-	-	(27,302)
(Increase) decrease in prepaid items	(1,117,079)	(16,541)	-	3,027	-	(1,130,593)
Increase (decrease) in accounts payable	146,985	(72,348)	-	3,704	6,503	84,844
Increase (decrease) in compensated absences	3,477	(310,982)	(595,867)	15,756	15,756	(871,860)
Increase (decrease) in claims and judgments	-	-	-	1,209,469	353,700	1,563,169
Increase (decrease) in pension and related items	(7,259)	-	-	4,849	4,849	2,439
Increase (decrease) in OPEB and related items	32,781	-	784,020	3,543	3,543	823,887
Total adjustments	1,043,051	(346,769)	188,107	1,235,892	379,895	2,500,176
<b>Net cash provided by (used for) operating activities</b>	<b>\$ 887,363</b>	<b>\$ (346,769)</b>	<b>\$ (351,058)</b>	<b>\$ (673,651)</b>	<b>\$ 1,543,328</b>	<b>\$ 1,059,213</b>

### **Combining Fiduciary Funds (Custodial Funds)**

The City's Custodial Funds include the Improvement Districts and Assessment Districts Funds. These funds account for the collection of assessment and the disbursement to district bond holders for debt without City commitment.

The Asset Seizure Fund #139 accounts for monies received from police confiscated drug money and property. Funds are held until final court disposition is received. The funds are then restricted for police related activities only.

**CITY OF VALLEJO**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**June 30, 2025**

	Hiddenbrooke Improvement District	NE Quadrant Improvement District 2003-01	Asset Seizure Fund #139	Total Custodial Funds
<b>ASSETS</b>				
Cash and investments	\$ 2,885,376	\$ 679,574	\$ 307,037	\$ 3,871,987
Restricted cash and investments with fiscal agents	3,467,770	517,978	-	3,985,748
<b>Total assets</b>	<b>6,353,146</b>	<b>1,197,552</b>	<b>307,037</b>	<b>7,857,735</b>
<b>LIABILITIES</b>				
Accounts payable and accrued liabilities	4,733	-	-	4,733
Accrued interest	99,953	73,673	-	173,626
Deposits payable	-	-	252,216	252,216
Due to other governments	1,862,059	-	7,353	1,869,412
Due in one year	620,000	280,000	-	900,000
Due in more than one year	4,550,000	3,340,000	-	7,890,000
<b>Total liabilities</b>	<b>7,136,745</b>	<b>3,693,673</b>	<b>259,569</b>	<b>11,089,987</b>
<b>NET POSITION (Deficit)</b>				
Restricted for governments, individuals or other organizations	(783,599)	(2,496,121)	47,468	(3,232,252)
<b>Total net position (Deficit)</b>	<b>\$ (783,599)</b>	<b>\$ (2,496,121)</b>	<b>\$ 47,468</b>	<b>\$ (3,232,252)</b>

**CITY OF VALLEJO**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds - Custodial Funds**  
**For the Fiscal Year Ended June 30, 2025**

	Hiddenbrooke Improvement District	NE Quadrant Improvement District 2003-01	Asset Seizure Fund #139	Total Custodial Funds
<b>ADDITIONS</b>				
Investment earnings	\$ 251,945	\$ 46,472	\$ 15,718	\$ 314,135
Collections for assessment districts	1,493,109	527,502	-	2,020,611
<b>Total additions</b>	<b>1,745,054</b>	<b>573,974</b>	<b>15,718</b>	<b>2,334,746</b>
<b>DEDUCTIONS</b>				
Administrative expenses	31,965	21,382	18,030	71,377
Interest and fiscal charges	310,853	225,769	-	536,622
<b>Total deductions</b>	<b>342,818</b>	<b>247,151</b>	<b>18,030</b>	<b>607,999</b>
<b>Net increase (decrease) in fiduciary net position</b>	<b>1,402,236</b>	<b>326,823</b>	<b>(2,312)</b>	<b>1,726,747</b>
Net position (Deficit)-beginning	(2,185,835)	(2,822,944)	49,780	(4,958,999)
<b>Net position (Deficit)-ending</b>	<b>\$ (783,599)</b>	<b>\$ (2,496,121)</b>	<b>\$ 47,468</b>	<b>\$ (3,232,252)</b>

**STATISTICAL SECTION**

Financial Trends

Revenue Capacity

Debt Capacity

Demographic and Economic Information

Operating Information

**CITY OF VALLEJO**  
**DESCRIPTION OF STATISTICAL SECTION CONTENTS**  
**June 30, 2025**

This part of the City's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health. In contrast to the financial section, the statistical section information is not subject to independent audit.

**Financial Trends**

*These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time:*

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**Revenue Capacity**

*These schedules contain information to help the reader assess the City's most significant local revenue sources, the property tax and sales tax:*

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**Sources**

Unless otherwise noted, the information in these schedules is derived from the Annual Comprehensive Financial Reports for the relevant year.

## Financial Trends

**CITY OF VALLEJO**

**Net Position by Component  
Last Ten Fiscal Years Ended June 30  
(accrual basis of accounting)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>Governmental activities:</b>										
Net Investment in Capital Assets	\$ 314,654,942	\$ 318,636,371	\$ 316,622,007	\$ 315,888,276	\$ 331,744,314	\$ 336,111,810	\$ 339,879,627	\$ 326,351,901	\$ 345,870,587	\$ 334,493,256
Restricted	68,373,151	70,545,240	69,927,367	75,368,245	91,815,092	98,105,543	103,743,509	120,704,287	131,173,129	138,985,831
Unrestricted	(177,003,436)	(174,091,484)	(187,401,484)	(182,328,859)	(217,444,163)	(213,528,457)	(183,889,225)	(166,885,523)	(147,333,281)	(139,190,295)
<b>Total governmental activities net position</b>	<b>\$ 206,024,657</b>	<b>\$ 215,090,127</b>	<b>\$ 199,147,890</b>	<b>\$ 208,927,662</b>	<b>\$ 206,115,243</b>	<b>\$ 220,688,896</b>	<b>\$ 259,733,911</b>	<b>\$ 280,170,665</b>	<b>\$ 329,710,435</b>	<b>\$ 334,288,792</b>
<b>Business-type activities:</b>										
Net Investment in Capital Assets	\$ 40,191,379	\$ 40,778,629	\$ 44,251,622	\$ 53,757,390	\$ 59,614,105	\$ 59,196,628	\$ 61,267,522	\$ 69,861,200	\$ 78,558,161	\$ 87,016,728
Restricted	5,253,836	5,258,610	5,274,585	5,533,393	510,833	27,358	27,454	35,101	394,501	393,150
Unrestricted	(75,800)	1,842,145	(4,749,417)	(7,477,516)	(1,240,554)	8,016,703	17,840,762	24,330,234	32,570,291	44,555,791
<b>Total business-type activities net position</b>	<b>\$ 45,369,415</b>	<b>\$ 47,879,384</b>	<b>\$ 44,776,790</b>	<b>\$ 51,813,267</b>	<b>\$ 58,884,384</b>	<b>\$ 67,240,689</b>	<b>\$ 79,135,738</b>	<b>\$ 94,226,535</b>	<b>\$ 111,522,953</b>	<b>\$ 131,965,669</b>
<b>Primary government:</b>										
Net Investment in Capital Assets	\$ 354,846,321	\$ 359,415,000	\$ 360,873,629	\$ 369,645,666	\$ 391,358,419	\$ 395,308,438	\$ 401,147,149	\$ 396,213,101	\$ 424,428,748	\$ 421,509,984
Restricted	73,626,987	75,803,850	75,201,952	80,901,638	92,325,925	98,132,901	103,770,963	120,739,388	131,567,630	139,378,981
Unrestricted	(177,079,236)	(172,249,339)	(192,150,901)	(189,806,375)	(218,684,717)	(205,511,754)	(166,048,463)	(142,555,289)	(114,762,990)	(94,634,504)
<b>Total primary government net position</b>	<b>\$ 251,394,072</b>	<b>\$ 262,969,511</b>	<b>\$ 243,924,680</b>	<b>\$ 260,740,929</b>	<b>\$ 264,999,627</b>	<b>\$ 287,929,585</b>	<b>\$ 338,869,649</b>	<b>\$ 374,397,200</b>	<b>\$ 441,233,388</b>	<b>\$ 466,254,461</b>

**Notes:**

The City implemented the provisions of GASB Statement 75 in fiscal year 2018. Prior amounts have not been restated.

