RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

FINANCIAL STATEMENTS WITH INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED JUNE 30, 2024

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

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SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES
MEMBERS OF THE RETIREMENT BOARD AND ADMINISTRATIVE STAFF**

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Lee Scott, Member
Anthony Smith, Alternate

International Brotherhood of Electrical Workers Local 1245
Constance Bibbs, Chairperson
Neal Pickering, Member
David Thompson, Alternate

Administrative Employees Association
Russel Devorak, Chairperson
Timothy McGoldrick, Member
Jayanthi Santhanakrishnan, Alternate

American Federation of State, County & Municipal Employees, Local 146, AFL-CIO
Peter Guimond, Chairperson
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Colleen Elder, Alternate

Management and Confidential Employees
Sandra Bobek, Chairperson
Lisa Hinz, Member
Christopher Flores, Alternate

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John Gobel, Senior Manager, Pension & Retirement Services

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Pension and Retirement Services
Jessy Mathew, Retirement Services Analyst II
Margaret Dugger, Retirement Services Analyst I
Jessica Cruz Mendoza, Administrative Assistant II

Crowe

Crowe LLP
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INDEPENDENT AUDITOR'S REPORT

Members of the Retirement Board of Directors
Sacramento Regional Transit District
Sacramento, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the ATU Plan, IBEW Plan and Salaried Plan for Sacramento Regional Transit District Employees (the Plans), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the plan net position of the ATU Plan, IBEW Plan and Salaried Plan for Sacramento Regional Transit District Employees, as of June 30, 2024, and the changes in plan net position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plans' 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.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plans' 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 Plans' ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, the Schedules of Changes in the Net Pension Liability and Related Ratios, Schedules of District Contributions, and Schedule of Investment Returns, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with 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.

(Continued)

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Plans' basic financial statements. The Schedules of Investment and Administrative Expenses 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 Schedules of Investment and Administrative Expenses are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Members of the Retirement Board and Administrative Staff but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards,* we have also issued our report dated December 2, 2024 on our consideration of Plans' 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 Plans' 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 Plans' internal control over financial reporting and compliance.

Crowe LLP

Crowe LLP

Sacramento, California
December 2, 2024

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES
MANAGEMENT' S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

This section presents Management's Discussion and Analysis (MD&A) of the financial activities of the defined-benefit Retirement Plans for the Sacramento Regional Transit District Employees (the Plans) for the fiscal year ended June 30, 2024 (FY 2024). We encourage readers to consider the information presented here in conjunction with the financial information and notes that we have furnished in this report.

FINANCIAL HIGHLIGHTS

As of June 30, 2024, the Plans' net position restricted for pension benefits and program administration (net position) totaled $412,338,639. This represented an increase of $40,814,464, or 11.0%, from the $371,524,175 of the Plans' net position as of June 30, 2023. Higher investment performance was the primary reason for the increase.

Additions to net position increased by $17,299,189, or 30.8%, for FY 2024. Higher investment performance was the primary reason for the increase in additions.

Deductions from net position increased by $985,712, or 3.1%, for FY 2024. The primary reason for the increase is a result of increased monthly benefit payments due to an increase in the number of retirees.

The Plans' funding objective is to meet long-term benefit obligations through contributions and investment earnings. To help achieve level and predictable contribution costs from one year to the next, the Plans base the determination of contribution rates on an actuarial asset valuation method that gradually adjusts to the market (fair) value of assets (asset smoothing). Under this actuarial asset valuation methodology, any investment market returns for the fiscal year that are above or below the assumed investment return rate of 6.75% (which was used to determine the contribution rates for FY 2024) are recognized over five years (the asset smoothing period). This smoothed value is referred to as the Actuarial Value of Assets. By using the Actuarial Value of Assets to determine the contribution rates, the Plans can lower the year-to-year volatility in contribution rates that would come from using the fair value of assets.

As of June 30, 2024, the Plans' total pension liability was $534,504,873, up from $508,336,652 as of June 30, 2023. The fiduciary net position as a percentage of total pension liability increased to 77.1% as of June 30, 2024, from 73.1% as of June 30, 2023.

Overview of Financial Statements

This MD&A serves as an introduction to the basic financial statements and other information accompanying the basic financial statements, which are comprised of the following components:

- Statement of Plan Net Position - Pension Trust Funds
- Statement of Changes in Plan Net Position - Pension Trust Funds
- Notes to the Basic Financial Statements

A Statement of Plan Net Position and a Statement of Changes in Plan Net Position are presented for the Pension Trust funds as of and for FY 2024, along with comparative total information as of and for the fiscal year ended June 30, 2023. These financial statements reflect the resources available to pay benefits to retirees and beneficiaries as of year-end, and the changes in those resources during the year.

The Pension Trust funds' statements report the Plans' net position restricted for pension benefits and program administration. Over time, increases or decreases in net position serve as one indicator of whether the Plans' financial health is improving or deteriorating. Other factors, such as market conditions or the Plans' fiduciary net position as a percentage of the employers' total pension liability, should also be considered in measuring the Plans' overall health.

The Notes to the Basic Financial Statements are an integral part of the financial reports and provide additional information that is essential for a full understanding of the data provided in the financial statements.

In addition to the financial statements and accompanying notes, this report presents certain Required Supplementary Information which includes the employer's changes in net pension liability and related ratios, the employer's actuarially determined contribution rates (ADC), actuarial assumptions used to calculate the ADC, historical money-weighted rates of return, and other required supplementary information as required by GASB Statement No. 67.

Schedules of investment and administrative expenses are presented as Other Supplemental Information following the Required Supplementary Information.

Fiduciary Net Position

As summarized above, as of June 30, 2024, the Plans' net position restricted for pension benefits and program administration (net position) totaled $412,338,639. This represented an increase of $40,814,464, or 11.0%, over the Plans' net position of $371,524,175 as of June 30, 2023. The increase in net position for FY 2024 was due to investment income, offset to some degree by benefits and expenses paid during the fiscal year exceeding the contributions received. For FY 2024, the total fund return, gross of fees, of 11.45%, was 0.52% higher than the investment policy benchmark of 10.93%, and exceeded the fiscal year ended June 30, 2023, total fund return, gross of fees, of 8.27%. During fiscal year ended June 30, 2024, investments with the strongest returns came from the U.S. equity and international equity investments.

In FY 2024, the increase in cash and short-term investments was primarily the result of changes within Fixed Income. The manager increased the allocation to cash and investments with shorter durations to mitigate volatility and better position the portfolio for future opportunities. The manager also increased the allocation to commercial mortgage-backed securities.

The increase in securities payable and the decrease in receivables as of June 30, 2024 is primarily due to changes in the volume of trading activity at year-end by the external investment managers. The decrease in accounts payable is due to the timing of payments to third parties at year-end.

The table below compares the Plans' net position for the fiscal years ended June 30, 2024 and 2023.

PLAN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30

	2024	2023	Increase/ (Decrease)	% Change
Assets				
Cash and short-term investments	$ 20,834,193	$ 19,787,498	$ 1,046,695	5.3%
Receivables	4,426,177	7,789,738	(3,363,561)	(43.2%)
Investments	419,979,474	371,977,709	48,001,765	12.9%
Total Assets	445,239,844	399,554,945	45,684,899	11.4%
Liabilities				
Securities payable	32,268,980	27,346,822	4,922,158	18.0%
Accounts payable	632,225	683,948	(51,723)	(7.6%)
Total Liabilities	32,901,205	28,030,770	4,870,435	17.4%
Net position restricted for pension benefits	$ 412,338,639	$ 371,524,175	$ 40,814,464	11.0%

GASB Statement No. 67 replaced GASB Statement No. 25 and redefined pension liability and expense for financial reporting purposes but does not apply to contribution amounts for pension funding purposes. When measuring the total pension liability, GASB uses the same actuarial cost method and the same type of discount rate as the Plans use for funding. Therefore, the employers' total pension liability measured for financial reporting shown in this report is determined on the same basis as the Plans' actuarial accrued liability measured for funding.

The Plans retain an independent actuarial firm, Cheiron, to perform the annual actuarial valuations to determine the employers' total pension liability (expected future benefits) and ADC. The annual actuarial valuation measures the current and projected assets and liabilities of the retirement system, as well as the Plans' funded status. This information forms the basis for establishing the actuary's recommendations for the employer and member contribution rates for the upcoming fiscal year to pay expected future benefits.

As of June 30, 2024, the employer's total pension liability was $534,504,873, and the net pension liability (the total pension liability less the Plans' fiduciary net position) was $122,166,234. The Plans' fiduciary net position as a percentage of the total pension liability was 77.1%. In general terms, this ratio means that as of June 30, 2024, the Plans had approximately 77 cents available for each dollar of anticipated future liability.

The Required Supplementary Information presents additional information regarding the net pension liability.

Changes in Plan Net Position

The following table presents the changes in the Plans' net position for the fiscal years ended June 30, 2024 and 2023.

CHANGES IN PLAN NET POSITION
FOR THE FISCAL YEARS ENDED JUNE 30

	2024	2023	Increase/ (Decrease)	% Change
Additions				
Employer contributions	$ 29,063,868	$ 26,557,004	$ 2,506,864	9.4%
Member contributions	3,602,588	2,873,527	729,061	25.4%
Change in bargaining group	-	248,765	(248,765)	-100.0%
Net investment income	40,852,698	26,540,669	14,312,029	53.9%
Total Additions	73,519,154	56,219,965	17,299,189	30.8%
Deductions				
Benefits paid	31,941,785	30,702,604	1,239,181	4.0%
Change in bargaining group	-	248,765	(248,765)	-100.0%
Administrative expenses	762,905	767,609	(4,704)	(0.6%)
Total Deductions	32,704,690	31,718,978	985,712	3.1%
Increase in net position	40,814,464	24,500,987	16,313,477	66.6%
Net position, beginning	371,524,175	347,023,188	24,500,987	7.1%
Net position, ending	$ 412,338,639	$ 371,524,175	$ 40,814,464	11.0%

Additions to Net Position

Financing for the benefits the Plans provided to its members comes primarily through the collection of employer and member contributions and from investment earnings. For the fiscal years ended June 30, 2024 and 2023, total additions were $73,519,154 and $56,219,965, respectively.

