

CITY OF
ELK GROVE
CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2022



CITY OF ELK GROVE, CALIFORNIA
Incorporated July 1, 2000

ANNUAL COMPREHENSIVE FINANCIAL REPORT

PREPARED BY THE FINANCE DEPARTMENT-
ACCOUNTING DIVISION

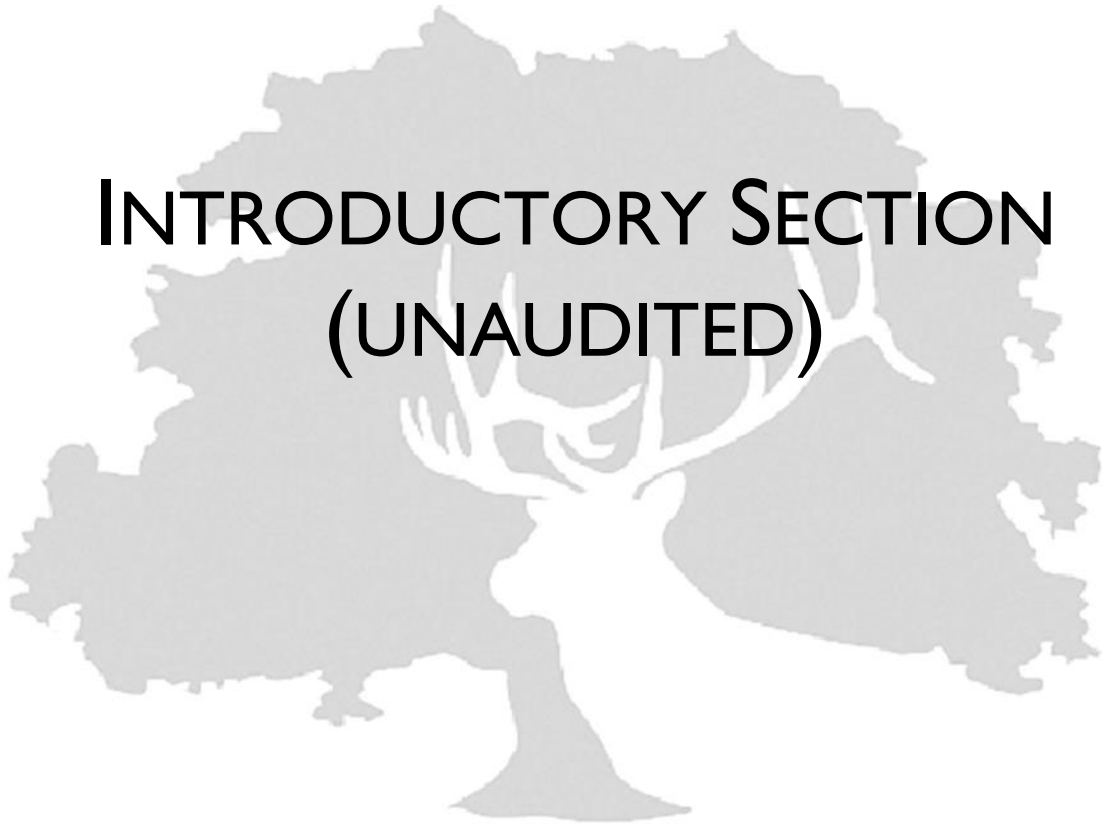
Fiscal Year Ended June 30, 2022



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

INTRODUCTORY SECTION (UNAUDITED)



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8401 Laguna Palms Way
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March 2, 2023

Honorable Mayor,
Council Members,
Citizens of Elk Grove, California:

The Annual Comprehensive Financial Report (ACFR) of the City of Elk Grove (City) for the fiscal year ended June 30, 2022, is hereby submitted in compliance with California Government Code. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Maze and Associates, Certified Public Accountants has issued an unmodified opinion of the City's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is located in the front of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. The MD&A complements this letter and should be read together.

PROFILE OF THE GOVERNMENT

The City of Elk Grove incorporated under California law on July 1, 2000, as a general law city. The City operates under the City Council/Manager form of government, under which the City Council has policy-making and legislative authority. The City Manager is responsible for carrying out the City Council's policies and ordinances, appointing department heads, and overseeing the City's operations. The City Council appoints the City Manager, City Attorney, and City Clerk. The City Council is a five-member body with a Mayor and four Councilmembers. The elected Mayor serves a two-year term and is elected citywide (at-large). The City votes by district (district-based) for Councilmember elections. A district-based approach means that the City is divided into districts with the voters of that district alone electing the Councilmember from that district.

The City provides a variety of services to its residents that include police, animal control, highways, and streets, public improvements, planning and zoning, code enforcement, building permits, solid waste, drainage, and general administration. Fire and parks/recreation services are managed by the Cosumnes Community Services District, while water services are provided by the Sacramento County Water Agency and the Elk Grove Water District. The Sacramento Area Sewer District provides sewer services.

The City's ACFR includes all City funds and reports all activities considered to be a part of, controlled by, and dependent on the City. Generally accepted accounting principles require the disclosure of

blended and discretely presented component units. In fiscal year 2005-06, the City added two blended component units: the City of Elk Grove Finance Authority and the City of Elk Grove Parking Authority. The Elk Grove Finance Authority is shown in the financial statements as a Debt Service Fund. The Elk Grove Parking Authority did not have any financial activity during fiscal year 2021-22. There were no discretely presented component units.

The accounts of the City are organized by funds with each fund considered a separate accounting entity. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures/expenses. Government resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and how spending activities are controlled. A complete explanation of each fund type is contained in Note 1B to the financial statements.

The budget is prepared by City staff under the direction of the City Manager. A public hearing is held in May or June, and final adoption is required by the end of the fiscal year. Transfers between funds, appropriation of reserves, and appropriations of unassigned reserves, and inter-fund loans require City Council action. The City Manager has the authority to transfer between departments or within a fund or like funds.

THE LOCAL ECONOMY

In 1850, Elk Grove was established as a hotel and stagecoach stop. Located in the State of California (State), 15 miles south of historic Sutter's Fort in Sacramento, Elk Grove became a crossroads for business, entertainment, mail service, and agriculture and acted as a home base for gold miners in nearby communities. After the early gold rush, a close-knit community evolved with a distinctly rural and western lifestyle. Today, the City of Elk Grove is a thriving community.

On March 7, 2000, voters passed Measure J to incorporate the communities of Sheldon, Elk Grove, and parts of Laguna into the new City of Elk Grove. The City of Elk Grove officially incorporated on July 1, 2000, with the newly elected City Council assuming management of the majority of the governmental aspects of living and doing business within the City. A second annexation occurred on December 15, 2003, to incorporate Laguna West into the City's boundaries.

The City is approximately 42 square miles with 176,972 residents as of January 2022, an increase of approximately 0.1% over the previous year. The City is the second-largest incorporated city within Sacramento County and the 26th largest in California.

Fueled by the unprecedented fiscal relief and assistance provided by the Federal government via the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act, a rebounding jobs market, and strong wage growth, the U.S. economy roared back to life from the pandemic-related economic disruption, so much so that inflation reached levels not seen in decades. These increases spurred the Federal Reserve to increase interest rates six times in 2022, but inflation continues to be stubbornly high. The Federal Reserve has indicated it will continue to increase rates to quell inflation. The Federal Reserve also continues to transition out of its bond-purchasing program ("quantitative easing"), which was put into place to support the economy during the pandemic. As mentioned earlier, the price of goods and services, led by the energy and food sectors, has continued to increase at a dizzy pace as the Bureau of Labor Statistics indicates the 12-month percentage change in the Consumer Price Index in urban areas in October was 7.7%, which was the smallest 12-month increase since the period ending January 2022.

According to the Bureau of Economic Analysis, the Nation’s Gross Domestic Product (GDP) increased by an average of 5.75% in each quarter of 2021. However in 2022, GDP was negative in the first 2 quarters (-1.6, and -0.6, respectively), followed by 2.6% growth in the third quarter. Although two consecutive quarters of negative GDP meets the technical definition of a recession, the economy still shows signs of continued growth. According to the Bureau of Labor Statistics, the nation’s unemployment rate has recovered from the effects of the COVID pandemic. From a historically high rate of 14.4% during the COVID pandemic shutdown, the Sacramento area unemployment rate is well below 4%.

United States

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2022	4.0	3.8	3.6	3.6	3.6	3.6	3.5	3.7	3.5	3.7

Sacramento-Roseville-Arden-Arcade MSA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2022	5.0	4.4	3.7	3.3	2.9	3.4	3.3	3.6	3.3	3.5

Similar to the rest of the United States, Elk Grove experienced substantial home value increases in 2022. The median home price in Elk Grove is approximately \$660,000, which is a 12.9% increase over the past year. Home prices and sales are expected to moderate in 2023 after the extraordinary growth of the last two years.

FINANCIAL CONDITION HIGHLIGHTS

The City’s General Fund discretionary revenues performed above expectations in 2021-22, and General Fund expenditures were \$5.7 million below expectations. General Fund revenues were 9% over budget and 10% over the prior year. Sales tax receipts, which are the City’s largest revenue source, increased 10% over the prior fiscal year and outpaced budgeted expectations in fiscal year 2021-22 by \$1.6 million.

Property valuations increased as of January 1, 2022, by 8% in Sacramento County, with expectations that the City will continue to experience increases of around 5% into the future. Construction permits have leveled off after increasing throughout the pandemic:

	Residential Permits	Commercial Permits
2022-23 (est.)	552	8
2021-22	555	15
2020-21	751	8
2019-20	606	9
2018-19	819	18

The City’s General Fund Reserve Policy

On April 24, 2019, Council adopted the City’s Fund Balance Reserve Policy that states the City Council will set an annual General Fund Reserve for Economic Uncertainty target level amount of 20% to 25% of General Fund adjusted appropriations to assist with economic uncertainty, emergencies, and cash flow needs. Council also adopted an additional reserve fund between 0% and 5% of adjusted appropriations called the Opportunity Reserve that provides funding for projects, acquisitions, or unforeseen events or needs. Allocation of reserves beyond the combined Reserve for Economic Uncertainty and Opportunity Reserve level of 30% of adjusted appropriations are allocated to two purposes: 50% to Capital Reserves and 50% to Economic Development, provided that reserve balances in the next budget year are adequately meeting target ranges.

In fiscal year 2021-22, the Reserve for Economic Uncertainty is approximately \$21.1 million, which is 25% of the adjusted expenditures of \$86.6 million. The Opportunity Reserve is \$4.2 million, which is 5% of adjusted expenditures, and the policy transfers to the Capital Reserve and Economic Development Funds are nearly \$4.5 million each or 5.3% each of adjusted General Fund Expenditures.

The City made additional payments during fiscal year 2021-22 of \$900 thousand to CalPERS to continue to pay down the City's unfunded pension liability. The City also pays its entire unfunded accrued liability invoice when it is due in July to avoid paying interest on that amount. These approaches reduce the City's overall pension liability and its required unfunded liability payments. As of June 30, 2021, the City's funded status was just over 100% due to CalPERS's strong returns in 2021. Given CalPERS's investment loss of 6.1% in 2022, Elk Grove's funded status will likely revert back to its prior funded level of around 85%. Elk Grove's funding status is well within the top 10% of all local governments in California.

The Statement of Net Position (revenues and sources of funds less expenses and uses of funds) for the City is approximately \$1.5 billion. The City's net position is roughly \$64 million higher, or 4.4%, than the prior fiscal year.

The City's 5-Year General Fund Forecast

The City's 5-year General Fund forecast shows a structurally-balanced budget (where revenues are more than expenditures) with fully-funded Reserves for Economic Uncertainty and Opportunity Reserves throughout the forecast period. Transfers to the Capital Reserve and Economic Development Reserve are also made every year.

Access to Financial Markets

The City has 4 long-term bonds backed by the General Fund that funded the construction of the City Hall complex, the Animal Shelter, the District56 Nature Area, and the Old Town Plaza, and various Police facilities. The last rating action on the City's General Fund-backed debt was a Standard & Poor's rating of "AA", with a stable outlook in March 2022. The City may access the financial markets in 2023 to support a new library facility and may need to issue land-based debt to support residential and industrial/commercial development.

The Elk Grove Safety and Quality of Life measure ("Measure E")

In response to community input and to address essential services, the Elk Grove City Council placed Measure E on the November 2022 ballot at its July 27, 2022, meeting. Measure E is a one-cent transactions and use tax estimated to generate approximately \$21 million annually. The tax is a general tax subject to majority voter approval, and approximately 54% of Elk Grove's voters approved the measure. The tax will be effective April 2023 and will be shared between the City and the Cosumnes Community Services District.

A New Zoo in Elk Grove

In September 2021, the Sacramento Zoological Society and the City of Elk Grove entered into an Exclusive Negotiating Agreement to evaluate the creation of a new, modern zoological park in Elk Grove. Activities since that time include the completion of a feasibility study and an economic impact analysis, the retention of renowned zoo landscape architecture firm SHR Studios, as well as ongoing research and planning. The next steps in the process include developing a schematic design, a financing plan, and completing an environmental impact review (EIR). These steps are expected to take a least a year to complete. Formal consideration of the

new zoo project by the Elk Grove City Council, and any approvals that would move the project into construction, could occur as soon as late 2023. The City purchased approximately 60 acres for the new zoo assuming the project moves forward.

DEBT POLICY AND ANNUAL CONTINUING DISCLOSURES

The City's debt policy is available as part of the Annual Budget book on its website

http://www.elkgrovecity.org/city_hall/departments_divisions/finance/annual_budget

The City's annual financial disclosures are available on the Municipal Securities Rulemaking Board's and Electronic Municipal Market Access website at <http://emma.msrb.org>.

INVESTMENT POLICY

The City adopts an investment policy annually that provides guidelines for the City's cash balances' prudent investment. The City contracts with Chandler Asset Management for the day-to-day management of the City's long-term investment portfolio. The Finance Department oversees both the City's long-term investment portfolio management and liquid cash requirements. The City's investment policy is summarized in the Annual Budget document and in the June 8, 2022, staff report that presented the fiscal year 2022-23 Budget to Council for approval:

http://www.elkgrovecity.org/city_hall/departments_divisions/finance/annual_budget

CASH AND INVESTMENTS

The California Government Code and the City's investment policy adopted in compliance with that Code define how the City can invest its cash. The City's policy also outlines the principles for maximizing the City's cash management operations' efficiency while meeting the daily cash flow demands of the City. The average overall return rate on funds not held by fiscal agents for the fiscal year ending June 30, 2022, was approximately -1.96%. This amount includes both realized and unrealized gains distributed to funds. Absent unrealized Fair Market Value losses and Accrued Interest amounts distributed on June 30, 2022, distributed returns would have been approximately 1.09%. Additional information on the City's cash and investment management can be found in Notes 1 and 2 in the notes to the financial statements.

OTHER INFORMATION

Independent Audit

State statutes require an annual audit of the City's financial statements by an independent certified public accountant. The accounting firm of Maze and Associates, Certified Public Accountants, performed the 2021-22 fiscal year annual audit.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Elk Grove for its annual comprehensive financial report for the fiscal year ended June 30, 2021. This was the 20th consecutive year the City achieved this prestigious award.

To be awarded, the City must publish an easily readable and efficiently organized annual comprehensive financial report in which the contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

The City received the GFOA's Distinguished Budget Presentation Award for its annual budget document that was adopted and published on June 12, 2021. To qualify for the award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The City received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2021. To qualify for the award a government must publish a report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

Acknowledgments

The preparation of the ACFR was made possible by the dedicated service of the Finance Department's Accounting Division. I want to express my appreciation and gratitude to Marsha Ley who led the team of Eric Swensen, Olga Voronova, Jannet Meyer, Leticia Gomez, Maria Rodriguez, Fiera Dolar, and Jenn Jacobs for their contributions, dedication, and hard work made in the preparation of the report.

The staff of Maze and Associates, Certified Public Accountants, who made this presentation possible, also warrant recognition and appreciation.

I would like to thank the Mayor, Members of the City Council, the City Manager, and Department Heads for their interest and support in planning and conducting the financial operations of the City responsibly and prudently.

Respectfully Submitted,



Matt Paulin
Director of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

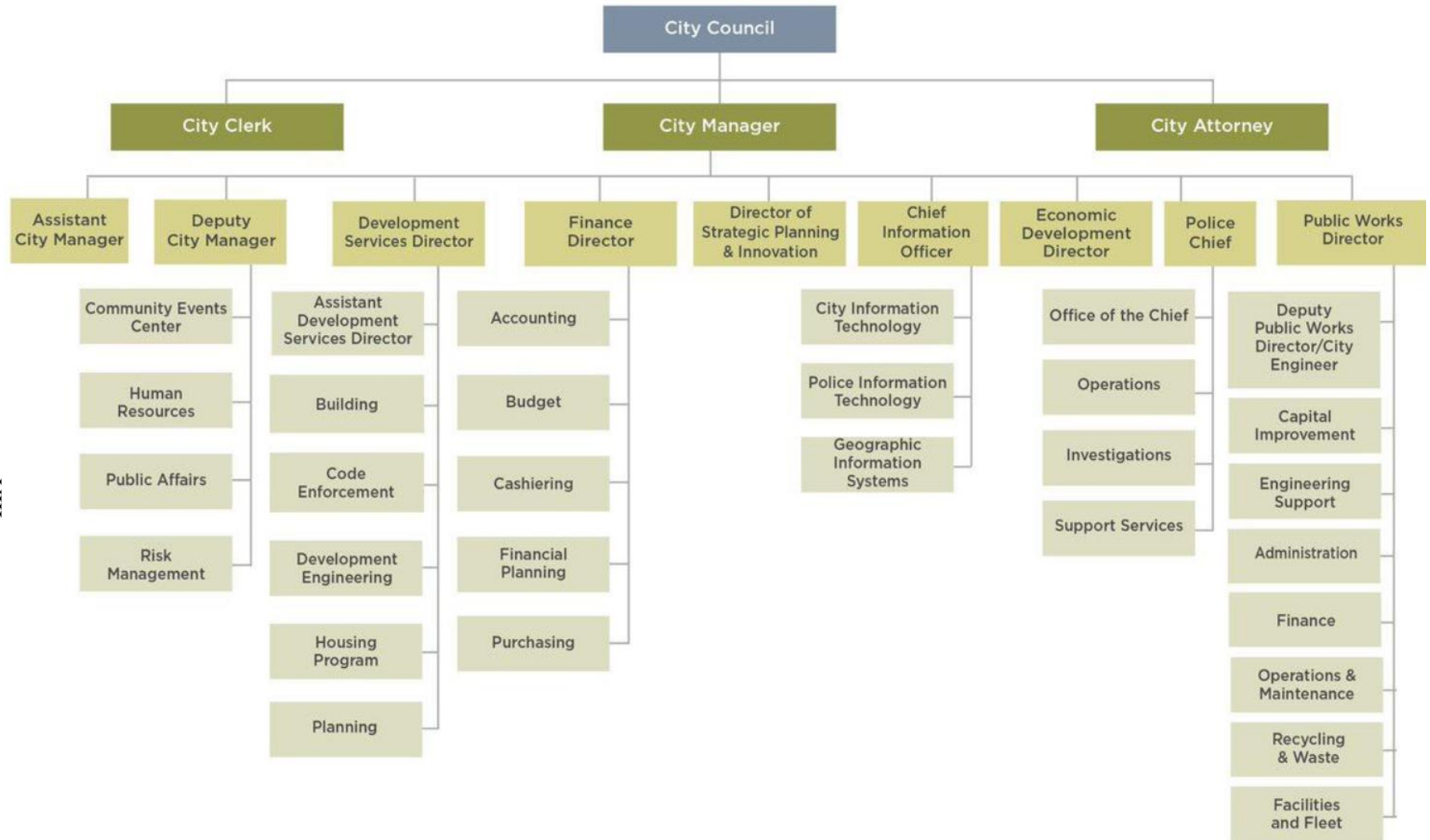
**City of Elk Grove
California**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morrill

Executive Director/CEO



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

CITY COUNCIL



From left to right: Bobbie Singh-Allen, Mayor; Darren Suen, Vice Mayor; Pat Hume, Councilmember; Kevin Spease, Councilmember; Stephanie Nguyen, Councilmember.



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EXECUTIVE TEAM

Jason Behrmann, City Manager

Kara Reddig, Deputy City Manager

Matthew Paulin, Finance Director

Bobby Davis, Chief of Police

Jonathan Hobbs, City Attorney

Jason Lindgren, City Clerk

Nicole Guttridge, Chief Information Officer

Darren Wilson, Development Services Director

Jeff Werner, Public Works Director

Darrel Doan, Economic Development Director

Christopher Jordan, Director of Strategic Planning
and Innovation



LOCATION MAP



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

ACKNOWLEDGEMENT

Prepared by the City of Elk Grove Finance Department
Accounting Division

Marsha Ley, Accounting Manager
Jannet Meyer, Administrative Analyst II
Eric Swensen, Senior Accountant
Olga Voronova, Senior Accountant
Maria Rodriguez, Senior Payroll Technician
Fiera Dolar, Accounting Technician
Leticia Gomez, Accounting Technician
Jennifer Jacobs, Administrative Assistant



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Honorable Members of the City Council
City of Elk Grove, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elk Grove, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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.

Responsibility of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Change in Accounting Principles

Management adopted the provisions of the following Governmental Accounting Standards Board Statement No. 87, *Leases*, which became effective during the year ended June 30, 2022 and required the restatement of net position as discussed in Note 5 to the financial statements:

The emphasis of this matter does not constitute a modification to our opinions.

Required Supplementary Information

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

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, 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 March 2, 2023 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mane & Associates

Pleasant Hill, California
March 2, 2023

Management's Discussion and Analysis (unaudited)

This section of the City of Elk Grove's (City) Annual Comprehensive Financial Report presents a discussion and analysis of the City's financial performance during the year ended June 30, 2022. Please read it in conjunction with the City's basic financial statements following this section.

FISCAL YEAR 2022 FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2021-22 fiscal year by \$1.5 billion (Net Position). Of this amount, \$255 million is restricted for capital projects, debt service, and legally segregated taxes, grants, and fees; and \$1.1 billion is invested in capital assets.
- As of June 30, 2022, the governmental funds reported combined fund balances of \$350 million, all of which are available to meet the City's current and future needs (Restricted, Committed, Assigned, and Unassigned balances).

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City's basic financial statements. The City's financial statements are comprised of the following components:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements
- Required Supplementary Information and Supplementary Information are included in addition to the basic financial statements
- Statistical information

Government-wide Financial Statements

Government-wide Financial Statements are designed to provide readers with a broad overview of the City's finances, like a private-sector business.

The Statement of Net Position presents information on all City Assets and Deferred Outflows and Liabilities and Deferred Inflows, with the difference reported as Net Position. Over time, increases or decreases in Net Position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how Net Position changed during the most recent fiscal year. All changes in Net Position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual and administrative leave).

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, public ways and facilities, and community development. The City's business-type activities include Recycling and Waste, Transit, and Drainage. **The government-wide financial statements can be found on pages 21-23 of this report.**

Fund Financial Statements

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that

have been segregated for specific activities or objectives. The City, like other governmental entities, uses fund accounting to ensure and demonstrate finance-related legal compliance. All City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a city's near-term financing requirements. The city considers revenue to be available if collected within 60 days after the fiscal year-end. Because the information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statement. **The governmental funds financial statements can be found on pages 24-31 of this report.**
- **Proprietary funds** are maintained in two ways: Enterprise Funds and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses enterprise funds to account for Recycling and Waste, Transit, and Drainage enterprises. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its risk management, facilities, fleet and equipment maintenance and improvement, information technology, and GIS services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The City's internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements. Individual fund data for the internal service funds is provided in the supplementary information section of this report. **The proprietary funds financial statements can be found on pages 32-34 of this report.**
- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. **The fiduciary fund financial statements can be found on pages 35-36 of this report.**

Notes to the Basic Financial Statements

Notes to the Basic Financial Statements provide additional information that is essential to comprehend the data provided in the government-wide and fund financial statements. **The notes can be found on pages 37-101 of this report.**

Required Supplementary Information

Required Supplementary Information is presented on the General Fund and major Special Revenue Fund budgetary schedules. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. **The required supplementary information can be found on pages 103-117 of this report.**

Supplementary Information

The combining and individual fund statements and schedules information for non-major governmental funds, enterprise, and internal service funds are presented immediately following the required supplementary information. **Combining and individual fund statements and the supplementary budgetary comparison schedule for the major capital projects fund can be found on pages 119-205 of this report.**

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

This analysis focuses on the Net Position and changes in the Net Position of the City as a whole.

City of Elk Grove Net Position

	Governmental activities		Business-type activities		Total	
	2022	2021	2022	2021	2022	2021
Current and other assets	\$ 445,645,916	\$ 372,534,374	\$ 32,792,047	\$ 43,543,098	\$ 478,437,963	\$ 416,077,472
Capital assets	1,079,948,448	1,077,148,588	35,348,429	48,926,319	1,115,296,877	1,126,074,907
Total Assets	1,525,594,364	1,449,682,962	68,140,476	92,469,417	1,593,734,840	1,542,152,379
Deferred Outflow of Resources						
Deferred outflows of resources related to pensions	19,323,141	13,580,926	-	-	19,323,141	13,580,926
Deferred outflows of resources related to OPEB	10,262,091	10,241,353	-	-	10,262,091	10,241,353
Total Deferred Outflows of Resources	29,585,232	23,822,279	-	-	29,585,232	23,822,279
Current and other liabilities	42,332,638	34,399,382	1,242,967	4,665,376	43,575,605	39,064,758
Long-term liabilities	56,846,570	64,186,757	83,989	8,549,957	56,930,559	72,736,714
Total Liabilities	99,179,208	98,586,139	1,326,956	13,215,333	100,506,164	111,801,472
Deferred inflows of resources related to pensions	2,193,069	1,426,508	-	-	2,193,069	1,426,508
Deferred inflows of resources related to OPEB	1,406,583	1,095,535	-	-	1,406,583	1,095,535
Deferred inflows of resources related to leases	3,230,993	-	-	-	3,230,993	-
	6,830,645	2,522,043	-	-	6,830,645	2,522,043
Net Position:						
Net investment in Capital Assets	1,039,686,886	1,047,211,028	35,348,429	40,541,319	1,075,035,315	1,087,752,347
Restricted Net Position	255,036,872	292,185,610	-	-	255,036,872	292,185,610
Unrestricted Net Position	154,445,985	33,000,422	31,465,091	38,712,765	185,911,076	71,713,187
Total Net Position	\$ 1,449,169,743	\$ 1,372,397,060	\$ 66,813,520	\$ 79,254,084	\$ 1,515,983,263	\$ 1,451,651,144

The City's Net Position totaled \$1.51 billion as of June 30, 2022, an increase of \$64 million as compared to the fiscal year ended 2021.

The Net Position is reflected in the Statement of Net Position table on page 21.

The City's Government-Wide Net Position as of June 30, 2022, was comprised of the following elements:

- Cash and investments comprised \$321 million in the City's treasury and \$29.5 million of restricted cash held by fiscal agents. Substantially all the City treasury amounts were held in relatively short- and medium-term investments in securities to support operating activities, as detailed in Note 2 on pages 51-57 of the financial statements.
- Governmental receivables comprised \$28.4 million of current receivables and long-term receivables of \$90.2 million, which are over one-year or longer periods. Long-term receivables increased from the prior year due to new development fee deferrals and/or credits and due to the recording of additional Affordable Housing loans and subsidies. The low to moderate housing loans have varying repayment terms and interest rates. The terms and details of these programs can be found in Note 3 on pages 57-59.
- Net capital assets of over \$1 billion include the City's entire infrastructure in addition to all other City assets.
- City's current liabilities, totaling nearly \$42.3 million, include accounts payable, refundable deposits, unearned revenue, and other miscellaneous amounts.
- Restricted Net Position, totaling \$255 million; \$99 million to construct specified capital projects, and \$156 million may be spent on other projects specified by funding source restrictions.

Governmental Activities

Government Activities – Net Position

This analysis focuses on the net position and changes in net position of the City’s governmental activities, presented in the Government-wide Statement of Net Position and Statement of Activities.

Statement of Net Position Governmental Activities

	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current and other assets	\$ 445,645,916	\$ 372,534,374	\$ 73,111,542
Capital assets	1,079,948,448	1,077,148,588	2,799,860
Total Assets	<u>1,525,594,364</u>	<u>1,449,682,962</u>	<u>75,911,402</u>
Deferred outflows of resources related to pensions	19,323,141	13,580,926	5,742,215
Deferred outflows of resources related to OPEB	10,262,091	10,241,353	20,738
Total Deferred Outflows of Resources	<u>29,585,232</u>	<u>23,822,279</u>	<u>5,762,953</u>
Current and other liabilities	42,332,638	34,399,382	7,933,256
Long-term liabilities	56,846,570	64,186,757	(7,340,187)
Total Liabilities	<u>99,179,208</u>	<u>98,586,139</u>	<u>593,069</u>
Deferred inflows of resources related to pensions	2,193,069	1,426,508	766,561
Deferred inflows of resources related to OPEB	1,406,583	1,095,535	311,048
Deferred inflows of resources related to leases	3,230,993	-	3,230,993
	<u>6,830,645</u>	<u>2,522,043</u>	<u>4,308,602</u>
Net Position:			
Net investment in Capital			
Assets	1,039,686,886	1,047,211,028	(7,524,142)
Restricted Net Position	255,036,872	292,185,610	(37,148,738)
Unrestricted Net Position	<u>154,445,985</u>	<u>33,000,422</u>	<u>121,445,563</u>
Total Net Position	<u>\$ 1,449,169,743</u>	<u>\$ 1,372,397,060</u>	<u>\$ 76,772,683</u>

Governmental Activities Cash and investments increased by \$41 million primarily due to the receipt of COVID-19-related grant programs such as American Rescue Plan Act stimulus funds of \$10.9 million, Great Plates Delivered \$5.3 million. Sewer and Water fee credits collected during fiscal year 2021-22 were approximately \$6.6 million. Other factors that contributed to the cash and investment increase were related to increased tax revenue, affordable housing loan repayments, Wilton Rancheria revenues, and contributions from CFDs.