**CITY OF VALLEJO**  
**Changes in Net Position**  
**Last Ten Fiscal Years Ended June 30**  
**(accrual basis of accounting)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>EXPENSES</b>										
<b>Governmental activities:</b>										
Legislative and Advisory	\$ 257,208	\$ 244,300	\$ 342,413	\$ 321,914	\$ 275,873	\$ 260,517	\$ 183,493	\$ 268,285	\$ 262,429	\$ 299,418
Executive	2,386,112	2,795,092	3,217,242	5,346,942	5,213,762	5,155,236	5,936,409	3,922,277	3,641,393	3,932,954
Finance	2,009,568	2,046,341	2,296,973	2,019,164	1,778,234	1,718,818	1,777,407	2,309,944	2,680,976	3,435,217
Human Resources	1,390,288	988,831	1,382,503	1,936,821	1,918,967	2,106,513	1,445,826	1,189,506	1,748,816	2,486,820
Law	976,895	1,289,690	1,678,985	1,737,644	1,451,392	1,268,519	1,372,165	1,790,270	1,600,994	2,554,370
Development Services	2,954,366	2,925,237	3,572,495	-	-	-	-	-	-	-
Community Services	27,801,563	27,348,207	29,503,111	34,843,093	31,626,149	35,519,702	31,285,761	31,281,595	29,750,151	33,615,620
Planning and Development Services	-	-	-	5,641,584	4,636,674	3,966,578	3,155,793	4,699,503	5,617,806	8,045,416
Fire services	24,573,111	27,384,860	31,978,352	30,169,197	34,879,494	34,564,660	27,487,724	36,122,908	39,356,934	42,217,667
Police services	38,994,284	42,345,792	50,291,924	47,724,576	54,926,532	56,088,783	40,952,101	52,545,100	61,750,656	66,096,035
Public Works	29,491,475	29,016,544	30,289,374	28,195,131	31,891,067	29,512,952	26,058,635	29,171,861	34,230,703	45,900,716
Economic Development	-	-	-	-	-	-	-	3,252,772	9,837,557	8,521,186
Information Technology	-	-	-	-	-	-	-	1,875,881	2,401,779	3,316,329
Interest on long-term debt	462,398	438,450	414,286	388,381	429,730	413,217	399,242	461,660	473,612	495,407
<b>Total governmental activities expenses</b>	<b>\$ 131,297,268</b>	<b>\$ 136,823,344</b>	<b>\$ 154,967,658</b>	<b>\$ 158,324,447</b>	<b>\$ 169,027,874</b>	<b>\$ 170,575,495</b>	<b>\$ 140,054,556</b>	<b>\$ 168,891,562</b>	<b>\$ 193,353,806</b>	<b>\$ 220,917,155</b>
<b>Business-type activities:</b>										
Water	\$ 34,856,203	\$ 35,523,887	\$ 37,447,808	\$ 37,733,752	\$ 38,645,529	\$ 40,603,545	\$ 40,229,658	\$ 47,140,784	\$ 48,075,546	\$ 45,608,675
Other proprietary funds	5,622,800	6,135,549	6,734,578	6,738,082	8,046,603	7,179,748	5,998,294	6,951,267	7,964,788	7,435,088
<b>Total business-type activities expenses</b>	<b>40,479,003</b>	<b>41,659,436</b>	<b>44,182,386</b>	<b>44,471,834</b>	<b>46,692,132</b>	<b>47,783,293</b>	<b>46,227,952</b>	<b>54,092,051</b>	<b>56,040,334</b>	<b>53,043,763</b>
<b>Total primary government expenses</b>	<b>\$ 171,776,271</b>	<b>\$ 178,482,780</b>	<b>\$ 199,150,044</b>	<b>\$ 202,796,281</b>	<b>\$ 215,720,006</b>	<b>\$ 218,358,788</b>	<b>\$ 186,282,508</b>	<b>\$ 222,983,613</b>	<b>\$ 249,394,140</b>	<b>\$ 273,960,918</b>

**Notes:**

Planning and Development Services were previously reported under Development Services.  
Economic Development and Information Technology were previously reported under Executive.

**CITY OF VALLEJO**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years Ended June 30**  
**(accrual basis of accounting)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>PROGRAM REVENUES</b>										
<b>Governmental activities:</b>										
Charges for services	\$ 24,632,362	\$ 24,510,980	\$ 25,711,785	\$ 27,555,650	\$ 24,139,578	\$ 26,076,321	\$ 31,125,166	\$ 37,537,152	\$ 28,867,848	\$ 36,254,424
Operating grants and contributions	26,731,559	27,598,297	30,006,058	38,057,450	38,858,209	45,830,666	36,629,965	40,313,226	54,224,937	53,946,710
Capital grants and contributions	8,851,629	5,362,544	2,138,551	3,052,819	2,830,049	7,133,919	6,674,419	14,950,923	14,961,198	7,536,328
<b>Total governmental activities program revenues</b>	<b>\$ 60,215,550</b>	<b>\$ 57,471,821</b>	<b>\$ 57,856,394</b>	<b>\$ 68,665,919</b>	<b>\$ 65,827,836</b>	<b>\$ 79,040,906</b>	<b>\$ 74,429,550</b>	<b>\$ 92,801,301</b>	<b>\$ 98,053,983</b>	<b>\$ 97,737,462</b>
<b>Business-type activities:</b>										
Charges for services	\$ 37,578,399	\$ 37,952,387	\$ 45,037,505	\$ 47,293,239	\$ 50,257,187	\$ 55,330,836	\$ 57,076,781	\$ 57,985,712	\$ 62,195,241	\$ 63,768,962
Operating grants and contributions	25,847	123,279	-	36,642	38,585	59,791	2,045,021	101,602	1,699,600	1,964,135
Capital grants and contributions	1,383,466	3,374,785	1,018,049	998,762	198,979	389,891	342,192	2,664,229	2,312,606	1,125,715
<b>Total business-type activities program revenues</b>	<b>38,987,712</b>	<b>41,450,451</b>	<b>46,055,554</b>	<b>48,328,643</b>	<b>50,494,751</b>	<b>55,780,518</b>	<b>59,463,994</b>	<b>60,751,543</b>	<b>66,207,447</b>	<b>66,858,812</b>
<b>Total primary government program revenues</b>	<b>\$ 99,203,262</b>	<b>\$ 98,922,272</b>	<b>\$ 103,911,948</b>	<b>\$ 116,994,562</b>	<b>\$ 116,322,587</b>	<b>\$ 134,821,424</b>	<b>\$ 133,893,544</b>	<b>\$ 153,552,844</b>	<b>\$ 164,261,430</b>	<b>\$ 164,596,274</b>
<b>NET REVENUE/(EXPENSE)</b>										
Governmental activities	\$ (71,081,718)	\$ (79,351,523)	\$ (97,111,264)	\$ (89,658,528)	\$ (103,200,038)	\$ (91,534,589)	\$ (65,625,006)	\$ (76,090,261)	\$ (95,299,823)	\$ (123,179,693)
Business-type activities	(1,491,291)	(208,985)	1,873,168	3,856,809	3,802,619	7,997,225	13,236,042	6,659,492	10,167,113	13,815,049
<b>Total primary government net expense</b>	<b>\$ (72,573,009)</b>	<b>\$ (79,560,508)</b>	<b>\$ (95,238,096)</b>	<b>\$ (85,801,719)</b>	<b>\$ (99,397,419)</b>	<b>\$ (83,537,364)</b>	<b>\$ (52,388,964)</b>	<b>\$ (69,430,769)</b>	<b>\$ (85,132,710)</b>	<b>\$ (109,364,644)</b>
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
<b>Governmental activities:</b>										
<b>Taxes</b>										
Property taxes	\$ 16,956,367	\$ 18,234,843	\$ 19,379,799	\$ 20,822,536	\$ 21,837,203	\$ 22,475,271	\$ 24,355,060	\$ 26,739,404	\$ 25,588,395	\$ 27,019,306
Sales taxes	27,767,194	29,276,208	29,626,711	32,641,720	32,457,314	38,189,547	40,866,872	45,023,671	59,307,883	57,550,258
Utility user taxes	12,994,432	13,339,264	13,107,158	12,338,425	12,329,103	13,005,333	13,322,651	15,583,618	15,413,998	15,821,439
Motor vehicles / In lieu property tax	8,526,690	9,085,386	9,685,054	10,334,622	10,941,183	11,480,266	11,959,681	13,404,343	13,318,249	13,801,400
Other taxes	12,979,029	14,888,721	15,255,443	15,082,269	15,302,220	15,864,149	16,902,706	15,776,968	14,880,909	15,546,157
Investment earnings	1,765,281	849,111	902,408	4,622,647	5,042,701	1,878,276	(4,859,238)	4,072,749	15,197,409	16,235,595
Gain on sale of capital assets	173,859	89,852	134,785	69,983	42,934	11,600	(1,232,481)	58,897	46,266	26,883
Insurance recoveries	-	-	-	-	-	-	-	-	-	-
Miscellaneous	4,868,998	5,604,775	5,241,492	5,562,802	4,113,263	3,546,379	4,468,301	4,081,444	2,956,538	2,992,049