For the fiscal years ended June 30, 2024 and 2023, the combined employer and member contributions were $32,666,456 and $29,430,531, respectively, for an increase of $3,235,925. Employer contributions increased by $2,506,864 for FY 2024 compared to the fiscal year ended June 30, 2023, or about 9.4%, was mainly due to an approximate 9.6% increase in the employer's aggregate payroll for the year ended June 30, 2024. The increase in member contributions of $729,061, or about 25.4%, is partially due to an increase in the employer's aggregate payroll for year-ended June 30, 2024 and an increase in the ATU Plan member contribution rate of .50% and increased further by the growth in the PEPRA tiers of the Plans.

Changes in bargaining group occur when non-vested members of the ATU Plan transfer to the Salaried Plan. The District calculates the total normal cost contributions made to the ATU plan on the employees' behalf along with the interest earned on those contributions and transfers that balance to the Salaried Plan. Changes from year to year are based on the number of individuals who transfer between the ATU Plan and Salaried Plan. There were no transfers made in FY 2024.

Net investment income after investment fees and expenses was $40,852,698 and $26,540,669 for fiscal years ended June 30, 2024 and 2023, respectively. The net investment gains were primarily driven by the investment performance of the portfolio.

Deductions from Net Position

The Plans' net position was primarily used for the payment of benefits to members and their beneficiaries, for the payment of contribution refunds to terminated employees, and for the cost of administering the Plans. For the fiscal years ended June 30, 2024 and 2023, total deductions were $32,704,690 and $31,718,978, respectively.

Deductions increased by $985,712, or 3.1%, in FY 2024. The primary cause of the increase was due to the increase in the number of retirees and beneficiaries receiving benefits.

THE PLANS' FIDUCIARY RESPONSIBILITIES

The Plans' Retirement Boards and management staff are fiduciaries of the pension trust funds. Under the California Constitution and California state law, the net position must be used exclusively for the benefit of plan participants and their beneficiaries.

REQUESTS FOR INFORMATION

This report is designed to provide the Retirement Boards, the Plans' members, participating employers, taxpayers, and other stakeholders and interested parties with a general overview of the Plans' finances and to show accountability for the money the Plans receive.

Questions about this report or requests for additional financial information may be addressed to:

Sacramento Regional Transit District
Attn: Retirement Services
1102 Q Street, Suite 3000
Sacramento, CA 95811

Copies of this report are available at the above address and on the Plans' website at www.sacrt.com.

RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES

STATEMENT OF PLAN NET POSITION

JUNE 30, 2024

	ATU	IBEW	Salaried	Total
Assets				
Investments:				
Equity securities	$ 123,348,793	$ 56,329,749	$ 104,219,326	$ 283,897,868
Fixed income securities	47,838,390	21,308,232	34,975,244	104,121,866
Real estate	14,939,435	6,566,355	10,453,950	31,959,740
Total investments	186,126,618	84,204,336	149,648,520	419,979,474
Cash and short-term investments	9,475,700	4,244,281	7,114,212	20,834,193
Receivables				
Securities sold	1,669,042	744,550	1,228,144	3,641,736
Interest and dividends	310,224	137,961	226,553	674,738
Other receivables and prepaids	16,288	14,373	79,042	109,703
Total receivables	1,995,554	896,884	1,533,739	4,426,177
Total assets	197,597,872	89,345,501	158,296,471	445,239,844
Liabilities				
Securities purchased payable	14,824,023	6,603,498	10,841,459	32,268,980
Accounts payable	334,707	153,284	144,234	632,225
Total liabilities	15,158,730	6,756,782	10,985,693	32,901,205
Net position restricted for pension benefits	$ 182,439,142	$ 82,588,719	$ 147,310,778	$ 412,338,639

(Schedule of Changes in the Net Position Liability and Related Ratios for the Plans are presented on pages 30 through 36.)

The accompanying notes to the financial statements are an integral part of these financial statements.

**RETIREMENT PLANS FOR
SACRAMENTO REGIONAL TRANSIT
DISTRICT EMPLOYEES**

**STATEMENT OF CHANGES IN PLAN NET POSITION
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024**

	ATU	IBEW	Salaried	Total
Additions				
Contributions:				
Employer	$ 11,437,314	$ 5,263,040	$ 12,363,514	$ 29,063,868
Member	1,911,287	685,610	1,005,691	3,602,588
Total contributions	13,348,601	5,948,650	13,369,205	32,666,456
Investment income:				
Net appreciation in fair value of investments	15,140,602	7,082,870	13,498,308	35,721,780
Interest, dividends, and other income	3,164,926	1,411,236	2,458,940	7,035,102
Investment expenses	(858,392)	(383,662)	(662,130)	(1,904,184)
Net investment income	17,447,136	8,110,444	15,295,118	40,852,698
Total additions	30,795,737	14,059,094	28,664,323	73,519,154
Deductions				
Benefits paid to participants	14,134,387	5,702,774	12,104,624	31,941,785
Administrative expenses	295,884	227,672	239,349	762,905
Total deductions	14,430,271	5,930,446	12,343,973	32,704,690
Net increase in plan net position	16,365,466	8,128,648	16,320,350	40,814,464
Net position restricted for pension benefits - Beginning of fiscal year	166,073,676	74,460,071	130,990,428	371,524,175
Net position restricted for pension benefits - End of fiscal year	$ 182,439,142	$ 82,588,719	$ 147,310,778	$ 412,338,639

The accompanying notes to the financial statements are an integral part of these financial statements.

1. DESCRIPTION OF THE PLANS

The financial statements of the Retirement Plans for the Sacramento Regional Transit District Employees encompass the financial position and changes therein, for the ATU, IBEW, and Salaried Plans. The combined plans are reported as pension trust funds in the Sacramento Regional Transit District's (District) financial statements.

ATU and IBEW Plans

The Retirement Plan for Sacramento Regional Transit District Employees who are Members of ATU Local 256 (ATU Plan) and the Retirement Plan for Sacramento Regional Transit District Employees who are Members of International Brotherhood of Electrical Workers Local Union 1245, AFL-CIO (IBEW Plan) are single employer defined benefit pension plans covering eligible employees of the District. Participants should refer to their respective plan documents and collective bargaining agreements for more complete information. The ATU Plan and IBEW Plan were accounted for as one plan for accounting purposes prior to 2017 (collectively, the ATU/IBEW Plan). Effective July 1, 2016, separate trust agreements and financial record keeping was created for the ATU Plan and IBEW Plan based on actuarial calculations and trustee transactions. Each trust allows for accumulation of assets solely for the payment of benefits to plan members. The changes were approved by the Internal Revenue Service in order to establish the individual trusts.

Salaried Plan

The Sacramento Regional Transit District Retirement Plan for AFSCME, AEA, and Non-Represented Employees (Salaried Plan) is a single employer defined benefit pension plan covering eligible full- or part-time employees in the following employee groups: Operating Engineers Local 3 which remain under the Administrative Employees Association (AEA), Management and Confidential Employees Group (MCEG), and the American Federation of State, County & Municipal Employees, Local 146, AFL-CIO (AFSCME). AFSCME is further split into two groups AFSCME-Technical and AFSCME-Supervisors. Participants should refer to the Salaried Plan documents and collective bargaining agreement, where applicable, for more complete information.

Plan Tier Definition – As a result of labor negotiations and the court ruling on the Public Employees' Pension Reform Act of 2013 (PEPRA), Tier 2 was created in the ATU, IBEW and Salaried Plans, as well as a Tier 3 for the ATU only. The Tiers effective dates are directly affected by labor negotiations and whether the union/employee group was under a current Memorandum of Understanding (MOU). As of June 30, 2024 the following tiers apply to employees, based on their date of hire.

- ATU – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2016, Tier 3 consists of all employees hired during the time period January 1, 2015 to December 31, 2015.

- IBEW – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015.

- Salaried – Tier 1 consists of all employees hired on or before December 31, 2014, Tier 2 consists of all employees hired on or after January 1, 2015.

Tier 1 and Tier 3 are closed to new entrants as all newly eligible employees will be placed into the respective Tier 2 plans.

1. DESCRIPTION OF THE PLANS (Continued)

General Provisions ATU, IBEW and Salaried Plans

Contributions to the ATU, IBEW and Salaried Plans are authorized or amended by the Retirement Board based on an actuarial basis. The authority under which benefit provisions are established and amended rests with the District's Board of Directors as a result of labor negotiations. Assembly Bill 1064, effective January 1, 2004, mandates that the Retirement Boards be comprised of equal representation of management and Bargaining Group employees. The Retirement Board shall consist of not more than 4 members and 2 alternates. Two (2) voting members and one (1) alternate shall be appointed by the District's Board of Directors and two (2) voting members and one (1) alternate shall be appointed by the ATU, IBEW, AEA, AFSCME, and MCEG employee groups.

The ATU, IBEW and Salaried Plans provide defined pension, disability, and death benefits to eligible employees who are members of the ATU, IBEW, AEA, MCEG, AFSCME-Technical, and AFSCME-Supervisors employee groups.

Plan membership for Tier 1, Tier 2 and Tier 3, at June 30, 2024, consisted of:

	ATU	IBEW	Salaried
Retirees and beneficiaries currently receiving benefits	505	186	375
Terminated members entitled to but not yet collecting benefits	31	17	43
Current active members	581	215	269
	1,117	418	687

1. DESCRIPTION OF THE PLANS (Continued)

RETIREMENT BENEFITS

Table 1 below presents a summary of the retirement benefits for Tier 1 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans. Table 1 also includes the summary for ATU Tier 3.