Long Term Governmental receivables increased by \$22 million in comparison to the prior year. The increase was primarily due to long-term development fee receivables. The deferral of certain impact fees was related to the Poppy Grove Apartment project, which consists of 387 affordable multi-family units. Additionally, the deferral of development impact fees was associated with Kubota Tractor Corporation for the Kubota Western Distribution Center Project.

Governmental current and other liabilities are comprised of accounts payable, retentions payable, salaries and benefits accruals, refundable deposits, and unearned revenues. The increase in current and other liabilities was primarily due to the increase in unearned revenues. The American Rescue Plan Act stimulus funds constitute the largest portion of the unearned revenues.

Governmental long-term liabilities consist of bonds payable, compensated absences, net pension liability, and net OPEB liability. The long-term liabilities’ growth is associated with the issuance of the new debt – EGFA Series 2022 Lease Revenue Bonds.

**Changes in Net Position
Governmental Activities**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<i>Revenues:</i>			
<i>Program revenues:</i>			
Fees, fines and charges for services	\$ 61,124,311	\$ 42,516,700	\$ 18,607,611
Operating grants and contributions	37,732,695	32,590,579	5,142,116
Capital grants and contributions	31,306,505	35,594,106	(4,287,601)
	<u>130,163,511</u>	<u>110,701,385</u>	<u>19,462,126</u>
<i>General Revenues:</i>			
Property taxes	31,175,469	29,511,750	1,663,719
Sales and use taxes	38,501,983	34,975,729	3,526,254
Other taxes	12,720,908	11,305,394	1,415,514
Investment Income	(2,002,595)	2,333,268	(4,335,863)
Gain on sale of capital assets	3,313,623	-	3,313,623
Other revenue	640,781	1,330,827	(690,046)
	<u>84,350,169</u>	<u>79,456,968</u>	<u>4,893,201</u>
Total Revenues	<u>214,513,680</u>	<u>190,158,353</u>	<u>24,355,327</u>
<i>Expenses:</i>			
General government	21,824,841	33,790,534	(11,965,693)
Public safety	29,476,434	52,721,661	(23,245,227)
Public ways and facilities	64,270,550	68,792,816	(4,522,266)
Community development	20,776,727	13,712,896	7,063,831
Interest on long-term debt	1,323,673	1,038,694	284,979
	<u>137,672,225</u>	<u>170,056,601</u>	<u>(32,384,376)</u>
Total Expenses	<u>137,672,225</u>	<u>170,056,601</u>	<u>(32,384,376)</u>
Excess (deficiency) before transfers	76,841,455	20,101,752	56,739,703
Transfers	(68,772)	2,172,721	(2,241,493)
Change in Net Position	76,772,683	22,274,473	54,498,210
Net Position - Beginning	<u>1,372,397,060</u>	<u>1,350,122,587</u>	<u>22,274,473</u>
Net Position - Ending	<u>\$ 1,449,169,743</u>	<u>\$ 1,372,397,060</u>	<u>\$ 76,772,683</u>

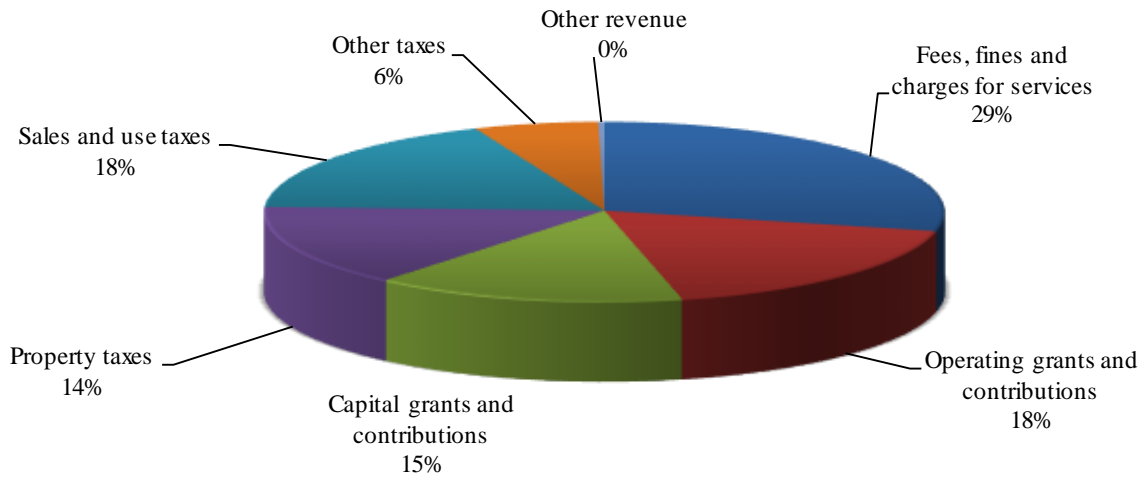
Program Revenues:

Fees, fines, and charges for services increased by approximately \$18 million. Public Ways and Facilities as well as Community Development have the largest increase due to the Poppy Grove Apartment project, which consist of 387 affordable multi-family units. Additionally, the fines, fees, and charges for services growth was attributable to the fees collected for the Kubota Western Distribution Center Project.

General Revenue:

General revenues are primarily comprised of property and sales taxes totaling \$70 million. Property taxes increased by \$1.6 million or 5.6%. The approximate 5% year-over-year growth in property taxes is close to historical averages. Sales taxes increased by \$3.5 million or 10% over the prior fiscal year. Sectors that experienced notable year-over-year growth were autos and transportation, fuel and service stations, general consumer goods, and restaurants and hotels.

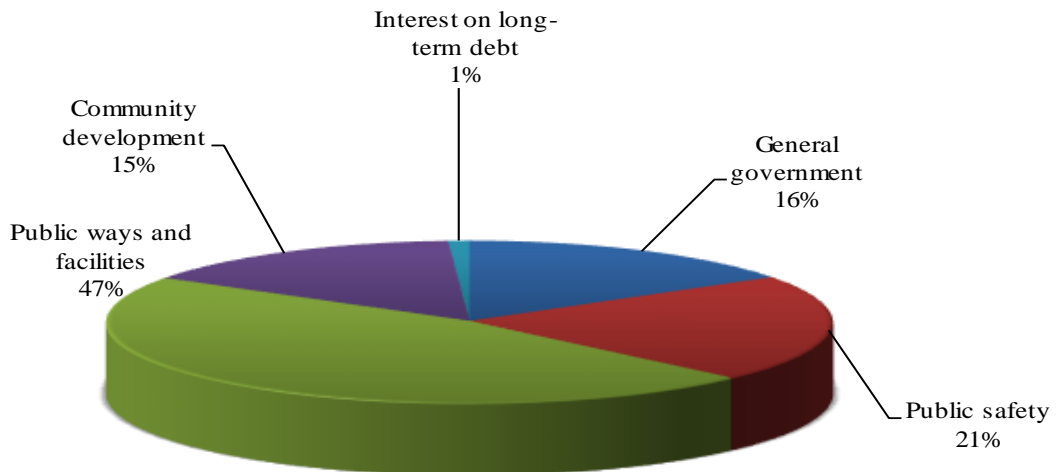
Revenue by Source - Governmental Activities



Functional expenses governmental activities:

Pension expense overall decreased from \$10.4 million in the prior fiscal year to negative (\$21.5) million in the current fiscal year 2022. The General Governmental expenses decrease of \$12 million from the prior year was mainly tied to the completion of the Great Plates Delivered Program and the reduced pension expenses. Public Ways and Facilities expenses decreased by \$4.5 million and was related to the loss on disposed assets that occurred in the prior fiscal year and reduced pension expenses. The Community Development expense category increased by \$7 million, and approximately \$4.8 million was related to the American Rescue Plan Act stimulus funds. The City issued grants to small businesses and non-profits and granted funds to the Cosumnes Community Services District and the Elk Grove Water District for critical capital and operational needs. There was also a \$1.2 million increase related to development services engineering fees.

Functional Expenses - Governmental Activities



Business-type Activities

The Statement of Net Position and Statement of Activities present a summary of the City's business-type activities that are composed of the City's enterprise funds.

	Statement of Net Position Business-type activities		
	<u>2022</u>	<u>2021</u>	<u>Change</u>
Current and other assets	\$ 32,792,047	\$ 43,543,098	\$ (10,751,051)
Capital assets	35,348,429	48,926,319	(13,577,890)
Total Assets	<u>68,140,476</u>	<u>92,469,417</u>	<u>(24,328,941)</u>
Current and other liabilities	1,223,607	4,665,376	(3,441,769)
Long-term liabilities	103,349	8,549,957	(8,446,608)
Total Liabilities	<u>1,326,956</u>	<u>13,215,333</u>	<u>(11,888,377)</u>
Net Position:			
Net investment in Capital			
Assets	35,348,429	40,541,319	(5,192,890)
Unrestricted Net Position	<u>31,465,091</u>	<u>38,712,765</u>	<u>(7,247,674)</u>
Total Net Position	<u>\$ 66,813,520</u>	<u>\$ 79,254,084</u>	<u>\$ (12,440,564)</u>

Business-type assets decreased by \$24 million. Recycling and Solid Waste Funds current assets decreased by \$7 million due to the repayment of the EGFA 2010 Lease Revenue Bonds. The bonds were issued to fund the construction of the City's Special Waste Collection Center. Capital assets decreased by approximately \$14 million, and a primary reason was the annexation of the City's Transit system into the Sacramento Regional Transit District, effective July 1st, 2021. The Business-type total liabilities reduction is tied to the EGFA 2010 Lease Revenue Bonds repayment and the annexation of the City's Transit system.

**Changes in Net Position
Business-type Activities**

	<u>2022</u>	<u>2021</u>	<u>Change</u>
<i>Revenues:</i>			
<i>Program revenues:</i>			
Fees, fines and charges for services	\$ 9,950,521	\$ 10,257,687	\$ (307,166)
Operating grants and contributions	717,637	13,402,350	(12,684,713)
	<u>10,668,158</u>	<u>23,660,037</u>	<u>(12,991,879)</u>
<i>General Revenues:</i>			
Property taxes	1,769,562	1,685,060	\$ 84,502
Interest income	(1,132,057)	264,530	(1,396,587)
	<u>637,505</u>	<u>1,949,590</u>	<u>(1,312,085)</u>
Total Revenues	<u>11,305,663</u>	<u>25,609,627</u>	<u>(14,303,964)</u>
<i>Expenses:</i>			
Recycling & Waste	2,446,042	3,046,795	(600,753)
Transit	15,585,396	10,317,661	5,267,735
Drainage	5,783,561	6,199,247	(415,686)
Total Expenses	<u>23,814,999</u>	<u>19,563,703</u>	<u>4,251,296</u>
Excess (deficiency) before transfers	<u>(12,509,336)</u>	<u>6,045,924</u>	<u>(18,555,260)</u>
Transfers (net)	68,772	(2,172,721)	2,241,493
Change in Net Position	(12,440,564)	3,873,203	(16,313,767)
Net Position - Beginning	79,254,084	75,380,881	3,873,203
Net Position - Ending	<u>\$ 66,813,520</u>	<u>\$ 79,254,084</u>	<u>\$ (12,440,564)</u>

Program and General Revenues:

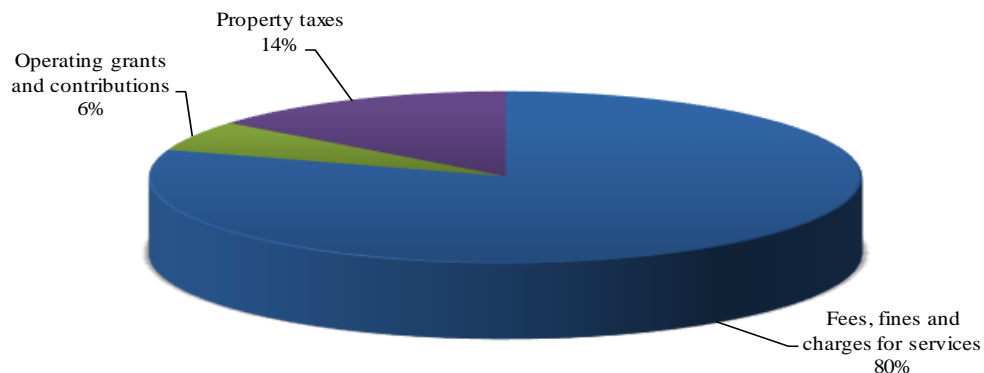
Business-type Activity program revenues decreased by \$13 million due to the City receiving the FTA grants which funded bus purchases in the prior fiscal year.

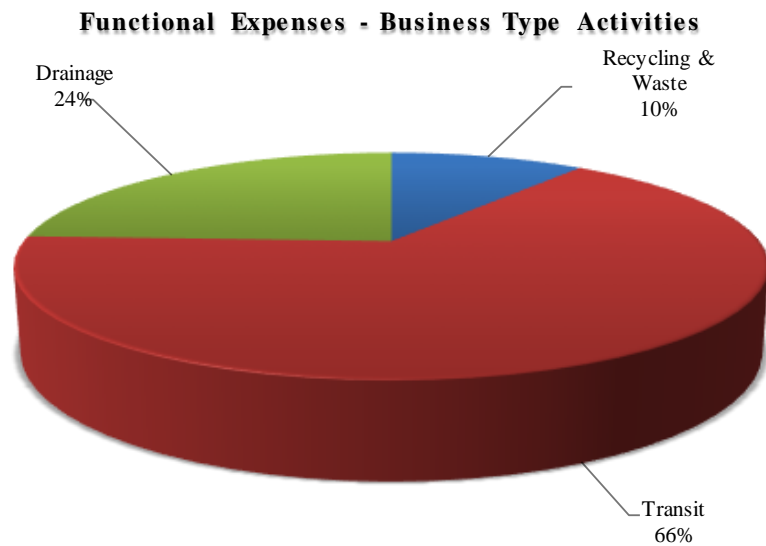
Business-type Activity General Revenues decreased by approximately \$1.3 million primarily due to the fair value investment losses.

Expenses:

Recycling and Waste, as well as Drainage expenses, remained relatively steady in comparison to the prior year. The City's Transit function annexed to the Sacramento Regional Transit District which explains the expense increase from \$10 million in the prior year to \$16 million in the current fiscal year due to the transfer of cash and capital assets to the District.

Revenue by Source - Business-type Activities





FINANCIAL ANALYSIS OF THE CITY’S FUNDS

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The City’s governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Thirteen major funds (three special revenue, five capital project, and four debt service funds) and the General Fund were included in the City’s governmental fund statements in the 2021-22 fiscal year. An analysis of significant balances and transactions is as follows:

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$350 million, an increase of \$51 million in comparison with the prior year. The fund balances are intended, and in some cases restricted, committed, or assigned, for specific purposes.

The General Fund is the City’s chief operating fund. The net change in the General Fund balance is \$19.6 million, and the following revenue factors contributed to the net change in the fund balance. Total actual revenues increased by \$14 million or 16% in comparison with the prior year. Sales taxes increased by \$3.5 million and property taxes increased by \$1.6 million. The approximate 5% year-over-year growth in property taxes is close to historical averages and is also close to the projected growth rates shown in the fiscal year 2022-23 Budget.

Intergovernmental revenues increased by \$3 million due to the Great Plates funding received in the 2021-22 fiscal year. Great Plates funding was associated with a one-time effort to provide relief to struggling restaurants and seniors during the COVID pandemic.

The Use of Money and Property category increased by approximately \$6 million, primarily due to a \$3.7 million increase in the sale of sewer fee credits.

General Fund expenditures decreased by \$2 million. The decrease in expenditure is related to the special programs the City offered to the public in response to the COVID-19 pandemic that occurred in prior fiscal years and did not reoccur in fiscal year 2021-22.

The City imposes a fee on residential development to provide financing assistance for adequate low-income housing in the City and deposits those proceeds in the Affordable Housing Fund. Loans are granted and repaid with varied interest rates and payment terms. In fiscal year 2022 Affordable Housing revenues decreased by \$1.4 million. Program revenues generated from impact fees for the Affordable Housing program decreased by

\$380,000, while the City's market valuation of its investments decreased by \$900,000, and loan interest revenues decreased by \$100,000 from the fiscal year ending June 30, 2021. The market valuation of the City's investments is an accounting entry that estimates the value of the investments as of the year-end report. This valuation is not realized until the investments are sold or have reached maturity and is recorded once at each fiscal year-end, but is required by federal reporting standards. Additionally, Affordable Housing expenses decreased by \$1.1 million as the City purchased land for \$1.1 million in the prior year while no land purchases were made in the current year to develop future affordable housing projects. All other expense categories within the Affordable Housing fund remained consistent with the fiscal year ending June 30, 2021. While not affecting the City's revenues and expenditures, the City did receive principal loan repayments of \$94,800 from its CalHOME-sponsored projects while receiving \$8,000 in loan principal repayments and disbursing \$4,000,000 in new loan disbursements for the City's low-income housing apartment projects. See Note 3 for further information.

The Disaster Recovery Special Revenue Fund was established to account for disaster relief funding from Federal, State, and Local agencies. In fiscal year 2022, the City received American Rescue Plan Act stimulus funds and recognized revenue of \$4.8 million in fiscal year 2021-22. The City issued grants to small businesses and non-profits, granted funds to the Cosumnes Community Services District and Elk Grove Water District for critical capital and operational needs, began important infrastructure planning in the Southeast Industrial Area, and made many investments in City infrastructure and services to better serve the community and operate more efficiently.

The Wilton Rancheria MOU Special Revenue Fund was established to account for the tracking and spending of the cumulative payments between the Tribe and the City over 20 years. Per the MOU entered between the City and the Wilton Rancheria Tribe, the Tribe agreed to make financial contributions and community investments to mitigate off-property impacts that are a direct result of building the Casino. In addition, the Tribe agreed to provide contributions toward law enforcement, civic projects, roadway and infrastructure improvements, and community services.

The Federal Capital Grant Funds were established to account for grants received from the federal government to fund capital projects. Intergovernmental revenues decreased by \$1.6 million in comparison to the prior year. The significant reimbursement that occurred in the prior year was Intelligent Transportation System Grant reimbursement. The current year reimbursement of \$1 million was related to Kammerer Road two-lane extension I-5 to Bruceville Road.

The State Grants Fund was established to account for grants received from the state government to fund capital projects. Overall activity in the State Grants Fund increased significantly in comparison to the prior year. Revenues surged to \$12.8 million in fiscal year 2021-22, prior year revenue was about \$600,000. The increase is primarily related to the Grant Line Road Widening project. The City continues to coordinate with the Capital Southeast Connector Joint Powers Authority on improvements along the Connector on both Kammerer Road and Grant Line Road. The City is also working on the Grant Line Road Widening Phase 2 (Waterman to Bradshaw).

The City imposes a citywide fee on development to fund center lanes and medians of major roadways, intersections, interchanges, and bridges that are deposited in the Roadway Fee Fund. The Roadway Fee Fund balance decreased by \$3.5 million in comparison to the prior year. Fiscal year 2022 revenues decreased by \$6.2 million, and expenditures remained relatively unchanged. The licenses, fees, and permits revenue category decreased by \$4.5 million due to decreased development projects in comparison to the prior year. There was decreased activity in Single Family Residential, Commercial and Office Space permits. The Use of Money and Property revenue category decreased by \$1.6 million due to the market value adjustments. Since the City's Investment Policy declares investments will be held to maturity, the unrealized losses will be reversed over time.

Mitigation and fee funds were established by the City to supplement various fees in specific areas, which are paid directly to the City via developer fees. The expenditures and revenues remained relatively unchanged from the prior fiscal year. The net change in the fund balance is approximately \$200,000.

The Laguna Ridge CFD Fund was established to account for special taxes to fund the cost of infrastructure and a portion of police protection operational costs within the boundaries of this finance district. The net change in the

fund balance is \$15.6 million and is attributable to an increase in contributions from the CFD toward the completion of the Preserve at District56 and Photovoltaic System Improvements at District56.

Elk Grove Finance Authority – the funds were established to account for EGFA debt service activity which includes any debt financed through the EGFA.

Proprietary funds. The City’s proprietary enterprise funds provide the same type of information found in the government-wide financial statements but with more detail.

GENERAL FUND BUDGETARY TO ACTUAL HIGHLIGHTS

Actual revenues exceeded the final amended budget by \$8 million.

- Sales and Use Tax revenues were \$1.6 million over revenue projections. The City received over \$38 million, which is nearly \$1.6 million (4%) greater than budgeted projections. According to the City’s Sales Tax consultants, actual revenues outpaced projections in several sectors, most significantly in autos and transportation (\$659,391), state and county pools (\$235,623), and business and industry (\$103,092). Sectors that experienced notable year-over-year growth (comparing FY 2022 to FY 2021) were autos and transportation (\$1,363,373, 12.8%), fuel and service stations (\$945,261, 53.2%), general consumer goods (\$764,805, 9.6%), and restaurants and hotels (\$751,960, 24.6%). Since sales tax is a product of both price and quantities sold, the abovementioned growth could be attributed to either heightened demand and/or price inflation.
- Licenses Fees and Permits were under the budget projection by \$1 million. The shortage in Licenses Fees and Permit revenue was mainly due to Encroachment permit revenue actuals being about \$1 million under budget. Staff originally projected \$1.6 million in revenue, and actuals came in at about \$525,000. Encroachment permit revenues are collected based on billable costs from encroachment site inspection contractors. Shortly after the FY 2022 budget was approved by Council, the City changed to a different contractor for performing inspections, whose costs were significantly less than the previous contractor. The change in vendor resulted in significantly lower expenses than budgeted for FY 2022 (see below), and hence significantly lower revenues as well.
- Use of money and property exceeded budget by \$6.6 million. There was one-time revenue of over \$5.1 million received due to the sale of property to Kubota Tractor Corporation that was not anticipated in the Budget. There were also one-time revenues of over \$4.1 million associated with the sale of sewer fee credits to developers that were not anticipated in the Budget.

General Fund actual expenditures were \$5.7 million below budget expectations. The main components of the difference between the final budget and actuals include:

- Economic Development expenditures were \$1 million below budget. The primary driver of the \$1 million in Economic Development savings was less spending on incentive programs than originally anticipated. Incentive program expenses are often driven by market activity and prospective development interests, which can vary annually and are difficult to predict. Another driver of the \$1 million savings was the departure of the City’s Economic Development Manager mid-fiscal year. The vacancy was not filled during FY 2022, resulting in significant salary and benefit savings.
- Public Works Department actuals were \$1.9 million below budget. Of the \$1.9 million in Public Works Department budget savings, nearly \$1 million was associated with underspending on encroachment permit inspections. Staff originally projected nearly \$1.5 million in encroachment inspection spending, and actuals came in at less than \$500,000. Both encroachment permit inspection revenue and spending are based on billable costs from encroachment site inspection contractors. As discussed above, after the Budget was approved by Council, the City changed to a different contractor for performing inspections whose costs were significantly less than the previous contractor. The change in vendor resulted in significantly lower expenses

than budgeted for FY 2022. The remaining nearly \$1 million in budget savings was due to ongoing vacancies throughout FY 2022. The ongoing vacancies resulted in reduced salary & benefit spending, along with less-than-anticipated operational spending.

- Law enforcement expenditures were \$1.6 million below budget. Over \$1 million of that amount was attributed to a significant number of unanticipated vacancies in the Police Department. The remaining savings was in operational spending among the Animal Services, Administration, and Training divisions. Animal Shelter operations costs are dependent upon admissions, shelter population, and animal care needs, and there was less spending last year on medical supplies, testing, diagnostics, and outside veterinarian costs than anticipated. Significant areas of savings among the Administration and Training divisions were in media relations, taser training, legal fees, and background checks due to higher-than-anticipated vacancies.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Capital assets for the governmental and business-type activities are presented below to illustrate changes from the prior year:

Capital Assets at End of Year

City of Elk Grove
Capital Assets, Net of Depreciation
At June 30, 2022

	Governmental		Business-type		Total	
	2022	2021	2022	2021	2022	2021
Land	\$ 225,796,305	\$ 214,762,605	\$ 8,474,992	\$ 8,025,155	\$ 234,271,297	\$ 222,787,760
Construction in progress	116,662,325	83,245,919	6,999,179	5,937,666	123,661,504	89,183,585
Other capital assets	840,481	727,194	-	-	840,481	727,194
Infrastructure	1,530,649,760	1,528,499,400	13,480,207	13,543,641	1,544,129,967	1,542,043,041
Building and improvements	128,345,238	122,858,305	9,910,102	12,354,072	138,255,340	135,212,377
Vehicles and equipment	16,660,591	15,612,624	294,680	30,849,335	16,955,271	46,461,959
Parks and park improvements	6,230,310	6,230,310	-	-	6,230,310	6,230,310
Other capital assets, depreciable	109,752	109,752	-	-	109,752	109,752
Leased equipment	242,639	-	-	-	242,639	-
Accumulated depreciation	(945,531,165)	(894,897,521)	(3,810,730)	(21,783,550)	(949,341,895)	(916,681,071)
Less accumulated amortization for lease assets	(57,789)	-	-	-	(57,789)	-
Total	\$ 1,079,948,447	\$ 1,077,148,588	\$ 35,348,430	\$ 48,926,319	\$ 1,115,296,877	\$ 1,126,074,907

The City's investment in capital assets as of June 30, 2022, totaled \$1.12 billion, (net of accumulated depreciation). The investment in capital assets includes land, infrastructure, building and improvements, equipment, parks, park improvements, and construction in progress. The increase in the City's investment in capital assets before accumulated depreciation for the current year totals \$54 million which funded construction in progress, infrastructure, and equipment. Additional information on the City's investment in capital assets can be found in Note 4 to the financial statements on pages 59-60.

Debt Administration

The following schedule shows the changes in bonds payable for the year:

Bonds Payable

Governmental Activities	Governmental Activities		Business-type Activities		Total		Increase (Decrease) % Change
	2022	2021	2022	2021	2022	2021	
Lease revenue bond debt	\$ 40,261,562	\$ 29,937,560	\$ -	\$ 8,385,000	\$ 40,261,562	\$ 38,322,560	5%
Total Governmental Activities	\$ 40,261,562	\$ 29,937,560	\$ -	\$ 8,385,000	\$ 40,261,562	\$ 38,322,560	5%

On May 3, 2022, the Elk Grove Financing Authority issued Lease Revenue Bonds of \$12,035,000 to provide new funding for improvements for the City’s Police Department buildings. On August 26, 2021, the City redeemed the Series 2010 Lease Revenue Bonds. The information on the City’s long-term debt, including the City’s Net Pension and OPEB Liabilities, can be found in Note 7 to the financial statements on pages 69-73.

Economic Factors and Next Year’s Budget

Current Economic Conditions and Drivers

Fueled by the unprecedented fiscal relief and assistance provided by the Federal government via the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act, a rebounding jobs market, and strong wage growth, the U.S. economy roared back to life from the pandemic-related economic disruption, so much so that inflation reached levels not seen in decades. These increases spurred the Federal Reserve to increase interest rates several times in 2022 but inflation continues to be stubbornly high. The Fed has indicated it will continue to increase rates to quell inflation. The Fed also continues to transition out of its bond-purchasing program (“quantitative easing”), which was put into place to support the economy during recessionary periods. As mentioned earlier, the price of goods and services, led by the energy and food sectors, has continued to increase at a dizzy pace as the Bureau of Labor Statistics indicates the 12-month (year-over-year) percentage change in the Consumer Price Index in urban areas in October was 7.7%, which was the smallest year-over-year increase since the end of January 2022.

According to the Bureau of Economic Analysis, the Nation’s Gross Domestic Product (GDP) increased by an average of 5.75% in each quarter of 2021. However, in 2022, GDP was negative in the first 2 quarters (-1.6, and -0.6 respectively), followed by 3.2% growth in the third quarter. Although two consecutive quarters of negative GDP meets the technical definition of a recession, the economy still shows signs of continued growth. According to the Bureau of Labor Statistics, the nation’s unemployment rate has recovered from the effects of the COVID pandemic. From a historically high rate of 14.4% during the COVID pandemic shutdown, the Sacramento area unemployment rate is well below 4%.

United States

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2022	4.0	3.8	3.6	3.6	3.6	3.6	3.5	3.7	3.5	3.7

Sacramento-Roseville-Arden-Arcade MSA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2022	5.0	4.4	3.7	3.3	2.9	3.4	3.3	3.6	3.3	3.5

Similar to the rest of the United States, Elk Grove experienced substantial home value increases in 2022. The median home price in Elk Grove is approximately \$660,000, which is a 12.9% increase over the past year. Home prices and sales are expected to moderate in 2023 after the extraordinary growth of the last two years.