**CITY OF VALLEJO**  
**Changes in Net Position (Continued)**  
**Last Ten Fiscal Years Ended June 30**  
**(accrual basis of accounting)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assets transferred to/liabilities assumed by Successor Agency	5,293,678	(425,935)	-	-	-	-	-	-	-	-
Transfers	(1,728,023)	(2,654,217)	(2,152,823)	(2,036,704)	(1,678,302)	(342,579)	(1,113,531)	(1,859,169)	(1,870,054)	(1,227,113)
Transfers -Capital assets	-	-	-	-	-	-	-	(7,989,578)	-	-
Special Item - Sale and Disposal of Mare Island Property	-	-	-	-	-	-	-	(18,300,000)	-	-
<b>Total governmental activities</b>	<b>\$ 89,597,505</b>	<b>\$ 88,288,008</b>	<b>\$ 91,180,027</b>	<b>\$ 99,438,300</b>	<b>\$ 100,387,619</b>	<b>\$ 106,108,242</b>	<b>\$ 104,670,021</b>	<b>\$ 96,592,347</b>	<b>\$ 144,839,593</b>	<b>\$ 147,765,974</b>
<b>Business-type activities:</b>										
Investment earnings	\$ 413,341	\$ 64,737	\$ 203,147	\$ 1,142,964	\$ 1,341,509	\$ (18,397)	\$ (2,504,761)	\$ 1,733,785	\$ 5,255,870	\$ 5,596,679
Miscellaneous	-	-	-	-	248,687	42,841	103,812	49,996	-	-
Gain or (Loss) on sales or transfer of assets	-	-	-	-	-	(7,943)	-	-	3,381	-
Insurance recoveries	-	-	-	-	-	-	-	-	-	-
Transfers	1,728,023	2,654,217	2,152,823	2,036,704	1,678,302	342,579	1,113,531	1,859,169	1,870,054	1,227,113
Transfers -Capital assets	-	-	-	-	-	-	-	-	-	-
Special Item(s) - see notes	-	-	(2,832,157)	-	-	-	-	-	-	-
<b>Total business-type activities</b>	<b>\$ 2,141,364</b>	<b>\$ 2,718,954</b>	<b>\$ (476,187)</b>	<b>\$ 3,179,668</b>	<b>\$ 3,268,498</b>	<b>\$ 359,080</b>	<b>\$ (1,287,418)</b>	<b>\$ 8,431,305</b>	<b>\$ 7,129,305</b>	<b>\$ 6,823,792</b>
<b>Total primary government</b>	<b>\$ 91,738,869</b>	<b>\$ 91,006,962</b>	<b>\$ 90,703,840</b>	<b>\$ 102,617,968</b>	<b>\$ 103,656,117</b>	<b>\$ 106,467,322</b>	<b>\$ 103,382,603</b>	<b>\$ 105,023,652</b>	<b>\$ 151,968,898</b>	<b>\$ 154,589,766</b>
<b>CHANGE IN NET POSITION</b>										
<b>Governmental activities</b>	<b>\$ 18,515,787</b>	<b>\$ 8,936,485</b>	<b>\$ (5,931,237)</b>	<b>\$ 9,779,772</b>	<b>\$ (2,812,419)</b>	<b>\$ 14,573,653</b>	<b>\$ 39,045,015</b>	<b>\$ 20,502,086</b>	<b>\$ 49,539,770</b>	<b>\$ 24,586,281</b>
<b>Business-type activities</b>	<b>650,073</b>	<b>2,509,969</b>	<b>1,396,981</b>	<b>7,036,477</b>	<b>7,071,117</b>	<b>8,356,305</b>	<b>11,948,624</b>	<b>15,090,797</b>	<b>17,296,418</b>	<b>20,638,841</b>
<b>Total primary government</b>	<b>\$ 19,165,860</b>	<b>\$ 11,446,454</b>	<b>\$ (4,534,256)</b>	<b>\$ 16,816,249</b>	<b>\$ 4,258,698</b>	<b>\$ 22,929,958</b>	<b>\$ 50,993,639</b>	<b>\$ 35,592,883</b>	<b>\$ 66,836,188</b>	<b>\$ 45,225,122</b>

**Notes:** In fiscal year 2018, the City of American Canyon rescinded its decision to exercise an option to purchase additional water capacity rights from the City of Vallejo. A loan in the amount of \$2,832,157 (representing prior year revenue) was written off and presented as a special item.

**CITY OF VALLEJO**

**Fund Balances of Governmental Funds  
Last Ten Fiscal Years Ended June 30  
(modified accrual basis of accounting)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>General Fund</b>										
Nonspendable	\$ 2,192,050	\$ 2,152,578	\$ 2,141,630	\$ 2,217,139	\$ 2,212,889	\$ 2,063,422	\$ 2,063,533	\$ 4,159,093	\$ 4,073,587	\$ 6,491,321
Restricted	272,885	320,738	2,269,039	4,550,387	7,137,110	11,272,510	12,874,568	22,558,076	26,873,625	29,015,061
Committed	2,251,472	1,235,078	6,810	6,332	45,321	-	-	-	-	2,082,623
Assigned	11,102,326	10,993,484	4,208,034	876,025	943,125	5,365,698	5,021,176	12,823,526	17,988,552	16,323,844
Unassigned	9,929,786	15,679,786	21,235,769	24,508,900	17,982,247	21,682,816	23,172,169	25,038,905	29,981,940	31,658,917
<b>Total General Fund</b>	<b>\$ 25,748,519</b>	<b>\$ 30,381,664</b>	<b>\$ 29,861,282</b>	<b>\$ 32,158,783</b>	<b>\$ 28,320,692</b>	<b>\$ 40,384,446</b>	<b>\$ 43,131,446</b>	<b>\$ 64,579,600</b>	<b>\$ 78,917,704</b>	<b>\$ 85,571,766</b>
<b>All Other Governmental Funds</b>										
Nonspendable	\$ 71,236	\$ 78,324	\$ 67,625	\$ 567,625	\$ 81,473	\$ 64,625	\$ 64,625	\$ 412,082	\$ 599,492	\$ 715,293
Restricted	58,248,081	60,205,695	61,118,236	66,768,664	72,615,022	83,291,818	86,535,867	93,706,275	99,638,989	102,548,674
Committed	6,806,813	8,924,377	16,777,334	25,300,037	17,885,776	15,588,495	20,637,997	19,920,134	30,047,411	41,740,657
Assigned	5,961,263	4,414,547	4,987,289	4,274,260	2,510,269	4,553,115	3,851,721	4,098,861	3,461,070	2,054,441
Unassigned	-	-	(9,438)	(24,825)	(595,122)	-	-	(116,129)	(276,216)	(2,385,566)
<b>Total all other governmental funds</b>	<b>\$ 71,087,393</b>	<b>\$ 73,622,943</b>	<b>\$ 82,941,046</b>	<b>\$ 96,885,761</b>	<b>\$ 92,497,418</b>	<b>\$ 103,498,053</b>	<b>\$ 111,090,210</b>	<b>\$ 118,021,223</b>	<b>\$ 133,470,746</b>	<b>\$ 144,673,499</b>

**Notes:**

The change in total fund balance for the General Fund and other governmental funds is explained in Management's Discussion and Analysis.