Table 1

TIER 1 & TIER 3	ATU Plan	IBEW Plan	Salaried Plan			
Employee Unions/Groups	**ATU**	**IBEW**	**AFSCME - Technical**	**AFSCME - Supervisors**	**AEA**	**MCEG**
Plan Terms	MOU	MOU	MOU	MOU	MOU	MOU
Vesting Period: Years of Service - % Vested	10 - 100%	5 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 20% 6 - 40% 7 - 60% 8 - 80% 9 - 100%	5 - 100%	5 - 100%
Vacation and sick leave sell back towards pension calculation	Allowable	Allowable	Allowable	Allowable	Allowable	Allowable
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 2% if age and service are not met. Vesting required					

1. DESCRIPTION OF THE PLANS (Continued)

Table 2 below presents a summary of the retirement benefits for Tier 2 employees for each of the employee groups represented by the ATU, IBEW and Salaried Plans.

Table 2

TIER 2	ATU Plan	IBEW Plan	Salaried Plan			
Employee Unions/Groups	**ATU**	**IBEW**	**AFSCME - Technical**	**AFSCME - Supervisors**	**AEA**	**MCEG**
Plan Terms	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA	PEPRA
Vesting Period: Years of Service - % Vested	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%	5 - 100%
Vacation and sick sell back towards pension calculation	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable	Not Allowable
Disability Retirement Multiplier	Equal to applicable retirement age multiplier or 1% if age and service are not met. Vesting required					

The retirement ages, years of service and pension calculation multipliers vary by employee union/group. For Tier 1 and Tier 3 members, the multipliers and years of service range from 2% at age 55 or 25 years of service to 2.5% at age 60 or 30 or more years of service. All Tier 2 participants fall under PEPRA requirements.

The benefits for vested members begin at retirement and continue for the participant's life with no cost of living adjustment. The participant can elect to receive reduced benefits with continuing benefits to a beneficiary after death.

Disability Benefits – A participant is eligible for a disability benefit if the participant is unable to perform the duties of his or her job with the District, cannot be transferred to another job with the District, and has submitted satisfactory medical evidence of permanent disqualification from his or her job. Members are required to be vested in their respective union or employee group to qualify for disability retirement. The disability benefit is equal to the retirement allowance, as defined by the ATU, IBEW or Salaried Plan, multiplied by service accrued through the date of disability. The disability benefit cannot exceed the retirement benefit. The benefit begins at disability and continues until recovery or for the participant's life unless the participant elects to receive reduced benefits with continuing benefits to a beneficiary after death.

Pre-Retirement Death Benefit – A participant's surviving spouse is eligible for a pre-retirement death benefit if the participant is vested, based on the respective bargaining agreements. The pre-retirement death benefit is the actuarial equivalent of the normal retirement benefit, as if the participant retired on the date of death. The death benefit begins when the participant dies and continues for the life of the surviving spouse.

1. DESCRIPTION OF THE PLANS (Continued)

Administration – The ATU, IBEW, and Salaried Plans are administered by five Retirement Boards. All expenses incurred in the administration of the ATU, IBEW, and Salaried Plans are paid by the respective plan.

Plan Termination – Should the ATU, IBEW or the Salaried Plan be terminated, the Plans' net position will first be applied to provide for retirement benefits to retired members. Any remaining net position will be allocated to other members, oldest first both active and inactive, on the basis of the actuarial present value of their benefits.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting – The accompanying financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America and reporting guidelines set forth by the Government Accounting Standards Board (GASB). The ATU, IBEW and Salaried Plans are reported as pension trust funds which report resources that are required to be held in trust for the members and beneficiaries of the defined benefit pension plans. The ATU, IBEW and Salaried Plans are accounted for on the flow of economic resources measurement focus and the accrual basis of accounting.

The District's contributions to the ATU, IBEW and Salaried Plans are recognized in the period in which the contributions are due pursuant to formal commitments or contractual requirements. Benefits and refunds are recognized when due and payable in accordance with the ATU, IBEW and Salaried Plans' agreements.

Cash and Short-Term Investments – The ATU, IBEW and Salaried Plans consider all highly liquid investments with an original maturity of three months or less to be short-term investments.

Investments – Investments consist of securities or other assets held primarily for the purpose of income or profit and their present service capacity is based solely on their ability to generate cash or to be sold to generate cash. Realized gains or losses on the sale of investments are recorded on the trade date as the difference between proceeds received and the fair value at the beginning of the year, or cost if acquired during the year. Net appreciation (depreciation) in fair value of investments includes net unrealized market appreciation and depreciation of investments and net realized gains and losses on the sale of investments during the period. Interest income includes dividends and interest paid on the ATU, IBEW and Salaried Plans' investments. The investment assets for the ATU, IBEW and the Salaried Plans are combined into one commingled investment portfolio. The balances of investments owned by the plans are calculated based on a percentage of ownership as determined by the Plans' custodian, Northern Trust.

Estimates – The preparation of financial statements in conformity with generally accepted accounting principles in the United States of America requires the ATU, IBEW and Salaried Plans' administrators to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from those estimates.

New Pronouncements – For the fiscal year ended June 30, 2024, the ATU, IBEW and Salaried Plans did not implement new GASB pronouncements as they did not apply to the ATU, IBEW and Salaried Plans' financial activity or were immaterial.

The District will evaluate the impact of new GASB pronouncements in the year they are implemented or effective.

3. CONTRIBUTION REQUIREMENTS

EMPLOYER CONTRIBUTIONS

The ATU, IBEW and Salaried Plans' funding policies provide for actuarially determined periodic contributions. Contribution rates for retirement benefits are determined using the entry age normal cost method. During the fiscal year ended June 30, 2024, the District made contributions to the ATU, IBEW, and Salaried Plan of $11,437,314, $5,263,040, and $12,363,514 respectively.

TIER 1 EMPLOYEES

For the fiscal year ended June 30, 2024, the actuarially determined rate for the ATU Plan was 30.74% of covered payroll, the IBEW Plan was 35.62% of covered payroll, and the Salaried Plan was 42.74% of covered payroll. No contributions are required by the ATU, IBEW and Salaried Plans' members pursuant to each respective bargaining agreement for employees hired before January 1, 2015.

TIER 2 EMPLOYEES

As of January 1, 2015, all newly eligible employees were required to contribute to their pension based upon the terms of the bargaining groups MOU or based on PEPRA.

ATU eligible employees are required to contribute 50% of normal cost which is currently 7.75% of their annual salary. The employer portion of the actuarially determined rate for the ATU members was 22.63% of covered payroll for the fiscal year ending June 30, 2024. The total contribution by Tier 2 employees of the ATU Plan for the fiscal year ended June 30, 2024 was $1,875,310.

IBEW eligible employees are required to contribute 50% of normal cost which is currently 7.00% of their annual salary. The employer portion of the actuarially determined rate for the IBEW members was 27.34% of covered payroll for the fiscal year ending June 30, 2024. The total contribution by Tier 2 employees of the IBEW Plan for the fiscal year ended June 30, 2024 was $685,610.

Members of AEA, MCEG, AFSCME-Supervisors, and AFSCME-Technical are required to contribute 50% of normal cost which is currently 6.50% of their annual salary. The employer portion of the actuarially determined rate for the AEA, MCEG, and AFSCME-Supervisors members was 30.43% of covered payroll for the fiscal year ending June 30, 2024. The total contribution by Tier 2 employees of the Salaried Plan for the fiscal year ended June 30, 2024 was $1,005,691.

The employee contribution rates calculated in compliance with PEPRA, for the fiscal year ended June 30, 2024, were actuarially determined as part of the valuations dated July 1, 2022.

TIER 3 EMPLOYEES

ATU employees hired during the time period January 1, 2015 and December 31, 2015, are required to contribute 3.00% of pay. The employer portion of the actuarially determined rate for the ATU members was 29.61% of covered payroll for the fiscal year ending June 30, 2024. The total contribution by Tier 3 employees of the ATU Plan for the fiscal year ended June 30, 2024 was $35,977.

4. CASH AND INVESTMENTS

CASH AND SHORT-TERM INVESTMENTS

At June 30, 2024, the reported amount of cash and short-term investments of the ATU, IBEW and Salaried Plans was $20,834,193. The amount was collateralized with securities held by the counterparty's trust department or agent in the District's name on behalf of the Retirement Plans.

INVESTMENTS

An annual Board-adopted policy, the "Statement of Investment Objectives and Policy Guidelines for the Sacramento Regional Transit District Retirement Plans" (Policy), governs the ATU, IBEW and Salaried Plans' investments. The Policy focuses on the continued feasibility of achieving, and the appropriateness of, the Asset Allocation Policy, the Investment Objectives, the Investment Policies and Guidelines, and the Investment Restrictions. The Retirement Boards have the authority to amend the asset allocation targets as well as establish and amend investment policies. The following was the Plans' adopted asset allocation policy as of June 30, 2024:

Asset Class	Target Allocation
Domestic Equity Large Cap	32%
Domestic Equity Small Cap	8%
International Equity Developed Large Cap	14%
International Equity Developed Small Cap	5%
International Equity Emerging Markets	6%
Domestic Fixed Income	25%
Real Estate	10%

For the years ended June 30, 2024, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expenses, was 10.97%. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

4. CASH AND INVESTMENTS (Continued)

The following table identifies the investment types that are authorized by the ATU, IBEW and Salaried Plans' Retirement Boards. The table also identifies certain provisions of the Investment Objectives and Policy that address interest rate risk, credit risk and concentration of credit risk.