Fiscal Year 2022-2023 Budget

The City's General Fund (discretionary) Adopted Budget is \$86 million for FY 2022-23, which is nearly \$7.3 million (9%) more than the FY 2021-22 Adopted Budget of \$78.7 million, reflecting the continuing strength of the local and regional economies. The increase in budget is primarily due to:

- The addition of 6 new positions and the full-year cost of positions added during the prior fiscal year.
- General salary and benefit increases, along with anticipated step increases for current employees.
- Operational cost increases.
- One-time equipment purchases.
- Increased Small Business Incentive Program funding.
- Debt service payments associated with City Hall facility improvements and expansion.
- The expansion of risk reserves.

The total Adopted Budget (including Capital Improvement Program (CIP) costs) for FY 2022-23, net of transfers and internal service costs, is \$294 million, which is \$21 million (7.7%) more than the FY 2021-22 Adopted Budget of \$273 million. A primary reason for the increase is the carrying over of unspent budget on Capital Projects in FY 2021-22 into FY 2022-23. Key themes of the Adopted FY 2022-23 Budget are noted below:

- Maintains and enhances the level of service to the residents of Elk Grove, with continued focused efforts on public safety, affordable housing/homelessness, traffic, and economic development.
- Establishes a sustainable fiscal plan that is structurally balanced throughout the five-year forecast period.
- Provides funding for and programming of City Council Priority Projects.
- Provides continued assistance and relief to the community for those impacted by the pandemic.
- Continues to increase reserves based on the adopted General Fund Reserve Policy, which is based on fiscal best practices.

COVID-19

To mitigate the financial impact of the pandemic, many economic stimulus measures were passed at both the State and Federal levels to assist small businesses, non-profits, homeowners, renters, and families. The City distributed funding it received through Community Development Block Grant funds and one-time funding provided by Federal CARES Act in FY 2020-21 to businesses and non-profits and initiated programs such as Great Plates Delivered. Last year, the Federal Government passed the American Rescue Plan Act to provide additional one-time stimulus funds for businesses and non-profits and to provide assistance directly to local governments to compensate for lost revenue and costs associated with the pandemic. Through this program, the City received one-time funds of \$21.9 million and has issued millions in grants to small businesses and non-profits, granted funds to the Cosumnes Community Services District and Elk Grove Water District for critical capital and operational needs, began important infrastructure planning in the Southeast Industrial Area and made many investments in City infrastructure and services to better serve the community and operate more efficiently.

A New Zoo in Elk Grove

In September 2021, the Sacramento Zoological Society and the City of Elk Grove entered into an Exclusive Negotiating Agreement to evaluate the creation of a new, modern zoological park in Elk Grove. Activities since that time include the completion of a feasibility study and an economic impact analysis, the retention of renowned zoo landscape architecture firm SHR Studios, as well as ongoing research and planning. The next steps in the process include developing a schematic design, a financing plan, and completing an environmental impact review. These steps are expected to take a least a year to complete. Formal consideration of the new zoo project by the Elk Grove City Council, and any approvals that would move the project into construction, could occur as soon as late 2023. The City purchased approximately 60 acres for the new zoo assuming the project moves forward.

Kammerer Road Widening and Extension

The Kammerer Road Extension Project is currently the City's top infrastructure priority. This project is programmed in the current CIP as a divided two-lane extension of Kammerer Road from Lent Ranch Parkway to Interstate 5. This initial work is the first phase of a larger four-lane project currently in the environmental phase, with the California Environmental Quality Act work complete, and the National Environmental Policy Act work still in progress. There is sufficient funding to complete the design and acquire the needed right of way for the two-lane extension from Bruceville Road to I-5. This work will leave the City with a shovel-ready \$63 million construction project, that will need \$37 million in grant funding. Staff intends to follow a dual-track strategy for grant funding. The first track will assume funding comes in smaller increments. Therefore, construction would occur in phases heading east to west. The second track will be to try and fund the entire four-lane project from various state and federal sources. The key to overall success, no matter the track used, will be to get the entire two-lane extension shovel ready.

Laguna Creek Inter-Regional Trail System

The Laguna Creek Trail has been identified as the highest priority trail corridor by the Elk Grove Trails Committee. This regional trail will provide access to a variety of schools, transit, disadvantaged communities, and residential and commercial uses along the corridor. The Inter-Regional Trail has several gaps that need to be closed for it to function as an inter-regional facility. The Laguna Creek Trail and Bruceville Road Sidewalk Improvements Project (WTL019 Project) will complete a gap on the west side of State Route 99. The WTL019 Project is nearing the end of environmental clearance work and construction is anticipated to start in 2023. The Laguna Creek Trail - Camden Lake to East Stockton Blvd/State Route 99 Project (WTL018) will fill the gap between State Route 99 and Camden Lake and is in the process of environmental clearance with construction anticipated as soon as 2023. The Laguna Creek Trail Crossing at State Route 99 Project (WTL016) has been included in the CIP to provide the needed bridge across State Route 99 to close a major gap and remove the freeway as a barrier along the Laguna Creek Inter-Regional Trail System between the east and west sides of the freeway.

Long-Term Pension Obligations

The City has prioritized making additional payments toward the City's CalPERS (California Public Employees Retirement System) unfunded accrued liability (UAL). Since FY 2015-16, the City has issued nearly \$11 million in payments to CalPERS beyond what is required. Continued annual prepayments are included in the FY 2022-23 Budget, as well as in the General Fund Five-Year Forecast. These accelerated payments help mitigate the future cost impact of CalPERS rate increases and increase the City's funded ratio. Elk Grove's funding level is in the top 10% of all CalPERS agencies.

Request for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

Finance Director
8401 Laguna Palms Way
Elk Grove, CA 95758
(916)683-7111

Or you may visit our website at www.elkgrovecity.org for contact information.

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CITY OF ELK GROVE

Statement of Net Position

June 30, 2022

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<u>ASSETS</u>			
Cash and investments	\$ 290,108,239	\$ 30,787,796	\$ 320,896,035
Cash and investments with fiscal agent	29,116,139	-	29,116,139
Cash held in escrow	300,000	77,190	377,190
Accounts receivable, net	9,385,161	1,861,653	11,246,814
Taxes receivable	7,703,004	-	7,703,004
Interest receivable	441,043	-	441,043
Due from other government agencies	9,874,645	65,408	9,940,053
Fee credits receivable	1,039,945	-	1,039,945
Long-term loans receivable	66,482,901	-	66,482,901
Affordable housing subsidies receivable	2,187,431	-	2,187,431
Long-term development fees receivable	18,341,462	-	18,341,462
Leases receivable	3,246,782	-	3,246,782
Net pension asset	7,419,164	-	7,419,164
Capital Assets:			
Nondepreciable	343,299,111	15,474,171	358,773,282
Depreciable, net	736,649,337	19,874,258	756,523,595
Total Assets	<u>1,525,594,364</u>	<u>68,140,476</u>	<u>1,593,734,840</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources related to pensions	19,323,141	-	19,323,141
Deferred outflows of resources related to OPEB	10,262,091	-	10,262,091
Total Deferred Outflows of Resources	<u>29,585,232</u>	<u>-</u>	<u>29,585,232</u>
<u>LIABILITIES</u>			
Accounts and retention payable	12,450,431	1,072,182	13,522,613
Accrued salaries and benefits	2,056,599	51,856	2,108,455
Interest payable	376,210	-	376,210
Refundable deposits	4,248,278	99,569	4,347,847
Unearned revenue	20,270,415	-	20,270,415
Long-Term Liabilities:			
Portion due or payable within one year:			
Bonds payable	1,941,788	-	1,941,788
Compensated absences	931,143	19,360	950,503
Leases payable	57,774	-	57,774
Portion due or payable after one year:			
Bonds payable	38,319,774	-	38,319,774
Lease liabilities	127,294	-	127,294
Compensated absences	4,039,327	83,989	4,123,316
Claims payable	631,000	-	631,000
Interest payable - Leases	40	-	40
Net OPEB liability	13,729,135	-	13,729,135
Total Liabilities	<u>99,179,208</u>	<u>1,326,956</u>	<u>100,506,164</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources related to pensions	2,193,069	-	2,193,069
Deferred inflows of resources related to OPEB	1,406,583	-	1,406,583
Deferred inflows of resources related to leases	3,230,993	-	3,230,993
Total Deferred Inflows of Resources	<u>6,830,645</u>	<u>-</u>	<u>6,830,645</u>
<u>NET POSITION</u>			
Net investment in capital assets	1,039,686,886	35,348,429	1,075,035,315
Restricted for:			
Capital projects	99,111,311	-	99,111,311
Affordable housing projects	92,261,170	-	92,261,170
Special revenue projects	63,664,391	-	63,664,391
Unrestricted	154,445,985	31,465,091	185,911,076
Total Net Position	<u>\$ 1,449,169,743</u>	<u>\$ 66,813,520</u>	<u>\$ 1,515,983,263</u>

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

CITY OF ELK GROVE

Statement of Activities
For the Year Ended June 30, 2022

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
General Government	\$ 21,824,841	\$ 1,863,899	\$ 2,615,229	\$ -
Public Safety	29,476,434	30,500	5,985,847	147,039
Public Ways and Facilities	64,270,550	44,859,708	13,324,771	29,066,604
Community Development	20,776,727	14,370,204	15,806,848	2,092,862
Debt Service - Interest	1,323,673	-	-	-
Total Governmental Activities	137,672,225	61,124,311	37,732,695	31,306,505
Business-Type Activities:				
Recycling & Waste	2,446,042	3,780,165	717,637	-
Transit	15,585,396	-	-	-
Drainage	5,783,561	6,170,356	-	-
Total Business-Type Activities	23,814,999	9,950,521	717,637	-
Total Primary Government	\$ 161,487,224	\$ 71,074,832	\$ 38,450,332	\$ 31,306,505

General Revenues:

Taxes:

- Property taxes
- Sales and use tax
- Utility user tax
- Transient occupancy tax
- Property transfer tax
- Franchise tax
- Investment Income
- Gain on sale of capital assets

Other revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning

Net Position - Ending

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (17,345,713)	\$ -	\$ (17,345,713)
(23,313,048)	-	(23,313,048)
22,980,533	-	22,980,533
11,493,187	-	11,493,187
(1,323,673)	-	(1,323,673)
(7,508,714)	-	(7,508,714)
-	2,051,760	2,051,760
-	(15,585,396)	(15,585,396)
-	386,795	386,795
-	(13,146,841)	(13,146,841)
(7,508,714)	(13,146,841)	(20,655,555)
31,175,469	1,769,562	32,945,031
38,501,983	-	38,501,983
6,372,407	-	6,372,407
2,066,670	-	2,066,670
1,290,627	-	1,290,627
2,991,204	-	2,991,204
(2,002,595)	(1,132,057)	(3,134,652)
3,313,623	-	3,313,623
640,781	-	640,781
(68,772)	68,772	-
84,281,397	706,277	84,987,674
76,772,683	(12,440,564)	64,332,119
1,372,397,060	79,254,084	1,451,651,144
<u>\$ 1,449,169,743</u>	<u>\$ 66,813,520</u>	<u>\$ 1,515,983,263</u>

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

CITY OF ELK GROVE

Governmental Funds

Balance Sheet

June 30, 2022

	General Fund	Affordable Housing Fund	Disaster Recovery Fund	Wilton Rancheria MOU Fund
<u>ASSETS</u>				
Cash and investments	\$ 62,429,544	\$ 23,160,397	\$ 17,613,354	\$ 4,795,683
Cash and investments with fiscal agent	-	-	-	-
Funds held in escrow	-	-	-	-
Accounts receivable, net	1,166,005	570	25,000	7,361,773
Taxes receivable	7,549,721	-	-	-
Interest receivable, net	-	349,073	-	-
Due from other government agencies	2,001,703	-	-	-
Due from other funds	413,681	-	-	-
Advances to other funds	4,046,810	-	-	-
Fee credits receivable	1,389,006	-	-	-
Long-term loans receivable	281,365	65,836,506	-	-
Affordable housing subsidies receivable	-	2,187,431	-	-
Long-term development fees receivable	-	752,543	-	-
Leases receivable	211,965	-	-	-
	<u>\$ 79,489,800</u>	<u>\$ 92,286,520</u>	<u>\$ 17,638,354</u>	<u>\$ 12,157,456</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 1,230,758	\$ 20,845	\$ 427,318	\$ -
Accrued salaries and benefits	1,755,320	4,505	-	-
Due to other funds	-	-	-	-
Interest payable	-	-	-	-
Retention payable	-	-	17,016	-
Refundable deposits	584,609	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	17,137,920	-
	<u>3,570,687</u>	<u>25,350</u>	<u>17,582,254</u>	<u>-</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	2,153,686	1,101,615	-	7,361,773
<u>FUND BALANCES</u>				
Nonspendable	4,046,810	-	-	-
Restricted	-	91,159,555	-	4,795,683
Committed	68,864,439	-	-	-
Assigned	150,276	-	56,100	-
Unassigned	703,902	-	-	-
	<u>73,765,427</u>	<u>91,159,555</u>	<u>56,100</u>	<u>4,795,683</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 79,489,800</u>	<u>\$ 92,286,520</u>	<u>\$ 17,638,354</u>	<u>\$ 12,157,456</u>

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

Federal Capital Grants Fund	State Grants Fund	Roadway Fee Fund	Mitigation and Fee Funds	Laguna Ridge CFD 2005-1 Fund	Elk Grove Finance Authority Debt Service Fund	Elk Grove Finance Authority 2018 Debt Service Fund
\$ -	\$ -	\$ 33,008,548	\$ 10,852,224	\$ 6,588,982	\$ 285,554	\$ 419,677
-	-	1,301,956	-	16,399,456	-	43,004
-	-	140,706	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,250,658	4,323,603	-	-	-	-	-
-	-	5,185,449	-	-	-	-
-	-	614	-	-	-	-
-	-	-	-	7,374,632	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	8,375,649	6,850,124	-	-	-
-	-	-	-	-	-	-
<u>\$ 1,250,658</u>	<u>\$ 4,323,603</u>	<u>\$ 48,012,922</u>	<u>\$ 17,702,348</u>	<u>\$ 30,363,070</u>	<u>\$ 285,554</u>	<u>\$ 462,681</u>
\$ 98,393	\$ 131,751	\$ 646,614	\$ 62,751	\$ 127,344	\$ -	\$ -
-	-	844	2,953	855	-	-
961,912	3,867,356	-	-	-	-	-
-	-	-	-	-	-	-
169,335	314,020	66,836	-	107,490	-	-
-	-	-	-	-	-	-
-	-	-	5,490,000	-	-	-
-	-	1,301,956	-	-	-	-
<u>1,229,640</u>	<u>4,313,127</u>	<u>2,016,250</u>	<u>5,555,704</u>	<u>235,689</u>	<u>-</u>	<u>-</u>
<u>250,658</u>	<u>4,323,603</u>	<u>8,375,649</u>	<u>6,850,124</u>	<u>6,745,663</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	37,621,023	5,296,520	23,381,718	285,554	462,681
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(229,640)</u>	<u>(4,313,127)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(229,640)</u>	<u>(4,313,127)</u>	<u>37,621,023</u>	<u>5,296,520</u>	<u>23,381,718</u>	<u>285,554</u>	<u>462,681</u>
<u>\$ 1,250,658</u>	<u>\$ 4,323,603</u>	<u>\$ 48,012,922</u>	<u>\$ 17,702,348</u>	<u>\$ 30,363,070</u>	<u>\$ 285,554</u>	<u>\$ 462,681</u>

continued

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

CITY OF ELK GROVE

Governmental Funds
Balance Sheet(continued)
June 30, 2022

	Elk Grove Finance Authority 2020 Debt Service Fund	Elk Grove Finance Authority 2022 Debt Service Fund	Total Nonmajor Funds	Total
<u>ASSETS</u>				
Cash and investments	\$ 530,451	\$ 271,112	\$ 116,488,855	\$ 276,444,381
Cash and investments with fiscal agent	-	-	11,371,723	29,116,139
Funds held in escrow	-	-	159,294	300,000
Accounts receivable, net	-	-	4,578,250	13,131,598
Taxes receivable	-	-	153,283	7,703,004
Interest receivable, net	-	-	91,970	441,043
Due from other government agencies	-	-	2,298,681	9,874,645
Due from other funds	-	-	-	5,599,130
Advances to other funds	-	-	5,490,000	9,537,424
Fee credits receivable	-	-	-	8,763,638
Long-term loans receivable	-	-	365,030	66,482,901
Affordable housing subsidies receivable	-	-	-	2,187,431
Long-term development fees receivable	-	-	2,363,146	18,341,462
Leases receivable	-	-	3,034,817	3,246,782
 Total Assets	 \$ 530,451	 \$ 271,112	 \$ 146,395,049	 \$ 451,169,578
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 8,107,810	\$ 10,853,584
Accrued salaries and benefits	-	-	178,728	1,943,205
Due to other funds	-	-	769,862	5,599,130
Interest payable	-	-	65,410	65,410
Retention payable	-	-	493,846	1,168,543
Refundable deposits	-	-	3,663,669	4,248,278
Advances from other funds	-	-	4,047,424	9,537,424
Unearned revenue	-	-	1,830,539	20,270,415
 Total Liabilities	 -	 -	 19,157,288	 53,685,989
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	-	-	10,574,863	47,737,634
<u>FUND BALANCES</u>				
Nonspendable	-	-	-	4,046,810
Restricted	530,451	271,112	117,539,886	281,344,183
Committed	-	-	-	68,864,439
Assigned	-	-	-	206,376
Unassigned	-	-	(876,988)	(4,715,853)
 Total Fund Balances	 530,451	 271,112	 116,662,898	 349,745,955
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 \$ 530,451	 \$ 271,112	 \$ 146,395,049	 \$ 451,169,578

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

CITY OF ELK GROVE

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2022

Fund Balance - total governmental funds	\$	349,745,955
Amounts reported for governmental activities in the statement of Net Position are different because:		
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.		1,079,763,598
Certain other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		32,762,337
Interest on long-term debt is recognized as it accrues, regardless of when it is due in the government-wide statements.		(310,800)
Internal service funds are used by the City to charge the cost of risk management and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position are:		12,531,894
In governmental funds, deferred outflows and inflows of resources relating to pensions and refunding are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources are reported as follows:		
Deferred outflows of resources related to pensions		19,323,141
Deferred inflows of resources related to pensions		(2,193,069)
Deferred outflows of resources related to OPEB		10,262,091
Deferred inflows of resources related to OPEB		(1,406,583)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds payable		(40,261,562)
Net pension asset (liability)		7,419,164
Net OPEB liability		(13,729,135)
Compensated absences (excluding amount recorded in the internal service funds)		(4,737,288)
Net Position of governmental activities	\$	1,449,169,743

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

CITY OF ELK GROVE

Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances For the Year Ended June 30, 2022

	General Fund	Affordable Housing Fund	Disaster Recovery Fund	Wilton Rancheria MOU Fund
<u>REVENUES</u>				
Taxes	\$ 82,398,360	\$ -	\$ -	\$ -
Licenses, fees and permits	1,182,382	3,585,014	-	-
Intergovernmental	5,713,823	-	4,831,685	2,453,925
Fines and forfeitures	609,151	-	-	-
Charges for services	336,465	-	-	-
Use of money and property	2,636,778	(663,479)	42,657	(113,937)
Contribution from Community Facility District	-	-	-	-
Other revenue	563,241	-	-	-
Total Revenues	93,440,200	2,921,535	4,874,342	2,339,988
<u>EXPENDITURES</u>				
Current:				
General government	35,167,273	-	-	-
Public safety	49,507,201	-	-	-
Public ways and facilities	-	-	358,907	1,120
Community development	1,700,225	171,117	4,472,780	-
Capital outlay	444,712	-	-	-
Debt service:				
Tax administration	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	86,819,411	171,117	4,831,687	1,120
Excess (Deficiency) of Revenues Over (Under) Expenditures	6,620,789	2,750,418	42,655	2,338,868
<u>OTHER FINANCING SOURCES (USES)</u>				
Issuance of debt	-	-	-	-
Premiums on bonds issued	-	-	-	-
Proceeds from sale of property	5,138,446	-	-	-
Transfers in	12,019,512	-	-	-
Transfers out	(4,150,989)	-	-	-
Total Other Financing Sources (Uses)	13,006,969	-	-	-
Net Change in Fund Balances	19,627,758	2,750,418	42,655	2,338,868
Fund Balances, Beginning	54,137,669	88,409,137	13,445	2,456,815
Fund Balances, Ending	\$ 73,765,427	\$ 91,159,555	\$ 56,100	\$ 4,795,683

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

Federal Capital Grants Fund	State Grants Fund	Roadway Fee Fund	Mitigation and Fee Funds	Laguna Ridge CFD 2005-1 Fund	Elk Grove Finance Authority Debt Service Fund	Elk Grove Finance Authority 2018 Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	7,487,302	3,139,998	2,978,309	-	-
1,065,422	12,820,423	-	-	2,056,387	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	(1,366,413)	(370,622)	(119,715)	(2,724)	(12,837)
-	-	-	-	15,579,344	-	-
-	-	-	-	-	-	-
<u>1,065,422</u>	<u>12,820,423</u>	<u>6,120,889</u>	<u>2,769,376</u>	<u>20,494,325</u>	<u>(2,724)</u>	<u>(12,837)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,259,389	10,401,985	9,547,312	2,387,355	4,112,617	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	1,713	4,157
-	-	-	-	-	510,000	645,000
-	-	-	-	-	77,723	656,331
-	-	-	-	-	-	-
<u>1,259,389</u>	<u>10,401,985</u>	<u>9,547,312</u>	<u>2,387,355</u>	<u>4,112,617</u>	<u>589,436</u>	<u>1,305,488</u>
<u>(193,967)</u>	<u>2,418,438</u>	<u>(3,426,423)</u>	<u>382,021</u>	<u>16,381,708</u>	<u>(592,160)</u>	<u>(1,318,325)</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,023,066	-	239,537	13,611	797,249	549,999	1,516,272
-	(1,023,066)	(313,237)	(561,958)	(1,566,146)	-	-
<u>1,023,066</u>	<u>(1,023,066)</u>	<u>(73,700)</u>	<u>(548,347)</u>	<u>(768,897)</u>	<u>549,999</u>	<u>1,516,272</u>
829,099	1,395,372	(3,500,123)	(166,326)	15,612,811	(42,161)	197,947
<u>(1,058,739)</u>	<u>(5,708,499)</u>	<u>41,121,146</u>	<u>5,462,846</u>	<u>7,768,907</u>	<u>327,715</u>	<u>264,734</u>
<u>\$ (229,640)</u>	<u>\$ (4,313,127)</u>	<u>\$ 37,621,023</u>	<u>\$ 5,296,520</u>	<u>\$ 23,381,718</u>	<u>\$ 285,554</u>	<u>\$ 462,681</u>

continued

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

CITY OF ELK GROVE

Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balances(continued)
For the Year Ended June 30, 2022

	Elk Grove Finance Authority 2020 Debt Service Fund	Elk Grove Finance Authority 2022 Debt Service Fund	Total NonMajor Funds	Total Governmental Funds
<u>REVENUES</u>				
Taxes	\$ -	\$ -	\$ -	\$ 82,398,360
Licenses, fees and permits	-	-	24,279,812	42,652,817
Intergovernmental	-	-	32,080,622	61,022,287
Fines and forfeitures	-	-	-	609,151
Charges for services	-	-	2,700,956	3,037,421
Use of money and property	(167,509)	53	(3,323,322)	(3,461,070)
Contribution from Community Facility District	-	-	-	15,579,344
Other revenue	-	-	77,540	640,781
Total Revenues	<u>(167,509)</u>	<u>53</u>	<u>55,815,608</u>	<u>202,479,091</u>
<u>EXPENDITURES</u>				
Current:				
General government	-	-	98,179	35,265,452
Public safety	-	-	1,279,008	50,786,209
Public ways and facilities	-	-	33,198,129	61,266,814
Community development	-	-	11,447,040	17,791,162
Capital outlay	-	-	-	444,712
Debt service:				
Tax administration	1,530	-	130,638	138,038
Principal	555,998	-	-	1,710,998
Interest	260,712	-	-	994,766
Bond issuance costs	-	244,428	-	244,428
Total Expenditures	<u>818,240</u>	<u>244,428</u>	<u>46,152,994</u>	<u>168,642,579</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(985,749)</u>	<u>(244,375)</u>	<u>9,662,614</u>	<u>33,836,512</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Issuance of debt	-	12,035,000	-	12,035,000
Premium on bonds issued	-	1,501,125	-	1,501,125
Proceeds from sale of property	-	-	-	5,138,446
Transfers in	817,117	-	14,353,673	31,330,036
Transfers out	-	(13,020,638)	(12,144,434)	(32,780,468)
Total Other Financing Sources (Uses)	<u>817,117</u>	<u>515,487</u>	<u>2,209,239</u>	<u>17,224,139</u>
Net Change in Fund Balances	(168,632)	271,112	11,871,853	51,060,651
Fund Balances, Beginning	<u>699,083</u>	<u>-</u>	<u>104,791,045</u>	<u>298,685,304</u>
Fund Balances, Ending	<u>\$ 530,451</u>	<u>\$ 271,112</u>	<u>\$ 116,662,898</u>	<u>\$ 349,745,955</u>

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

CITY OF ELK GROVE

Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-Wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2022

Net change to fund balances - total governmental funds	\$	51,060,651
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, governmental funds report proceeds from disposals of capital assets as revenues, while only the gain or loss on the sale of capital assets is reported in the statement of activities. Finally, donated assets are not reported in governmental fund statements since they do not represent current financial resources, but donated assets are reported as capital contributions in the statement of activities.</p>		
<p>The change in governmental activities capital assets consists of:</p>		
Capital outlay expenditures	\$ 52,558,448	
Retirement of capital assets	(1,875,530)	
Transfers of capital assets from business-type funds	2,415,991	
Less: current year depreciation	<u>(50,483,899)</u>	2,615,010
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		7,677,918
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Issuance of Revenue Bonds	(12,035,000)	
Principal payments on debt	<u>1,710,998</u>	(10,324,002)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in accrued interest on debt	(84,479)	
Change in compensated absences (excluding amount reported in the internal service funds)	<u>366,283</u>	281,804
Long term net OPEB asset (liability) change not paid out of current period resources		(1,857,627)
<p>In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual-basis pension costs and actual employer contributions was:</p>		
		28,592,676
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.</p>		
		<u>(1,273,747)</u>
Change in net position of governmental activities	\$	<u><u>76,772,683</u></u>

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

CITY OF ELK GROVE
Proprietary Funds
Statement of Fund Net Position
June 30, 2022

	Business-Type Activities				Governmental
				Total	Internal
	Recycling & Waste Funds	Transit Funds	Drainage Funds	Enterprise Funds	Service Funds
<u>ASSETS</u>					
Current Assets:					
Cash and investments	\$ 10,132,815	\$ -	\$ 20,654,981	\$ 30,787,796	\$ 13,663,858
Cash held in escrow	-	-	77,190	77,190	-
Accounts receivable, net	616,828	-	1,244,825	1,861,653	274,174
Due from other government agencies	16,701	-	48,707	65,408	-
Total Current Assets	<u>10,766,344</u>	<u>-</u>	<u>22,025,703</u>	<u>32,792,047</u>	<u>13,938,032</u>
Noncurrent Assets:					
Capital assets, nondepreciable	4,059,299	-	11,414,872	15,474,171	-
Capital assets, depreciable, net	8,049,154	-	11,825,104	19,874,258	-
Lease assets	-	-	-	-	242,639
Accumulated amortization - Lease assets	-	-	-	-	(57,789)
Total Noncurrent Assets	<u>12,108,453</u>	<u>-</u>	<u>23,239,976</u>	<u>35,348,429</u>	<u>184,850</u>
Total Assets	<u>22,874,797</u>	<u>-</u>	<u>45,265,679</u>	<u>68,140,476</u>	<u>14,122,882</u>
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	166,089	-	906,093	1,072,182	428,304
Accrued salaries and benefits	17,626	-	34,230	51,856	113,394
Customer deposits	83,969	-	15,600	99,569	-
Compensated absences	8,001	-	11,359	19,360	43,683
Interest payable - Leases	-	-	-	-	40
Lease liabilities	-	-	-	-	57,774
Total Current Liabilities	<u>275,685</u>	<u>-</u>	<u>967,282</u>	<u>1,242,967</u>	<u>643,195</u>
Noncurrent Liabilities:					
Lease liabilities	-	-	-	-	127,294
Compensated absences	34,711	-	49,278	83,989	189,499
Claims payable	-	-	-	-	631,000
Total Noncurrent Liabilities	<u>34,711</u>	<u>-</u>	<u>49,278</u>	<u>83,989</u>	<u>947,793</u>
Total Liabilities	<u>310,396</u>	<u>-</u>	<u>1,016,560</u>	<u>1,326,956</u>	<u>1,590,988</u>
<u>NET POSITION</u>					
Net investment in capital assets	12,108,453	-	23,239,976	35,348,429	(218)
Unrestricted	10,455,948	-	21,009,143	31,465,091	12,532,112
Total Net Position	<u>\$ 22,564,401</u>	<u>\$ -</u>	<u>\$ 44,249,119</u>	<u>\$ 66,813,520</u>	<u>\$ 12,531,894</u>