**CITY OF VALLEJO**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years Ended June 30**  
**(modified accrual basis of accounting)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>REVENUES</b>										
Taxes	\$ 70,410,583	\$ 75,422,419	\$ 77,629,274	\$ 83,042,168	\$ 94,720,423	\$ 103,134,495	\$ 109,686,094	\$ 119,206,407	\$ 131,600,224	\$ 132,976,676
Licenses and permits	4,026,167	4,034,816	3,985,042	4,662,555	3,181,487	3,817,064	5,500,565	9,176,160	5,563,319	5,995,534
Fines and forfeitures	1,878,579	1,605,515	1,706,754	1,580,309	1,132,232	965,979	1,025,271	680,833	899,640	973,379
Intergovernmental	45,197,746	43,606,471	42,460,083	50,635,285	39,336,033	50,451,756	44,443,275	56,441,711	64,560,483	61,545,629
Use of money and property	3,696,181	3,378,893	3,090,518	6,401,600	6,591,402	3,764,151	(2,006,546)	5,326,882	12,773,256	13,647,756
Charges for services	19,429,149	20,257,999	21,270,315	21,595,852	18,785,099	19,036,318	20,069,339	20,887,261	21,864,794	22,875,285
*Other	1,426,715	1,004,441	861,713	1,192,467	2,875,861	4,061,972	3,355,783	4,969,131	4,125,202	2,314,061
<b>Total revenues</b>	<b>146,065,120</b>	<b>149,310,554</b>	<b>151,003,699</b>	<b>169,110,236</b>	<b>166,622,537</b>	<b>185,231,735</b>	<b>182,073,781</b>	<b>216,688,385</b>	<b>241,386,918</b>	<b>240,328,320</b>
<b>EXPENDITURES</b>										
<b>Current:</b>										
Legislative and Advisory	294,088	298,748	296,548	327,843	282,191	223,806	245,690	321,676	320,378	256,666
Executive	2,641,913	2,758,675	2,689,380	4,944,170	4,949,359	4,958,483	4,345,600	3,257,745	3,010,113	2,754,092
Finance	2,102,912	2,047,751	1,806,258	1,706,608	1,559,129	1,593,385	1,821,777	2,196,469	2,388,748	2,600,071
Human resources	1,431,434	1,023,566	1,200,631	1,800,940	1,767,689	1,991,104	1,796,910	1,366,182	1,809,149	2,278,898
Law	1,133,882	1,272,898	1,272,770	1,464,430	1,240,867	1,203,752	1,699,110	1,910,977	1,579,391	2,220,186
Planning and Development services	3,047,840	2,955,960	3,191,261	3,919,849	4,201,831	3,887,618	3,632,335	4,896,462	5,727,207	7,495,325
Community Services	26,457,500	26,505,452	28,619,020	34,259,733	30,404,751	33,370,821	29,397,172	28,155,884	27,525,446	30,132,199
Fire services	25,569,791	26,514,402	27,557,155	27,962,324	30,053,612	31,157,788	33,093,529	35,132,720	36,797,895	37,983,914
Police services	39,698,362	41,240,618	42,639,055	43,602,177	47,183,454	50,667,071	48,574,836	50,825,704	55,647,238	57,970,082
Public works	15,123,636	14,870,274	16,658,784	17,050,014	20,944,860	16,057,504	17,593,041	19,515,004	20,836,466	22,156,737
Economic Development	-	-	-	-	-	-	-	3,265,412	9,827,517	8,396,718
Information Technology	-	-	-	-	-	-	-	1,895,377	2,771,867	3,055,737
Nondepartmental	4,552,327	5,879,195	6,170,178	5,329,057	5,169,323	5,873,876	6,776,925	7,152,221	6,542,651	7,515,401
Capital Outlay	14,073,942	11,326,920	5,930,613	10,692,669	24,823,151	20,473,183	15,486,383	25,531,128	35,431,450	33,220,094
<b>Debt service:</b>										
Principal long term debt payments	927,301	963,929	988,971	1,014,954	1,232,812	2,303,276	2,001,267	3,651,707	1,390,057	1,259,895
Principal - lease payments	-	-	-	-	-	-	15,181	17,118	58,051	132,114
Principal - subscription payments	-	-	-	-	-	-	-	714,597	495,687	1,103,305
Interest and fiscal charges	343,902	307,273	282,531	256,548	318,356	261,924	341,337	270,088	221,999	228,402
<b>Total expenditures</b>	<b>137,398,830</b>	<b>137,965,661</b>	<b>139,303,155</b>	<b>154,331,316</b>	<b>174,131,385</b>	<b>174,023,591</b>	<b>166,821,093</b>	<b>190,076,471</b>	<b>212,381,310</b>	<b>220,759,836</b>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	<b>8,666,290</b>	<b>11,344,893</b>	<b>11,700,544</b>	<b>14,778,920</b>	<b>(7,508,848)</b>	<b>11,208,144</b>	<b>15,252,688</b>	<b>26,611,914</b>	<b>29,005,608</b>	<b>19,568,484</b>

**CITY OF VALLEJO**  
**Changes in Fund Balances of Governmental Funds (Continued)**  
**Last Ten Fiscal Years Ended June 30**  
**(modified accrual basis of accounting)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>OTHER FINANCING SOURCES (USES)</b>										
Issuance of Debt	-	-	-	1,700,000	1,305,000	-	-	-	-	-
Gain (loss) on sale of assets	71,185	-	-	-	-	-	-	-	-	-
Transfers in	6,021,537	7,296,515	12,306,875	14,715,342	12,153,050	5,557,591	15,131,374	13,224,531	25,869,231	28,538,733
Transfers out	(8,249,560)	(10,730,521)	(15,209,698)	(14,952,046)	(14,181,352)	(6,150,170)	(20,044,905)	(15,052,581)	(28,721,626)	(33,792,885)
Proceeds from sale of capital asset	-	-	-	-	-	-	-	3,000,000	-	-
Issuance of debt - Leases	-	-	-	-	-	-	-	18,838	3,592,621	17,782
Issuance of debt - Subscriptions	-	-	-	-	-	-	-	641,797	41,793	3,524,701
Capital Leases**	-	-	-	-	5,716	4,197,652	-	-	-	-
Total other financing sources (uses)	(2,156,838)	(3,434,006)	(2,902,823)	1,463,296	(717,586)	3,605,073	(4,913,531)	1,832,585	782,019	(1,711,669)
Extraordinary/Special Item:										
Assets transferred to/liabilities assumed by Successor Agency/Housing Successor	863,212	(871,177)	-	-	-	-	-	-	-	-
<b>Net change in fund balances</b>	<b>7,372,664</b>	<b>7,039,710</b>	<b>8,797,721</b>	<b>16,242,216</b>	<b>(8,226,434)</b>	<b>14,813,217</b>	<b>10,339,157</b>	<b>28,444,499</b>	<b>29,787,627</b>	<b>17,856,815</b>
<b>Beginning fund balance</b>	<b>89,463,248</b>	<b>96,835,912</b>	<b>104,004,607</b>	<b>112,802,328</b>	<b>129,044,544</b>	<b>120,818,110</b>	<b>143,882,499</b>	<b>154,221,656</b>	<b>182,600,823</b>	<b>212,388,450</b>
<b>Prior period adjustments</b>	<b>-</b>	<b>128,985</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8,251,172</b>	<b>-</b>	<b>(65,332)</b>	<b>-</b>	<b>-</b>
<b>Ending fund balance</b>	<b>\$ 96,835,912</b>	<b>\$ 104,004,607</b>	<b>\$ 112,802,328</b>	<b>\$ 129,044,544</b>	<b>\$ 120,818,110</b>	<b>\$ 143,882,499</b>	<b>\$ 154,221,656</b>	<b>\$ 182,600,823</b>	<b>\$ 212,388,450</b>	<b>\$ 230,245,265</b>

**Notes:**

Planning and Development Services were previously reported under Development Services.

\* Contributions included into "other" Revenue

\*\* Starting FY19/20 Capital Leases were added

## Revenue Capacity Information

**CITY OF VALLEJO**

**Assessed Value and Estimated Actual Value of Taxable Property  
Last Ten Fiscal Years Ending June 30  
(accrual basis of accounting)**

Fiscal Year Ended June 30	City					Former Agency / Successor Agency to Redevelopment Agency <sup>1</sup>					Total Direct Tax Rate
	Secured	Unsecured	Nonunitary Utilities	Less: Exemptions	Taxable Assessed Value	Secured	Unsecured	Nonunitary Utilities	Less: Exemptions	Taxable Assessed Value	
2016	9,367,567,455	208,385,912	113,370	(1,014,346,016)	8,561,720,721	361,136,586	54,225,181	132,592	(51,564,900)	363,929,459	0.24622%
2017	9,898,936,162	254,304,736	139,100	(1,026,877,027)	9,126,502,971	381,547,374	60,418,999	132,692	(58,114,553)	383,984,512	0.24622%
2018	10,530,383,770	232,725,017	139,100	(1,044,877,040)	9,718,370,847	412,347,893	63,744,878	132,692	(56,382,967)	419,842,496	0.24622%
2019	11,258,416,141	193,941,296	139,100	(1,101,049,849)	10,351,446,688	439,241,925	80,832,402	132,692	(57,556,407)	462,650,612	0.24622%
2020	11,888,434,861	200,094,718	139,100	(1,121,127,644)	10,967,541,035	461,080,073	76,572,581	132,692	(52,714,453)	485,070,893	0.24622%
2021	12,423,851,007	214,557,968	187,130	(1,110,557,076)	11,528,039,029	467,285,691	74,820,597	298,432	(53,022,065)	489,382,655	0.24622%
2022	12,908,222,920	225,016,791	187,130	(1,103,212,414)	12,030,214,427	513,653,354	76,668,518	298,432	(101,566,165)	489,054,139	0.24622%
2023	13,630,391,870	237,924,316	187,130	(1,121,607,752)	12,746,895,564	532,675,863	95,132,344	298,432	(103,718,118)	524,388,521	0.24622%
2024	14,260,989,528	255,566,893	187,130	(1,171,899,044)	13,344,844,507	546,703,458	100,625,346	298,432	(93,396,554)	554,230,682	0.24622%
2025	14,870,152,649	247,805,843	196,325	(1,195,329,303)	13,922,825,514	568,836,050	67,802,521	298,432	(94,691,192)	542,245,811	0.24622%

**Notes:**

1. The Redevelopment Agency, once a blended component unit of the City, was dissolved as of February 1, 2012. The Redevelopment Successor Agency financial transactions are reported as a fiduciary fund.