Authorized Investment Type	Maximum Maturity (1)	Minimum Rating (3)	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Cash	None	N/A	None	None
U.S. Treasury Bills	None	N/A	None	None
Agency Discount Notes	None	N/A	None	None
Certificates of Deposit	None	N/A	None	None
Bankers Acceptances	None	N/A	None	None
Commercial Paper	None	A2/P2	None	None
Asset-Backed Commercial Paper	None	A2/P2	None	None
Money Market Funds and Bank Short-Term Investment Funds (STIF)	None	N/A	None	None
Repurchase Agreements	None	N/A	None	None
U.S. Government and Agency Securities	None	N/A	None	None
Credit Securities/Corporate Debt (4)	None	N/A	None	None
Securitized Investments (5)	None	N/A	None	None
Emerging Markets	None	N/A	None	None
International Fixed Income Securities	None	N/A	None	None
Other Fixed Income Securities (6)	None	N/A	None	None
Mutual Funds and Interest in Collective and Commingled Funds	N/A	N/A	25% (2)	5%
Real Estate Investment Trust	N/A	N/A	25% (2)	5%
Depository Receipt	N/A	N/A	25% (2)	5%
Stocks	N/A	N/A	25% (2)	5%
Other Equity Securities (7)	N/A	N/A	25% (2)	5%
Real Estate	None	N/A	None	None

(1) The fixed income portion of the ATU, IBEW and Salaried Plans shall be limited in duration to between 75% and 125% of the Bloomberg Aggregate Index benchmark.
(2) No more than 25% of the fair value on the purchase cost basis of the total common stock portfolio (equity securities) shall be invested in a single industry at the time of purchase.
(3) The investment managers shall maintain a minimum overall portfolio quality rating of "A" equivalent or better at all times (based on market-weighted portfolio average). Minimum quality (at purchase) must be at least 80% Baa or above.
(4) Credit Securities and Corporate Debt include: debentures, medium-term notes, capital securities, trust preferred securities, Yankee bonds, Eurodollar securities, floating rate notes and perpetual floaters, structured notes, municipal bonds, preferred stock, private placements (bank loans and 144(a) securities), and Enhanced Equipment Trust Certificates (EETCs).
(5) Securitized investments includes: agency and non-agency mortgage-backed securities, asset-backed securities (144(a) securities), and commercial mortgage-backed securities.
(6) Other Fixed Income Securities includes: fixed income commingled and mutual funds, futures and options, swap agreements, and reverse repurchase agreements.
(7) Other Equity Securities include: rights and warrants.

4. CASH AND INVESTMENTS (Continued)

INVESTMENT RISK FACTORS

There are many factors that can affect the value of investments. Such factors as interest rate risk, credit risk, custodial credit risk, concentration of credit risk, and foreign currency risk may affect both equity and fixed income securities.

INTEREST RATE RISK

Interest rate risk is the risk that the value of fixed income securities will decline because of rising interest rates. The prices of fixed income securities with a longer time to maturity, measured by duration, tend to be more sensitive to changes in interest rates and, therefore, more volatile than those with shorter duration.

The following table provides information about the interest rate risks associated with the ATU, IBEW and Salaried Plans' investments at June 30, 2024.

	Maturity in Years				
	Less than 1	1 - 5	6 - 10	More than 10	Amount
Collateralized Mortgage Obligations	$ -	$ 183,343	$ 411,094	$ 6,925,047	$ 7,519,484
Corporate Bonds	438,495	8,787,627	4,091,388	3,603,777	16,921,287
Municipal Bonds	-	-	-	418,933	418,933
U.S. Government Agency Obligations	-	1,942	288,320	33,729,320	34,019,582
U.S. Government Issued Obligations	-	22,517,338	6,837,136	9,837,893	39,192,367
Asset-Backed Securities	-	308,764	2,142,451	3,598,998	6,050,213
Total	$ 438,495	$ 31,799,014	$ 13,770,389	$ 58,113,968	$ 104,121,866

In accordance with the ATU, IBEW and Salaried Plans' investment policy, investments may include collateralized mortgage obligations, mortgage pass-through securities, asset-backed securities, callable bonds and corporate debts that are considered to be highly sensitive to changes in interest rates.

4. CASH AND INVESTMENTS (Continued)

COLLATERALIZED MORTGAGE OBLIGATIONS

Collateralized mortgage obligations (CMOs) are bonds that represent claims to specific cash flow from large pools of home mortgages. The streams of principal and interest payments on the mortgages are distributed to the different classes of CMO interests.

CMOs are often highly sensitive to changes in interest rates and any resulting change in the rate at which homeowners sell their properties, refinance, or otherwise pre-pay their loans. Investors in these securities may not only be subjected to such prepayment risk, but also exposed to significant market and liquidity risks.

MORTGAGE PASS-THROUGH SECURITIES

These securities, disclosed as U.S. Government Agency Obligations in the interest rate risk table above, are issued by Government Sponsored Enterprises (GSEs) which are a group of financial services corporations created by the United States Congress. The GSEs include: the Federal National Mortgage Association (Fannie Mae), the Federal Home Loan Mortgage Corporation (Freddie Mac), and the Federal Home Loan Banks. Another institution that issues these securities is the Government National Mortgage Association (Ginnie Mae). These securities are highly sensitive to interest rate fluctuations because they are subject to early payment. In a period of declining interest rates, the resulting reduction in expected total cash flows affects the value of these securities.

ASSET-BACKED SECURITIES

Asset-backed securities generate a return based upon either the payment of interest or principal on obligations in an underlying pool. The relationship between interest rates and prepayments make the value highly sensitive to changes in interest rates.

CALLABLE BONDS

Although bonds are issued with clearly defined maturities, an issuer may be able to redeem, or call, a bond earlier than its maturity date. The Plans must then replace the called bond with a bond that may have a lower yield than the original bond. The call feature causes the value to be highly sensitive to changes in interest rates. As of June 30, 2024, the ATU, IBEW and Salaried Plans held callable bonds with a value of $14,902,912.

CREDIT RISK

Fixed income securities are subject to credit risk, which is the risk that a bond issuer or other counterparty to a debt instrument will not fulfill its obligation to pay interest or principal in a timely manner, or that negative perceptions of the issuer's ability to make these payments will cause security prices to decline. The circumstances may arise due to a variety of factors such as financial weakness, bankruptcy, litigation and/or adverse political developments.

4. CASH AND INVESTMENTS (Continued)

A bond's credit quality is an assessment of the issuer's ability to pay interest on the bond, and ultimately, to pay the principal. Credit quality is evaluated by one of the independent bond-rating agencies, for example Moody's Investors Services (Moody's). The lower the rating the greater the chance, in the rating agency's opinion, the bond issuer will default, or fail to meet their payment obligations. Generally, the lower a bond's credit rating, the higher its yield should be to compensate for the additional risk.

Certain fixed income securities, including obligations of the U.S. government or those explicitly guaranteed by the U.S. government, are not considered to have credit risk.

For the fiscal year ending June 30, 2024, the ATU, IBEW and Salaried Plans were in adherence with the credit risk provisions of the Statement of Investment Objectives and Policy Guidelines which require a minimum overall portfolio quality rating and a minimum credit rating at the time of purchase.

The following table provides information on the credit ratings and fair value associated with the ATU, IBEW and Salaried Plans' investments as of June 30, 2024.

Investment Rating	Amount	Percentage of Portfolio
Not Applicable	$ 315,857,608	75.21%
Not Rated	54,482,287	12.97%
Aaa	29,443,977	7.01%
Aa1	895,007	0.21%
Aa2	641,473	0.15%
Aa3	700,796	0.17%
A1	3,230,850	0.77%
A2	1,088,143	0.26%
A3	1,731,189	0.41%
Baa1	1,658,152	0.39%
Baa2	2,372,818	0.56%
Baa3	3,025,157	0.72%
Ba1	1,273,577	0.30%
Ba2	256,658	0.06%
Ba3	389,952	0.09%
B1	445,513	0.11%
B2	477,249	0.11%
B3	941,211	0.22%
Caa1	204,404	0.05%
Caa2	207,328	0.05%
Caa3	10,800	0.00%
Ca	11,701	0.00%
WR	633,624	0.18%
	$ 419,979,474	100.00%

4. CASH AND INVESTMENTS (Continued)

CONCENTRATION OF CREDIT RISK

Concentration of credit risk is the risk associated with a lack of diversification of having too much invested in a few individual issuers, thereby exposing the organization to greater risks resulting from adverse economic, political, regulatory, geographic, or credit developments.

The investment policies of the ATU, IBEW and Salaried Plans state that an investment in each domestic or international equity fund managers' securities of a single issuer shall not exceed 5% (at cost) of the value of the portfolios and/or of the total outstanding shares. As of June 30, 2024, the Plans held more than 5% of the Plans' fiduciary net position and more than 5% of total investments in the following fixed-income securities investments.

Federal National Mortgage Association $22,390,869

CUSTODIAL CREDIT RISK

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The ATU, IBEW and Salaried Plans' investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments. The ATU, IBEW and Salaried Plans' investment securities are not exposed to custodial credit risk because all securities are held by the ATU, IBEW and Salaried Plans' custodian bank in the District's name.

FOREIGN CURRENCY RISK

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The ATU, IBEW and Salaried Plans' investment policy states international equity securities shall be comprised of American Depository Receipts (ADR) of non-U.S. companies, common stocks of non-U.S. companies, preferred stocks of non-U.S. companies, foreign convertible securities including debentures convertible to common stocks, and cash equivalents.

4. CASH AND INVESTMENTS (Continued)

The following table provides information on deposits and investments held in foreign currencies, which are stated in U.S. dollars. The ATU, IBEW and Salaried Plans do have foreign currency deposits and investments which may be used for hedging purposes.