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

CITY OF ELK GROVE

Proprietary Funds Statement of Revenues, Expenses and Changes in Fund Net Position For the Year Ended June 30, 2022

	Business-Type Activities				Governmental
	Recycling & Waste Funds	Transit Funds	Drainage Funds	Total	Activities Internal Service Funds
	Funds	Funds	Funds	Total	Funds
<u>OPERATING REVENUES</u>					
Charges for services	\$ 3,780,165	\$ -	\$ 6,162,672	\$ 9,942,837	\$ 15,139,203
Insurance recoveries	-	-	-	-	11,055
Total Operating Revenues	3,780,165	-	6,162,672	9,942,837	15,150,258
<u>OPERATING EXPENSES</u>					
Salaries and benefits	669,674	-	987,194	1,656,868	3,404,901
Services and supplies	1,167,021	-	4,442,724	5,609,745	10,904,883
Claims expense	-	-	-	-	564,023
Depreciation	259,959	-	353,643	613,602	57,789
Total Operating Expenses	2,096,654	-	5,783,561	7,880,215	14,931,596
Operating Income (Loss)	1,683,511	-	379,111	2,062,622	218,662
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Taxes	-	-	1,769,562	1,769,562	-
Intergovernmental	717,637	-	-	717,637	-
Penalties and fees	-	-	7,684	7,684	-
Investment income (expense)	(422,406)	(20,214)	(689,437)	(1,132,057)	(483,184)
Gain/(loss) on disposal of capital assets	-	(12,083,346)	-	(12,083,346)	26,066
Lease interest	-	-	-	-	(960)
Interest expense	(349,388)	-	-	(349,388)	-
Annexation to other agency	-	(3,502,050)	-	(3,502,050)	-
Total Non-Operating Revenues (Expenses)	(54,157)	(15,605,610)	1,087,809	(14,571,958)	(458,078)
Income Before Contributions and Transfers	1,629,354	(15,605,610)	1,466,920	(12,509,336)	(239,416)
Transfers in	27,193	3,574,718	250,999	3,852,910	5,003
Transfers out	(577,179)	(2,415,991)	(790,968)	(3,784,138)	(1,039,334)
Net Contributions and Transfers	(549,986)	1,158,727	(539,969)	68,772	(1,034,331)
Change in Net Position	1,079,368	(14,446,883)	926,951	(12,440,564)	(1,273,747)
Net Position - Beginning	21,485,033	14,446,883	43,322,168	79,254,084	13,805,641
Net Position, Ending	\$ 22,564,401	\$ -	\$ 44,249,119	\$ 66,813,520	\$ 12,531,894

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

CITY OF ELK GROVE

Proprietary Funds
Statement of Cash Flows
For the Year Ended June 30, 2022

	Business-Type Activities				Governmental
	Recycling & Waste	Transit	Drainage	Total	Internal Service
	Funds	Funds	Funds		Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash receipts from customers/other funds	\$ 3,800,392	\$ 8,356	\$ 6,166,725	\$ 9,975,473	\$ 15,045,975
Cash receipts from insurance recoveries	-	-	-	-	11,055
Cash paid to suppliers for good and services	(1,106,411)	(1,654,279)	(5,497,044)	(8,257,734)	(11,326,483)
Cash paid to employees for services	(702,561)	(45,843)	(974,255)	(1,722,659)	(3,326,293)
Net Cash Provided (Used) by Operating Activities	1,991,420	(1,691,766)	(304,574)	(4,920)	404,254
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Taxes	-	-	1,769,562	1,769,562	-
Intergovernmental revenue received	718,950	1,492,560	-	2,211,510	-
Penalties and fees received	-	-	7,684	7,684	-
Transfers in	27,193	3,574,718	250,999	3,852,910	5,003
Transfers out	(577,179)	-	(790,968)	(1,368,147)	(1,039,334)
Release of unearned revenue	-	(38,031)	-	(38,031)	-
Annexation transfer to other agency	-	(4,473,402)	-	(4,473,402)	-
Net Cash Provided (Used) by Noncapital Financing Activities	168,964	555,845	1,237,277	1,962,086	(1,034,331)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Interest paid on Capital debt	(349,388)	-	-	(349,388)	-
Repayment of recovery zone bonds	(8,385,000)	-	-	(8,385,000)	-
Acquisition of capital assets	-	-	(1,612,240)	(1,612,240)	-
Proceeds from sale of assets	-	-	-	-	26,066
Lease interest	-	-	-	-	(1,178)
Lease principal	-	-	-	-	(57,571)
Net Cash Provided (Used) by Capital and Related Financing Activities	(8,734,388)	-	(1,612,240)	(10,346,628)	(32,683)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment income (loss)	(419,821)	(20,037)	(685,910)	(1,125,768)	(480,589)
Net Cash Provided by Investing Activities	(419,821)	(20,037)	(685,910)	(1,125,768)	(480,589)
Net Increase (Decrease) in Cash and Cash Equivalents	(6,993,825)	(1,155,958)	(1,365,447)	(9,515,230)	(1,143,349)
Cash and Cash Equivalents, Beginning of Year	17,126,640	1,155,958	22,020,428	40,303,026	14,807,207
Cash and Cash Equivalents, End of Year	\$ 10,132,815	\$ -	\$ 20,654,981	\$ 30,787,796	\$ 13,663,858
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
Operating income (loss)	\$ 1,683,511	\$ -	\$ 379,111	\$ 2,062,622	\$ 218,661
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	259,959	-	353,643	613,602	57,789
Changes in assets and liabilities (Increase) decrease in:					
(Increase) decrease in:					
Accounts receivable	20,227	8,356	(19,389)	9,194	(93,227)
Increase (decrease) in:					
Accounts payable	60,610	(1,654,279)	(1,046,478)	(2,640,147)	83,423
Accrued salaries and benefits	(5,208)	(7,287)	8,313	(4,182)	59,376
Deposits	-	-	15,600	15,600	-
Compensated absences	(27,679)	(38,556)	4,626	(61,609)	19,232
Claims payable	-	-	-	-	59,000
Net Cash Provided (Used) by Operating Activities	\$ 1,991,420	\$ (1,691,766)	\$ (304,574)	\$ (4,920)	\$ 404,254
<u>SUPPLEMENTAL DISCLOSURE OF Cash and Cash Equivalents</u>					
Cash and investments	\$ 10,132,815	\$ -	\$ 20,654,981	\$ 30,787,796	\$ 13,663,858
Cash and Cash Equivalents, End of Year	\$ 10,132,815	\$ -	\$ 20,654,981	\$ 30,787,796	\$ 13,663,858
<u>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</u>					
Nonreciprocal transfer of capital assets to governmental activities	\$ -	\$ -	\$ -	\$ -	\$ 552,140
Transfer capital assets to governmental activities	-	(2,415,991)	-	(2,415,991)	-
Transfer capital assets to other agency	-	(12,083,346)	-	(12,083,346)	-

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

CITY OF ELK GROVE

Fiduciary Funds Statement of Fiduciary Net Position June 30, 2022

	Retirement Health Trust Fund	Custodial Funds
<u>ASSETS</u>		
Cash and Cash equivalents	\$ 169,545	\$ 10,130,240
Mutual funds - Equity	3,931,406	-
Cash with fiscal agent	-	13,460,904
Accounts receivable	-	485,664
Taxes receivable	-	743,194
Total Assets	<u>4,100,951</u>	<u>24,820,002</u>
<u>LIABILITIES</u>		
Accounts payable	169,545	2,677,863
Interest payable	-	126
Refundable deposits	-	66,483
Total Liabilities	<u>169,545</u>	<u>2,744,472</u>
<u>NET POSITION</u>		
Restricted for other post-employment benefits	3,931,406	
Restricted for individuals and organizations	-	22,075,530
Total net position	<u>\$ 3,931,406</u>	<u>\$ 22,075,530</u>

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

CITY OF ELK GROVE

Fiduciary Funds
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2022

	Retirement Health Trust Fund	Custodial Funds
	<u> </u>	<u> </u>
<u>ADDITIONS</u>		
Employer contributions	\$ 375,000	\$ -
Net investment income:		
Net (decrease) increase in fair value of investments	(813,491)	(435,874)
Interest, dividends, and other	250,798	10,410
Investment management fees	(20,155)	(1,378)
Fees, taxes and special assesments for other governements	-	21,663,364
Issuance of debt	-	12,273,548
Activity fees	-	19,653
Miscellaneous	-	468
Total additions	<u>(207,848)</u>	<u>33,530,191</u>
<u>DEDUCTIONS</u>		
Benefits paid to participants or benficiaries	404,400	-
Administrative expense	-	52,977
Payment of fees, taxes and special assesments to other governements	-	3,202,659
Development and construction expense	-	17,386,459
Activities and events	-	17,101
Debt issuance costs	-	387,351
Debt service	-	14,866,956
Total deductions	<u>404,400</u>	<u>35,913,503</u>
Change in net position	(612,248)	(2,383,312)
<u>NET POSITION</u>		
Restricted for OPEB benefits, individuals and organizations:		
Beginning of year	4,543,654	24,458,842
End of year	<u>\$ 3,931,406</u>	<u>\$ 22,075,530</u>

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

NOTES TO FINANCIAL STATEMENTS

The notes provided in the financial section of this report are considered an integral and essential part of adequate disclosure and fair presentation of this report. The notes include a summary of significant accounting policies for the City, and other necessary disclosure of pertinent matters relating to the financial position of the City. The notes express significant insight to the financial statements and are conjunctive to understanding the rationale for presentation of the financial statements and information contained in this document.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Note 1: **Summary of Significant Accounting Policies**

A. The Financial Reporting Entity

The City of Elk Grove (City), California, was incorporated in July 2000. The City operates under the Council-Manager form of government and provides the following services: public safety, animal services, highways and streets, public improvements, planning and zoning, general administration, transit, recycling and waste and drainage.

The financial statements presented herein include all the funds relevant to the operations of the City. The City's fiscal year begins July 1 and ends on June 30.

The accounting methods and procedures adopted by the City conform to generally accepted accounting principles as applied to governmental entities. These financial statements present the government and its component units, entities for which the government is financially accountable. Reporting for component units on the City's financial statements can be blended or discretely presented. Blended component units, although legally separate entities are, in substance, part of government's operations. Blended component units are an extension of the City and so data from these units is combined with data of the primary government. Discretely presented component units, on the other hand, are reported in a separate column in the combined financial statements to emphasize that they are legally separate from the City.

The City's reporting entity includes the following blended component units:

Elk Grove Finance Authority

On July 13, 2005, under Article 1 of Chapter 5 of Division 7 of Title 1 of the Government Code of the State of California, the City authorized the formation of a joint powers authority with the Parking Authority of the City to be known as the Elk Grove Finance Authority (Finance Authority).

The primary purpose of the Finance Authority is to facilitate the financing of public improvements, as well as other facilities and improvements which will be funded through the issuance of tax-exempt bonds. The City Council acts as the governing board of the Finance Authority in concurrent session. The Mayor serves as Board chairperson.

The Finance Authority is a separate and legal entity, distinct from the City itself. The Finance Authority provides services entirely for the benefit of the City and the governing body consists solely of members of the City Council. The Finance Authority is treated as a blended component unit. The Finance Authority's financial data is presented as a debt service fund type.

Parking Authority of the City of Elk Grove

Formed in 2005 pursuant to the provisions of California statutes for the purpose of financing the development and operation of parking facilities. Although the Parking

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Authority is a separate legal entity, it is an integral part of the City. The City exercises significant financial and management control over the Parking Authority and members of the City Council serve as the governing board of the Parking Authority. The Parking Authority is inactive.

Other Agencies:

Elk Grove Tourism Marketing District

In February 2015 City Council approved the formation of the Elk Grove Tourism Marketing District (EGTMD). The EGTMD is a benefit assessment district proposed to help fund marketing and sales promotion efforts for Elk Grove lodging businesses. The EGTMD currently includes all existing and future lodging businesses located within the boundaries of the City and a portion of unincorporated Sacramento County. On January 8, 2020, City Council renewed the EGTMD to a seven (7) year life, beginning April 1, 2020 through March 31, 2027, with an assessment rate of 3% for City of Elk Grove hotels stays and 1% for Sacramento County hotel stays within the District. Near the end of the term, EGTMD and City Council hearing process must be repeated for the EGTMD to be renewed.

The lodging businesses formed a nonprofit corporation, Visit Elk Grove (VEG), which serves as the EGTMD's Owner's Association ("Owner's Association"). The Owner's Association is private non-profit corporation charged with managing funds and implementing programs in accordance with the Management District Plan and state law. The Owner's Association must also provide annual reports to the City Council. The City is responsible for collecting the assessment on a monthly or quarterly basis from each lodging business located in the boundaries of the EGTMD. The City forwards these assessments to VEG. The City is paid a fee equal to one percent (1%) of the amount of assessment collected to cover its costs of collection and administration.

The EGTMD and VEG are not considered component units of the City and as a result, financial information for these entities is not presented in the City's financial statements.

B. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. The internal services provided and used are not eliminated in the process of consolidation. These statements distinguish between the *governmental* and *business-type activities* of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function, and allocated indirect expenses. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the City's funds, including fiduciary funds and blended component units. Separate statements for each fund category ~ *governmental, proprietary and fiduciary* ~ are presented.

The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are discretely aggregated and reported as nonmajor funds.

Proprietary fund *operating* revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating* revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first, then unrestricted resources as they are needed.

The City reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, animal services, community services, economic development and a capital reserve.
- The *Affordable Housing Special Revenue Fund* was established to account for affordable housing development impact fees paid by new development and expenditure and loan activity for affordable housing and administration.
- The *Disaster Recovery Special Revenue Fund* was established to account for funding from Federal, State and Local agencies for disaster relief.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

- The *Wilton Rancheria MOU Special Revenue Fund* was established to account for the tracking and spending of the cumulative payments between the Tribe and the City over 20 years.
- The *Federal Capital Grant Funds* were established to account for grants received from the federal government to fund capital projects.
- The *State Grant Funds* were established to account for grants received from the State of California to fund capital projects.
- The *Roadway Fee Capital Projects Fund* was established to account for development impact fees paid by new development and expenditures for roadway related projects.
- The *Mitigation and Fee Capital Projects Funds* were established to account for development impact fees and corresponding expenditures, except from those described above.
- The *Laguna Ridge CFD Fund* was established to account for special taxes to fund the cost of infrastructure and a portion of police protection operational costs within the boundaries of this finance district.
- The *Elk Grove Finance Authority Debt Service Fund* was established to pay for debt service on outstanding 2017 Lease Revenue Bonds that were issued to finance and re-finance certain City-owned buildings. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.
- The *Elk Grove Finance Authority 2018 Debt Service fund* was established to pay for debt service on Lease Revenue Bonds that were issued to finance the Animal Shelter. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.
- The *Elk Grove Finance Authority 2020 Debt Service Fund* was established to pay for debt service on Lease Revenue Bonds that were issued to finance the construction of The Preserve at District56 and improvements to the Old Town Plaza. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on outstanding bonds.
- The *Elk Grove Finance Authority 2022 Debt Service Fund* was established to pay for debt service on bonds that were issued to finance the construction of improvements to various Police facilities. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

The City reports the following major enterprise funds:

- The *Recycling and Waste Funds* were established to account for the operation and maintenance of the City's recycling and waste program, which plans, coordinates, promotes and implements citywide solid waste reduction, recycling, composting, and public education activities. Beginning in fiscal year 2011, the Recycling & Waste Funds include the proceeds and debt service of the 2010 Recovery Zone Economic Development Bonds and the activity revolving around the operations of the Household Hazardous Waste Facility.
- The *Transit Funds* were established to account for the transit allocation of Transportation Development Act (TDA) and other funding, which is used for public transportation planning, public transportation services, transit capital costs and community transit purposes.
- The *Drainage Funds* were established to account for the cost to manage and deliver drainage and flood control services.

The City reports the following additional fund types:

- *Permanent Fund* account for and report resources that are restricted to the extent that only earnings, and not principal, that may be used for purposes that support the reporting government's programs.
- *Internal Service Funds* account for the City's facilities, fleet, information technology, and GIS services provided to other departments, unemployment insurance, and insurance programs – workers' compensation and "general liability" - on a cost-estimate basis.
- *Fiduciary Funds* account for Trust and Custodial Funds. The financial activities of these funds are excluded from the Government Wide Financial Statements but are presented in separate Fiduciary Fund Financial Statements. The Custodial Funds consist of:
 - The *Retirement Health Trust Fund* accounts postemployment benefits (OPEB) trust funds used for funding of health insurance for retirees.
 - The *Custodial Funds* account for resources, not in a trust, held by the City for various local governments and other entities outside of the City's reporting entity. The Custodial Funds consist of:
 - **Community Services District & Sac County Funds** – Established to account for development fees, which are collected and remitted to the Cosumnes Community Services District or to Sacramento County for fire and recreation and transportation facilities as well as landscape maintenance.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

- **Elk Grove Employee Sunshine Fund** – Established to account for the donation by payroll deduction of Employee funds which are collected and used for Employee functions and activities as directed by the employees.
- **Special Assessment/Community Facility District (CFDs)** – Established to account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.
- **Property & Evidence Fund** – Established to account for the collection for confiscated funds which may become evidence or asset seizures.

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds, internal service funds and the fiduciary funds.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, include property and sales taxes, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from sales tax are recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 60 days after the end of the accounting period to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City the right to use leased assets, are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing through leases are reported as other financial sources.

D. Current Year GASB Implementation

In June 2017, the GASB approved Statement No. 87, *Leases*. The objective of this Statement is the objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The City implemented the provisions of the Statement in fiscal year 2022, which required the restatement of net position as discussed in Note 5.

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for certain interest costs. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in the financial statements. The provisions of this Statement were implemented during fiscal year 2022. The implementation had no effect on the financial statements.

In January 2020 the GASB approved Statement No. 92 *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, Leases, and Implementation Guide No. 2019-3, Leases, for interim financial report. Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit (OPEB) plan. The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits. The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements. Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. Terminology used to refer to derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021, but did not have a material effect on the City's financial statements.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

In June 2020 the GASB approved Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Certain provisions of the Statement are effective upon issuance in June 2020, but did not have a material effect on the City’s financial statements and application of the remaining provisions of Statement No. 97 are effective for periods beginning after June 15, 2021. The City implemented the provisions of Statement No. 97 in fiscal year 2022, which revised the disclosure of deferred compensations plans as noted in Note 14.

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The provisions of this Statement were implemented during fiscal year 2022. The implementation had no effect on the financial statements.

E. Property Tax

The County of Sacramento is responsible for the collection and allocation of property taxes. The City recognizes property taxes when the individual installments are levied, provided they are received by the City within 60 days after year-end.

Secured property taxes are levied on or before the first day of September of each year. They become a lien on real property on March 1 preceding the fiscal year for which taxes are levied. These taxes are paid in two equal installments; the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent with penalties after April 10. Secured property taxes, which are delinquent and unpaid as of June 30, are declared to be tax defaulted and are subject to redemption penalties, cost and interest when paid.

The City participates in an alternative method of distribution of property tax levies and assessments known as the “Teeter Plan.” The State Revenue and Taxation Code allow counties to distribute secured real property and assessment and supplemental property taxes on an accrual basis resulting in full payment to cities each fiscal year. Any

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

subsequent delinquent payments, penalties and interest during a fiscal year will revert to the County.

F. Cash and Investments

Cash equivalents consist of cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Investments in the California Local Agency Investment Fund (LAIF) are stated at cost, which approximates their estimated fair value. Other investments are stated at their fair value.

G. Receivables

Receivables consist of development impact fees, property taxes, sales taxes, mitigation fee credits, grants, recycling and waste and drainage utility fees, and long-term loans. Affordable Housing related to interest receivable on loans for \$24,999,897 is offset by an allowance for potential forgiveness of \$24,650,824. Accounts receivable components are in each of the financial statements.

Long term loans by governmental funds are recorded in the fund statements and are reflected as nonspendable or restricted in the fund balance because they are not in spendable form. The loans are recognized when advanced in the government-wide statements.

Affordable housing subsidies receivable represent amounts due to the City from home owners resulting from qualified individuals being provided a home by a developer at a subsidized price below market value. This program allows qualified homeowners to obtain financing to help the City satisfy low income housing requirements. The City records potential amounts due under this program as affordable housing subsidies receivable.

The California Fish and Wildlife issued the City Swainson's Hawk Fund Mitigation Fee Credits. The City will use these fee credits as mitigation for the construction of public and private projects. The fee credit balance was \$4,020,611 at June 30, 2022.

H. Unearned Revenue

Unearned revenue includes amounts received from grantors and developers that have not yet been earned.

I. Prepaid Items

Certain payments made to vendors reflect costs applicable to future accounting periods and are reported as prepaid items in both the government-wide and fund financial statements. Prepaid items as reported in the financial statements are offset by a nonspendable fund balance for assets in governmental funds to indicate that they do not constitute resources available for appropriation.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

J. Capital Assets

Capital assets (including infrastructure) are recorded at historical or estimated cost, except for intangible right-to-use lease assets, the measurement of which is discussed in Note 5 below. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Capital assets include public domain (infrastructure) consisting of certain improvements including roadways, parks, bridges, water/sewer, lighting system, drainage systems, and flood control. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement is recorded at acquisition value rather than fair value.

The City's policy is to capitalize all capital assets (excluding infrastructure) with a cost of \$5,000 or more and with an estimated useful life of three years or more. The City's infrastructure with a cost of \$50,000 or more and with an estimated useful life of twenty or more years is capitalized. The straight-line method of depreciation is used for capital assets and infrastructure.

Maintenance and repairs are charged to expense as incurred. Significant renewals or betterments are capitalized and depreciated over their estimated useful lives. Costs incurred for major improvements or construction of capital assets are carried in construction in progress until the project is completed at which time costs related to the project are moved to the appropriate classification and depreciated.

The estimated useful lives are as follows:

Infrastructure (other than pavement)	20 to 75 years
Pavement subsystem	40 years
Buildings and improvements	20 to 50 years
Right-to-use leased buildings	20 to 50 years
Land improvements	20 to 40 years
Equipment	3 to 15 years
Right-to-use leased equipment	3 to 15 years

The City has five networks of infrastructure assets – roadways, water/sewer, lighting, drainage.

K. Deferred Outflow/Deferred Inflow of Resources

In addition to assets, the financial statements report separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Conversely, deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Contributions made to the City's pension plan(s) after the measurement date but before the fiscal year-end are recorded as a deferred outflow of resources. Additional factors involved in the calculation of the City's pension and OPEB expense, net OPEB asset/liability and net pension liability include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the City's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods. See Notes 10 and 11 for further details related to these pensions deferred outflows and inflows.

Under the modified accrual basis of accounting, unavailable revenue is reported as a deferred inflow of resources. Unavailable revenue is reported in the governmental funds balance sheet and represents receivables associated with leases and other non-exchange transactions that will not be collected within the City's period of availability.

L. Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

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

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

Key estimates and judgements related to leases include how the City determines (1) the discount rate it used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments as follows:

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

payments and purchase option price that the City is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

Lessor - The City is a lessor for a noncancellable lease of land for cell tower sites and other purposes, and buildings. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

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

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

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

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

M. **Compensated Absences**

The City's policies regarding vacation time and compensatory time permit employees to accumulate earned by unused leave, up to limits depending on years of service. This debt is estimated based on historical trend analysis, the current portion of which is reported in the General Fund, the remaining balance is shown in the government-wide financial statements.

The City's annual leave policy allows for accruals as follows:

<u>Years of Service</u>	<u>Annual Accrual</u>	<u>Maximum Accrual</u>
1 through 4	176 hours	352 hours
5 through 9	216 hours	432 hours

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Notes to Financial Statements June 30, 2022

10 through 14	232 hours	464 hours
15 through 19	256 hours	512 hours
20 or more	272 hours	544 Hours

Annual leave includes vacation and sick leave. City employees have vested interests in the amount of annual leave accrued and are paid upon termination. Annually, an employee may elect to be paid out a maximum of 80 hours of unused annual leave at the discretion of the City Manager. Payouts are contingent on the following criteria:

- The employee used at least 40 hours during the previous year; and,
- The employee will have a minimum balance of 80 annual leave hours after the payment.

All annual leave is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for compensated absences is reported in the governmental funds only if they have matured, for example, as a result of employee resignations or retirements that are currently payable. The General Fund, Development Services Fund, Risk Management Fund, Recycling and Waste Fund, Transit Fund, Drainage Fund, and Internal Service Funds are used to liquidate compensated absences, depending on where the employee's salary is recorded.

The City offers to exempt employees either 40 or 80 administrative leave hours annually, depending on their level of management. Administrative leave is recorded on July 1st and is prorated for new employees starting after July 1st. The accrued time is carried over each year, with a maximum limit of double the employee's annual allotment. Employees have the option to cash out 50% of their administrative leave balance annually.

N. Pensions and OPEB

For purposes of measuring the net pension liability, pension expense, and deferred outflows/inflows of resources related to pensions, information about the fiduciary net position of the City's portions of the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan) maintained by the California Public Employees' Retirement System (CalPERS) and additions to/deductions from the City's portions of the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

For purposes of measuring the net OPEB liability (asset), deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the City's OPEB Plans and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported in the Retirement Health Trust Fund or by the plan. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

O. Interfund Balances

Interfund transactions are reflected as loans, provided services, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either “due to/from other funds” (current portion) or “advances to/from other funds” (noncurrent portion). Net interfund activity and balances between the governmental activities and business-type activities are shown in the statement of net position as internal balances. The “doubling-up” effect of internal service fund activity has been removed by adjusting the expenses shown in the various functions within the statement of activities.

Advances are amortized over the life of the loan or available cash. Interest is calculated based on the City’s pooled Local Agency Investment Fund (LAIF) interest rate at the time of the agreement. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

P. Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflows, liabilities and deferred inflows and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Note 2: Cash and Investments

The City’s deposit and investment balances as of June 30, 2022, consist of the following:

	<u>Cash and Investments</u>	<u>Restricted and Held by Fiscal Agent</u>	<u>Total Cash and Investments</u>
Cash and deposits	\$ 23,702,704	\$ 1,301,956	\$ 25,004,660
Investments	307,493,116	45,583,683	353,076,799
Total Cash and Investments	<u>\$ 331,195,820</u>	<u>\$ 46,885,639</u>	<u>\$ 378,081,459</u>

Total cash and investments were classified and reported on the City’s financial statements as follows:

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

	Cash and Investments	Restricted and Held by Fiscal Agent	Total Cash and Investments
Governmental activities	\$ 290,108,239	\$ 29,416,139	\$ 319,524,378
Business-type activities	30,787,796	77,190	30,864,986
Fiduciary funds	10,299,785	17,392,310	27,692,095
Total Cash and Investments	\$ 331,195,820	\$ 46,885,639	\$ 378,081,459

Fair Value Measurements

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy, as follows:

- Level 1: Investments reflect prices quoted in active markets;
- Level 2: Investments reflect prices that are based on a similar observable asset either directly or indirectly, which may include inputs in markets that are not considered to be active; and,
- Level 3: Investments reflect prices based upon unobservable sources.

The City's Investment Pool has the following recurring fair value measurements as of June 30, 2022:

	Fair Value Measurement Using			
	Total Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Investment Securities				
Certificates of Deposit (Collateralized Non-Negotiable Time Deposits)	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Certificates of Deposit (Negotiable Time Deposits)	13,612,754	-	13,612,754	-
Federal Farm Credit Bank	4,575,326	-	4,575,326	-
Federal Home Loan Bank	7,846,669	-	7,846,669	-
Federal Home Loan Mortgage Corporation	5,303,906	-	5,303,906	-
Federal National Mortgage Association	9,167,522	-	9,167,522	-
Local Agency Investment Fund	70,998,916	-	70,998,916	-
Supranational Securities	22,458,761	-	22,458,761	-
US Treasury Notes	77,327,294	-	77,327,294	-
Municipal Securities (CA State and local agencies)	13,899,249	-	13,899,249	-
Asset Backed Securities	20,589,892	-	20,589,892	-
Medium Term Corporate Notes	58,778,746	-	58,778,746	-
Total investments measured at fair value	\$ 305,559,035	\$ -	\$ 305,559,035	\$ -

Investments

LAIF and CalTRUST, being investments pools, are subject to fair value measurement; however, they are not subject to the fair value hierarchy. Certain Certificates of Deposit and Money Market Funds are not negotiable and therefore, not subject to fair value measurement as redemption terms do not consider market rates.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

The City invests both individual fund and pooled monies, subject to California Government Code Section 53600, Chapter 4 – Financial Affairs. The pooling of monies, referred to as an internal investment pool, is theoretically invested on the whole and not as a combination of monies from each fund belonging to the pool. In this manner, the City’s Treasurer is able to invest the monies at a higher interest rate for a longer period of time.

Interest revenue is apportioned monthly to each fund in the pool based on the average cash balance of the fund for the month.