**Sources:**

HDL Property Report

**CITY OF VALLEJO**

**Direct and Overlapping Property Tax Rates  
Last Ten Fiscal Years Ended June 30  
(Rate per \$100 of assessed value)**

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
<b>City Direct Rates:</b>										
City basic rate	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622
Total City Direct Rate	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622	0.24622
<b>Overlapping Rates:</b>										
Acc Capital Outlay	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807	0.00807
Aviation	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119	0.00119
BAAQMD	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219	0.00219
County Free Library	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743	0.02743
County General	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331	0.31331
County School Service Fund Support	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134	0.01134
County Support-Board of Education	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334	0.00334
Development Center	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217	0.00217
GVRD	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490	0.06490
Library Special Tax Zone 7	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365	0.01365
Mosquito Abatement	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587	0.00587
Recreation	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203	0.00203
Solano Community College M&O	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758	0.02758
Solano County Water Agency	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527	0.01527
Vallejo Unified School District M&O	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069	0.24069
Vallejo Flood & Wastewater Dis	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474	0.01474
<b>Total Prop. 13 Direct Rate</b>	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
SC Fld State Wtr Pj Zone Ben #1	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000	0.02000
Vallejo U.S.D GOB 2018 Ser 2023	-	-	-	-	-	-	-	-	0.03727	0.03602
Vallejo U.S.D GOB 2018 Ser 2019	-	-	-	-	0.05337	0.05461	0.00763	0.00514	0.00513	0.00510
SCC GOB 2012 Series D	-	-	-	-	-	0.00498	0.00452	0.00428	0.00063	0.00088
Vallejo U.S.D GOB 2018 Ser 2021	-	-	-	-	-	-	0.04437	0.04223	0.00538	0.00712
SCC GOB 2012 Series E	-	-	-	-	-	-	-	0.00028	0.00360	0.00158
SCC 2021 GO Refunding Bonds	-	-	-	-	-	-	-	-	0.00683	0.00454
SCC 2019 GO Refunding Bonds	-	-	-	-	-	0.00636	0.00589	0.00529	0.00523	0.00575
SCC 2012 GOB Series F	-	-	-	-	-	-	-	-	0.00123	0.00237
Vallejo U.S.D. 2002-A GOB Refunding	0.06144	0.06092	0.05450	0.05345	0.05179	0.05142	0.02366	0.03924	0.00309	-
Vallejo U.S.D. Measure A 2002	0.00730	0.00660	-	-	-	-	-	-	-	-
SCC GOB Series 2005-A	-	-	-	-	-	-	-	-	-	-
Vallejo U.S.D. Measure A 2004	0.01007	0.00943	-	-	-	-	-	-	-	-
Vallejo U.S.D. Measure A - 2006	0.00544	0.00519	-	-	-	-	-	-	-	-
SCC GOB Series 2003-A	-	-	-	-	-	0.00700	0.00951	-	-	-
SCC 2015 GO Refunding Bonds	0.00178	0.00086	0.00082	0.00070	0.00073	0.00069	0.00067	0.00040	0.01390	0.01268
SCC GOB 2012 Series A	0.01232	0.01297	0.00487	0.00499	0.00512	-	0.00061	0.00082	0.00117	0.00114
SCC GOB 2012 Series B	0.00326	0.00337	0.00293	0.00322	0.00314	0.00155	-	0.00070	-	-
SCC GOB 2014 Ref Series A	0.00148	0.00218	0.00176	0.00163	0.00147	0.00062	0.00063	0.01445	-	-
SCC GOB 2014 Ref Series B	0.01607	0.01566	0.01405	0.01383	0.01347	0.00463	0.00540	-	-	-
SCC GOB 2012 Series C	-	-	-	0.01451	0.00812	0.00583	0.00590	-	0.00012	0.00249
Vallejo USD 2017 GOB Refunding	-	-	0.01453	0.01687	0.01624	0.01589	0.01472	0.01236	0.01016	0.03377
<b>Total Voter Approved Rate</b>	0.13917	0.13718	0.11345	0.12921	0.17344	0.17357	0.14350	0.14518	0.11373	0.13344
<b>Total Direct Rate</b>	1.13917 %	1.13718 %	1.11345 %	1.12921 %	1.17344 %	1.17357 %	1.14350 %	1.14518 %	1.11373 %	1.13344 %

**Source:**

Solano County Auditor-Controller's Office

**CITY OF VALLEJO**

**Top 10 Principal Property Tax Payers  
Current Year and Nine Years Ago**

Taxpayer	2025		2016	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value	Taxable Assessed Value	Percent of Total City Taxable Assessed Value
THE NIMITZ GROUP	\$ 101,322,894	0.70 %		
PARK MANAGEMENT CORPORATION	97,873,221	0.68 %	77,311,955	0.87 %
CENTRO WATT PROPERTY OWNER II	91,243,546	0.63 %	105,282,089	1.18 %
WRPV XIII BV VALLEJO LLC	70,578,749	0.49 %		
PRIME ASCOT LP	68,873,620	0.48 %	58,473,115	0.66 %
INVITATION HOMES INC	56,034,559	0.39 %		
BRIDGE WF II CALIFORNIA MERITAGE LLC	47,414,278	0.33 %		
COLONY STARWOOD HOMES	44,891,517	0.31 %		
GTL PROPERTIES LLLP	42,298,495	0.29 %		
SUNDANCE-VALLEJO	40,889,182	0.28 %	34,521,479	0.39 %
MG STERLING VILL APARTMENTS GWP LP			30,907,896	0.35 %
OGINO LLC			28,383,144	0.32 %
KW WDC VALLEJO LLC			26,770,021	0.30 %
LENNAR MARE ISLAND LLC			24,334,384	0.27 %
LOWES HIW INC			21,747,758	0.24 %
COMCAST			20,458,846	0.23 %
Top Ten Totals	<u>\$ 661,420,061</u>	<u>4.58%</u>	<u>\$ 428,190,687</u>	<u>4.81%</u>

**Note:**

The amounts shown above include assessed value data for both the City and the Successor Agency to the Redevelopment Agency.

**Source:**

County Assessor's Office - HDL Report

**CITY OF VALLEJO**

**Property Tax Levies and Collections  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2016	16,777,951	16,639,813	99.18%	not available	not available	n.a.
2017	17,871,269	17,701,555	99.05%	not available	not available	n.a.
2018	18,973,138	18,802,785	99.10%	not available	not available	n.a.
2019	20,452,300	20,208,077	98.81%	not available	not available	n.a.
2020	21,358,167	21,153,216	98.81%	not available	not available	n.a.
2021	21,982,450	21,758,623	98.98%	not available	not available	n.a.
2022	23,463,126	23,264,974	99.16%	not available	not available	n.a.
2023	25,011,207	24,727,979	98.87%	not available	not available	n.a.
2024	24,668,088	24,463,559	99.17%	not available	not available	n.a.
2025	26,465,794	26,077,332	98.53%	not available	not available	n.a.

**Note:**

The amounts presented include only City property taxes (excluding Successor Redevelopment Agency tax increment).