As of June 30, 2024, the U.S. dollar balances organized by investment type and currency denomination for the ATU, IBEW and Salaried Plans are as follows:

	Foreign Currency	U.S. Dollars
Cash	Euro Currency	$ 4,991
Corporate Bonds	Euro Currency	618,803
Government Agencies	Euro Currency	114,671
Total		$ 738,465

FAIR VALUE MEASUREMENTS

The ATU, IBEW and Salaried Plans categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted market prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The ATU, IBEW and Salaried Plans had the following recurring fair value measurements as of June 30, 2024:

		Fair Value Measurements Using		
	6/30/2024	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Debt Securities				
Collateralized mortgage obligations	$ 7,519,484	$ -	$ 7,519,484	$ -
Corporate bonds	16,921,287	-	16,921,287	-
Municipal bonds	418,933	-	418,933	-
U.S. Government Agency obligations	34,019,582	-	34,019,582	-
U.S. Government issued obligations	39,192,367	-	39,192,367	-
Asset backed obligations	6,050,213	-	6,050,213	-
Equity Securities				
Common stock	101,746,086	101,746,086	-	-
Depository receipts	244,197	244,197	-	-
Total investments by fair value level	206,112,149	$ 101,990,283	$ 104,121,866	$ -
Investments measured at the net asset value				
S&P 500 index fund	74,536,312			
MSCI EAFE index fund	19,950,338			
International large capital equity fund	38,634,913			
International small capital equity fund	23,222,410			
International emerging markets fund	25,563,612			
Real estate funds	31,959,740			
Total investments measured at NAV	213,867,325			
Total investments	$ 419,979,474			

4. CASH AND INVESTMENTS (Continued)

Debt and equity securities classified in Level 1 of the fair value hierarchy are valued using prices quoted in active markets for those securities. Debt securities classified in Level 2 of the fair value hierarchy are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices. Net asset value (NAV) securities are valued based on the net asset value of the pooled investments. The NAV per unit is determined by dividing the total value of the securities and other assets, less any liabilities, by the total outstanding units of the fund.

Investment measured at the net asset value (NAV)

	June 30, 2024	Unfunded Commitments	Redemptions Frequency	Redemptions Notice Period
S&P 500 index fund [1]	$ 74,536,312	$ -	Daily	1 day
MSCI EAFE index fund [2]	19,950,338	-	Semi-monthly	6-8 days
International large capital equity fund [3]	38,634,913	-	Monthly	7 days
International small capital equity fund [4]	23,222,410	-	Monthly	2 days
International emerging markets fund [5]	25,563,612	-	Daily	1 day
Real estate funds[6]	31,959,740	-	Daily, Quarterly	90 days, 1 quarter
Total investments measured at the NAV	$ 213,867,325	$ -		

1. S&P 500 index fund. This type includes an investment in a S&P 500 index fund that invests to match the S&P 500® Index. The S&P 500 is made up of primarily U.S. common stocks. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The NAV per unit of the investment are determined each business day. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

2. MSCI EAFE index fund. This type includes an investment in the Morgan Stanley Capital International Europe, Australasia, Far East Index (MSCI EAFE) Index fund that invest to approximate as closely as practicable, before expenses, the performance of the MSCI EAFE Index over the long term. The MSCI EAFE Index is made up of primarily international stocks. The per unit NAV of the fund is determined as of the last business day of each month and at least one other business day during the month. Issuances and redemptions of fund units may be made on such days, based upon the closing market value on the valuation date of the investments bought or sold and the NAV per unit of the fund.

3. International large capital equity fund. This type includes an investment in an International Equity Fund that seeks total return from long-term capital growth and income, while attempting to outperform the MSCI EAFE Index over a market cycle, gross of fees. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The Trust has one dealing day per month, which is the first business day, and units are issued based upon a valuation on the last business day of the preceding month.

4. International small capital equity fund. The fund intends to utilize a set of valuation, momentum and economic factors to generate an investment portfolio based on security selection procedures geared to assist the fund in meeting its investment objectives. The fund generally will be managed by underweighting and overweighting securities relative to the benchmark. The investment objective is to outperform the MSCI EAFE Small Cap Index over a full market cycle. The fair value of the investment in this type has been determined using the NAV per unit of the investment. The fund has one dealing day per month, which is the first business day, and notification is required at least two business days in advance of a subscription or withdrawal.

4. CASH AND INVESTMENTS (Continued)

5. International emerging markets fund. This type invests substantially all of its assets in the Emerging Market Series. The Emerging Market Series purchases a broad market coverage of larger companies associated with emerging markets, which may include frontier markets (emerging market countries in an earlier stage of development), authorized for investment by the Advisor's Investment Committee. As a non-fundamental policy, under normal circumstances, the Emerging Markets Series will invest at least 80% of its net assets in emerging markets investments that are defined in the Prospectus as Approved Market securities. The fair values of the investments in this type have been determined using the NAV per unit of the investments. Investors may purchase or redeem units of the fund on any business day.

6. Real estate funds. Real estate investments are held in Clarion Lion Properties Fund, LP and Prime Property Fund, LLC. The funds are core-style, open-end commingled real estate investment funds diversified by property type and location. The primary performance objective is to combine an attractive income yield with long-term capital growth. The fair value of the investments have been determined using the NAV per share of the respective fund. The ability to redeem funds is subject to the availability of liquid assets. To the extent that liquid assets of the funds are insufficient to satisfy redemption requests, redemptions will be redeemed on a pro rata basis as liquid assets become available. Prime Property Fund, LLC had a redemption queue of $4.6 billion at June 30, 2024. Prime Property Fund, LLC is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since June 30, 2022. Clarion Lion Properties Fund, LP had a redemption queue of $3.8 billion at June 30, 2024. Clarion Lion Properties Fund, LP is unable to provide an estimate on when the restriction on redemptions will be removed. The current redemption queue has been in effect since September 30, 2022.

5. NET PENSION LIABILITY

ATU Plan

The components of the net pension liability of the ATU Plan at June 30, 2024, were as follows:

Total pension liability	$	230,964,776
Plan fiduciary net position		(182,439,142)
ATU net pension liability	$	48,525,634
Plan fiduciary net position as a percentage of the total pension liability		78.99%

The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and using update procedures to roll forward the total pension liability to the pension plan's fiscal year-end:

Inflation	2.50%
Salary increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Post-retirement mortality	Cheiron ATU Healthy Annuitant mortality, adjusted by 95% for males and 105% for females, with generational improvements using Scale MP-2020 from 2016

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

5. NET PENSION LIABILITY (Continued)

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the ATU Plan based on an actuarially determined contribution, reflecting a payment equal to annual service cost (net of any employee contributions), the expected administrative expenses, and an amount necessary to amortize the Unfunded Actuarial Liability (UAL) determined at July 1, 2019 as a level percentage of payroll over a closed period (9 years remaining as of the July 1, 2023 actuarial valuation) and a 20-year layered amortization schedule for UAL changes after 2019. The UAL is based on an Actuarial Valuation of Assets that recognizes differences between actual and expected investment returns on the Market Value of Assets over a five-year period.

Based on those assumptions, the ATU Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current ATU Plan members. Therefore, the long-term expected rate of return on the ATU Plan's investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the ATU Plan, calculated using the discount rate of 6.75 percent, as well as what the ATU Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	$ 254,916,284	$ 230,964,776	$ 210,534,705
Plan fiduciary net position	(182,439,142)	(182,439,142)	(182,439,142)
Net pension liability	$ 72,477,142	$ 48,525,634	$ 28,095,563
Plan fiduciary net position as a percentage of the total pension liability	71.57%	78.99%	86.66%

IBEW Plan

The components of the net pension liability of the IBEW Plan at June 30, 2024, were as follows:

Total pension liability	$ 105,150,736
Plan fiduciary net position	(82,588,719)
IBEW net pension liability	$ 22,562,017
Plan fiduciary net position as a percentage of the total pension liability	78.54%

The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and using update procedures to roll forward the total pension liability to the pension plan's fiscal year-end:

Inflation	2.50%
Salary increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Post-retirement mortality	Cheiron ATU Healthy Annuitant mortality, adjusted by 95% for males and 105% for females, with generational improvements using Scale MP-2020 from 2016

5. NET PENSION LIABILITY (Continued)

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the IBEW Plan based on an actuarially determined contribution, reflecting a payment equal to annual service cost (net of any employee contributions), the expected administrative expenses, and an amount necessary to amortize the Unfunded Actuarial Liability (UAL) determined at July 1, 2019 as a level percentage of payroll over a closed period (9 years remaining as of the July 1, 2023 actuarial valuation) and a 20-year layered amortization schedule for UAL changes after 2019. The UAL is based on an Actuarial Value of Assets that recognizes differences between actual and expected investment returns on the Market Value of Assets over a five-year period.

Based on those assumptions, the IBEW Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current IBEW Plan members. Therefore, the long-term expected rate of return on the IBEW Plan's investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the IBEW Plan, calculated using the discount rate of 6.75 percent, as well as what the IBEW Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	$ 116,473,207	$ 105,150,736	$ 95,518,944
Plan fiduciary net position	(82,588,719)	(82,588,719)	(82,588,719)
Net pension liability	$ 33,884,488	$ 22,562,017	$ 12,930,225
Plan fiduciary net position as a percentage of the total pension liability	70.91%	78.54%	86.46%

Salaried Plan

The components of the net pension liability of the Salaried Plan at June 30, 2024, were as follows:

Total pension liability	$ 198,389,361
Plan fiduciary net position	(147,310,778)
Salaried net pension liability	$ 51,078,583
Plan fiduciary net position as a percentage of the total pension liability	74.25%

5. NET PENSION LIABILITY (Continued)

The total pension liability was determined by an actuarial valuation as of July 1, 2023, using the following actuarial assumptions, applied to all periods included in the measurement, and using update procedures to roll forward the total pension liability to the pension plan's fiscal year-end:

Inflation	2.50%
Salary increases	2.75%, plus merit component
Investment Rate of Return	6.75%, net of investment expense
Post-retirement mortality	Private Retirement (Pri) 2012 Bottom Quartile Tables for Healthy Annuitants Mortality Tables projected with Scale MP-2020 published by the Society of Actuaries, with the base tables adjusted 105% for females.

The actuarial assumptions used in the July 1, 2023 valuation were based on the results of an actuarial experience study for the period July 1, 2015 through June 30, 2020.

The discount rate used to measure the Total Pension Liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the District will continue to contribute to the Salaried Plan based on an actuarially determined contribution, reflecting a payment equal to annual service cost (net of any employee contributions), the expected administrative expenses, and an amount necessary to amortize the Unfunded Actuarial Liability (UAL) determined at July 1, 2019 as a level percentage of payroll over a closed period (9 years remaining as of the July 1, 2023 actuarial valuation) and a 20-year layered amortization schedule for UAL changes after 2019. The UAL is based on an Actuarial Value of Assets that recognizes differences between actual and expected investment returns on the Market Value of Assets over a five-year period.