Investments Authorized by the California Government Code and the City’s Investment Policy

The table below identifies the investment types that are authorized for the City by the California Government Code or the City’s investment policy, where more restrictive. The table also identifies certain provisions of the City’s investment policy that address interest rate risk, credit risk, and concentration risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations Federal Agency or U.S. Government Sponsored	5 years	None	None
Enterprise Obligations	5 years	None(B)	30%
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5%(A),(C)
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	90 days	20%	None
Medium Term Corporate Notes	5 years	30%	5%(A)
Supranational Securities	5 years	30%	10%
Mutual Funds/Money Market Mutual Funds	N/A	20%/20%	10%/20%
Time Deposits	5 years	25%	5%
Local Agency Investment Fund (LAIF)	N/A	None	\$75m per account
Investment Trust of California (CalTRUST)	N/A	30%	15%
State Municipal Securities - 50 States	5 years	20%	5%
Municipal Securities (California Local Agencies)	5 years	20%	5%
Asset-backed, Mortgage-backed and Collateralized Mortgage Obligations	5 years	20%	5%

(A) The City may invest a maximum of 10% of it's total investment cash in commercial paper and medium term corporate notes of a single issuer.

(B) The City may invest in a maximum of 20% of callable agency securities.

(C) The City's investment may not represent more than 10% of the outstanding paper of the issuing corporation.

Investments Authorized by Debt Agreements

Investment of debt proceeds held by bond trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City’s investment policy. The table on the following page identifies the investment types that are authorized for investments held by the bond trustee. The table also identifies certain provisions of these debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Obligations	None	None	None
Government National Mortgage Associaton	None	None	None
Federal Farm Credit System	None	None	None
Federal Home Loan Bank Board	None	None	None
Federal National Mortgage Association	None	None	None
Federal Home Loan Mortgage Association	None	None	None
Banker's Acceptances	270 days	None	None
Commercial Paper	180 days	None	None
Medium Term Corporation Notes	5 years	30%	None
Money Market Mutual Funds	N/A	None	None
Municipal Obligations	None	None	None
Investment Agreements	30 years	None	None
LAIF	None	None	None
Federal Securities	None	None	None
Time Deposits	None	None	None
Corporate Obligations	None	None	None

Disclosures Relating to Interest Rate Risk and Credit Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity over time as necessary to provide the cash flow and liquidity needed for operations. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio, as well as limiting a securities maturity to five years or less for investments in the investment pool. Investments held outside the investment pool can have longer maturities as these funds are restricted by bond covenants and are held to the maturity of the bonds.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Investment Type	Amount	Weighted Average Maturity (in years)
Investments in Investment Pool:		
Federal National Mortgage Association	\$ 9,167,522	0.39
Federal Farm Credit Banks	4,575,326	0.09
Federal Home Loan Banks	7,846,669	0.29
Federal Home Loan Mortgage Corp Medium Term Notes (FHLMC MTN)	5,303,906	0.24
Supranational Securities	22,458,761	2.42
US Treasury Notes	77,327,294	3.23
Municipal Securities (CA Local Agencies and State of CA)	13,899,249	1.30
Certificates of Deposit (Collateralized Time Deposits)	1,000,000	0.29
Certificates of Deposit (Negotiable Time Deposits)	13,612,754	1.41
Asset Backed Securities	20,589,892	3.60
Medium Term Corporate Notes	58,778,746	2.91
LAIIF	70,998,916	0.85
Total Investments in Investment Pool	<u>305,559,035</u>	1.92
Investments outside Investment Pool:		
Money Market Mutual Funds	43,586,358	
Mutual Funds	3,931,406	
Total Investments	<u>\$ 353,076,799</u>	

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below and on the following page is the minimum rating required by the California Government Code, the City's investment policy, or debt agreements and the actual rating at year end for each investment type.

Investment Type	Amount	Minimum Legal Rating	Ratings as of Year End (Standard and Pools)				
			AAA/A-1	AA+/AA/AA-	A+/A	BBB+	Not Rated
Investments in Investment Pool:							
Certificates of Deposit (Collateralized Time Deposits)	\$ 1,000,000	N/A	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Certificates of Deposit (Negotiable Time Deposits)	13,612,754	A-1	2,486,275	-	-	-	11,126,479 ^(A)
Federal Farm Credit Banks	4,575,326	N/A	-	4,575,326	-	-	-
Federal Home Loan Banks	7,846,669	N/A	-	7,846,669	-	-	-
Federal Home Loan Mortgage Corporation Medium Term Notes	5,303,906	N/A	-	4,369,721	-	-	934,185
Federal National Mortgage Association	9,167,522	N/A	-	9,167,522	-	-	-
Supranational Securities	22,458,761	AA	20,775,407	-	-	-	1,683,354 ^(B)
US Treasury Notes	77,327,294	N/A	-	77,327,294	-	-	-
Asset Backed Securities	20,589,892	AA	15,918,299	-	-	-	4,671,593 ^(B)
Municipal Securities (CA State and local agencies)	13,899,249	A	-	13,402,084	-	-	497,165 ^(B)
Medium Term Corporate Notes	58,778,746	A	2,387,568	17,621,188	37,778,482	991,508 ^(B)	-
LAIIF	70,998,916	N/A	-	-	-	-	70,998,916
Investments outside Investment Pool:							
Mutual Funds	3,931,406	AAA	-	-	-	-	3,931,406 ^(A)
Money Market Funds	43,586,358	AAA	-	43,586,358 ^(A)	-	-	-
Total Investments	<u>\$ 353,076,799</u>		<u>\$ 41,567,549</u>	<u>\$ 177,896,162</u>	<u>\$ 37,778,482</u>	<u>\$ 991,508</u>	<u>\$ 94,843,098</u>

(A) These investments do not meet the minimum legal rating due to timing of when the investments were purchased and the current rating.

(B) These investments do not meet the minimum legal rating under Standard and Poor's investment rating system, but do meet the minimum requirement under Moody's investment rating system.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Custodial Credit Risk

The 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 an outside party.

The California Government Code and the City's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits:

The California Government Code requires that a financial institution secure the City's cash deposits by pledging securities in an undivided collateral pool held by a depository regulated under state law. The market value of pledged securities in the collateral pool must equal at least 110% of the City's cash deposits. California law also allows institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the City's total cash deposits.

At June 30, 2022, the recorded amount of the City's petty cash and demand deposits was \$8,450 and \$16,955,239, respectively, and the recorded amount of mutual funds classified as cash and deposits was \$6,800,696. Out of the \$25,262,561 that was deposited in financial institutions \$1,000,000 was insured by the Federal Depository Insurance Corporation (FDIC) and the remaining bank balance at June 30, 2022 was \$24,262,561 and was covered by a financial institution collateral pool that insures public deposits. The City's remaining investments were held by US Bank Trust in the City's name and were not subject to custodial credit risk or invested in LAIF.

Investment in California Local Agency Investment Fund and CalTRUST

The City is a voluntary participant in the California Local Agency Investment Fund that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio. At June 30, 2022, the City's investment position in LAIF was \$70,998,916.

The City is also a voluntary participant in the CalTRUST which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. CalTRUST does not have limits on transactions

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

per month or dollar amount of transactions. As of June 30, 2022, the City’s investment in CalTRUST is \$0.

Note 3: **Loans Receivable and Affordable Housing Subsidies Receivable**

Loans Receivable

Activity in loans receivable for the year ended June 30, 2022, was as follows:

	Balance at July 1, 2021	Additions	Repayments	Adjustments	Balance at June 30, 2022
Major Governmental Funds					
General Fund	\$ 281,365	\$ -	\$ -	\$ -	\$ 281,365
Affordable Housing Special Revenue	61,939,306	4,000,000	(102,800)	-	65,836,506
Other Governmental Funds					
HUD Home Grant	40,000	-	-	-	40,000
Neighborhood Stabilization	223,416	-	-	-	223,416
Community Development Block Grant	162,069	-	(60,455)	-	101,614
Totals	<u>\$ 62,646,156</u>	<u>\$ 4,000,000</u>	<u>\$ (163,255)</u>	<u>\$ -</u>	<u>\$ 66,482,901</u>

The City has a number of multi-family affordable housing loans and Community Development Block Grant (CDBG) owner occupied and emergency repair loans outstanding at year end. The multi-family affordable housing loans provide gap financing to private developers to construct multi-family housing projects and totaled \$56,844,506 at June 30, 2022. The loans carry interest rates ranging from 0% to 4% and principal and interest are deferred for up to 30 years, subject to various conditions specified in the loan agreements.

In December of 2019, the City approved a \$5 million Loan to Elk Grove Pacific Associates IV (Gardens at Quail Run Affordable Housing Project) for the development of a 96 unit rent-restricted housing project. This is an additional loan to the City’s CDGB projects. Of the Regulated Units, ten shall be restricted at rents affordable to extremely low-income households, fifty-three shall be restricted at rents affordable to very low-income households, and thirty-two shall be restricted at rents affordable to low-income households, and one unit shall be dedicated for the use of the Property Manager and shall not be rent-restricted. The loan bears interest of 4% on the outstanding principal. Principal and all accrued interest is due on the earliest of 37 years from the date of issuance of a certificate of occupancy, sale or transfer of the property, an event of default, or March 31, 2058. As of June 30, 2022, there have been \$4 million in draw downs on the loan.

The City is a participant in the State of California’s Department of Housing and Community Development’s Home Investment Partnerships Program (HOME) program. 30 year-term loans are awarded to individuals based on the HOME programs income and purchase conditions. All loans accrue 3% annual interest for the first 10 years. 1/10th of the accrued interest is then forgiven during years 11 thru 20. In years 21 through 30, loan principal payments are to be made on a 10-year payment term. As of June 30, 2022, the principal amount outstanding was \$40,000.

The City has a down payment assistance program that assists the City’s citizens with obtaining home ownership. This program provides families with down payment assistance

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

through a 30 year 3% annual interest loan. The interest accrues for the first ten years and then the interest rate drops to 0% and during years 11 through 20, the accrued interest is forgiven at a rate of 10% of the total accrued interest per year until all interest is forgiven at the end of year 20. No principal or interest payments are required until the end of the loans term at which time all outstanding principal is due. As of June 30, 2022, the total outstanding principal for the down payment assistance program loans is \$223,416.

The City began a Homebuyers Assistance Program through California's Department of Housing and Community Development CalHome program in fiscal year 2015. This program is designed to enable low and very-low income households to become or remain homeowners. Similar to the City's down payment assistance program, interest accrues at 3% for the first ten years and then the interest rate drops to 0% and during years 11 through 20, the accrued interest is forgiven at a rate of 10% of the total accrued interest per year until all interest is forgiven at the end of year 20. No principal or interest payments are required until the end of the loans term at which time all outstanding principal is due. The CalHome loans totaled \$494,150 at June 30, 2022. The City also funded the Homebuyers Assistance Program using Affordable Housing funds in Fiscal year 20-2021 under the same conditions. The Affordable Housing loans totaled \$59,650 at June 30, 2022.

The CDBG owner occupied repair and emergency repair loans were made to rehabilitate owner occupied low and moderate income housing. The owner occupied repair loans totaled \$60,000 at June 30, 2022 and carry an interest rate of 3% with principal and interest deferred for up to 30 years or until the owner refinances or sells the subject property. The CDBG emergency repair loans totaled \$41,964 at June 30, 2022, are interest free and may be forgiven if the borrower continuously resides in the subject property for ten years.

In August 2017, the City approved a \$300,000 loan and a \$4.7 million loan to Elk Grove Pacific Associates III for the development of a 48 unit rent-restricted housing project that includes extremely low-income, very low-income, low-income and affordable income rents. The developer drew down \$2,000,000 on the loan during each of the fiscal years 2019 and 2020, and an additional \$1,000,000 in fiscal year 2021, for a total of \$5,000,000. The loans bear simple interest of 4% on the outstanding principal amount disbursed, starting on the date of each disbursement of loan proceeds, and principal and all accrued interest is repayable on the earliest of 37 years from the date of the issuance of a Certificate of Occupancy for the project or the date the property is sold, transferred or conveyed, or December 31, 2055. The outstanding balance of the loans was \$4,992,000 at June 30, 2022.

In October of 2020, the City sold three parcels of land and part of another parcel as part of the City's efforts to revitalize Old Town Elk Grove. As part of this sale, the City secured a promissory note in the amount of \$281,365. Interest will accrue at rate of 2.75% on the unpaid principal balance until the full amount of the note has been paid. The Note term is 10 years with 36 interest only monthly payments followed by 84 monthly principal and interest payments with a final balloon payment of any outstanding Note balance. As of June 30, 2022, the outstanding balance of this note is \$281,365.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Affordable Housing Subsidies Receivable

The City also has a subsidy program called the Affordable Homeownership Program which was implemented to make homeownership affordable to low and moderate-income households. Typically, an affordable housing fee is charged to each new market-rate housing unit (single-family or multifamily) at the time a building permit is obtained. However, under certain circumstances, the City offers developers the opportunity to provide affordable housing units in lieu of paying the affordable housing fees on their development. The developer agrees to sell the home to low- and moderate –income families at a below market value amount that is subsidized by the City. This subsidy value changes with the house’s market value at each subsequent sale and the house must be sold to another qualified low- or moderate-income family for a period of 55 years. There is no associated interest and the subsidy is secured by a regulatory agreement, shared appreciation promissory note and shared appreciation deed of trust. As of June 30, 2022, the City had subsidies valued at \$2,187,431.

Note 4: **Capital Assets**

Capital asset activity for the year ended June 30, 2022, was as follows:

	Balance 7/1/2021 (as restated)	Additions	Deletions	Transfers/ Adjustments	Balance 6/30/2022
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 214,762,605	\$ 12,858,523	\$ (1,824,823)	\$ -	\$ 225,796,305
Construction in progress	83,245,919	36,077,544	-	(2,661,138)	116,662,325
Other capital assets	727,194	113,287	-	-	840,481
Total capital assets, not being depreciated	<u>298,735,718</u>	<u>49,049,354</u>	<u>(1,824,823)</u>	<u>(2,661,138)</u>	<u>343,299,111</u>
Capital assets, being depreciated:					
Infrastructure	1,528,499,400	116,530	-	2,033,830	1,530,649,760
Building and improvements	122,858,305	2,352,222	-	3,134,712	128,345,239
Vehicles and equipment	15,612,624	1,040,342	(574,379)	582,004	16,660,591
Parks and park improvements	6,230,310	-	-	-	6,230,310
Other capital assets	109,752	-	-	-	109,752
Leased equipment	242,639	-	-	-	242,639
Total capital assets, being depreciated	<u>1,673,553,030</u>	<u>3,509,094</u>	<u>(574,379)</u>	<u>5,750,546</u>	<u>1,682,238,291</u>
Less accumulated depreciation for:					
Infrastructure	(865,293,666)	(45,223,102)	-	(27,423)	(910,544,191)
Buildings and improvements	(16,180,850)	(3,170,588)	-	(437,059)	(19,788,497)
Vehicles and equipment	(10,421,594)	(2,079,234)	523,672	(208,935)	(12,186,091)
Parks and park improvements	(2,979,461)	-	-	-	(2,979,461)
Other capital assets	(21,950)	(10,975)	-	-	(32,925)
Leased equipment	-	(57,789)	-	-	(57,789)
Total accumulated depreciation	<u>(894,897,521)</u>	<u>(50,541,688)</u>	<u>523,672</u>	<u>(673,417)</u>	<u>(945,588,954)</u>
Total capital assets, being depreciated, net	<u>778,655,509</u>	<u>(47,032,594)</u>	<u>(50,707)</u>	<u>5,077,129</u>	<u>736,649,337</u>
Governmental activities capital assets, net	<u>\$ 1,077,391,227</u>	<u>\$ 2,016,760</u>	<u>\$ (1,875,530)</u>	<u>\$ 2,415,991</u>	<u>\$ 1,079,948,448</u>

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Notes to Financial Statements June 30, 2022

	Balance 7/1/2021	Additions	Deletions	Transfers/ Adjustments	Balance 6/30/2022
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 8,025,155	\$ 449,837	\$ -	\$ -	\$ 8,474,992
Construction in progress	5,937,666	1,061,513	-	-	6,999,179
Total capital assets, not being depreciated	13,962,821	1,511,350	-	-	15,474,171
Capital assets, being depreciated:					
Infrastructure	13,543,641	-	-	(63,434)	13,480,207
Buildings and improvements	12,354,072	-	-	(2,443,970)	9,910,102
Vehicles and equipment	30,849,335	23,699	(29,996,350)	(582,004)	294,680
Total capital assets, being depreciated	56,747,048	23,699	(29,996,350)	(3,089,408)	23,684,989
Less accumulated depreciation for:					
Infrastructure	(1,364,471)	(334,498)	-	27,423	(1,671,546)
Buildings and improvements	(2,093,832)	(253,077)	-	437,059	(1,909,850)
Vehicles and equipment	(18,325,247)	(26,027)	17,913,004	208,935	(229,335)
Total accumulated depreciation	(21,783,550)	(613,602)	17,913,004	673,417	(3,810,731)
Total capital assets, being depreciated, net	34,963,498	(589,903)	(12,083,346)	(2,415,991)	19,874,258
Business-type activities capital assets, net	\$ 48,926,319	\$ 921,447	\$ (12,083,346)	\$ (2,415,991)	\$ 35,348,429

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government	\$ 753,617
Public safety	1,238,563
Public ways and facilities	45,340,649
Community development	3,151,070
Internal Service funds	57,789
Total depreciation expense - governmental activities	\$ 50,541,688
Business-type activities:	
Drainage	353,643
Recycling and Waste	259,959
Total depreciation expense - business-type activities	\$ 613,602

Note 5: Leases

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. As a result, the City determined that beginning the balances of leases receivable and deferred inflows of resources related to leases were \$3,728,183 and the balances of the leases payable and intangible right-to-use assets were \$242,639 as of July 1, 2021 and restated and increased the balances in those

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

amounts, and the net effect on beginning net position and fund balance was zero. For additional information, refer to the disclosures below.

Leases Payable

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of City Clerk Canon Copier. An initial lease liability was recorded in the amount of \$18,286. As of June 30, 2022, the value of the lease liability is \$14,011. The City is required to make monthly fixed payments of \$390. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$18,286 with accumulated amortization of \$4,302 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of GIS Scanner. An initial lease liability was recorded in the amount of \$15,817. As of June 30, 2022, the value of the lease liability is \$12,120. The City is required to make monthly fixed payments of \$338. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$15,817 with accumulated amortization of \$3,722 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 26, 2019, the City entered into a 38 month lease as Lessee for the use of Postage Machines. An initial lease liability was recorded in the amount of \$10,597. As of June 30, 2022, the value of the lease liability is \$7,262. The City is required to make monthly fixed payments of \$280. The lease has an interest rate of 0.3147%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$10,597 with accumulated amortization of \$3,274 is included with Equipment on the Lease Class activities table found below. The City has the option to purchase the Equipment for \$1.00.

On October 28, 2020, the City entered into a 51 month lease as Lessee for the use of Postage Machines (2). An initial lease liability was recorded in the amount of \$20,450. As of June 30, 2022, the value of the lease liability is \$15,673. The City is required to make monthly fixed payments of \$405. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$20,450 with accumulated amortization of \$4,728 is included with Equipment on the Lease Class activities table found below. The City has the option to purchase the Equipment for \$1.00.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Patrol Canon Copier. An initial lease liability was recorded in the amount of \$6,611. As of June 30, 2022, the value of the lease liability is \$5,066. The City is required to make monthly fixed payments of \$141. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$6,611 with accumulated amortization of \$1,556 is included with Equipment

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Notes to Financial Statements June 30, 2022

on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Traffic Canon Copier. An initial lease liability was recorded in the amount of \$6,611. As of June 30, 2022, the value of the lease liability is \$5,066. The City is required to make monthly fixed payments of \$141. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$6,611 with accumulated amortization of \$1,556 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Transcription Canon Copier. An initial lease liability was recorded in the amount of \$6,125. As of June 30, 2022, the value of the lease liability is \$4,694. The City is required to make monthly fixed payments of \$131. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$6,125 with accumulated amortization of \$1,441 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Copy Center Canon Copier. An initial lease liability was recorded in the amount of \$9,207. As of June 30, 2022, the value of the lease liability is \$7,055. The City is required to make monthly fixed payments of \$196.41. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$9,207 with accumulated amortization of \$2,166 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Dispatch Canon Copier. An initial lease liability was recorded in the amount of \$6,611. As of June 30, 2022, the value of the lease liability is \$5,066. The City is required to make monthly fixed payments of \$141. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$6,611 with accumulated amortization of \$1,556 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Bldg. Counter Canon Copier. An initial lease liability was recorded in the amount of \$7,522. As of June 30, 2022, the value of the lease liability is \$5,763. The City is required to make monthly fixed payments of \$160. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$7,522 with accumulated amortization of \$1,770 is included with

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Notes to Financial Statements June 30, 2022

Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Cashiers Canon Copier. An initial lease liability was recorded in the amount of \$6,611. As of June 30, 2022, the value of the lease liability is \$5,066. The City is required to make monthly fixed payments of \$141. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$6,611 with accumulated amortization of \$1,556 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of HR Suite Canon Copier. An initial lease liability was recorded in the amount of \$7,886. As of June 30, 2022, the value of the lease liability is \$6,042. The City is required to make monthly fixed payments of \$168. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$7,886 with accumulated amortization of \$1,856 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Corp. Yard Bat Cave Canon Copier. An initial lease liability was recorded in the amount of \$6,611. As of June 30, 2022, the value of the lease liability is \$5,066. The City is required to make monthly fixed payments of \$141. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$6,611 with accumulated amortization of \$1,556 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Corp. Yard 1st Floor Canon Copier. An initial lease liability was recorded in the amount of \$7,522. As of June 30, 2022, the value of the lease liability is \$5,763. The City is required to make monthly fixed payments of \$160.45. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$7,522 with accumulated amortization of \$1,770 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Corp. Yard 2nd Floor Canon Copier. An initial lease liability was recorded in the amount of \$7,522. As of June 30, 2022, the value of the lease liability is \$5,763. The City is required to make monthly fixed payments of \$160. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$7,522 with accumulated amortization of \$1,770 is

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of SWCC Canon Copier. An initial lease liability was recorded in the amount of \$6,611. As of June 30, 2022, the value of the lease liability is \$5,066. The City is required to make monthly fixed payments of \$141.02. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$6,611 with accumulated amortization of \$1,556 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Admin Canon Copier. An initial lease liability was recorded in the amount of \$9,808. As of June 30, 2022, the value of the lease liability is \$7,516. The City is required to make monthly fixed payments of \$209. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$9,808 with accumulated amortization of \$2,308 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Detectives Canon Copier. An initial lease liability was recorded in the amount of \$9,292. As of June 30, 2022, the value of the lease liability is \$7,120. The City is required to make monthly fixed payments of \$198. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$9,292 with accumulated amortization of \$2,186 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Animal Shelter Reception Canon Copier. An initial lease liability was recorded in the amount of \$6,621. As of June 30, 2022, the value of the lease liability is \$5,073. The City is required to make monthly fixed payments of \$141. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$6,621 with accumulated amortization of \$1,558 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Records Canon Copier. An initial lease liability was recorded in the amount of \$9,437. As of June 30, 2022, the value of the lease liability is \$7,231. The City is required to make monthly fixed payments of \$201. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$9,437 with accumulated amortization of \$2,220 is included with

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Animal Shelter Work Room Canon Copier. An initial lease liability was recorded in the amount of \$7,678. As of June 30, 2022, the value of the lease liability is \$5,883. The City is required to make monthly fixed payments of \$164. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$7,678 with accumulated amortization of \$1,807 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Legal Canon Copier. An initial lease liability was recorded in the amount of \$10,900. As of June 30, 2022, the value of the lease liability is \$8,352. The City is required to make monthly fixed payments of \$233. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022 of \$10,900 with accumulated amortization of \$2,565 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of IT Canon Copier. An initial lease liability was recorded in the amount of \$13,109. As of June 30, 2022, the value of the lease liability is \$10,045. The City is required to make monthly fixed payments of \$280. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$13,109 with accumulated amortization of \$3,084 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Planning Canon Copier. An initial lease liability was recorded in the amount of \$12,597. As of June 30, 2022, the value of the lease liability is \$9,653. The City is required to make monthly fixed payments of \$269. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$12,597 with accumulated amortization of \$2,963 is included with Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

On September 30, 2019, the City entered into a 51 month lease as Lessee for the use of Public Works Canon Copier. An initial lease liability was recorded in the amount of \$12,597. As of June 30, 2022, the value of the lease liability is \$9,653. The City is required to make monthly fixed payments of \$269. The lease has an interest rate of 0.4570%. The Equipment estimated useful life was five years as of the contract commencement. The value of the right to use asset as of June 30, 2022, of \$12,597 with accumulated amortization of \$2,963 is included with

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Equipment on the Lease Class activities table found below. The City has one extension option for 36 months.

Amount of Lease Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Lease Asset Value
Equipment	\$ 242,639
Total Leases	\$ 242,639

Governmental Activities	Balance June 30, 2021 (as restated)	Additions	Retirements	Balance June 30, 2022
Lease Payable				
Copiers	\$ 211,592	\$ -	\$ (49,459)	\$ 162,133
Postage Machines	\$ 31,047	\$ -	\$ (8,112)	\$ 22,935
Total governmental activities leases payable	\$ 242,639	\$ -	\$ (57,571)	\$ 185,068

Principal and Interest Requirements to Maturity

Fiscal Year	Governmental Activities	
	Principal Payments	Interest Payments
2023	\$ 57,774	\$ 716
2024	58,034	457
2025	55,488	199
2026	13,772	10
	\$ 185,068	\$ 1,382

Leases Receivable

On October 11, 2019, the City entered into a 219 month lease as Lessor for the use of Small Cell Wireless Communication (ATT). An initial lease receivable was recorded in the amount of \$5,269. As of June 30, 2022, the value of the lease receivable is \$5,010. The lessee is required to make annual fixed payments of \$281. The lease has an interest rate of 1.4620%. The value of the deferred inflow of resources as of June 30, 2022, was \$4,981, and the City recognized lease revenue of \$288 during the fiscal year. The lessee has two extension options, each for 60 months.

On December 11, 2019, the City entered into a 221 month lease as Lessor for the use of Small Cell Wireless Communication (Verizon). An initial lease receivable was recorded in the amount of \$5,257. As of June 30, 2022, the value of the lease receivable is \$5,010. The lessee is required to make annual fixed payments of \$281. The lease has an interest rate of 1.4620%. The value of

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

the deferred inflow of resources as of June 30, 2022, was \$4,972, and the City recognized lease revenue of \$285 during the fiscal year. The lessee has two extension options, each for 60 months.

On November 13, 2019, the City entered into a 40 month lease as Lessor for the use of building space. An initial lease receivable was recorded in the amount of \$50,781. As of June 30, 2022, the value of the lease receivable is \$33,840. The lessee is required to make annual fixed payments of \$17,000. The lease has an interest rate of 0.3147%. The value of the deferred inflow of resources as of June 30, 2022 was \$35,710, and the City recognized lease revenue of \$15,071 during the fiscal year. The lessee has two extension options, each for 12 months.

On May 13, 2021, the City entered into a 60 month lease as Lessor for the use of land. An initial lease receivable was recorded in the amount of \$84,030. As of June 30, 2022, the value of the lease receivable is \$67,031. The lessee is required to make annual fixed payments of \$17,000. The lease has an interest rate of 0.5773%. The value of the deferred inflow of resources as of June 30, 2022, was \$67,224, and the City recognized lease revenue of \$16,807 during the fiscal year. The lessee has one extension option for 24 months.

On May 13, 2021, the City entered into a 48 month lease as Lessor for the use of land. An initial lease receivable was recorded in the amount of \$67,537. As of June 30, 2022, the value of the lease receivable is \$50,537. The lessee is required to make annual fixed payments of \$17,000. The lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of June 30, 2022, was \$50,653, and the City recognized lease revenue of \$16,884 during the fiscal year. The lessee has one extension option for 12 months.

On May 14, 2021, the City entered into a 48 month lease as Lessor for the use of land. An initial lease receivable was recorded in the amount of \$67,537. As of June 30, 2022, the value of the lease receivable is \$50,537. The lessee is required to make annual fixed payments of \$17,000. The lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of June 30, 2022, was \$50,653, and the City recognized lease revenue of \$16,884 during the fiscal year. The lessee has one extension option for 12 months.