**Source:**

Solano County Auditor-Controller's Office

**CITY OF VALLEJO**  
**Taxable Sales by Category**  
**Last Ten Calendar Years**

State Board of Equalization Major Business Categories	Calendar Yr 2015 Totals	Calendar Yr 2016 Totals	Calendar Yr 2017 Totals	Calendar Yr 2018 Totals	Calendar Yr 2019 Totals	Calendar Yr 2020 Totals	Calendar Yr 2021 Totals	Calendar Yr 2022 Totals	Calendar Yr 2023 Totals	Calendar Yr 2024 Totals	YTD % change Prior YR
<b>Retail Group</b>											
Apparel Stores	\$ 774,468	\$ 824,990	\$ 885,616	\$ 923,646	\$ 981,231	\$ 969,422	\$ 1,341,277	\$ 1,191,788	\$ 1,827,173	\$ 2,085,057	14%
Auto Dealers and Supplies	5,689,553	6,015,344	5,854,553	5,592,440	5,570,340	5,334,893	8,035,777	7,039,442	10,067,018	11,489,582	14%
Building Materials	1,872,305	2,029,294	2,201,144	2,384,933	2,468,316	2,825,670	3,033,066	3,047,694	3,987,643	4,121,785	3%
Drug Stores	496,641	707,335	778,821	835,848	976,190	1,145,603	1,190,678	964,339	1,221,537	1,010,594	-17%
Eating and Drinking Places	2,906,373	3,186,830	3,365,913	3,499,200	3,937,422	3,518,029	4,428,151	4,643,114	6,282,664	7,305,935	16%
Food Stores	1,291,787	1,119,244	1,078,298	1,050,666	1,089,395	1,151,043	1,173,190	1,236,517	1,702,127	1,820,486	7%
Furniture and Appliances	1,495,456	1,522,174	1,563,646	1,564,041	1,581,365	1,586,826	1,744,216	1,544,528	1,919,778	1,977,380	3%
General Merchandise	3,157,454	3,124,309	3,444,165	3,780,355	4,082,252	4,776,231	5,568,587	6,094,325	8,485,973	9,007,434	6%
Other Retail Stores	1,314,263	1,455,179	1,352,784	1,304,694	1,290,973	1,297,806	1,597,023	1,518,617	2,025,269	2,193,426	8%
Packaged Liquor	239,682	456,275	499,274	502,401	544,262	636,266	738,145	785,256	1,016,759	1,121,686	10%
Service Stations	2,761,900	2,555,727	2,925,225	3,305,884	3,537,746	2,824,550	3,556,313	4,171,878	4,923,632	4,761,549	-3%
<b>Total Retail Group</b>	<b>21,999,882</b>	<b>22,996,701</b>	<b>23,949,439</b>	<b>24,744,108</b>	<b>26,059,492</b>	<b>26,066,339</b>	<b>32,406,423</b>	<b>32,237,498</b>	<b>43,459,573</b>	<b>46,894,914</b>	<b>8%</b>
Non-Store & Part Time Retailers	51,216	51,364	57,387	65,079	72,385	43,380	41,685	39,729	40,025	41,846	5%
Business, Service & Repair Group	1,877,718	2,014,404	1,965,010	2,048,538	2,143,654	1,487,431	2,117,294	2,147,525	3,417,433	4,002,221	17%
<b>Manufacturer &amp; Wholesaler Group</b>											
Contractions & Material	357,650	401,239	504,756	606,858	492,097	638,533	647,562	835,721	870,114	1,149,551	32%
Drugs & Chemical	139,697	69,264	73,008	93,809	80,769	86,075	69,651	99,077	117,187	159,793	36%
Food/Farm Products & Equip	35,418	46,837	48,721	68,149	77,273	87,113	96,382	116,871	188,542	168,345	-11%
Furniture & Textiles	18,527	20,396	27,061	35,012	32,599	37,187	45,471	46,386	105,843	84,914	-20%
Heavy Industrial Equipment	213,383	265,169	349,111	253,455	330,851	270,402	318,227	411,466	391,174	508,887	30%
Industrial Equipment	370,663	288,567	271,420	282,459	344,467	312,638	358,013	427,423	657,723	630,595	-4%
All Other Equipment	487,063	494,907	422,262	450,338	695,113	810,601	409,065	462,694	759,605	846,357	11%
<b>Total Mfg &amp; Wholesale Group</b>	<b>1,622,401</b>	<b>1,586,379</b>	<b>1,696,339</b>	<b>1,790,080</b>	<b>2,053,169</b>	<b>2,242,549</b>	<b>1,944,371</b>	<b>2,399,638</b>	<b>3,090,188</b>	<b>3,548,442</b>	<b>15%</b>
State Adjustments & Transfers	(10,290)	10,508	(2,910)	16,390	463,520	144,416	183,921	215,008	436,133	894,419	105%
<b>Total Sales All Outlets</b>	<b>25,540,927</b>	<b>26,659,356</b>	<b>27,665,265</b>	<b>28,664,196</b>	<b>30,792,220</b>	<b>29,984,115</b>	<b>36,693,694</b>	<b>37,039,398</b>	<b>50,443,352</b>	<b>55,381,842</b>	<b>10%</b>
<b>Retail Group</b>	<b>21,999,882</b>	<b>22,996,701</b>	<b>23,949,439</b>	<b>24,744,108</b>	<b>26,059,492</b>	<b>26,066,339</b>	<b>32,406,423</b>	<b>32,237,498</b>	<b>43,459,573</b>	<b>46,894,914</b>	<b>8%</b>
<b>Non-Store &amp; Part Time Retailers</b>	<b>51,216</b>	<b>51,364</b>	<b>57,387</b>	<b>65,079</b>	<b>72,385</b>	<b>43,380</b>	<b>41,685</b>	<b>39,729</b>	<b>40,025</b>	<b>41,846</b>	<b>5%</b>
<b>Business, Service &amp; Repair Group</b>	<b>1,877,718</b>	<b>2,014,404</b>	<b>1,965,010</b>	<b>2,048,538</b>	<b>2,143,654</b>	<b>1,487,431</b>	<b>2,117,294</b>	<b>2,147,525</b>	<b>3,417,433</b>	<b>4,002,221</b>	<b>17%</b>
<b>Manufacturer &amp; Wholesaler Group</b>	<b>1,622,401</b>	<b>1,586,379</b>	<b>1,696,339</b>	<b>1,790,080</b>	<b>2,053,169</b>	<b>2,242,549</b>	<b>1,944,371</b>	<b>2,399,638</b>	<b>3,090,188</b>	<b>3,548,442</b>	<b>15%</b>
<b>State Adjustments &amp; Transfers</b>	<b>(10,290)</b>	<b>10,508</b>	<b>(2,910)</b>	<b>16,390</b>	<b>463,520</b>	<b>144,416</b>	<b>183,921</b>	<b>215,008</b>	<b>436,133</b>	<b>894,419</b>	<b>105%</b>
<b>Total Point of Sale</b>	<b>25,540,927</b>	<b>26,659,356</b>	<b>27,665,265</b>	<b>28,664,195</b>	<b>30,792,220</b>	<b>29,984,115</b>	<b>36,693,694</b>	<b>37,039,398</b>	<b>50,443,352</b>	<b>55,381,842</b>	<b>10%</b>
County Pool	1,634,979	1,738,288	1,833,341	1,959,479	2,353,241	3,107,692	3,324,106	3,253,404	3,205,681	3,367,481	5%
State Pool	10,358	3,648	5,805	7,274	6,567	11,053	(177)	6,994	8,864	9,817	11%
Sales Tax Receipts	13,546,345	14,056,183	14,593,221	15,065,837	16,185,123	15,599,326	18,924,199	19,050,851	19,592,689	20,489,072	5%
Transaction & Use Tax (MEASURE B)	13,639,919	14,345,109	14,911,190	15,565,111	16,966,905	17,503,534	21,093,424	21,248,945	20,661,080	20,495,622	-1%
Transaction & Use Tax (MEASURE P)									13,404,128	17,774,446	33%
<b>Total Receipts</b>	<b>\$ 27,186,264</b>	<b>\$ 28,401,292</b>	<b>\$ 29,504,411</b>	<b>\$ 30,630,948</b>	<b>\$ 33,152,028</b>	<b>\$ 33,102,860</b>	<b>\$ 40,017,623</b>	<b>\$ 40,299,796</b>	<b>\$ 53,657,897</b>	<b>\$ 58,759,140</b>	<b>10%</b>

Source: Solano County Auditor-Controller's Office

**CITY OF VALLEJO**  
**Top 25 Principal Sales Tax Payers**  
**CALENDAR YEARS 2024 and 2014**  
**IN ALPHABETICAL ORDER**

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<b>2024</b>	<b>2014</b>
Arco AM PM	Au Energy Shell Station
Au Energy Shell Station	Avery Greene Honda
Best Buy	Best Buy
Chick Fil A	Bonfare Market
Costco Wholesale	Chevron
Home Depot	Costco
Honda of Vallejo	Home Depot
Kohls	Kohls
Lowes	Lowes
Marshalls	Marshalls
McDonald's	McDonalds
Ross	Momentum Chrysler/Dodge/Jeep/Kia
Safeway	N & M Market
Safeway Fuel	Ross
Six Flags Discovery Kingdom	Safeway
Target	Safeway Fuel
Team Chevrolet Cadillac Mazda Hyundai	Shell
Tesla Motors	Six Flags Discovery Kingdom
Texaco Power Market	Target
Toyota Vallejo	Team Chevrolet Cadillac Hyundai Mazda
Tributary Point Arco	Toyota Vallejo
Vallejo Chrysler Dodge Jeep Ram	Tributary Point Arco
Vallejo Hyundai	Valero
Vallejo Nissan	Vallejo Nissan
Walmart Neighborhood Market	XKT/Nesco Fabricators

Source: HDL Report

## **Debt Capacity Information**

**CITY OF VALLEJO**

**Ratios of Outstanding Debt by Type  
Last Ten Fiscal Years**

Fiscal Year Ended June 30	Governmental Activities							Total Governmental Activities
	Lease Payables 3	Subscription Payables 4	Certificates of Participation	Loans & Notes Payable	Financed Purchase			
2016	\$ -	\$ -	\$ 3,420,210	\$ 13,936,400	\$ 507,320			\$ 17,863,930
2017	-	-	3,233,951	13,445,922	405,856			17,085,729
2018	-	-	3,037,671	12,898,459	304,392			16,240,522
2019	-	-	2,830,831	14,036,129	202,928			17,069,888
2020	-	-	2,612,865	14,527,540	106,465			17,246,870
2021	-	-	2,383,175	13,699,042	3,157,618			19,239,835
2022	26,411	-	2,141,129	12,813,429	2,181,873			17,162,842
2023	28,131	-	1,926,517	14,894,340	1,762,356			20,448,054
2024	3,586,171	504,039	1,701,517	13,656,906	1,334,575			20,783,208
2025	3,496,883	2,876,988	1,466,517	12,504,682	898,367			21,243,437