Based on those assumptions, the Salaried Plan's fiduciary net position was projected to be available to make all projected future benefit payments of the current Salaried Plan members. Therefore, the long-term expected rate of return on Salaried Plan investments was applied to all periods of projected benefit payments to determine the Total Pension Liability.

The following presents the net pension liability of the Salaried Plan, calculated using the discount rate of 6.75 percent, as well as what the Salaried Plan's net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate:

	1% Decrease 5.75%	Discount Rate 6.75%	1% Increase 7.75%
Total pension liability	$ 220,276,665	$ 198,389,361	$ 179,790,935
Plan fiduciary net position	(147,310,778)	(147,310,778)	(147,310,778)
Net pension liability	$ 72,965,887	$ 51,078,583	$ 32,480,157
Plan fiduciary net position as a percentage of the total pension liability	66.88%	74.25%	81.93%

5. NET PENSION LIABILITY (Continued)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Actuarially determined amounts are subject to continual revision as actual results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective and are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation. Actuarial methods and assumptions used include techniques designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of plan assets.

The projection of benefits for financial reporting purposes does not explicitly incorporate the potential effect of legal or contractual funding limitations.

ATU, IBEW and Salaried Plan

The ATU, IBEW, and Salaried Plans' investments are invested as one commingled fund for economies of scale. The long-term expected rate of return on pension plans' investments were 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. 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. Best estimates of arithmetic real rates of return for each major asset class included in the pension plans' target asset allocation as of June 30, 2024, are summarized in the following table:

Asset Class	Long-Term Expected Real Rate of Return
Domestic Equity Large Cap	8.70%
Domestic Equity Small Cap	9.80%
International Equity Developed	9.25%
International Equity Emerging	10.65%
Domestic Fixed Income	5.25%
Real Estate	6.85%

REQUIRED SUPPLEMENTARY INFORMATION

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256
FOR THE FISCAL YEARS ENDED JUNE 30, 2024, 2023, 2022 AND 2021

	2024	2023	2022	2021
Total pension liability				
Service cost	$ 6,775,982	$ 6,147,536	$ 5,953,419	$ 5,457,843
Interest (includes interest on service cost)	14,450,562	14,092,064	13,712,873	13,411,008
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	6,171,097	(1,144,821)	(285,600)	1,531,462
Change of assumptions	-	-	-	10,690,055
Change in bargaining group	-	(306,032)	(515,525)	-
Benefit payments, including refunds of member contributions	(14,134,387)	(13,450,294)	(13,239,168)	(13,074,333)
Net change in total pension liability	13,263,254	5,338,453	5,625,999	18,016,035
Total pension liability - beginning	217,701,522	212,363,069	206,737,070	188,721,035
Total pension liability - ending	$ 230,964,776	$ 217,701,522	$ 212,363,069	$ 206,737,070
Plan fiduciary net position				
Contributions - employer	$ 11,437,314	$ 10,500,021	$ 10,417,845	$ 9,579,205
Contributions - member	1,911,287	1,429,978	1,191,796	1,041,899
Change in bargaining group	-	(248,765)	(667,990)	-
Net investment income (loss)	17,447,136	11,501,062	(12,345,778)	36,857,731
Benefit payments, including refunds of member contributions	(14,134,387)	(13,450,294)	(13,239,168)	(13,074,333)
Administrative expense	(295,884)	(289,981)	(269,615)	(283,989)
Net change in plan fiduciary net position	16,365,466	9,442,021	(14,912,910)	34,120,513
Plan fiduciary net position - beginning	166,073,676	156,631,655	171,544,565	137,424,052
Plan fiduciary net position - ending	$ 182,439,142	$ 166,073,676	$ 156,631,655	$ 171,544,565
Net pension liability - ending	$ 48,525,634	$ 51,627,846	$ 55,731,414	$ 35,192,505
Plan fiduciary net position as a percentage of the total pension liability	78.99%	76.29%	73.76%	82.98%
Covered payroll	$ 43,423,598	$ 39,651,360	$ 38,050,032	$ 35,334,877
Net pension liability as a percentage of covered payroll	111.75%	130.20%	146.47%	99.60%

Notes to Schedule: Payroll amounts are based on actual pensionable compensation from the employer
-FY2021: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75%and updated demographic and economic assumptions that were adopted following an experience study.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256
FOR THE FISCAL YEARS ENDED JUNE 30, 2020, 2019, 2018 AND 2017

	2020	2019	2018	2017
Total pension liability				
Service cost	$ 5,197,253	$ 5,084,840	$ 4,765,696	$ 4,835,944
Interest (includes interest on service cost)	13,012,883	12,664,533	12,761,359	12,885,195
Changes of benefit terms	-	-	-	(11,268)
Difference between expected and actual experience	(87,109)	(519,304)	(261,689)	(5,577,742)
Change of assumptions	-	(172,948)	3,663,543	-
Change in bargaining group	-	(314,880)	(5,129,398)	-
Benefit payments, including refunds of member contributions	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Net change in total pension liability	5,667,205	5,196,869	4,495,399	1,355,143
Total pension liability - beginning	183,053,830	177,856,961	173,361,562	172,006,419
Total pension liability - ending	$ 188,721,035	$ 183,053,830	$ 177,856,961	$ 173,361,562
Plan fiduciary net position				
Contributions - employer	$ 8,783,426	$ 8,533,307	$ 7,863,420	$ 7,987,367
Contributions - member	766,861	493,597	337,009	168,463
Change in bargaining group	-	(343,707)	(2,638,467)	-
Net investment income (loss)	2,523,724	8,012,792	8,591,810	14,419,708
Benefit payments, including refunds of member contributions	(12,455,822)	(11,545,372)	(11,304,112)	(10,776,986)
Administrative expense	(243,847)	(279,016)	(260,006)	(306,539)
Net change in plan fiduciary net position	(625,658)	4,871,601	2,589,654	11,492,013
Plan fiduciary net position - beginning	138,049,710	133,178,109	130,588,455	119,096,442
Plan fiduciary net position - ending	$ 137,424,052	$ 138,049,710	$ 133,178,109	$ 130,588,455
Net pension liability - ending	$ 51,296,983	$ 45,004,120	$ 44,678,852	$ 42,773,107
Plan fiduciary net position as a percentage of the total pension liability	72.82%	75.41%	74.88%	75.33%
Covered payroll	$ 34,174,428	$ 30,125,788	$ 31,575,118	$ 30,212,311
Net pension liability as a percentage of covered payroll	150.10%	149.39%	141.50%	141.58%

Notes to Schedule: Payroll amounts are based on actual pensionable compensation from the employer
-FY2017: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The ATU and IBEW Plans were separated; previous years not available.
-FY2018: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.
-FY2019: amounts are reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
IBEW LOCAL 1245
FOR THE FISCAL YEARS ENDED JUNE 30, 2024, 2023, 2022, AND 2021

	2024	2023	2022	2021
Total pension liability				
Service cost	$ 2,397,094	$ 2,213,369	$ 2,184,369	$ 1,935,920
Interest (includes interest on service cost)	6,723,579	6,480,988	6,284,031	6,010,122
Changes of benefit terms	-	-	-	-
Difference between expected and actual experience	498,409	393,923	(291,610)	(149,316)
Changes of assumptions	-	-	-	7,111,874
Benefit payments, including refunds of member contributions	(5,702,774)	(5,470,433)	(5,082,251)	(4,587,268)
Net change in total pension liability	3,916,308	3,617,847	3,094,539	10,321,332
Total pension liability - beginning	101,234,428	97,616,581	94,522,042	84,200,710
Total pension liability - ending	$ 105,150,736	$ 101,234,428	$ 97,616,581	$ 94,522,042
Plan fiduciary net position				
Contributions - employer	$ 5,263,040	$ 4,495,272	$ 4,163,949	$ 3,578,685
Contributions - member	685,610	585,325	488,243	342,404
Net investment income (loss)	8,110,444	5,265,205	(5,444,825)	16,461,248
Benefit payments, including refunds of member contributions	(5,702,774)	(5,470,433)	(5,082,251)	(4,587,268)
Administrative expense	(227,672)	(223,730)	(234,081)	(256,797)
Net change in plan fiduciary net position	8,128,648	4,651,639	(6,108,965)	15,538,272
Plan fiduciary net position - beginning	74,460,071	69,808,432	75,917,397	60,379,125
Plan fiduciary net position - ending	$ 82,588,719	$ 74,460,071	$ 69,808,432	$ 75,917,397
Net pension liability - ending	$ 22,562,017	$ 26,774,357	$ 27,808,149	$ 18,604,645
Plan fiduciary net position as a percentage of the total pension liability	78.54%	73.55%	71.51%	80.32%
Covered payroll	$ 16,996,391	$ 15,215,157	$ 14,720,399	$ 13,777,698
Net pension liability as a percentage of covered payroll	132.75%	175.97%	188.91%	135.03%

Notes to Schedule:

-Payroll amounts are based on actual pensionable compensation from the employer

-FY2021: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75% and updated demographic and economic assumptions that were adopted following an experience study.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
IBEW LOCAL 1245
FOR THE FISCAL YEARS ENDED JUNE 30, 2020, 2019, 2018 AND 2017

	2020	2019	2018	2017
Total pension liability				
Service cost	$ 1,806,472	$ 1,792,845	$ 1,596,227	$ 1,640,651
Interest (includes interest on service cost)	5,716,051	5,449,300	5,338,451	4,742,855
Changes of benefit terms	-	-	-	(105,379)
Difference between expected and actual experience	845,009	499,642	(978,363)	2,420,299
Changes of assumptions	-	(98,047)	1,630,101	-
Benefit payments, including refunds of member contributions	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Net change in total pension liability	4,197,553	3,864,664	3,964,731	5,417,259
Total pension liability - beginning	80,003,157	76,138,493	72,173,762	66,756,502
Total pension liability - ending	$ 84,200,710	$ 80,003,157	$ 76,138,493	$ 72,173,761
Plan fiduciary net position				
Contributions - employer	$ 3,230,879	$ 3,299,013	$ 3,195,912	$ 3,315,379
Contributions - member	304,593	209,531	103,415	39,287
Net investment income (loss)	1,082,659	3,482,632	3,629,568	5,332,230
Benefit payments, including refunds of member contributions	(4,169,979)	(3,779,076)	(3,621,685)	(3,281,167)
Administrative expense	(218,135)	(229,569)	(225,752)	(239,188)
Net change in plan fiduciary net position	230,017	2,982,531	3,081,458	5,166,541
Plan fiduciary net position - beginning	60,149,108	57,166,577	54,085,119	48,918,578
Plan fiduciary net position - ending	$ 60,379,125	$ 60,149,108	$ 57,166,577	$ 54,085,119
Net pension liability - ending	$ 23,821,585	$ 19,854,049	$ 18,971,916	$ 18,088,642
Plan fiduciary net position as a percentage of the total pension liability	71.71%	75.18%	75.08%	74.94%
Covered payroll	$ 14,166,689	$ 13,300,633	$ 13,137,945	$ 12,473,480
Net pension liability as a percentage of covered payroll	168.15%	149.27%	144.41%	145.02%

Notes to Schedule:

-Payroll amounts are based on actual pensionable compensation from the employer

-FY2017: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit. The ATU and IBEW Plans were separated; previous years not available.