On April 16, 2021, the City entered into a 96 month lease as Lessor for the use of land for the Sac RT Corp Yard. An initial lease receivable was recorded in the amount of \$3,447,772. As of June 30, 2022, the value of the lease receivable is \$3,034,817. The lessee is required to make monthly fixed payments of \$38,031. The lease has an interest rate of 1.4620%. The value of the deferred inflow of resources as of June 30, 2022 was \$3,016,800, and the City recognized lease revenue of \$430,971 during the fiscal year.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Principal and Interest Expected to Maturity

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2023	\$ 482,246	\$ 42,699	\$ 524,945
2024	488,671	36,286	524,957
2025	478,188	29,780	507,968
2026	450,744	23,236	473,980
2027	440,239	16,753	456,992
2028 - 2032	901,798	14,239	916,037
2033 - 2037	3,372	263	3,635
2038 - 2041	1,524	34	1,558
	\$ 3,246,782	\$ 163,290	\$ 3,410,072

Note 6: Unavailable Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues considered unavailable to liquidate liabilities of the current period. As of June 30, 2022, the various components of unavailable revenue in the governmental funds are detailed as follows:

Government Activities :		
General Fund:	Intergovernmental receivables	\$ 678,694
	Development impact interest Receivable	1,405
	SASD Sewer Fee Credits	978,029
	Rail Road Loan Receivable	281,365
	Leases	214,193
Affordable Housing Fund :	Housing project loan interest receivable	349,072
	Development Impact Fees Receivable	752,543
Wilton Rancheria MOU Fund :	Wilton Rancheria Receivable	7,361,773
Roadway Fees:	Development impact fees receivable	8,375,649
Laguna Ridge CFD 2005-1 Fund:	SASD Sewer Fee Credits	5,434,860
	SCWA Water Fee Credit	1,310,803
Federal Grant Fund:	Intergovernmental receivables	250,658
State Grants Fund:	Intergovernmental receivables	4,323,603
Mitigation & Fee Funds	Development Impact Fees Receivable	6,850,124
Other Governmental Funds:	Intergovernmental receivables	1,082,335
	Housing project loan interest receivable	91,971
	Development impact fees receivable	2,363,146
	Leases	3,016,800
	Swainson's Hawk Fund LT mitigation fees receivable	4,020,611
		\$ 47,737,634

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Note 7: **Long-Term Liabilities**

The following is a summary of long-term liabilities transactions of the City for the fiscal year ended June 30, 2022:

	Balance at 6/30/2021	Additions	Deletions	Balance at 6/30/2022	Amount Due Within One year
Governmental Activities:					
Lease revenue bond debt-Series 2017	\$ 3,225,000	\$ -	\$ (510,000)	\$ 2,715,000	\$ 520,000
Lease revenue bond debt-Series 2018	17,315,000	-	(645,000)	16,670,000	680,000
Lease revenue bond debt-Series 2020	9,397,560	-	(555,998)	8,841,562	571,788
Lease revenue bond debt-Series 2022	-	12,035,000	-	12,035,000	170,000
Total Bonds Payable	<u>29,937,560</u>	<u>12,035,000</u>	<u>(1,710,998)</u>	<u>40,261,562</u>	<u>1,941,788</u>
Net Pension Liability	16,197,858	-	(16,197,858)	-	-
Net OPEB Liability	12,161,818	4,251,714	(2,684,397)	13,729,135	-
Compensated absences	5,317,521	4,755,626	(5,102,678)	4,970,470	931,143
Claims payable	572,000	59,000	-	631,000	-
Totals	<u>\$ 64,186,757</u>	<u>\$ 21,101,340</u>	<u>\$ (25,695,931)</u>	<u>\$ 59,592,167</u>	<u>\$ 2,872,931</u>
	Balance at 7/1/2021	Additions	Deletions	Balance at 6/30/2022	Amount Due Within One year
Business-type activities:					
Lease revenue bond debt - Series 2010	\$ 8,385,000	\$ -	\$ (8,385,000)	\$ -	\$ -
Compensated absences	164,957	161,141	(222,748)	103,349	19,360
Totals	<u>\$ 8,549,957</u>	<u>\$ 161,141</u>	<u>\$ (8,607,748)</u>	<u>\$ 103,349</u>	<u>\$ 19,360</u>

The General fund has typically been used in prior years to reduce the net pension liability and net other postemployment benefit liability.

As of June 30, 2022, annual debt service requirements of governmental activities to maturity are as follows:

Governmental Activities Lease Revenue Bond Debt - Series 2017			Governmental Activities Lease Revenue Bond Debt - Series 2018		
Year Ending June 30:	Principal	Interest	Year Ending June 30:	Principal	Interest
2023	\$ 520,000	\$ 65,431	2023	\$ 680,000	\$ 623,207
2024	530,000	52,900	2024	715,000	588,332
2025	545,000	40,126	2025	750,000	551,706
2026	555,000	26,992	2026	790,000	513,206
2027	565,000	13,617	2027	830,000	472,706
			2028-2032	4,765,000	1,747,757
			2033-2037	5,620,000	890,385
			2038-2039	2,520,000	85,725
Total	<u>\$ 2,715,000</u>	<u>\$ 199,066</u>	Total	<u>\$ 16,670,000</u>	<u>\$ 5,473,023</u>

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Governmental Activities Lease Revenue Debt - Series 2020			Governmental Activities Lease Revenue Debt - Series 2022		
Year Ending June 30:	Principal	Interest	Year Ending June 30:	Principal	Interest
2023	\$ 571,788	\$ 245,329	2023	\$ 170,000	\$ 594,157
2024	588,026	229,091	2024	360,000	584,250
2025	604,725	212,392	2025	375,000	565,875
2026	621,899	195,218	2026	395,000	546,625
2027	639,560	177,557	2027	415,000	526,375
2028-2032	3,480,779	604,807	2028-2032	2,410,000	2,290,500
2033-2035	2,334,785	116,566	2033-2037	3,075,000	1,608,125
			2038-2042	3,930,000	737,000
			2043	905,000	22,625
Total	\$ 8,841,562	\$ 1,780,960	Total	\$ 12,035,000	\$ 7,475,532

Individual issues of bonds at June 30, 2022, are as follows:

Governmental Activities

Lease Revenue Bond Debt	Maturity Date	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2022
2017 Refunding of the Elk Grove Financing Authority Lease Revenue Bonds (2007 Capital Projects)	2027	2.41%	\$265,000 - \$565,000	\$ 4,940,000	\$ 2,715,000
Elk Grove Financing Authority Lease Revenue Bonds (Series 2018)	2038	3.0 - 5.0%	\$595,000 - \$1,280,000	\$ 18,530,000	\$ 16,670,000
Elk Grove Financing Authority Lease Revenue Debt (Series 2020)	2035	2.82%	\$272,215 - \$402,878	\$ 10,000,000	\$ 8,841,562
Elk Grove Financing Authority Lease Revenue Bonds (Series 2022)	2043	5.00%	\$770,000 - \$905,000	\$ 12,035,000	\$ 12,035,000

Lease Revenue Bonds and Lease Obligation are payable from any source of legally available funds of the City, which includes the General Fund. The City covenants under the lease to take such actions as may be necessary to include rental payments due under the lease in its annual budgets.

Revenue Bonds

EGFA Series 2017 Lease Revenue Bonds (Capital Facility)

On June 20, 2007, the Elk Grove Financing Authority issued Lease Revenue Bonds in the principal amount of \$18,585,000, which were subsequently refinanced in the amount of \$4,940,000 on June 8, 2017 via private placement transaction with BBVA Compass Bank. The bonds will mature on March 1, 2027. Interest payments are due semi-annually, on March 1 and September 1 of each year, at an annual rate of 2.41%. Principal payments are due annually on March 1. The refinanced debt does not provide for any optional redemption or acceleration provision. The Bonds are collateralized by revenue received from the City by the

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Authority under the Lease Agreement for the Elk Grove Corporation Yard, dated June 1, 2017. Proceeds from the Bonds were used to finance the design and construction of the Laguna Palms Campus, which is leased by the City from the Authority.

EGFA Series 2018 Lease Revenue Bonds (Capital Facility)

On March 18, 2018, the Elk Grove Financing Authority issued Lease Revenue Bonds in the principal amount of \$18,530,000, which will mature on November 1, 2039. Interest payments are due semi-annually, on May 1 and November 1 of each year, at rates ranging from 3.0% to 5.0%. Principal payments are due annually on November 1. The bonds provide for optional redemption at 100% of par on or after November 1, 2028. They are collateralized by revenue received from the City by the Authority under a Substitution Certificate of the City and the First Amendment to the Lease Agreement dated February 1, 2020, removed liens from 8400 and 8401 Laguna Palms Way. The lien is now on 8380 Laguna Palms Way and 9150 Union Park Way/10190 Iron Rock Way. Proceeds from the Bonds were used to finance the design and construction of the Elk Grove Animal Shelter, which is leased by the City from the Authority. The coupon rates range from 3.0% to 5.0% with a true-interest cost of 3.155626%. The Par and Premium amount of the bonds were \$18,530,000 and \$973,533, respectively. The bond proceeds totaled \$19,503,533, which included bond proceeds of \$19,210,000, cost of issuance of \$213,643 and underwriters discount of \$79,890.

EGFA Series 2022 Lease Revenue Bonds (Police Facilities)

On May 3, 2022, the Elk Grove Finance Authority issued Lease Revenue Bonds in the amount of \$12,035,000 to provide new funding for improvements for the City's Police Department buildings. The bonds have an interest rate of 5.0% and mature beginning November 1, 2022 through November 1, 2042. On May 3, 2022, the Elk Grove Finance Authority issued Lease Revenue Bonds in the amount of \$12,035,000 to provide new funding for improvements for the City's Police Department buildings. Interest payments are due semi-annually, on May 1 and November 1 of each year, at a fixed rate of 5.0%. Principal payments are due annually on November 1 through November 1, 2042. The bonds provide for optional redemption at 100% of par on or after November 1, 2033. They are collateralized by 8380 Laguna Palms Way and 8400 Laguna Palms Way. The Par and Premium amount of the bonds are \$12,035,000 and \$1,501,125, respectively. The bond proceeds totaled \$13,536,125, which included bond proceeds of \$13,274,884, cost of issuance of \$210,000 and underwriter's discount of \$50,846.

Lease Obligation

Elk Grove Finance Authority Series 2020 Lease Revenue Debt

On May 21, 2020, the Elk Grove Financing Authority issued a Lease Revenue debt in the principal amount of \$10,000,000, which will mature on March 1, 2035. The debt was financed as a private placement transaction with F&M Bank. Interest payments are due semi-annually, on March 1 and September 1 of each year, at a fixed rate of 2.82%. Principal payments are due semi-annually on March 1 and September 1 of each year. The debt provides for optional prepayment at 103% to 100% of par depending on the date of prepayment. They are

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Notes to Financial Statements June 30, 2022

collateralized by revenue received from the City by the Authority under the Lease Agreement for a City-owned property, dated May 1, 2020. The property is located at 8401 Laguna Palms Way. Proceeds from the debt will be used to finance the acquisition and construction of the District56 Property and the Old Town Plaza Property.

Business Type Activities

Elk Grove Finance Authority 2010 Lease Revenue-Recovery Zone Economic Development Bonds

On December 22, 2010, the Elk Grove Finance Authority issued the Series 2010 Lease Revenue Bonds in the amount of \$10,715,000 to fund a portion of the costs of construction of a household hazardous waste collection facility, the acquisition of land, furnishing and equipment related to the facility, net a Recovery Zone Economic Development subsidy. Interest rates ranged from 3.433% to 8.668% and the bonds were to mature beginning March 1, 2012 through March 1, 2040. The bonds were payable from and secured by, lease revenues and refundable credits from the Federal Government under Section 6431 of the IRS Code of 1986 determined in accordance with Section 1400U-2 of the Tax Code, which the Finance Authority had elected to receive. The City redeemed the outstanding principal balance of the Bonds on August 26, 2021 in the amount of \$8,385,000, using existing resources. At the beginning of the fiscal year, the outstanding bonds totaled approximately \$8.4 million. The final subsidy, reserve fund, prior bond fund, interest account, and principal amount was used to offset the outstanding debt, at which time the lease/leaseback arrangement expired. In total, these sources offset approximately \$1.1 million of the outstanding debt, with the remaining \$7.3 million paid from the Special Waste Collection Center Fund, which is a component of the Recycling and Waste Enterprise Fund. The bonds were repaid August 26, 2021.

Special Assessment District Bonds

Special Assessment Districts (Districts) within the City have issued debt under the Mello-Roos Community Facilities Act of 1982 to finance infrastructure improvements and facilities within the boundaries of the Districts. The City is the collecting and paying agent for the debt issued by the Districts, but has no direct or contingent liability or moral obligation for the payment of the debt. Therefore, debt issued by the Districts is not included in long term debt of the City.

The outstanding balance of these issues at June 30, 2022 is:

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Special Assessment Debt with no Governmental Commitment	Issue Fiscal Year	Maturity Fiscal Year	Outstanding at 6/30/2022
E. Franklin Community Facilities District No. 2002-1, Series 2015	2015	2038	\$ 36,075,000
Poppy Ridge Community Facilities District No. 2003-1, Series 2015	2015	2038	\$ 40,805,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2016	2017	2046	\$ 108,285,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2018	2018	2048	\$ 18,975,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2020	2021	2050	\$ 11,380,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2021	2022	2051	\$ 11,175,000

Note 8: **Fund Balance Policies**

In the fund financial statements, fund balance is reported in classifications that comprise a hierarchy based on the extent to which the City is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The classifications of fund balance are:

Nonspendable – includes fund balance amounts that cannot be spent either because they are not in spendable form or because of legal or contractual constraints.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors, or amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes fund balance amounts that are constrained for specific purposes that are internally imposed by the government through formal action (Resolution) of the highest level of decision-making authority (City Council) and do not lapse at year-end. All use of committed fund balance requires the City Council, which is the highest level of decision-making authority, to take formal action with a resolution, including a budget resolution, to modify or rescind a committed fund balance.

The City’s stabilization arrangement, as set forth in the Fund Balance Reserve Policy approved by the City Council in April 2019 by Resolution No. 2019-083 which states that the City Council will set an annual General Fund Reserve for Economic Uncertainty target level amount to 20% and 25% to assist with economic uncertainty, emergencies and cash flow needs and Opportunity Reserve fund with a target level of 0% to 5% to assist in providing funding for projects, acquisitions, or unforeseen events or need. The Fund Balance Reserve Policy is intended to provide a framework for establishing annual reserve levels during the budget process that will provide the City with flexibility to adapt to local, regional and statewide economic changes and to stabilize the delivery of City services during periods of operational budget deficits while continuing to maintain sufficient balance for emergency

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

spending. The reserve balance as a percentage of adjusted appropriations shall be no less than 20% of general fund adjusted appropriations. The City Council will approve any fund balance between 20% and 25% of adjusted appropriations as part of the annual budget resolution, provided that the level of reserves is not reduced below 20%. These reserves will be reported as part of the Committed Reserve Balance in the City's Annual Comprehensive Financial Report. Any appropriation of the REU below the 20% minimum shall be accompanied by findings articulating the need for the use of the REU and a plan for the replenishment of the REU within a reasonable period not to exceed three (3) budget years. All use of the REU must be approved by a majority (three votes) of the City Council. The exception is the event that a disaster situation is declared. In the event of a declared emergency, the City Manager may expend REU without prior City Council approval. After the emergency, the City Council shall evaluate the current REU level, and if necessary, publish, as an amendment to the current Budget Resolution, findings for the replenishment of the reserves within a reasonable period not to exceed three budget years. When the City successfully retains a REU amount beyond 25% and an Opportunity Reserve beyond 5% of Adjusted Appropriations for a given budget year the close out of the fiscal year will include the reallocation of reserves over the 30% to two purposes: one half to Capital Reserves and one half to economic development programs. Maintaining the target level funding for the projected fund balance amounts in the next fiscal year will be considered before a transfer of reserves is initiated. The City wants to retain a Stabilization Reserve level between 10% to 25% of revenues in other operating funds for any given budget year. Stabilization Reserves will be set aside each budget year to provide budget stabilization or to fund unanticipated projects deemed necessary. The City Council will approve any fund balance between 10% and 20% of other on-going operating revenues as part of the Annual Budget Resolution. If the level of Stabilization Reserves falls below 10%, the City may over several Fiscal Years restore the level of Reserve to the desirable level of over 10%. These reserves are reported as part of the committed fund balance.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Assigned Fund Balance represents budgeted amounts set by City Council's approval of the subsequent year budget, as set forth in the Fund Balance Reserve Policy approved by the City Council in December 2009 by Resolution No. 2009-37 directs that Council will assign any restricted reserve (assigned) fund balance.

Unassigned – Unassigned includes positive fund balance within the General Fund which has not been classified within the above-mentioned categories and negative fund balances in other governmental funds.

When both restricted and unrestricted resources are available for specific expenditures, restricted resources are considered spent before unrestricted resources. Within unrestricted resources, committed and assigned are considered spent (if available) before unassigned amounts.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

As of June 30, 2022, the fund balance details by classification are as follows:

	General Fund	Affordable Housing Special Revenue Fund	Disaster Recovery Fund	Wilton Rancheria MOU Fund	Federal Capital Grant Fund	State Grants Fund	Roadway Fee Capital Projects Fund	Mitigation and Fee Funds	Laguna Ridge CFD 2005-1 Fund	Elk Grove Finance Authority	Elk Grove Finance Authority 2018	Elk Grove Finance Authority 2020	Elk Grove Finance Authority 2022	Other Governmental Funds	Total
Fund Balance:															
Nonspendable															
Advance to other funds	\$ 4,046,810	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,046,810
Restricted:															
Affordable housing projects	-	91,159,555	-	-	-	-	-	-	-	-	-	-	-	793,246	91,952,801
Wilton Rancheria	-	-	-	4,795,683	-	-	-	-	-	-	-	-	-	-	4,795,683
CDBG	-	-	-	-	-	-	-	-	-	-	-	-	-	18,011	18,011
Development services fund	-	-	-	-	-	-	-	-	-	-	-	-	-	3,379,569	3,379,569
State homeless appropriations	-	-	-	-	-	-	-	-	-	-	-	-	-	3,799,353	3,799,353
State grants	-	-	-	-	-	-	-	-	-	-	-	-	-	18,135	18,135
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	5,404,843	5,404,843
Public works maintenance	-	-	-	-	-	-	-	-	-	-	-	-	-	36,121,652	36,121,652
Agricultural preservation	-	-	-	-	-	-	-	-	-	-	-	-	-	49,824	49,824
Swainson's Hawk	-	-	-	-	-	-	-	-	-	-	-	-	-	3,806,548	3,806,548
Tree mitigation	-	-	-	-	-	-	-	-	-	-	-	-	-	1,383,672	1,383,672
Library	-	-	-	-	-	-	-	-	-	-	-	-	-	1,117,309	1,117,309
Donation and Community Program	-	-	-	-	-	-	-	-	-	-	-	-	-	50,836	50,836
Capital projects	-	-	-	-	-	-	37,621,023	10,784,798	23,381,718	-	-	-	-	61,490,288	133,277,827
Debt service	-	-	-	-	-	-	-	-	-	285,554	462,681	530,451	271,112	-	1,549,798
Permanent Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	106,600	106,600
Committed:															
Reserve for economic uncertainty	21,076,785	-	-	-	-	-	-	-	-	-	-	-	-	-	21,076,785
Opportunity reserves	4,215,357	-	-	-	-	-	-	-	-	-	-	-	-	-	4,215,357
Capital reserve	35,644,179	-	-	-	-	-	-	-	-	-	-	-	-	-	35,644,179
Economic development programs	7,928,118	-	-	-	-	-	-	-	-	-	-	-	-	-	7,928,118
Assigned:															
Appropriation of fund balance	150,276	-	56,100	-	-	-	-	-	-	-	-	-	-	-	206,376
Unassigned:															
	703,902	-	-	-	(229,640)	(4,313,127)	(5,488,278)	-	-	-	-	-	-	(876,988)	(10,204,131)
Total Fund Balances	<u>\$ 73,765,427</u>	<u>\$ 91,159,555</u>	<u>\$ 56,100</u>	<u>\$ 4,795,683</u>	<u>\$ (229,640)</u>	<u>\$ (4,313,127)</u>	<u>\$ 5,296,520</u>	<u>\$ 23,381,718</u>	<u>\$ 285,554</u>	<u>\$ 462,681</u>	<u>\$ 530,451</u>	<u>\$ 271,112</u>	<u>\$ 116,662,898</u>	<u>\$ 349,745,955</u>	

Note 9: Interfund Transactions

Interfund balances as of June 30, 2022, consisted of the following:

Due From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 413,681
Roadway Fee Fund	Federal Capital Grant Funds	961,912
Roadway Fee Fund	State Grants Fund	3,867,356
Roadway Fee Fund	Other Governmental Funds	356,181
		<u>\$ 5,599,130</u>

During the year, various funds borrowed cash to cover their operating cash deficits. These amounts are intended be repaid in the following fiscal year.

Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,019,442
General Fund	Other Governmental Funds	3,027,368
Other Governmental Funds	Mitigation and Fee Fund	5,490,000
Roadway Fee Fund	Other Governmental Funds	614
		<u>\$ 9,537,424</u>

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The City advanced funds between General Fund’s Capital Reserve Fund and Street Lighting Maintenance District Funds Zones 1 and 2 for the LED Streetlight Replacement Capital Project. The remaining balance of \$1,019,442 is reflected as an advance from other funds in the Street Lighting Maintenance District Funds Zones. There are 5 years remaining with variable interest rate, tied to the Local Agency Investment Fund (LAIF) investment earning. The advance is due August 28, 2025.

The Street Maintenance District Special Revenue Fund and the Capital Facilities Funds Capital Project Fund advanced \$3,500,000 and \$1,500,000, respectively to the Mitigation and Fee Fund and is related to an early settlement of reimbursement agreements between the City and Reynen & Bardis (R&B) at a discounted rate in fiscal year 2018-19.

The In Lieu Funds Capital Projects Fund advances \$490,000 to the Mitigation and Fee Fund to support capital projects. The advance bears variable interest tied to the LAIF rate and is repayable over five years from park facilities impact fees revenue.

The General fund advanced \$3,027,368 to the Transit Special Revenue Fund. The is related to the City’s transit deficit that occurred as part of the City’s transfer of transit operations to Sacramento Regional Transit (SacRT). Per the Annexation Agreement, the City will be reimbursed by SacRT over 8 years from July 1, 2021 through the lease agreement discussed in Note 5, which the Transit fund will use to reimburse the General fund.

Interfund transfers as of June 30, 2022, consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	EG Finance Authority Debt Service fund	\$ 419,905	Debt Service
	EG Finance Authority 2018 Debt Service Fund	904,625	Debt Service
	EG Finance Authority 2020 Debt Service Fund	160,000	Debt Service
	Roadway Fee Fund	239,537	Cost Recovery
	Other Governmental Funds	1,332,866	Cost Recovery
	Laguna Ridge CFD 2005-1 Fund	797,249	Cost Recovery
	Recycling and Waste Funds	27,193	LifeLine Rate Subsidy
	Mitigation and Fee Fund	13,611	Cost Recovery
	Drainage Fund	250,999	Cost Recovery
	Internal Service Funds	5,003	Cost Recovery
		<u>4,150,989</u>	
Laguna Ridge CFD 2005-1 Fund	General Fund	909,029	Cost Recovery
	EG Finance Authority 2020 Debt Service Fund	657,117	Debt Service
		<u>1,566,146</u>	
Roadway Fee Fund	General Fund	313,237	Cost Recovery
		<u>313,237</u>	
Mitigation and Fee Fund	General Fund	341,523	Cost Recovery
	EG Finance Authority 2018 Debt Service Fund	220,435	Debt Service
		<u>561,958</u>	
EG Finance Authority 2022 Debt Service Fund	Other Governmental Funds	13,020,638	Capital Projects
		<u>13,020,638</u>	
State Grant Funds	Federal Capital Grants Fund	1,023,066	Cost Recovery
		<u>1,023,066</u>	

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June 30, 2022

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Other Governmental Funds	General Fund	4,038,597	Cost Recovery
	General Fund	4,060,000	Police Funding
	EG Finance Authority Debt Service Fund	79,908	Debt Service
	EG Finance Authority 2020 Debt Service Fund		Debt Service
	EG Finance Authority 2018 Debt Service Fund	391,212	Debt Service
	Transit	3,574,718	Cost Recovery
		<u>12,144,434</u>	
Recycling and Waste Fund	General Fund	565,145	Cost Recovery
	EG Finance Authority Debt Service Fund	11,865	Debt Service
	Other Governmental Funds	169	Cost Recovery
		<u>577,179</u>	
Drainage Fund	General Fund	784,241	Cost Recovery
	EG Finance Authority Debt Service Fund	6,727	Debt Service
		<u>790,968</u>	
Transit Enterprise Fund	Governmental Activities	<u>2,415,991</u>	Capital Assets
Internal Service Funds	General Fund	1,007,740	Cost Recovery
	EG Finance Authority Debt Service Fund	31,594	Debt Service
		<u>1,039,334</u>	
		<u>\$ 37,603,940</u>	

Note 10: **Excess Expenditures Over Appropriations**

For the year ended June 30, 2022, the following budgetary units had expenditures that exceeded appropriations:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Over</u>
Special Revenue Fund:			
Police Services CFD Funds	\$ 40,214	\$ 76,812	\$ (36,598)
Wilton Rancheria MOU Fund	-	1,120	(1,120)
SB1 Streets and Roads Fund	1,515,076	1,516,733	(1,657)
Street Maintenance District Funds	644,743	645,115	(372)
Library Ownership Fund	46,567	57,920	(11,353)
Capital Project Fund:			
State Grants Fund	\$ 7,790,323	\$ 10,401,985	\$ (2,611,662)
Laguna CFD Fund	-	436	(436)
In Lieu Fund	3,211,240	3,211,484	(244)
District56 Nature Area and OT Plaza Fund	1,560,148	1,560,466	(318)

Sufficient resources were available within each fund to finance these excesses.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Note 11: Deficit Fund Balances

As of June 30, 2022, the following funds had deficit fund balances. The deficits occurred because expenditures exceeded revenues. The City expects that future funding will reduce the deficits.

Fund	Deficit	
Special Revenue:		
Tire Collection & Disposal Grant Fund	\$ 10,175	Result of timing difference between expenditures and the receipt of Grant funding.
Local Police Grants Fund	42,627	Result of timing difference between expenditures and the receipt of Grant funding.
Strategic Planning Fund	171,596	Result of timing difference between expenditures and the receipt of Grant funding.
Street Lighting Maintenance District Funds	263,345	Result of interfund loan for LED street light replacement
Performance Bond Fund	5,963	Result of market value adjustment
Transit Fund	3,046,118	Result of timing difference between expenditures and reimbursement of SacRT Agreement funding.
Capital Projects:		
Federal Capital Grants Fund	\$ 229,640	Result of timing difference between expenditures and the receipt of Grant funding.
State Grants Fund	4,313,127	Result of timing difference between expenditures and the receipt of Grant funding.
LTF Bike and Pedestrian Fund	382,669	Result of timing difference between expenditures and the receipt of Grant funding.
Lakeside CFD Fund	614	Result of timing difference between expenditures and the receipt of Grant funding.

Note 12: Other Postemployment Benefits Other than Pension Benefits

Plan Descriptions

The City provides three separate Other Post Employment Benefit (OPEB) plans for qualified executive staff and employees who retire from the City. One OPEB plan is a single employer defined benefit health reimbursement arrangement administered through the use of an OPEB Trust Fund (the HRA Plan), the second plan is a defined contribution plan to which the City and employees may contribute an amount each pay period to employee accounts (defined contribution plan), and the third OPEB plan is an agent-multiple employer defined benefit plan providing a health insurance premium rate subsidy administered by California Public Employees Retirement System (CalPERS) on behalf of the City (the Health Insurance Rate Subsidy Plan).

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Notes to Financial Statements
June 30, 2022

Eligibility and Benefit Information of the HRA Plan

On August 22, 2007, the Elk Grove City Council adopted Resolution 2007-191 to establish an IRS Section 115 Trust with ICMA (now MissionSquare), a single employer trust, for the City's HRA Plan, adopt eligibility criteria for employees to participate in the plan and designated \$1.5 million to prefund a portion of the future liability. The financial statements for the HRA Plan are included in the Retirement Health Trust Fund statement of fiduciary net position and statement of changes in fiduciary net position. Separate financial statements are not issued for the HRA Plan.

The benefit provided by the HRA Plan to eligible retirees of the City (Councilmembers and employees) is an irrevocable contribution of up to \$800 per month for each covered employee deposited into a health reimbursement account for use by the retiree and eligible dependents to pay for medical expenses allowed under the Internal Revenue Code. On December 9, 2009, the City Council amended the HRA plan with Resolution 2009-266 which limited employee eligibility in the HRA plan to employees within six years of CalPERS retirement eligibility at July 1, 2009. The eligibility criteria for employees established under the plan agreement are as follows:

- Executive staff who report directly to the City Council or the City manager who are retiring from the City in the CalPERS retirement system, with at least 5 consecutive years of service working with the City.
- All other staff who are retiring from the City in the CalPERS retirement system, with at least 10 consecutive years of service working with the City.
- Employees who terminate before retirement with the City forfeit contributions upon separation.

Eligibility and Benefit Information of the Defined Contribution Plan

Employees not meeting HRA plan eligibility have been enrolled in the Defined Contribution Plan where the City contributes an amount per pay period to a deferred compensation account with the HRA vendor in the employee's name, which is fully vested and has no funding liabilities. Employees are enrolled in this plan on their date of hire with no waiting period. Non Represented employees and Police managers received an employer paid \$100 per pay period. Elk Grove Police Officers Association (EGPOA) employees covered by the Memorandum of Understanding (MOU) contributions are structured as outlined in the following tier structure.

Employee Age	Employee Contribution	Employer Contribution
34 and under	\$60.00	\$70.00
35-39	\$70.00	\$80.00
40-44	\$80.00	\$90.00
45 and over	\$90.00	\$100.00

The plan is administered by Health Secure HRA. Employee contributions for the fiscal year totaled \$356,406. Employer contributions of \$839,950 were paid into the Defined

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Contribution Plan. No liability for the defined contribution has been included in the report since the City fully paid the annual required contribution. Since the assets held under this plan are not the City's property and are not subject to claims by general creditors of the City, the assets have been excluded from these financial statements.