Fiscal Year Ended June 30	Business-type Activities 2							Total Primary Government	Percentage of Personal Income 1	Debt Per Capita 1
	Revenue Bonds	Lease Payables 3	Subscription Payables 4	Certificates of Participation	Loans & Notes Payable	Financed Purchase	Total Business-type Activities			
2016	\$ 49,201,649	\$ -	\$ -	\$ -	\$ 23,254,939	\$ -	\$ 72,456,588	\$ 90,320,518	2.97%	770
2017	46,737,658	-	-	-	22,229,772	-	68,967,430	86,053,159	2.51%	728
2018	44,153,668	-	-	-	21,179,459	-	65,333,127	81,573,649	2.55%	684
2019	41,449,678	-	-	-	20,101,727	-	61,551,405	78,621,293	2.32%	658
2020	35,222,600	-	-	-	18,842,322	634,937	54,064,922	71,311,792	2.00%	599
2021	83,522,966	-	-	-	18,125,983	478,282	102,127,231	121,367,066	3.30%	1,030
2022	78,938,468	229,001	-	-	17,390,068	-	96,557,537	113,720,379	2.81%	923
2023	74,203,970	123,062	118,636	-	16,634,055	-	91,079,723	111,527,777	2.50%	917
2024	69,384,473	36,744	282,832	-	15,857,414	-	85,561,463	106,344,671	2.14%	875
2025	64,479,974	889,925	136,237	-	15,061,303	-	80,567,439	101,810,876	2.04%	833

**Notes:**

Details regarding the City's outstanding debt can be found in the notes to the financial statements.

1. These ratios are calculated using personal income and population for the current calendar year.
2. Effective fiscal year 2013 and beyond, the presentation of some financial data has changed to reflect the effects of the implementation of GASB 61 which eliminated the inclusion of the Vallejo Sanitation & Flood Control District (now Vallejo Flood & Wastewater District) as part of the primary government. This results in the financial activities of the VFWD being discretely presented in the Component Unit column of the Statement of Net Position and the Statement of Activities.
3. Effective fiscal year 2022, the City adopted GASB statement No. 87
4. Effective fiscal year 2023, the City adopted GASB statement No. 96

**CITY OF VALLEJO**

**Direct and Overlapping Debt  
June 30, 2025**

FY 2024-25 Assessed Valuation Citywide Total		\$	14,465,071,325	
Successor Agency Incremental Valuation			(542,245,811)	
FY 2024-25 Adjusted City-Only Assessed Valuation		\$	13,922,825,514	
				<b>City's Estimated Share of Overlapping Total Outstanding Debt 6/30/25</b>
	<b>Percentage Applicable <sup>1</sup></b>		<b>Total Outstanding Debt 6/30/25</b>	
Overlapping Tax and Assessment Debt:				
Solano County Community College District	20.074%	\$	351,752,581	\$ 70,610,813
Vallejo Unified School District	97.774%		187,165,000	182,998,707
Vallejo Unified School District CFD No. 2	100.000%		2,760,275	2,760,275
City of Vallejo Hiddenbrooke Improvement District No. 1998-1	100.000%		5,170,000	5,170,000
City of Vallejo 1915 Act Bonds	100.000%		3,620,000	3,620,000
Total overlapping debt repaid with property taxes			550,467,856	265,159,795
Direct and Overlapping Debt:				
Solano County General Fund Obligations	19.546%		62,105,000	12,139,043
City of Vallejo Governmental Obligations <sup>3</sup>	100.000%		36,304,740	36,304,740
Greater Valley Recreation District Pension Obligation Bonds	97.774%		3,608,000	3,527,686
Total Direct and Overlapping Debt			102,017,740	51,971,469
Overlapping Tax Increment Debt (Successor Agency):	100.000%	\$	1,765,000	1,765,000
Total City Direct Debt				36,304,740
Total overlapping debt <sup>2</sup>				\$ 282,591,524
Combined Total Debt				\$ 318,896,264

**Notes:**

<sup>1</sup> The percentage of overlapping debt applicable to the City is estimated using taxable assessed property values.

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.

Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

<sup>2</sup> Excludes tax and revenue anticipation notes, enterprise revenue, and mortgage revenue.

<sup>3</sup> Includes Governmental Activities Debt, Leases, SBITAs plus the UBOC Reimbursement Obligations of \$15,061,303 listed under Business-type activity debt, which have a General Fund pledge of repayment.

**Source:**

California Municipal Statistics, Inc.

**Ratios to 2024-25 Assessed Valuation:**

Total Overlapping Tax and Assessment Debt	1.83%
Total Direct Debt (\$36,304,740)	0.25%
<b>Combined Total Debt</b>	<b>2.20%</b>

Ratios to Redevelopment Successor Agency Incremental Value:

<b>Total Overlapping Tax Increment Debt</b>	<b>0.33%</b>
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**CITY OF VALLEJO**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Assessed valuation	8,561,720,721	9,126,502,971	9,718,370,847	10,351,446,688	10,967,541,035	11,528,039,029	12,030,214,427	12,746,895,564	13,344,844,507	\$ 13,922,825,514
Conversion percentage	25%	25%	25%	25%	25%	25%	25%	25%	25%	25%
Adjusted assessed valuation	2,140,430,180	2,281,625,743	2,429,592,712	2,587,861,672	2,741,885,259	2,882,009,757	3,007,553,607	3,186,723,891	3,336,211,127	3,480,706,379
Debt limit percentage	15%	15%	15%	15%	15%	15%	15%	15%	15%	15%
Debt limit	\$321,064,527	\$342,243,861	\$364,438,907	\$388,179,251	\$411,282,789	\$432,301,464	\$451,133,041	\$478,008,584	\$500,431,669	\$522,105,957
Legal debt margin	\$ 321,064,527	\$ 342,243,861	\$ 364,438,907	\$ 388,179,251	\$ 411,282,789	\$ 432,301,464	\$ 451,133,041	\$ 478,008,584	\$ 500,431,669	\$ 522,105,957
<b>Total debt applicable to the limit as a percentage of debt limit <sup>1</sup></b>	-%	-%	-%	-%	-%	-%	-%	-%	-%	-%

**Notes**

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. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year 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 located within the state.

**Source:**

City Finance Department

County Tax Assessor's Office

Section 43605 of the California Government Code for General Obligation bonds.

**CITY OF VALLEJO**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Water Revenue Bonds (a)
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Fiscal Year Ended June 30	Gross Water Revenues (a)	Less Expenses ( b)	Net Available Revenues	Total Debt Service (c)	City system Coverage
2016	36,286,112	26,855,253	9,430,859	5,165,821	1.83
2017	36,716,327	27,718,056	8,998,271	5,164,849	1.74
2018	41,027,396	29,860,024	11,167,372	5,167,149	2.16
2019	43,637,679	30,069,713	13,567,966	5,165,149	2.63
2020	46,394,649	30,988,285	15,406,364	5,106,243	3.02
2021	49,665,529	33,747,238	15,918,291	4,369,815	3.64
2022	48,298,555	31,440,778	16,857,777	6,516,504	2.59
2023	55,786,501	40,158,687	15,627,814	6,510,647	2.40
2024	62,868,301	39,788,032	23,080,269	6,487,079	3.56
2025	63,424,825	38,790,380	24,634,445	6,506,807	3.79

Notes:

- a) Includes operating revenues, investment earnings, and contributions.
- b) Excludes depreciation and debt service payments.
- c) Details regarding the city's outstanding debt can be found in the notes to the financial statements.

Data source:

City of Vallejo Annual Comprehensive Financial Report - Debt  
 Service Schedules

**CITY OF VALLEJO**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

Wastewater

Debt Service (Principal and Interest)

Fiscal Year Ended June 30	Pledged Revenue	Less Operating Expenses	Net Available Revenues	2024 Rev Bonds	2014 Rev Bonds	2011 Rev Bonds	2008 State Fund Loan	2006 COP	2004 State Fund Loan	1993 COP	Total	Coverage Ratio
2016	29,512,834	19,213,676	10,299,158	-	2,314,475	324,475	317,450	-	907,072	2,661,500	6,524,971	1.58
2017	28,503,418	19,478,930	9,024,488	-	2,311,475	326,075	317,450	-	907,072	2,657,500	6,519,572	1.38
2018	27,615,956	19,402,604	8,213,352	-	2,312,275	327,275	317,449	-	907,072	2,652,750	6,516,221	1.26
2019	32,328,384	20,696,633	11,631,751	-	2,311,675	328,075	317,450	-	907,072	2,709,875	6,574,147	1.77
2020	34,341,064	25,108,887	9,232,177	-	2,310,425	328,475	317,450	-	907,072	-	3,863,422	2.39
2021	37,279,831	24,726,106	12,553,725	-	2,311,925	328,475	317,450	-	907,072	-	3,864,922	3.25
2022	39,749,686	32,595,628	7,154,058	-	2,310,925	327,750	317,450	-	907,072	-	3,863,197	1.85
2023	42,220,985	25,203,099	17,017,886	-	2,307,425	324,250	317,450	-	-	-	2,949,125	5.77
2024	47,866,518	30,634,435	17,232,083	1,963,378	565,712	15,125	317,450	-	-	-	2,861,665	6.02
2025	55,929,521	34,671,376	21,258,145	2,310,300	-	-	317,450	-	-	-	2,627,750	8.09