-FY2018: amounts are reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

-FY2019: amounts are reported as changes of assumptions resulted from a normal cost load of 2.62% for PEPRA members to account for missed pay periods.

This is a 10 year schedule; however, the information in this schedule is not required to be presented retroactively. Years will be added to this schedule in future fiscal years until 10 years of information is available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW 1245
FOR THE FISCAL YEARS ENDED JUNE 30, 2016 AND 2015

	2016	2015
Total pension liability		
Service cost	$ 5,760,060	$ 5,753,143
Interest	16,758,356	16,384,487
Difference between expected and actual returns	(1,456,639)	(2,941,777)
Changes of assumptions	8,176,501	1,621,574
Change in bargaining group	-	-
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)
Net change in total pension liability	16,057,404	7,659,442
Total pension liability - beginning	222,705,517	215,046,075
Total pension liability - ending	$ 238,762,921	$ 222,705,517
Plan fiduciary net position		
Contributions - employer	$ 10,447,190	$ 10,343,620
Contributions - member	54,714	3,682
Net investment income (loss)	(1,121,417)	4,609,506
Change in bargaining group	-	-
Benefit payments, including refunds of member contributions	(13,180,874)	(13,157,985)
Administrative expense	(290,647)	(190,442)
Net change in plan fiduciary net position	(4,091,034)	1,608,381
Plan fiduciary net position - beginning	172,106,054	170,497,673
Plan fiduciary net position - ending	$ 168,015,020	$ 172,106,054
Net pension liability - ending	$ 70,747,901	$ 50,599,463
Plan fiduciary net position as a percentage of the total pension liability	70.37%	77.28%
Covered payroll	$ 39,996,326	$ 37,950,269
Net pension liability as a percentage of covered payroll	176.89%	133.33%

Notes to Schedule:

-FY2015: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.75% to 7.65%
-FY2016: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study
-FY2017: the ATU and IBEW Plans were separated; combined disclosures are not available going forward. See schedules of the individual plans on pages 30 through 33.

Payroll amounts are based on actual pensionable compensation from the employer.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
SALARIED EMPLOYEES
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020
Total pension liability					
Service cost	$ 5,389,360	$ 5,169,296	$ 4,836,477	$ 4,265,105	$ 4,024,291
Change in bargaining group	-	249,432	836,523	-	-
Interest (includes interest on service cost)	12,561,608	12,094,257	11,663,422	11,359,811	10,794,658
Changes of benefit terms	-	-	-	-	-
Difference between expected and actual experience	3,142,315	1,243,109	311,027	1,861,545	2,669,480
Changes of assumptions	-	-	-	8,967,358	-
Benefit payments, including refunds of member contributions	(12,104,624)	(11,781,877)	(11,086,271)	(10,182,471)	(9,453,326)
Net change in total pension liability	8,988,659	6,974,217	6,561,178	16,271,348	8,035,103
Total pension liability - beginning	189,400,702	182,426,485	175,865,307	159,593,959	151,558,856
Total pension liability - ending	$ 198,389,361	$ 189,400,702	$ 182,426,485	$ 175,865,307	$ 159,593,959
Plan fiduciary net position					
Contributions - employer	$ 12,363,514	$ 11,561,711	$ 10,993,228	$ 9,807,539	$ 9,159,513
Contributions - member	1,005,691	858,224	705,053	466,141	360,051
Change in bargaining group	-	248,765	667,990	-	-
Net investment income (loss)	15,295,118	9,774,402	(9,801,602)	28,976,644	1,526,151
Benefit payments, including refunds of member contributions	(12,104,624)	(11,781,877)	(11,086,271)	(10,182,471)	(9,453,326)
Administrative expense	(239,349)	(253,898)	(262,018)	(253,303)	(226,310)
Net change in plan fiduciary net position	16,320,350	10,407,327	(8,783,620)	28,814,550	1,366,079
Plan fiduciary net position - beginning	130,990,428	120,583,101	129,366,721	100,552,171	99,186,092
Plan fiduciary net position - ending	$ 147,310,778	$ 130,990,428	$ 120,583,101	$ 129,366,721	$ 100,552,171
Net pension liability - ending	$ 51,078,583	$ 58,410,274	$ 61,843,384	$ 46,498,586	$ 59,041,788
Plan fiduciary net position as a percentage of the total pension liability	74.25%	69.16%	66.10%	73.56%	63.00%
Covered payroll	$ 33,041,904	$ 30,417,243	$ 28,436,264	$ 27,147,142	$ 26,295,215
Net pension liability as a percentage of covered payroll	154.59%	192.03%	217.48%	171.28%	224.53%

Notes to Schedule:

-FY2021: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.25% to 6.75% and updated demographic and economic assumptions that were adopted following an experience study.

Payroll amounts are based on actual pensionable compensation from the employer.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY AND RELATED RATIOS
EMPLOYEES WHO ARE MEMBERS OF
SALARIED EMPLOYEES
LAST 10 FISCAL YEARS (Continued)

	2019	2018	2017	2016	2015
Total pension liability					
Service cost	$ 3,831,831	$ 3,647,115	$ 3,873,148	$ 3,594,919	$ 3,476,103
Change in bargaining group	474,438	5,129,398	-	-	-
Interest (includes interest on service cost)	10,288,390	9,485,966	8,960,042	8,807,953	8,434,365
Changes of benefit terms	-	-	(298,430)	-	-
Difference between expected and actual experience	1,215,057	1,856,563	2,062,482	(852,040)	(753,076)
Changes of assumptions	(17,295)	3,291,931	-	(680,161)	930,863
Benefit payments, including refunds of member contributions	(8,373,494)	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)
Net change in total pension liability	7,418,927	15,631,607	7,417,880	4,679,690	6,586,111
Total pension liability - beginning	144,139,929	128,508,322	121,090,442	116,410,752	109,824,641
Total pension liability - ending	$ 151,558,856	$ 144,139,929	$ 128,508,322	$ 121,090,442	$ 116,410,752
Plan fiduciary net position					
Contributions - employer	$ 8,503,815	$ 7,669,178	$ 7,321,138	$ 7,576,866	$ 7,335,308
Contributions - member	193,293	143,094	53,706	21,014	261
Change in bargaining group	343,707	2,638,467	-	-	-
Net investment income (loss)	5,649,123	6,073,483	9,388,876	(396,556)	2,132,136
Benefit payments, including refunds of member contributions	(8,373,494)	(7,779,366)	(7,179,362)	(6,190,981)	(5,502,144)
Administrative expense	(260,441)	(247,077)	(289,067)	(269,624)	(194,209)
Net change in plan fiduciary net position	6,056,003	8,497,779	9,295,291	740,719	3,771,352
Plan fiduciary net position - beginning	93,130,089	84,632,310	75,337,019	74,596,300	70,824,948
Plan fiduciary net position - ending	$ 99,186,092	$ 93,130,089	$ 84,632,310	$ 75,337,019	$ 74,596,300
Net pension liability - ending	$ 52,372,764	$ 51,009,840	$ 43,876,012	$ 45,753,423	$ 41,814,452
Plan fiduciary net position as a percentage of the total pension liability	65.44%	64.61%	65.86%	62.22%	64.08%
Covered payroll	$ 22,220,418	$ 24,283,580	$ 23,435,642	$ 24,341,878	$ 23,022,281
Net pension liability as a percentage of covered payroll	235.70%	210.06%	187.22%	187.96%	181.63%

Notes to Schedule:

-FY2015: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.75% to 7.65%.

-FY2016: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.65% to 7.50% and updated demographic and economic assumptions that were adopted following an experience study.

-FY2017: Changes in benefit terms are due to changes to the basis used for calculating actuarial equivalence for the Pre-Retirement Death Benefit.

-FY2018: amounts reported as changes of assumptions resulted from lowering the discount rate from 7.50% to 7.25% and inflation rate from 3.15% to 3.00%.

-FY2019: amounts reported as changes of assumptions resulted from a normal cost load of 0.57% for PEPRA members to account for missed pay periods.

-Payroll amounts are based on actual pensionable compensation from the employer.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256
FOR THE FISCAL YEARS ENDING JUNE 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018 AND 2017
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 11,437	$ 10,500	$ 10,418	$ 9,579	$ 8,783	$ 8,533	$ 7,863	$ 7,987
Contributions in relation to the actuarially determined contribution	11,437	10,500	10,418	9,579	8,783	8,533	7,863	7,987
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 43,424	$ 39,651	$ 38,050	$ 35,335	$ 34,174	$ 30,126	$ 31,575	$ 30,212
Contributions as a percentage of covered payroll	26.34%	26.48%	27.38%	27.11%	25.70%	28.33%	24.90%	26.44%

Notes to Schedule

Valuation Date	7/1/2022 (to determine FY23-24 contribution)
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year.