Eligibility and Benefit Information of the Health Insurance Rate Subsidy Plan

Under the Health Insurance Rate Subsidy Plan, the City provides retirees the ability to continue their healthcare coverage under the City's cafeteria plan at a cost to the retiree equal to current eligible employees, which is administered by CalPERS. The City pays the minimum mandatory Rate Subsidy amount required of State Statute. On February 26, 2014, the Elk Grove City Council adopted Resolution 2014-44 to establish an IRS Section 115 Trust with Public Agency Retirement Services (PARS), an agent multiple-employer trust, for the City's Health Insurance Rate Subsidy Plan. The fiscal year 2021-22 Budget programmed \$27.50 per employee per pay period as planned funding for the existing plan's liability. The current rate subsidy is \$149 per eligible retiree per month. PARS issues a financial report that includes financial statements and required supplementary information. That report may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

Funding Policies

For all three OPEB plans, the contribution requirements of plan members and the City are established and may be amended a) by the City Council through negotiations with the City's bargaining units, or b) by administrative directive for non-represented employees.

The following disclosures are for the HRA Plan and the Health Insurance Rate Subsidy Plan only. These disclosures do not apply to the Defined Contribution Plan since it does not have any defined benefit characteristics and no liability beyond the on-going employer contribution.

Plan Administration – The City is the Plan administrator for the HRA Plan and PARS administers the Rate Subsidy OPEB Plan.

Plan Membership – As of the June 30, 2022 actuarial valuation date, membership in the Plans consisted of the following;

	HRA Plan	Rate Subsidy Plan
Retirees and beneficiaries receiving benefits	49	39
Terminated plan members entitled to, but not yet receiving benefits	-	-
Active plan members	7	375
Total Number of Participants	<u>56</u>	<u>414</u>

Investment Policy – PARS and MissionSquare offer different investment portfolios as part of the investment vehicle. The investments held as of June 30, 2022 for the MissionSquare Trust are included in Note 2.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Rate of Return - For the year ended June 30, 2022, the annual money-weighted rate of return on investments, net of investment expense, was -12.41% for the HRA Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in Net OPEB Liability (Asset) – The components of the changes in the net OPEB liability (asset) for each plan for the year ended at June 30, 2022, were as follows:

HRA Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2021	\$ 5,331,623	\$ 4,543,654	\$ 787,969
Changes Recognized for the Measurement Period:			
Service Cost	55,522	-	55,522
Interest on the total OPEB liability	286,821	-	286,821
Changes in benefit terms	-	-	-
Differences between expected and actual experience	219,427	-	219,427
Changes of assumptions	-	-	-
Employer Contributions	-	375,000	(375,000)
Actual Investment Income	-	250,798	(250,798)
Investment Gains/Losses	-	(813,491)	813,491
Administrative expenses	-	(20,155)	20,155
Benefit payments	(404,400)	(404,400)	-
Net changes	157,370	(612,248)	769,618
Balance at June 30, 2022	<u>\$ 5,488,993</u>	<u>\$ 3,931,406</u>	<u>\$ 1,557,587</u>
Rate Subsidy Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2021	\$ 16,163,144	\$ 4,789,295	\$ 11,373,849
Changes Recognized for the Measurement Period:			
Service Cost	1,222,281	-	1,222,281
Interest on the total OPEB liability	770,622	-	770,622
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(477,391)	-	(477,391)
Changes of assumptions	(697,359)	-	(697,359)
Employer Contributions	-	603,534	(603,534)
Actual Investment Income	-	280,315	(280,315)
Investment Gains/Losses	-	(834,903)	834,903
Administrative expenses	-	(28,492)	28,492
Benefit payments	(403,534)	(403,534)	-
Net changes	414,619	(383,080)	797,699
Balance at June 30, 2022	<u>\$ 16,577,763</u>	<u>\$ 4,406,215</u>	<u>\$ 12,171,548</u>

Actuarial Assumptions - The total OPEB liabilities for the HRA Plan and Rate Subsidy Plan were measured as of June 30, 2022. The valuations used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

CITY OF ELK GROVE

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June 30, 2022

	HRA Plan	Rate Subsidy Plan
Inflation	2.50%	2.50%
Salary Increases	2.75%	2.75%
Investment Rate of Return	5.55%, net of OPEB plan investment expenses	5.02%, net of OPEB plan investment expenses
Healthcare Cost Trend Rates	4.00%	4.00%
Mortality Tables	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous Employees	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous Employees

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2022 are summarized in the following table:

Asset Class	HRA Plan		Rate Subsidy Plan	
	Percentage of Portfolio	Assumed Gross Rate of Return	Percentage of Portfolio	Assumed Gross Rate of Return
Equities	40%	7.250%		
Fixed income	60%	4.250%		
All US Domestic Stock			60%	7.545%
Long-Term Corporate Bonds			40%	5.045%

Discount rate - The discount rates used to measure the total OPEB liabilities as of June 30, 2022 were 5.55% and 5.02% for the HRA Plan and Rate Subsidy Plan, respectively. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liabilities.

Change of Assumptions – For the measurement date of June 30, 2022, the discount rate for the Rate Subsidy Plan increased from 4.65% to 5.02%.

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

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Notes to Financial Statements
June 30, 2022

	HRA Plan		
	1% Decrease	Discount Rate	1% Increase
	4.55%	5.55%	6.55%
Net OPEB Liability (Asset)	\$ 2,079,987	\$ 1,557,587	\$ 1,111,660

	Rate Subsidy Plan		
	1% Decrease	Discount Rate	1% Increase
	3.02%	5.02%	6.02%
Net OPEB Liability (Asset)	\$ 14,161,403	\$ 12,171,548	\$ 10,484,907

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

	HRA Plan		
		Healthcare Cost	
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ 1,557,587	\$ 1,557,587	\$ 1,557,587

	Rate Subsidy Plan		
		Healthcare Cost	
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ 9,947,635	\$ 12,171,548	\$ 14,937,369

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2022, the City recognized OPEB expense of \$415,784 for the HRA Plan and \$2,420,377 for the Rate Subsidy Plan. At June 30, 2022, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

HRA Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on plan investments	426,083	-
Total	<u>\$ 426,083</u>	<u>\$ -</u>

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Notes to Financial Statements
June 30, 2022

Rate Subsidy Plan	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ (752,271)
Changes of assumptions	9,492,324	(654,312)
Net differences between projected and actual earnings on plan investments	\$ 343,684	-
Total	\$ 9,836,008	\$ (1,406,583)
 Total Both Plans	 \$ 10,262,091	 \$ (1,406,583)

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

Year Ended June 30	Annual Amortization		
	HRA Plan	Rate Subsidy Plan	Total
2023	\$ 81,782	\$ 677,242	\$ 759,024
2024	90,538	684,002	774,540
2025	91,068	675,611	766,679
2026	162,695	787,029	949,724
2027	-	620,050	620,050
Thereafter	-	4,985,491	4,985,491

The implicit rate subsidy refers to the premium rate reduction that pre-Medicare retirees receive as a result of being grouped with active employees. Because retirees are older than the average active employee and because average medical costs increase with age, the medical premium rate charged for a typical retiree is lower than it would be if retiree premium rates were determined independently. In other words, retiree premium rates are being subsidized by active employee premium rates. Fiscal Year 2019-20 was the first year when the City's OPEB Plan actuarial included the implicit rate subsidy in the Net OPEB Liability. The change in the actuarial assumption increased the Rate Subsidy OPEB plan total OPEB liability drastically.

June 30, 2022 Measurement Date	Portion due to Employer Share of Retiree Premium	Portion due to Implicit Rate Subsidy	Total
Total OPEB Liability	\$4,821,914	\$11,755,849	\$16,577,763

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June 30, 2022

Note 13: **Defined Benefit Pension Plan**

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors 6 rate plans (three miscellaneous and three safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

The Plan provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Classic members and PEPRSA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRSA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2022, are summarized as follows:

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Employer rate plan	Employer Rate Plans in the Miscellaneous Risk Pool		
	Classic	Miscellaneous	PEPRA
	Miscellaneous	Second Tier	Miscellaneous
	Prior to	On or after	On or after
Hire date	August 12, 2012	August 12, 2012*	January 1, 2013*
Benefit formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as of % of eligible compensation	2.0% to 2.7%	1.426% - 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	14.020%	10.880%	7.590%
Requires UAL contribution	\$ 413,619	\$ -	\$ -

Employer rate plan	Employer Rate Plans in the Safety Risk Pool		
	Safety Police	Safety Police	PEPRA
	Classic	Second Tier	Safety Police
	Prior to	On or after	On or after
Hire date	August 12, 2012	August 12, 2012*	January 1, 2013*
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as of % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	23.710%	21.790%	13.130%
Required UAL contribution	\$ 999,688	\$ 12,389	\$ 12,555

*Employees hired on or after January 1, 2013, enter the City's second tier or PEPRA plans depending on previous experience. Employees who were previously participating in a PEPRA plan through CalPERS, or who were not participating in any CalPERS plan within six months prior to hire date, are enrolled in the City's PEPRA Miscellaneous or PEPRA Safety Police rate plans. Employees who were participating in a non-PEPRA CalPERS plan within six months prior to hire date are enrolled in the City's Miscellaneous or Safety Police Second tier plans.

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded accrued liability (UAL). The dollar amount can be paid in a lump sum at a discounted amount or is billed on a monthly basis. The City's required contribution for the unfunded liability was \$1,438,251 in fiscal year 2022, as shown in the tables above.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The City's contributions to the Plan for the year ended June 30, 2022 were:

	Contributions
Legally required	\$ 6,204,494
Additional contributions	<u>900,000</u>
Total contributions	<u>\$ 7,104,494</u>

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the City reported a net pension asset for its proportionate share of the net pension asset of the Plan of \$7,419,164.

The City's net pension asset for the Plan is measured as the proportionate share of the net pension asset. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension asset was determined by the actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The City's proportion of the net pension asset was based on a projection of the City's long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability (asset) for the Plan as of June 30, 2020 and 2021 was as follows:

	Plan
Proportion - June 30, 2020	0.14887%
Proportion - June 30, 2021	<u>-0.13718%</u>
Change - increase (decrease)	<u>-0.28605%</u>

For the year ended June 30, 2022, the City recognized pension expense of (\$21,488,182). At June 30, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

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Notes to Financial Statements
June 30, 2022

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 7,104,494	\$ -
Changes in assumptions	-	(774,082)
Differences between expected and actual experience	-	-
Changes in proportion and differences between the City's contributions and the City's proportionate share of contributions	5,468,196	(1,418,987)
Net differences between projected and actual earnings on plan investments	<u>6,750,451</u>	<u>-</u>
Total	<u>\$ 19,323,141</u>	<u>\$ (2,193,069)</u>

\$7,104,494 reported as deferred outflows of resources related to legally required and additional contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2023	\$ 3,074,539
2024	2,804,108
2025	2,280,773
2026	<u>1,866,158</u>
Total	<u>\$ 10,025,578</u>

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Actuarial Assumptions

The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2020	June 30, 2020
Measurement Date	June 30, 2021	June 30, 2021
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)	7.15% (1)
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (2)	Derived using CalPERS' Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(1) Net of pension plan investment expenses, including inflation

(2) The mortality table used was developed based on CalPERS' specific data.

The table includes 15 years of Mortality improvements using the Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2020 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

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June 30, 2022

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan’s fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for the Plan.

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

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

The table below reflects the long-term expected real rates of return by asset class.

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10^(b)</u>	<u>Real Return Years 11+^(c)</u>
Public Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	<u>100%</u>		

(a) In the CalPERS Annual Comprehensive Financial Report, Fixed income is included in Global Debt Securities; Liquidity is included in Short Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

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June 30, 2022

Sensitivity of the City's Proportionate Share of the Net Pension Liability(Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability(asset) for the Plan, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability(asset) would be if it were calculated using a discount rate that is one percentage-point lower or one percentage-point higher than the current rate:

	<u>Discount Rate -1%</u> <u>(6.15%)</u>	<u>Current Discount</u> <u>Rate (7.15%)</u>	<u>Discount Rate +1%</u> <u>(8.15%)</u>
City's proportionate share of the net pension liability(asset)	\$ 15,170,603	\$ (7,419,164)	\$ (26,020,795)

Subsequent Event – Reduction of CalPERS Discount Rate

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy approved by the CalPERS Board in 2015, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the CalPERS Board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense, but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the CalPERS Board. These new assumptions will be reflected in the CalPERS GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

Note 14: Deferred Compensation Plan

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Sections 457 and 414(h). Under these plans, participants are not taxed on the deferred portion of their compensation until distributed; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan.

The Plan is part of a public agency agent multiple-employer defined contribution plan that is administered by Mission Square Retirement (formerly ICMA RC). Benefit provisions under the Plans are established by City resolution.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

The City has no liability for any losses incurred by the Plan and does not participate in any gains, but does have the duty of due care that would be required of an ordinary prudent investor. The City has a contract with the company to manage and invest the assets of the Plan. The administrator pools the assets of the Plan with those of other participants and does not make separate investments for the City. The assets in the Plan are the sole property of the participants or their beneficiaries. Since the assets held under the Plan are not the City's property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements. The Plan requires investments to be stated at fair value and it requires all gains and losses on Plan investments to accrue directly to participant accounts.

Depending on the employee group, the City will match up to 2%, 3%, 4%, 5% or 6% of the covered payroll as a benefit under Internal Revenue Code Section 401(a). For fiscal year 2022-23 the City's matching contribution was \$1,175,563.

Note 15: **Risk Management**

Insurance Coverage

General Liability, Property, Pollution Liability, and Cyber Liability Coverage:

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The City reports all insurance expense in the Risk Management internal service fund. The City has had no settlements exceeding insurance coverage in the last three fiscal years.

The City participates in a joint venture under a Joint Powers Agreement (JPA) with Public Risk Innovation, Solutions and Management (PRISM) (formerly the California State Association of Counties – Excess Insurance Authority (CSAC-EIA)). Established in 1979, PRISM is a risk pooling authority comprised of 55 of 58 California counties and provides viable and cost effective solutions for the entities' insurance and risk management needs. The purpose of PRISM is to spread the adverse effect of losses among the member entities and to purchase excess insurance as a group, thereby reducing its costs. The City is part of the General Liability I program (which includes Errors and Omissions coverage and Employment Liability coverage). PRISM also provides the City with property, pollution, cyber liability, and crime bond insurance.

PRISM is governed by a 65 member Board of Directors, composed of one representative from each member county and ten members elected by the public entity membership. The Board members actively participate in the development, oversight and future direction of the PRISM programs and services. The entire Board meets three times a year, on the first Friday of March, June and October. Each member entity pays a contribution commensurate with the level of coverage provided and shares surpluses and deficits proportionate to their participation.

Complete financial information for PRISM is available on their website www.prismrisk.gov and at the following address:

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June 30, 2022

PRISM
750 Iron Point Circle, Suite 200
Folsom, CA 95630

The City’s deductibles and maximum coverage follows:

	Self-Insured Retention	Limit Per Occurrence	Aggregate
General Liability Coverage	\$ 50,000	\$ 50,000,000	\$ 50,000,000
Property Coverage			
All Risk	5,000	600,000,000	600,000,000
Auto	10,000	25,000,000	600,000,000
Crime Coverage	2,500	5,000,000	5,000,000
Pollution Coverage	250,000	10,000,000	50,000,000
Cyber Liability Coverage	50,000	12,000,000	12,000,000
Fiduciary Liability	25,000	2,000,000	2,000,000

General Liability claims and judgments, including a provision for claims incurred but not reported, are recorded when a loss is deemed probable of assertion and the amount of the loss is reasonably determinable. As discussed above, the City has coverage for such claims, but it has retained the risk for the deductible or uninsured portion of these claims.

Changes in the reported liability resulted from the following:

	General Liability
Liability at June 30, 2020	\$ 239,341
Claims and changes in estimates	332,659
Liability at June 30, 2021	\$ 572,000
Claims and changes in estimates	59,000
Liability at June 30, 2022	<u>\$ 631,000</u>

Crime Coverage

Crime Insurance is secured through the Alliant Crime Insurance Program and provides the City with \$5,000,000 of per occurrence coverage and in the aggregate, and a deductible of \$2,500.

Fiduciary Coverage

Fiduciary Liability Insurance for the City’s 457, 401(a) and OPEB plans is secured through Alliant Insurance Services and provides the City with \$2,000,000 in the aggregate and a retention of \$25,000.

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Worker's Compensation Coverage

The City participates in a joint venture under a Joint Powers Agreement with the Northern California Cities Self-Insurance Fund (NCCSIF). Established in 1979, NCCSIF is a risk pooling authority comprised of 22 northern California cities. The purpose of NCCSIF is to spread the adverse effect of losses among the member entities and to purchase excess insurance as a group, thereby reducing its costs. The City is part of NCCSIF Workers' Compensation Program.

NCCSIF's most recent financial information is available from:

Alliant Insurance Services
1892 Tribute Rd
Sacramento, CA 95815

The total limit of liability provided under the Workers' Compensation Program is Statutory for Workers' Compensation and \$5,000,000 for Employers' Liability. The program is divided into three separate coverage layers – Banking Fund, Shared Risk and Excess Coverage – as noted below:

Banking Fund	\$0 - \$100,000
Shared Risk	\$100,000 - \$500,000
Excess Coverage	\$500,000 – Statutory / Workers' Compensation \$500,000 - \$5,000,000 / Employers' Liability

The Banking Fund and the Shared Risk are self-insurance. The Excess Coverage is currently provided through participation in an excess workers' compensation joint powers authority, PRISM. PRISM shares risk up to \$5,000,000 and purchases excess and reinsurance coverage over that amount.

Activity for the City's banking layer administered by NCCSIF for the year ended June 30, 2022 is as follows:

	<u>Balance</u> <u>6/30/2021</u>	<u>Deposits &</u> <u>other</u> <u>Income</u>	<u>Investment</u> <u>Income &</u> <u>FMV</u> <u>Change</u>	<u>Claims</u> <u>Paid Net of</u> <u>Refunds</u>	<u>Claims</u> <u>Admin. &</u> <u>Other Exp</u>	<u>Balance</u> <u>6/30/2022</u>
Worker's Compensation	\$ 785,372	\$ 1,073,365	\$ (158,091)	\$ (833,123)	\$(76,075)	\$ 791,448

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2022

Note 16: **Commitments and Contingencies**

Construction and Acquisition Commitment

The City has signed agreements for construction of various capital improvements and acquisition of capital assets subsequent to June 30, 2022. The balances owed on the existing construction and acquisition commitments were \$26,287,765 at June 30, 2022.

The City also contracts out its public works department for project management on the construction agreements. The City pays the contractor based on hourly rates ranging from \$45 to \$293 per hour for Federal/State funded project management services. For non-Federal/State, the hourly rates range from \$45 to \$302 per hour.

Revenue Neutrality Agreement

The City and the County of Sacramento (County) entered into an agreement pursuant to Government Code Section 56845. As a means of mitigating the financial impacts of the incorporation upon the County’s general fund, the City shall share its secured and unsecured ad valorem property taxes levied and collected pursuant to state law within the City’s corporate limits, with the exception of the Laguna West Annexation property tax allocation which is not subject to the Revenue Neutrality Agreement. All costs and expenses associated with the collection, administration and interest earning capabilities of the City property tax revenue shall be shared by the City and the County in accordance with the same percentages as the underlying property taxes.

The County’s share of the City’s property tax revenue shall be allocated by the County’s Director of Finance directly to the County. The following table lists the remaining allocation percentages for years June 30, 2023 through June 30, 2026:

Year	Fiscal Year	County Share	City Share
23	2022/2023	30%	70%
24	2023/2024	20%	80%
25	2024/2025	10%	90%
26	2025/2026	00%	100%

As part of the revenue neutrality agreement, the City paid to the County \$4,896,686 during the fiscal year ended June 30, 2022.

The Ridge EG East, LP Tax Incentive

On April 12, 2017 City Council adopted a resolution authorizing the City Manager to execute an Economic Development Incentive Agreement with a developer. The total amount of the incentive relating to the construction of Costco is \$8,000,000 at a present value with a 6% annual discount rate. As of June 30, 2022, the City has paid \$2,268,540 with a present value of \$2,028,232. The funds to provide the incentive will come from sales tax revenues generated by the store and received by the City. No current City revenues or services would be impacted by payment of the incentive. Payments will be made quarterly to the Land Owner

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

for no more than 25 years in the amount of 50% of sales taxes received from the store. Once the incentive is paid off, or the agreement expires after 25 years, whichever comes first, the City would keep all sales tax revenues generated by the Elk Grove Costco. The City estimates the incentive would be paid off in approximately year 20 of the Agreement. As of June 30, 2022, the City has paid a total of \$2,268,540 of this incentive.

Fee Credits

Fee credits are a credit provided to a developer that can be applied towards fees that a developer may incur during future projects. The fee credits are approved by Council as part of an agreement that the developer will provide some form of asset or service on behalf of the City and the value is determined at the estimable cost or value of the asset or service being provided. In the past the fee credits were reported on the fund statements as a liability and expense upon adoption of the agreement. The liability would be extinguished, and the revenue would be recognized upon the usage of the fee credit. Management chose to change the City's accounting policy and remove the fee credit liabilities from the financial statements. Below is the amount of the outstanding commitment and fund in which the fee credits are associated with.

Elk Grove Roadway Fee Program (Fund 328)

- \$10,963,770 in earned fee credits
- \$464,932 in unearned fee credits

LRSP Supplemental Park Fee – Land Acquisition (Fund 331)

- \$299,411 in earned fee credits

SEPA Drainage North Sub-Shed (Fund 373)

- \$3,346,438 in earned fee credits
- \$5,200,053 in unearned fee credits

SEPA Drainage Sub-Shed Basin S6 (Fund 376)

- \$559,693 in earned fee credits

SEPA Channel Facilities Fee (Fund 371)

- \$1,718,506 in earned fee credits
- \$1,483,772 in unearned fee credits

SEPA Park Facilities Fee (Fund 356)

- \$332,074 in earned fee credits

SEPA Trail Facilities Fee (Fund 357)

- \$4,019,977 in earned fee credits

SEPA Trail Land Fee (Fund 358)

- \$489,509 in earned fee credits

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Sterling Meadows

On May 28, 2008, the City Council approved the Sterling Meadows project consisting of 200 acres located on the north side of Kammerer Road, approximately one-half mile west of the Grant Line Road/SR 99 Interchange adjacent to the Lent Ranch Mall. At that time, the City entered into a Development Agreement (DA) with Elk Grove Associates which vested the project approvals for a period of ten years, commencing on July 11, 2008 and expiring on July 11, 2018.

There have been several reassignments, as well as two amendments to the DA. The current assignee is VTL Sterling Meadows LLC, an affiliate of The True Life Companies. The first amendment was approved on May 9, 2018 and extended the term of the DA to October 9, 2018. It provided a short-term extension in order to allow the City, CCSD and the Applicant to work towards mutually-agreeable terms by which a longer-term extension could be supported. After approval of the First Amendment to the DA, the parties began negotiations on new terms for a Second Amendment and a formal application for a long-term extension, including the conveyance of approximately 22.7 acres at the southern end of the project to the City for commercial development. The second amendment was adopted on August 22, 2018 and extended the DA to October 9, 2021.

The project, as currently approved, allows for the development of up to 1,033 residential dwelling units, including 833 lots proposed for single-family development and one 10.8-acre lot intended to accommodate up to 200 multi-family units. As of June 30, 2022, the majority of the single-family building permits have been issued. In addition, the currently approved project allows for two park sites totaling approximately 18.5 acres, a detention basin of approximately 13.3 acres, and approximately 4.8 acres of parkways.

The two park sites have been completed. The remaining site improvements and residential construction are on-going.

Wilton Rancheria

The Wilton Rancheria Tribe's Sky River Casino opened in August 2022. Sky River sits at a 36 acre lot along Highway 99 in south Elk Grove. Plans are to have the casino operate 24 hours a day, seven days a week. The casino's 110,200 square-foot gaming floor has 2,000 slot machines and 80 game tables along with 17 planned restaurants and bars.

In order to mitigate the potential impacts of the Project, the City and the Tribe have executed a Memorandum of Understanding, approved by the City Council in September 2016, that provides funding to the The City, Elk Grove Unified School District, and local non-profit organizations to pay for services such as law enforcement and traffic impacts and compensate for loss of tax revenue. The total cumulative payment from the Tribe to the community over 20 years is approximately \$132 million.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Litigation

The City has various pending claims and lawsuits the outcome of which is not determinable at the time of the financial statements. In the opinion of the legal counsel, there is no pending litigation which is likely to have a material effect on the financial position of the City.

Note 17: **Significant Events**

Annexation Agreement with the Sacramento Regional Transit District

On April 14, 2021, the City Council approved an Annexation Agreement with the Sacramento Regional Transit District (SacRT) to annex the City's transit services and all operational, maintenance and administrative functions into SacRT and also a License Agreement with SacRT authorizing SacRT's use of the City's Corporation Yard for a period of eight years following the effective date of annexation in order for SacRT to fully implement and maintain transit services within the City following annexation. The effective date of annexation commenced on July 1, 2021. SacRT will be solely responsible for the administrative oversight and implementation of all fixed-route transit and ADA paratransit service (e-tran and e-van) operations, transit asset maintenance and replacement, route/schedule planning, customer service, operating and capital funding acquisition, and required financial management duties provided for the City. The City's local and administrative control over transit service planning and funding will cease with some exceptions, as defined by the terms of the Annexation Agreement. SacRT will retain all fares collected on the e-tran and e-van services. SacRT cannot modify the fare structure for the City's route/services within the first six months following annexation. After this six-month period, SacRT may modify the fare structure and media pursuant to the terms established in the Annexation Agreement. All city-owned transit buses, support vehicles, equipment, tools/spare parts, bus stop signage, bus shelter assets, as well as cash and cash equivalents, accounting receivable, due from other governments, accounts payable and unrestricted net assets associated with the City's transit services transitioned to SacRT's ownership/liability 180 days after the Commencement date and SacRT will be responsible for all maintenance, replacement, and cleaning duties associated with those assets. Additionally, SacRT will be responsible for the oversight and costs associated with branding the City's buses, bus stop signage, and shelter assets in order to bring them into conformity with SacRT's existing transit network and vehicle assets. As a result of the annexation, because the City will be within the activated boundaries of SacRT, the City will no longer be an eligible "included municipal operator" under Section 99207(c) of the TDA and will be limited to claiming TDA funds apportioned by SACOG to the City for bicycle and pedestrian improvements in accordance with the TDA statute and SACOG TDA Guidelines (currently approximately 2% of the overall allocation). The City will be able to receive funding for their transition services defined in Section 2 of the Annexation Agreement will receive rents from SacRT's use of the City's Corporation Yard of \$38,031 per month for eight years.

During the year ended June 30, 2022, the City transferred net assets totaling \$16,556,748 to SacRT, which was comprised of capital assets with a net book value of \$12,083,346 and cash and other assets totaling \$4,473,402.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Note 18: **Subsequent Events**

Measure E

On July 27th City Council approved a resolution establishing November 8, 2022, as the date for an election on a proposed ballot measure seeking voter approval to impose a one cent transactions and use (“Sales”) tax for general community purposes. On November 8th Measure E was passed. Measure E was backed by city leaders, fire, police, and business groups who said the \$21 million the tax would raise annually would “keep Elk Grove clean and safe.” Elk Grove laid the groundwork by surveying some 1,500 residents in December 2021 and again in July, finding that 60% of residents said they would support a 1% sales tax hike. The sales tax will rise to 8.75%, tying it with Rancho Cordova and Sacramento for the highest rate in the four-county Sacramento region. Necessities such as groceries and prescriptions would not be taxed. “How can we protect our Elk Grove way of life?” a recent Measure E campaign mailer read. The bill is slated to come due in April 2023, when Elk Grove will begin to collect the new tax.

City was Awarded Office of Community Oriented Policing Services Grant

Elk Grove Police Department’s (EGPD) Communications Center Renovation, was awarded a Community Oriented Policing Service grant in the amount of \$520,000, from the U.S. Department of Justice.

Elk Grove Library Project

Earlier this year, the City and Sacramento Public Library applied for a competitive State grant to remodel the former Rite Aid building at the corner of Elk Grove Blvd and Waterman Road in the city’s historic district to become the new home for the Elk Grove Library. City staff received notification that the project has been awarded approximately \$4.4 million. This funding, combined with the \$3 million Assemblymember Cooper secured for the project in the State budget, brings this project substantially closer to construction.

Project Elevate Update

During the past year staff engaged Turton Commercial Real Estate, a Sacramento-based brokerage and development firm with mixed-use expertise, to assist the City with marketing Project Elevate to qualified developers. In August 2021, Council approved a contract with Turton. On January 13, 2022, the City, with Turton’s assistance, released an Offering Memorandum to the development community designed to solicit qualifications of a development partner to purchase the site and develop the Project. The offering period closed on April 29, 2022. Four proposals were received. Following the proposal review process, Turton identified Houston, TX-based Hines as the best proposal and most qualified development partner, and staff concurs with Turton’s assessment. Hines’s architects are Gensler and TCA Architects, top international design firms. Hines has the requisite expertise, experience, qualifications, and financial capabilities to develop the Project.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

Note 19: **Future GASB Pronouncements**

In May 2019 the GASB approved Statement No. 91 *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021.

In March 2020 the GASB approved Statement No. 94 *Public-Private and Public-Public Partnership and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

In May 2020 the GASB approved Statement No. 96 *Subscription-Based Information Technology Arrangements*. The primary objectives of this Statement are to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. The requirements of this Statement are effective for reporting periods beginning after June 15, 2022.