Data source:

Vallejo Sanitation and Flood Control District (now Vallejo Flood and Wastewater District) - Annual Comprehensive Financial Report

**CITY OF VALLEJO**  
**Pledged Revenue Coverage**  
**Last Ten Fiscal Years**

**Tax Allocation Bonds**

**Former Agency / Successor Agency (a)**

**Debt Service ( b )**

Fiscal Year Ended June 30	Tax Increment/ ROPS	Debt Service ( b )		Coverage
		Principal	Interest	
2016	\$ 2,005,037	\$ 685,000	\$ 502,633	168.83%
2017	1,425,825	750,000	449,703	118.85%
2018	1,523,091	820,000	391,660	125.70%
2019	1,533,687	895,000	328,143	125.39%
2020	1,386,152	650,000	241,975	155.40%
2021	902,927	695,000	202,088	100.65%
2022	1,169,982	240,000	177,400	280.30%
2023	881,296	255,000	159,813	212.46%
2024	1,142,101	180,000	145,900	350.45%
2025	1,293,385	190,000	132,775	400.71%

**Notes**

- a. The Redevelopment Agency, once a blended component unit of the City, was dissolved as of February 1, 2012. The Redevelopment Successor Agency financial transactions are reported in a separate as a fiduciary fund.
- b. Details regarding the city's outstanding debt can be found in the notes to the financial statements.

**Source**

City of Vallejo Annual Comprehensive Financial Report - Debt Service Schedules

## **Demographic and Economic Information**

**CITY OF VALLEJO**  
**Demographic and Economic Statistics**  
**Last Ten Calendar Years**

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<u>Calendar Year</u>	<u>Population (1)</u>	<u>Personal Income (in thousands) (2)</u>	<u>Per Capita Personal Income (2)</u>	<u>Unemployment Rate* (3)</u>
2016	117,322	\$ 3,043,919	\$ 25,945	5.6%
2017	118,280	3,421,840	28,930	5.1%
2018	119,252	3,199,293	26,828	4.4*
2019	119,544	3,391,224	28,368	4.4%
2020	119,063	3,558,198	29,885	11.3%
2021	117,846	3,680,331	31,230	8.9%
2022	123,190	4,043,835	32,826	4.9%
2023	121,658	4,464,240	36,695	5.0%
2024	121,558	4,965,037	40,845	5.8%
2025	122,207	4,991,545	42,240	5.5%

**Notes**

\* Starting in 2018, the unemployment rate reported is the average of the Vallejo City unemployment rate for the first 9 months of the calendar year. In previous years, the unemployment rate in this table was determined by averaging the Vallejo-Fairfield MSA monthly figures.

**Sources**

1. State Department of Finance (revised)
2. U.S. Bureau of Economic Analysis (2007 to 2012); U.S. Census Bureau (2013 and forward)
3. State of California Employment Development Department (data shown is for the City)

**CITY OF VALLEJO**

**Top 10 Principal Employers  
Current Year and Nine Years Ago**

Employer	2025		2016	
	Number of Employees	Percent of Total Employment	Number of Employees	Percent of Total Employment
Kaiser Permanente Medical & Call Center **	4,478	7.25%	3,906	7.05%
Six Flags Discovery Kingdom	1,300	2.10%	1,600	2.89%
Vallejo City Unified School District	1,297	2.10%	1,515	2.73%
Sutter Solano Medical Center	712	1.15%	680	1.23%
City of Vallejo *	540	0.87%	548	0.99%
Touro University California	406	0.66%	385	0.69%
Costco Wholesale	254	0.41%	286	0.52%
Windsor Vallejo Care Center	253	0.41%	N/A	N/A
Adventist Health - Vallejo	228	0.37%	N/A	N/A
California Maritime Academy	216	0.35%	318	0.57%
Kaiser Permanente Call Center	N/A	N/A	950	1.71%
U.S.D.A Forest Service	N/A	N/A	300	0.54%

**Notes**

“Total Employment” as used above represents the total employment of all employers located within City limits.

\* Includes full and part time employees.

\*\* Includes call center. Physicians data is unavailable and not included in the count.

**Source**

MuniServices LLC / and Avenue Insights & Analytics Company

**CITY OF VALLEJO**

**Authorized Full-time and Part-time City Employees by Function  
Last Ten Fiscal Years**

Authorized Full-Time and Part-Time Employees as of June 30

Function	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
General government	61.00	60.50	63.50	80.00	90.00	90.00	92.00	97.50	99.50	100.50
Public safety	244.00	257.00	258.00	259.00	283.00	295.00	310.00	298.00	297.00	300.00
Public works	71.00	72.50	71.50	73.00	73.50	73.50	74.00	73.50	73.50	73.50
Mare Island Coop/CFD	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Housing	14.00	15.00	15.00	17.00	15.00	15.00	15.00	15.00	16.00	16.00
Solid Waste Disp	—	—	—	—	—	—	—	—	—	—
Landscape District	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
Water	106.00	106.00	108.00	114.00	118.50	124.50	138.00	140.00	139.00	139.00
Transportation	—	—	—	—	—	—	—	—	—	—
Marina	4.00	4.00	4.00	4.00	4.00	4.00	—	—	—	—
Corp Yard	7.00	7.00	7.00	7.00	8.00	8.00	8.00	9.00	9.00	9.00
Fiber	—	1.00	1.00	—	—	—	—	—	—	—
Parking Structure	1.00	1.00	1.00	1.00	1.00	1.00	1.00	—	—	—
<b>Total</b>	<b>538.0</b>	<b>558.5</b>	<b>565.5</b>	<b>587.0</b>	<b>629.0</b>	<b>647.0</b>	<b>681.0</b>	<b>680.0</b>	<b>681.0</b>	<b>685.0</b>

**Note**

Starting FY 17/18, using amended FTE numbers as of year end instead of adopted FTE from beginning of year.

**Source**

City of Vallejo Budget

## **Operating Information**

**CITY OF VALLEJO**  
**Operating Indicators**  
**by Function**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Arrests	4,103	3,775	2,679	2,178	2,377	2,321	1,593	1,570	1,764	1,926
Parking citations issued	3,131	2,984	5,074	10,749	1,940	955	524	189	110	187
Fire:										
Number of emergency calls	14,307	14,389	14,866	13,942	14,238	15,059	17,280	17,781	18,557	18,988
Inspections (Fire Prevention)	2,372	2,417	2,352	1,500	3,127	2,421	2,417	2,282	2,768	2,086
Public works:										
Street resurfacing (lane miles)	3.9	7.00	1.25	42.5	2.00	2.00	5.80	2.00	1.16	14.37
Water:										
New connections	66	63	48	70	28	45	73	77	99	40
Average daily consumption (thousands of gallons)	14,216	14,801	15,761	15,630	16,334	16,609	15,529	14,831	15,121	15,565
Planning and Development Services:										
Building permits	3,244	3,221	3,369	3,163	2,918	4,249	3,928	4,062	3,997	4,015
Inspections (Code Enforcement) <sup>1</sup>	11,334	11,822	11,125	6,507	8,025	6,589	3,991	3,047	6,580	8,013
Community Services:										
Housing Rental units <sup>2</sup>	2,333	2,333	2,333	2,333	2,348	2,348	2,348	2,348	2,358	2,358
Housing Vouchers <sup>3</sup>	1,976	1,926	1,898	1,835	1,783	1,709	1,480	1,393	1,472	1,458
Golf course:										
Golf rounds played	69,803	56,738	75,882	78,715	75,703	116,982	110,402	93,609	94,215	94,097

**Notes**

1. Function transfer to Planning and Development Services
2. Monthly average of housing units available
3. Amounts listed represent the monthly average of vouchers issued

**Source**

City of Vallejo

**CITY OF VALLEJO**  
**Capital Asset Statistics**  
**by Function**  
**Last Ten Fiscal Years**

	Fiscal Year Ended June 30									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Police:										
Stations	5	5	5	5	6	6	6	6	6	6
Fire:										
Fire stations	6	6	6	6	6	6	7	7	7	7
Public works:										
Streets (miles)	351	351	351	351	351	351	351	351	351	351
Traffic signals	124	124	124	121	121	119	150	150	150	150
Water:										
Water mains (miles)	624	624	624	624	624	624	624	627	628	628
Maximum daily capacity (thousands of gallons) <sup>1</sup>	50,000	50,000	50,000	50,000	50,500	50,500	50,500	50,500	50,500	50,500
Golf Course:										
Municipal golf courses	2	2	2	2	2	2	2	2	2	2

**Notes**

1. Represents combined capacity for Fleming Hill WTP, Travis WTP and Green Valley WTP.

**Sources**

City of Vallejo

Touchstone Golf, LLC

*End of Report*