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 10-year closed period as of 6/30/2022. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers.
Asset valuation method	5-year smoothed fair value
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016.

Other information:
A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024, can be found in the July 1, 2022 actuarial valuation report. The financial reporting for the ATU and IBEW Plans' was split during FY2017, previous years information is not available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
IBEW LOCAL 1245
FOR THE FISCAL YEARS ENDING JUNE 30, 2024, 2023, 2022, 2021, 2020, 2019, 2018 AND 2017
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017
Actuarially determined contribution	$ 5,263	$ 4,495	$ 4,164	$ 3,579	$ 3,231	$ 3,299	$ 3,196	$ 3,315
Contributions in relation to the actuarially determined contribution	5,263	4,495	4,164	3,579	3,231	3,299	3,196	3,315
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 16,996	$ 15,215	$ 14,720	$ 13,778	$ 14,167	$ 13,301	$ 13,138	$ 12,473
Contributions as a percentage of covered payroll	30.97%	29.54%	28.29%	25.98%	22.81%	24.80%	24.33%	26.58%

Notes to Schedule

Valuation Date	7/1/2022 (to determine FY23-24 contribution)
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 10-year closed period as of 6/30/2022. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers.
Asset valuation method	5-year smoothed fair value
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Cheiron ATU Healthy Annuitant Mortality base tables adjusted 95% for males and 105% for females w/ Scale MP-2020 from 2016. Disabled annuitants: Cheiron ATU Disabled Annuitant Mortality w/ Scale MP-2020 from 2016.

Other information:
A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024, can be found in the July 1, 2022 actuarial valuation report. The financial reporting for the ATU and IBEW Plans' was split during FY2017, previous years information is not available.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
FOR THE FISCAL YEARS ENDING JUNE 30, 2016 AND 2015
(Dollar amounts in thousands)

	2016	2015
Actuarially determined contribution	$ 10,447	$ 10,344
Contributions in relation to the actuarially determined contribution	10,447	10,344
Contribution deficiency (excess)	$ -	$ -
Covered payroll	$ 39,996	$ 37,950
Contributions as a percentage of covered payroll	26.12%	27.26%

Note: Payroll amounts are based on actual total payroll of the District.

Notes to Schedule

Valuation Date	7/1/2014 (to determine FY15-16 contribution)
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	Level percentage of payroll, closed 18 year period as of 6/30/2014
Asset valuation method	5-year smoothed fair value
Discount Rate	7.65%
Amortization growth rate	3.15%
Price inflation	3.15%
Salary Increases	3.15%, plus merit component on employee classification and years of service
Mortality	Sex Distinct RP-2000 Combined Blue Collar Mortality, 3 year setback for females

Other information:
A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2016, can be found in the July 1, 2014 actuarial valuation report. The financial reporting for the ATU and IBEW Plans' was split during FY2017, no additional information will be available for the combined Plans.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF DISTRICT CONTRIBUTIONS
EMPLOYEES WHO ARE MEMBERS OF
SALARIED EMPLOYEES
LAST 10 FISCAL YEARS
(Dollar amounts in thousands)

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	$ 12,364	$ 11,562	$ 10,993	$ 9,808	$ 9,160	$ 8,504	$ 7,669	$ 7,321	$ 7,577	$ 7,335
Contributions in relation to the actuarially determined contribution	12,364	11,562	10,993	9,808	9,160	8,504	7,669	7,321	7,577	7,335
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 33,042	$ 30,417	$ 28,436	$ 27,147	$ 26,295	$ 22,220	$ 24,284	$ 23,436	$ 24,342	$ 23,022
Contributions as a percentage of covered payroll	37.42%	38.01%	38.66%	36.13%	34.84%	38.27%	31.58%	31.24%	31.13%	31.86%

Note: Payroll amounts are based on actual total payroll of the District.

Notes to Schedule

Valuation Date	7/1/2022 (to determine FY23-24 contribution)
Timing	Actuarially determined contribution rates are calculated based on the actuarial valuation one year prior to the beginning of the plan year

Key methods and assumptions used to determine contribution rates:

Actuarial cost method	Entry Age
Amortization method	The unfunded liability as of 6/30/2019 is being amortized as a level percentage of payroll over a 10-year closed period as of 6/30/2022. Effective 7/1/2020, changes in the unfunded liability are amortized over 20-year layers.
Asset valuation method	5-year smoothed fair value
Discount Rate	6.75%
Amortization growth rate	2.75%
Price inflation	2.50%
Salary Increases	2.75%, plus merit component on employee classification and years of service
Mortality	Healthy annuitants: Pri-2012 Bottom Quartile Table for Healthy Annuitants projected with Scale MP-2020, base tables adjusted 105% for females. Disabled annuitants: RP 2014 Disabled Retiree Mortality w/ Scale MP-2020, base tables adjusted 130% for males and 115% for females.

Other information:
A complete description of the methods and assumptions used to determine contribution rates for the year ending June 30, 2024, can be found in the July 1, 2022 actuarial valuation report.

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULE OF INVESTMENT RETURNS
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256 AND IBEW LOCAL 1245
AND SALARIED EMPLOYEES
LAST 10 FISCAL YEARS

	2024	2023	2022	2021	2020	2019	2018	2017	2016	2015
Annual money-weighted rate of return, net of investment expense	10.97%	7.69%	-7.30%	27.60%	1.98%	6.23%	6.93%	12.09%	-0.19%	3.25%

Note: To achieve economies of scale, assets are combined and invested as one pool for the ATU, IBEW and Salaried Plans.

SUPPLEMENTAL SCHEDULES

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
EMPLOYEES WHO ARE MEMBERS OF
ATU LOCAL 256
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Investment Expenses:

Vendor Names	Type of Services	Amount
Boston Partners Investment Management	Asset Management	$ 148,826
Atlanta Capital Management Co.	Asset Management	117,410
TCW	Asset Management	111,925
Pyrford	Asset Management	109,727
Morgan Stanley	Asset Management	87,835
Clarion	Asset Management	85,897
AQR	Asset Management	83,905
SSgA S&P 500	Asset Management	5,894
SSgA MSCI EAFE	Asset Management	3,328
Northern Trust Company	Custodian Services	42,673
Callan Associates, Inc.	Investment Advisor	60,972
Total		$ 858,392

Administrative Expenses:

Vendor Names	Type of Services	Amount
Sacramento Regional Transit District	Plan Administration	$ 155,383
Hanson Bridgett	Consulting Services	65,600
Cheiron EFI	Actuarial Services	41,312
Alliant Insurance Services, Inc.	Fiduciary Insurance	14,548
Sacramento Area Council of Governments	Audit Services	9,020
CALAPRS	Dues & Training Courses	7,913
Other	Misc	2,108
Total		$ 295,884

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
EMPLOYEES WHO ARE MEMBERS OF
IBEW LOCAL 1245
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Investment Expenses:

Vendor Names	Type of Services	Amount
Boston Partners Investment Management	Asset Management	$ 67,126
Atlanta Capital Management Co.	Asset Management	52,954
TCW	Asset Management	50,486
Pyrford	Asset Management	49,490
Morgan Stanley	Asset Management	39,135
Clarion	Asset Management	37,212
AQR	Asset Management	36,388
SSgA S&P 500	Asset Management	2,658
SSgA MSCI EAFE	Asset Management	1,501
Northern Trust Company	Custodian Services	19,245
Callan Associates, Inc.	Investment Advisor	27,467
Total		$ 383,662

Administrative Expenses:

Vendor Names	Type of Services	Amount
Sacramento Regional Transit District	Plan Administration	$ 95,199
Hanson Bridgett	Consulting Services	65,600
Cheiron EFI	Actuarial Services	36,687
Alliant Insurance Services, Inc.	Fiduciary Insurance	14,599
Sacramento Area Council of Governments	Audit Services	9,020
CALAPRS	Dues & Training Courses	4,464
Other	Misc	2,103
Total		$ 227,672

RETIREMENT PLANS FOR SACRAMENTO REGIONAL TRANSIT DISTRICT EMPLOYEES

SCHEDULES OF INVESTMENT AND ADMINISTRATIVE EXPENSES
SALARIED EMPLOYEES
FOR THE FISCAL YEAR ENDED JUNE 30, 2024

Investment Expenses:

Vendor Names	Type of Services	Amount
Boston Partners Investment Management	Asset Management	$ 118,902
Atlanta Capital Management Co.	Asset Management	93,791
TCW	Asset Management	89,431
Pyrford	Asset Management	87,659
Morgan Stanley	Asset Management	64,355
AQR	Asset Management	60,839
Clarion	Asset Management	57,140
SSgA S&P 500	Asset Management	4,710
SSgA MSCI EAFE	Asset Management	2,659
Northern Trust Company	Custodian Services	34,083
Callan Associates, Inc.	Investment Advisor	48,561
Total		$ 662,130

Administrative Expenses:

Vendor Names	Type of Services	Amount
Sacramento Regional Transit District	Pension Administration	$ 104,968
Hanson Bridgett	Consulting Services	65,600
Cheiron EFI	Actuarial Services	34,937
Alliant Insurance Services, Inc.	Fiduciary Insurance	14,624
Sacramento Area Council of Governments	Audit Services	9,020
CALAPRS	Dues & Training Courses	8,096
Other	Miscellaneous	2,104
Total		$ 239,349

Crowe LLP
Independent Member Crowe Global

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Members of the Retirement Board of Directors
Sacramento Regional Transit District
Sacramento, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the ATU Plan, IBEW Plan and Salaried Plan for Sacramento Regional Transit District Employees (the Plans) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the Plans' basic financial statements, and have issued our report thereon dated December 2, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

(Continued)

Purpose of this Report

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

Crowe LLP

Crowe LLP

Sacramento, California
December 2, 2024