The GASB issued Statement No. 99, “*Omnibus 2022*”. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2022

identified during implementation and application of certain GASB statements and (2) accounting and financial reporting for financial guarantees. The requirements of the statement are effective as follows: (1) the requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance; (2) the requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter; and (3) the requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

The GASB issued GASB Statement No. 100, “*Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*”. The requirements of this Statement are effective for fiscal years ending after June 15, 2023. The City has not determined the effect of this Statement.

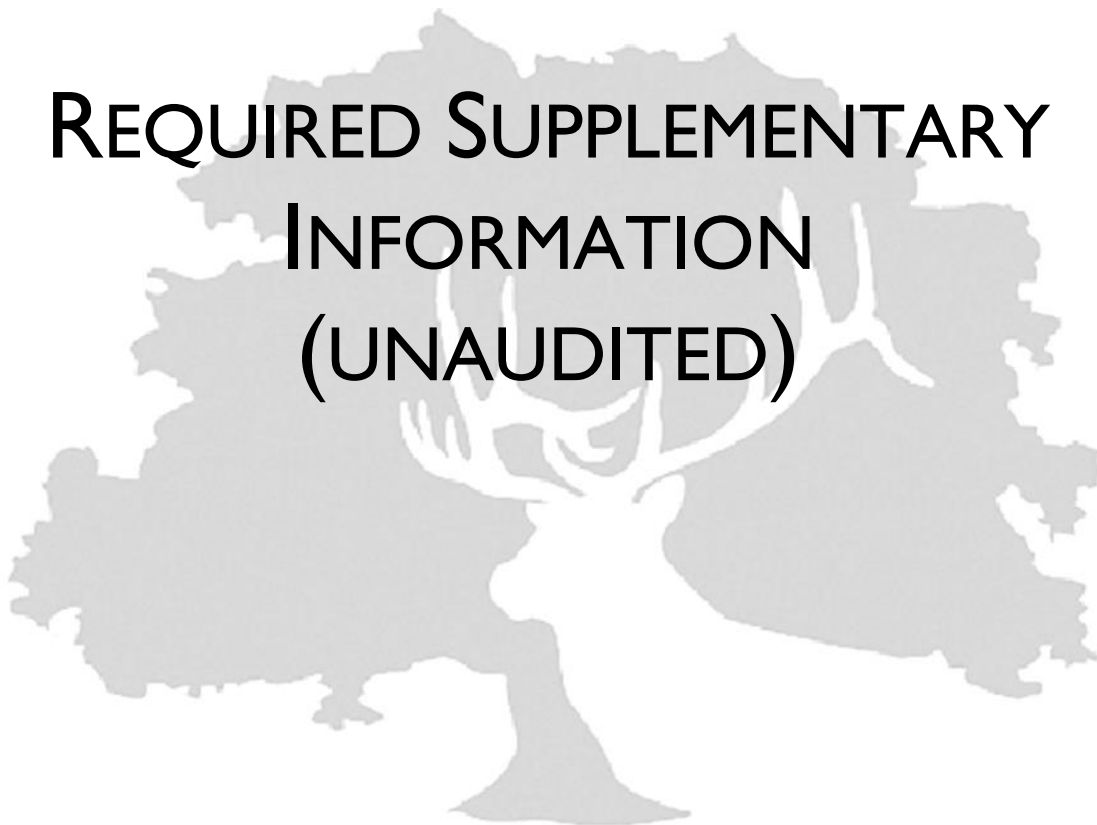
The GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



CITY OF ELK GROVE

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2022

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Taxes:				
Property taxes	\$ 30,855,637	\$ 30,862,966	\$ 31,175,469	\$ 312,503
Sales and use tax	32,287,900	36,933,699	38,501,983	1,568,284
Utility users' tax	6,295,000	6,295,000	6,372,407	77,407
Transient occupancy tax	1,465,000	1,654,094	2,066,670	412,576
Property transfer tax	1,034,000	1,210,535	1,290,627	80,092
Franchise tax	2,399,500	2,469,017	2,991,204	522,187
Licenses, fees and permits	2,253,244	2,253,244	1,182,382	(1,070,862)
Intergovernmental	305,000	5,581,359	5,713,823	132,464
Fines and forfeitures	676,460	676,460	609,151	(67,309)
Charges for services	879,750	879,750	336,465	(543,285)
Use of money and property	1,074,944	1,165,944	2,636,778	1,470,834
Other revenue	370,403	423,903	563,241	139,338
Total Revenues	<u>79,896,838</u>	<u>90,405,971</u>	<u>93,440,200</u>	<u>3,034,229</u>
EXPENDITURES				
General Government:				
City Council	513,829	513,829	390,476	123,353
Planning Commission	9,984	9,984	7,446	2,538
Planning	165,524	165,524	167,267	(1,743)
Economic Development	2,341,344	12,000,602	10,989,865	1,010,737
City Manager	4,829,213	4,779,666	4,283,829	495,837
City Attorney	1,789,470	1,789,470	1,722,003	67,467
City Clerk	808,699	808,699	688,168	120,531
Finance	3,747,837	3,744,771	3,775,889	(31,118)
Human Resources	1,368,330	1,527,212	1,442,338	84,874
Public Works	6,507,037	6,525,037	4,591,070	1,933,967
Other - Non-Departmental	2,341,562	2,308,002	2,212,236	95,766
Revenue Neutrality	4,658,334	4,658,334	4,896,686	(238,352)
Total General Government	<u>29,081,163</u>	<u>38,831,130</u>	<u>35,167,273</u>	<u>3,663,857</u>
Public Safety:				
Law Enforcement	52,485,876	51,136,904	49,507,201	1,629,703
Total Public Safety	<u>52,485,876</u>	<u>51,136,904</u>	<u>49,507,201</u>	<u>1,629,703</u>
Community Development				
Code Enforcement	1,614,078	1,648,894	1,324,323	324,571
Community Grants	376,705	425,281	375,902	49,379
Total Community Development	<u>1,990,783</u>	<u>2,074,175</u>	<u>1,700,225</u>	<u>373,950</u>
Capital Outlay	2,927,856	549,161	444,712	104,449
Total Expenditures	<u>86,485,678</u>	<u>92,591,370</u>	<u>86,819,411</u>	<u>5,771,959</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,588,840)</u>	<u>(2,185,399)</u>	<u>6,620,789</u>	<u>8,806,188</u>
OTHER FINANCING SOURCES (USES)				
Proceeds from sale of property	-	-	5,138,446	5,138,446
Transfers in	12,019,510	12,019,510	12,019,510	-
Transfers out	(4,199,335)	(17,920,024)	(4,150,989)	13,769,035
Total Other Financing Sources (Uses)	<u>7,820,175</u>	<u>(5,900,514)</u>	<u>13,006,967</u>	<u>13,769,035</u>
Net Change in Fund Balance	1,231,335	(8,085,913)	19,627,756	27,713,669
Fund Balance, Beginning	<u>54,137,669</u>	<u>54,137,669</u>	<u>54,137,669</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 55,369,004</u>	<u>\$ 46,051,756</u>	<u>\$ 73,765,425</u>	<u>\$ 27,713,669</u>

CITY OF ELK GROVE

Major Special Revenue Fund
 Budgetary Comparison Schedule
 Affordable Housing Fund
 For the Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses, fees and permits	\$ 3,476,904	\$ 3,476,904	\$ 3,585,014	\$ 108,110
Use of money and property	432,078	432,078	(663,479)	(1,095,557)
Total Revenues	<u>3,908,982</u>	<u>3,908,982</u>	<u>2,921,535</u>	<u>(987,447)</u>
Expenditures:				
Current:				
Community development	4,325,527	4,325,527	171,117	4,154,410
Total Expenditures	<u>4,325,527</u>	<u>4,325,527</u>	<u>171,117</u>	<u>4,154,410</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(416,545)</u>	<u>(416,545)</u>	<u>2,750,418</u>	<u>3,166,963</u>
Net Change in Fund Balance	(416,545)	(416,545)	2,750,418	3,166,963
Fund Balance, Beginning	<u>88,409,137</u>	<u>88,409,137</u>	<u>88,409,137</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 87,992,592</u>	<u>\$ 87,992,592</u>	<u>\$ 91,159,555</u>	<u>\$ 3,166,963</u>

CITY OF ELK GROVE

Major Special Revenue Fund
 Budgetary Comparison Schedule
 Disaster Recovery Fund
 For the Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ -	\$ 21,944,605	\$ 4,831,685	\$ (17,112,920)
Use of money and property	-	-	42,657	42,657
Total Revenues	<u>-</u>	<u>21,944,605</u>	<u>4,874,342</u>	<u>(17,070,263)</u>
Expenditures:				
Current:				
Community development	-	4,472,780	4,472,780	-
Public ways and facilities	-	358,907	358,907	-
Total Expenditures	<u>-</u>	<u>4,831,687</u>	<u>4,831,687</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>17,112,918</u>	<u>42,655</u>	<u>(17,070,263)</u>
Net Change in Fund Balance	-	17,112,918	42,655	(17,070,263)
Fund Balance, Beginning	<u>13,445</u>	<u>13,445</u>	<u>13,445</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 13,445</u></u>	<u><u>\$ 17,126,363</u></u>	<u><u>\$ 56,100</u></u>	<u><u>\$ (17,070,263)</u></u>

CITY OF ELK GROVE

Major Special Revenue Fund
 Budgetary Comparison Schedule
 Wilton Rancheria MOU Fund
 For the Year Ended June 30, 2022

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Intergovernmental	\$ 2,453,925	\$ 2,453,925	\$ 2,453,925	\$ -
Use of money and property	-	-	(113,937)	(113,937)
Total Revenues	<u>-</u>	<u>2,453,925</u>	<u>2,339,988</u>	<u>(113,937)</u>
Expenditures:				
Current:				
Public ways and facilities	400	-	1,120	(1,120)
Total Expenditures	<u>400</u>	<u>-</u>	<u>1,120</u>	<u>(1,120)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(400)</u>	<u>2,453,925</u>	<u>2,338,868</u>	<u>(115,057)</u>
Net Change in Fund Balance	(400)	2,453,925	2,338,868	(115,057)
Fund Balance, Beginning	<u>2,456,815</u>	<u>2,456,815</u>	<u>2,456,815</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,456,415</u></u>	<u><u>\$ 4,910,740</u></u>	<u><u>\$ 4,795,683</u></u>	<u><u>\$ (115,057)</u></u>

CITY OF ELK GROVE

Notes to Budgetary Comparison Statements
For the Year Ended June 30, 2022

BUDGETS AND BUDGETARY ACCOUNTING

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

1. The City manager submits to the City Council a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a minute order.
4. Budget adjustments from restricted and unrestricted fund balance and between funds are approved by the City Council and budget transfers within fund or department are approved by City Manager. Expenditures may not legally exceed budgeted appropriations at the fund level.
5. Budgets are adopted for the General Fund, Special Revenue Funds, Capital Project Funds and Debt Service Funds.
6. Formal budgetary integration is employed as a management control device during the year in all funds except Custodial Funds.
7. Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for all funds, except capital projects reported in the Capital Project Funds, which are budgeted on a project length basis.
8. Encumbrances represent commitments related to unperformed contracts for goods and services. Encumbrances outstanding at year end are reported as assignment of fund balance and do not constitute expenditures or liabilities because the commitment will be honored in the subsequent year.

CITY OF ELK GROVE

Schedule of Changes in the City's
Net OPEB Liabilities and Related Ratios
Last Ten Fiscal Years ⁽¹⁾

For the Measurement Period Ended June 30

	2022		2021	
	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
Total OPEB Liability				
Service Cost	\$ 55,522	\$ 1,222,281	\$ 51,906	\$ 921,273
Interest	286,821	770,622	294,610	768,086
Differences between expected and actual experience	219,427	(477,391)	-	(20,384)
Changes of assumptions	-	(697,359)	122,144	2,340,668
Benefit Payments	(404,400)	(403,534)	(381,144)	(394,978)
Net change in Total OPEB Liability	157,370	414,619	87,516	3,614,665
Total OPEB Liability at beginning of year	5,331,623	16,163,144	5,244,107	12,548,479
Total OPEB Liability at end of year	<u>\$ 5,488,993</u>	<u>\$ 16,577,763</u>	<u>\$ 5,331,623</u>	<u>\$ 16,163,144</u>
Plan Fiduciary Net Position				
Contributions - employer	\$ 375,000	\$ 603,534	\$ 600,000	\$ 594,978
Net investment income	(562,693)	(554,588)	582,507	791,719
Benefit payments	(404,400)	(403,534)	(394,720)	(394,978)
Administrative expenses	(20,155)	(28,492)	(18,986)	(25,484)
Net change in Plan Fiduciary Net Position	(612,248)	(383,080)	768,801	966,235
Plan Fiduciary Net Position at beginning of year	4,543,654	4,789,295	3,774,853	3,823,060
Plan Fiduciary Net Position at end of year	<u>\$ 3,931,406</u>	<u>\$ 4,406,215</u>	<u>\$ 4,543,654</u>	<u>\$ 4,789,295</u>
Authority's Net OPEB Liability (Asset) at end of year	<u>\$ 1,557,587</u>	<u>\$ 12,171,548</u>	<u>\$ 787,969</u>	<u>\$ 11,373,849</u>
Plan's Fiduciary Net Position as percentage of Total OPEB Liability	71.6%	26.6%	85.2%	29.6%
Covered-employee payroll	\$ 437,400	\$ 45,593,472	\$ 444,332	\$ 44,412,428
Net OPEB Liability as percentage of covered-employee payroll	356.10%	26.70%	177.34%	25.61%

Notes:

⁽¹⁾ Fiscal year 2017 was the first year of implementation

2020		2019		2018		2017	
HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
\$ 15,004	\$ 200,797	\$ 14,602	\$ 195,422	\$ 75,799	\$ 177,595	\$ 73,770	\$ 172,842
280,706	197,602	282,474	177,586	244,637	170,836	241,901	152,480
417,875	(182,962)	40,664	-	428,202	(206,110)	-	-
(92,788)	9,162,143	-	-	-	-	-	-
(373,920)	(44,130)	(366,252)	(40,026)	(265,878)	(37,488)	(266,052)	(6,041)
246,877	9,333,450	(28,512)	332,982	482,760	104,833	49,619	319,281
4,997,230	3,215,029	5,025,742	2,882,047	4,542,982	2,777,214	4,493,363	2,457,933
<u>\$ 5,244,107</u>	<u>\$ 12,548,479</u>	<u>\$ 4,997,230</u>	<u>\$ 3,215,029</u>	<u>\$ 5,025,742</u>	<u>\$ 2,882,047</u>	<u>\$ 4,542,982</u>	<u>\$ 2,777,214</u>
\$ 600,000	\$ 269,130	\$ 470,332	\$ 240,026	\$ 470,000	\$ 296,762	\$ 400,000	\$ 200,000
203,658	171,048	223,091	221,928	88,056	155,075	185,597	207,963
(373,920)	(44,130)	(366,252)	(40,026)	(265,878)	(37,488)	(266,052)	(6,041)
(14,784)	(21,082)	(14,252)	(18,574)	(13,331)	(16,807)	(5,627)	(8,102)
414,954	374,966	312,919	403,354	278,847	397,542	313,918	393,820
3,359,899	3,448,094	3,046,980	3,044,740	2,768,133	2,647,198	2,454,215	2,253,378
<u>\$ 3,774,853</u>	<u>\$ 3,823,060</u>	<u>\$ 3,359,899</u>	<u>\$ 3,448,094</u>	<u>\$ 3,046,980</u>	<u>\$ 3,044,740</u>	<u>\$ 2,768,133</u>	<u>\$ 2,647,198</u>
<u>\$ 1,469,254</u>	<u>\$ 8,725,419</u>	<u>\$ 1,637,331</u>	<u>\$ (233,065)</u>	<u>\$ 1,978,762</u>	<u>\$ (162,693)</u>	<u>\$ 1,774,849</u>	<u>\$ 130,016</u>
72.0%	30.5%	67.2%	107.2%	60.6%	105.6%	60.9%	95.3%
\$ 743,816	\$ 42,730,280	\$ 943,329	\$ 31,827,961	\$ 1,183,755	\$ 26,020,439	\$ 1,495,962	\$ 27,743,749
197.53%	20.42%	173.57%	-0.73%	167.16%	-0.63%	118.64%	0.47%

CITY OF ELK GROVE

Schedule of City Contributions
Last Ten Fiscal Years ⁽¹⁾

For the Fiscal Year Ended June 30	2022		2021	
	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
Contractually Required Contributions	\$ 375,000	\$ 603,534	\$ 600,000	\$ 594,978
Employer Contributions	375,000	603,534	600,000	594,978
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 437,400	\$ 45,593,472	\$ 444,332	\$ 44,412,428
Contributions as percentage of covered-employee payroll	85.73%	1.32%	135.03%	1.34%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

Valuation date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.50%	2.50%
Salary Increases	2.75%	2.75%
Investment Rate of Return	5.55%, net of OPEB plan investment expenses	5.02%, net of OPEB plan investment expenses
Healthcare Cost Trend Rates	4.00%	4.00%
Mortality Tables	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous Employees	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous Employees

⁽¹⁾ Fiscal year 2017 was the first year of implementation

2020		2019		2018		2017	
HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
\$ 600,000	\$ 269,130	\$ 366,252	\$ 40,026	\$ 470,000	\$ 296,762	\$ 344,299	\$ 194,712
600,000	269,130	470,332	240,026	470,000	296,762	400,000	200,000
\$ -	\$ -	\$ (104,080)	\$ (200,000)	\$ -	\$ -	\$ (55,701)	\$ (5,288)
\$ 743,816	\$ 42,730,280	\$ 943,329	\$ 31,827,961	\$ 1,183,755	\$ 26,020,439	\$ 1,495,962	\$ 27,743,749
80.67%	0.63%	49.86%	0.75%	39.70%	1.14%	26.74%	0.72%

CITY OF ELK GROVE
Schedule of Investment Returns
HRA Plan
Last Ten Fiscal Years ⁽¹⁾

For the Fiscal Year Ended June 30	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Annual money-weighted rate of return, net of investment expense	-12.41%	14.75%	5.75%	7.05%	4.90%	5.64%

Notes:

⁽¹⁾ Fiscal year 2017 was the first year of implementation

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CITY OF ELK GROVE

Miscellaneous and Safety Rate Plans, a Cost Sharing-Employer Defined Pension Plan
Last 10 Years*

**SCHEDULE OF THE CITY'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS**

Measurement Date	6/30/2021	6/30/2020	6/30/2019
City's Proportion of the Net Pension Liability (Asset)	0.13718%	0.14887%	0.14374%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ (7,419,164)	\$ 16,197,858	\$ 14,729,263
City's Covered Payroll	\$ 36,735,168	\$ 35,222,709	\$ 31,747,871
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	20.20%	45.99%	46.39%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	88.29%	75.10%	75.26%

Notes to Schedule:

* - Fiscal year 2015 was the 1st year of implementation.

<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
0.14518%	0.16676%	0.16786%	0.16807%	0.17173%
\$ 13,990,216	\$ 16,537,686	\$ 14,525,447	\$ 11,536,416	\$ 10,686,132
\$ 29,962,680	\$ 27,840,009	\$ 33,456,412	\$ 34,404,915	\$ 31,212,147
46.69%	59.40%	43.42%	33.53%	34.24%
75.26%	73.31%	74.06%	78.40%	79.82%

CITY OF ELK GROVE

Miscellaneous and Safety Rate Plans, a Cost Sharing-Employer Defined Pension Plan
Last 10 Years*

**SCHEDULE OF CONTRIBUTIONS
AS OF JUNE 30
LAST 10 YEARS**

For the year Ended June 30	<u>2022</u>	<u>2021</u>	<u>2020</u>
Actuarially determined contribution	\$ 6,204,494	\$ 6,271,938	\$ 5,685,740
Contributions in relation to the actuarially determined contributions	<u>(6,204,494)</u>	<u>(6,271,938)</u>	<u>(5,685,740)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 <u>\$ 36,641,385</u>	 <u>\$ 36,735,168</u>	 <u>\$ 35,222,709</u>
 Contributions as a percentage of covered payroll	 16.93%	 17.07%	 16.14%

* Fiscal year 2015 was the 1st year of implementation.

2019	2018	2017	2016	2015
\$ 4,539,174 (4,539,174)	\$ 4,283,503 (4,283,503)	\$ 3,518,175 (3,518,175)	\$ 3,181,199 (3,181,199)	\$ 5,006,117 (5,006,117)
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 31,747,871	\$ 29,962,680	\$ 27,840,009	\$ 33,456,412	\$ 34,404,915
14.30%	14.30%	12.64%	9.51%	14.55%

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ANNUAL COMPREHENSIVE FINANCIAL REPORT
Fiscal Year Ended June 30, 2022

**SUPPLEMENTARY INFORMATION
COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**



CITY OF ELK GROVE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Laguna Springs Open Space Reserve Permanent Fund	Total
<u>ASSETS</u>				
Cash and investments	\$ 65,384,766	\$ 50,935,210	\$ 168,879	\$ 116,488,855
Cash with fiscal agent	-	11,371,723	-	11,371,723
Funds held in escrow	159,294	-	-	159,294
Accounts receivable	4,578,250	-	-	4,578,250
Interest receivable	91,970	-	-	91,970
Taxes Receivable	153,283	-	-	153,283
Due from other government agencies	1,807,405	491,276	-	2,298,681
Advances to other funds	3,500,000	1,990,000	-	5,490,000
Long-term loans receivable	365,030	-	-	365,030
Long-term development fees receivable	-	2,363,146	-	2,363,146
Lease receivable	3,034,817	-	-	3,034,817
Total Assets	<u>\$ 79,074,815</u>	<u>\$ 67,151,355</u>	<u>\$ 168,879</u>	<u>\$ 146,395,049</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 7,129,056	\$ 976,275	\$ 2,479	\$ 8,107,810
Accrued salaries and benefits	176,806	1,922	-	178,728
Due to other funds	413,681	356,181	-	769,862
Interest payable	5,610	-	59,800	65,410
Retention payable	128,828	365,018	-	493,846
Refundable deposits	3,663,669	-	-	3,663,669
Advances from other funds	4,046,810	614	-	4,047,424
Unearned revenue	339,669	1,490,870	-	1,830,539
Total Liabilities	<u>15,904,129</u>	<u>3,190,880</u>	<u>62,279</u>	<u>19,157,288</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	7,721,393	2,853,470	-	10,574,863
<u>FUND BALANCES</u>				
Restricted	55,942,998	61,490,288	106,600	117,539,886
Unassigned	(493,705)	(383,283)	-	(876,988)
Total Fund Balances	<u>55,449,293</u>	<u>61,107,005</u>	<u>106,600</u>	<u>116,662,898</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 79,074,815</u>	<u>\$ 67,151,355</u>	<u>\$ 168,879</u>	<u>\$ 146,395,049</u>

CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2022

	Special Revenue Funds	Capital Projects Funds	Laguna Springs Open Space Reserve Permanent Fund	Total
Revenues:				
Licenses, fees and permits	\$ 10,983,257	\$ 13,296,555	\$ -	\$ 24,279,812
Intergovernmental	30,418,914	1,661,708	-	32,080,622
Charges for services	2,700,956	-	-	2,700,956
Use of money and property	(1,236,671)	(2,086,651)	-	(3,323,322)
Other revenue	47,125	30,415	-	77,540
Total Revenues	<u>42,913,581</u>	<u>12,902,027</u>	<u>-</u>	<u>55,815,608</u>
Expenditures:				
Current:				
General government	98,179	-	-	98,179
Public safety	1,279,008	-	-	1,279,008
Public ways and facilities	19,187,243	14,003,675	7,211	33,198,129
Community development	11,447,040	-	-	11,447,040
Debt Service:				
Tax administration	130,638	-	-	130,638
Total Expenditures	<u>32,142,108</u>	<u>14,003,675</u>	<u>7,211</u>	<u>46,152,994</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>10,771,473</u>	<u>(1,101,648)</u>	<u>(7,211)</u>	<u>9,662,614</u>
Other Financing Sources (Uses):				
Transfers in	668,895	13,684,778	-	14,353,673
Transfers out	(10,809,089)	(1,335,345)	-	(12,144,434)
Total Other Financing Sources (Uses)	<u>(10,140,194)</u>	<u>12,349,433</u>	<u>-</u>	<u>2,209,239</u>
Net Change in Fund Balances	631,279	11,247,785	(7,211)	11,871,853
Fund Balances, Beginning	<u>54,818,014</u>	<u>49,859,220</u>	<u>113,811</u>	<u>104,791,045</u>
Fund Balances, End of Year	<u>\$ 55,449,293</u>	<u>\$ 61,107,005</u>	<u>\$ 106,600</u>	<u>\$ 116,662,898</u>

SPECIAL REVENUE FUNDS

DEFINITION

Special Revenue Funds are used to account for specific revenues that are legally restricted or committed to expenditures for particular purposes. Special Revenue Funds include:

Nonmajor Special Revenue Funds

Recycling Grant Fund – Established to account for funds provided by the recycling division of the State Department of Conservation. Funds were made available through the 1986 California Beverage Container Recycling and Litter Reduction Act for beverage container recycling and litter abatement programs. Grants are funded by the California Refund Value (CRV) beverage container fees.

Used Oil Grant Fund – Established to account for funds received from the California Integrated Waste Management Board to comply with waste diversion. Funds are used to educate the public on oil recycling.

Tire Collection and Disposal Grant – Established to account and track Tire Collection Disposal Grant funds for the cost of cleanup, abatement, and remedial action related to the disposal of waste tires at cleanup projects and amnesty events.

BSCC Local Police Grant – Established to account for funds received from the Board of State Community Corrections (BSCC). Funds were made available for Cities in Sacramento County to create mini-regional teams for the purpose of identifying, monitoring and closely supervising AB109 releases that have a high probability of relapsing into criminal behavior.

OTS Grants Fund – Established to account for grants provided by the Office of Traffic Safety (OTS) which include a mini-grant to be utilized to increase the level of seat belt enforcement hours; to conduct DUI enforcement crackdowns on drinking drivers in Sacramento County and education activities for the public concerning the problems associated with drinking and driving.

Local Police Grants Fund – Established to account for funds given by local businesses and organization for police programs, and miscellaneous police grants.

California Law Enforcement Equipment Fund – Established to account for grants used to supplement equipment needs of the Police Department.

Gas Tax Fund – Established to account for Gas Tax Street expenditure funding which provides a variety of transportation infrastructure maintenance services including implementation of the City's Pavement Management Program, construction of capital projects, and coordination with other entities as needed. Financing is provided by the City's share of State gasoline taxes and is restricted to street expenditures.

SB1 Street and Road Funds – Established to account for the Senate Bill 1 (SB1), which provides funds for pavement needs on local streets and roads. SB1 also provides grant funding for transportation infrastructure including streets and roads.

Agriculture Preservation Fund – Established to account for the fee imposed upon the development in the East Franklin Specific Plan area and in other parts of the City. The fee revenue is used to provide and preserve agricultural land.

Swainson's Hawk Fund – Established to account for the mitigation fee which is used to purchase land and/or easements to offset the loss of Swainson's hawk habitat.

Tree Mitigation Fund – Established to account for the fee which is to be used for preservation of oak trees.

Street Trench Cut Fee Fund – Established to account for funding for the associated cost of cutting pavement and the future maintenance of roadways.

Community Development Block Grant Fund – Established to account for funds received and disbursed under the U.S. Department of Housing and Urban Development Community Development Block Grant programs.

State Homeless Appropriations Fund – Established to account for appropriated through the State of California Budget Act of 2017 to implement a range of services aimed at navigating homeless individuals and families to permanent housing, including but not limited to the following: a navigation team to provide proactive outreach to homeless persons, acquisition and rehabilitation of property to serve as temporary or permanent housing, operations costs associated with homeless housing, and implementation of individualized strategies to promote permanent housing.

Strategic Planning Fund – Established to account for revenue and expense activities associated with strategic planning grant opportunities. The grant applications, awards and expenses are typically administered by either the Strategic Planning and Innovation Division in the City Manager's Office or by the Housing and Public Services Division in the Development Services Department. The grant awards themselves may fund a variety of programs and projects such as transportation planning, housing planning, sustainability efforts, market assessments, feasibility studies, etc.

Police Services CFD Funds – Established to account for the CFD 2003-1 and CFD 2003-2. Funds are used to pay for a portion of the costs associated with providing police protection services in the City.

Maintenance Services CFD Funds – Established to account for CFD 2005-1 and CFD 2006-1. Funds are used to provide Maintenance Services citywide.

Street Maintenance District Funds – Established to account for the multi-zonal assessment district which funds a portion of street maintenance costs in development areas in the City.

Street Lighting Maintenance District Funds – Established to account for street lighting revenue and expenditures.

Asset Seizure Funds

State – Established to account for the funds received from the State for the equitable transfer of forfeited property and cash in which the City directly participates in the law enforcement efforts leading to the seizure and forfeiture of the property.

Federal – Established to account for the funds received from the Federal government for the equitable transfer of forfeited property and cash in which the City directly participates in the law enforcement efforts leading to the seizure and forfeiture of the property.

Library Ownership Fund – Established to account for revenue and expenditures directly related to the Elk Grove Library, owned by the City and operated by the library JPA.

HUD Home Grant – Established to account for funds received from the US Department of Housing and Urban Development (via the California Department of Housing and Community Development) to

promote housing opportunities, including homeownership assistance and rental housing development, for lower-income households.

Neighborhood Stabilization Program Fund – Established to account for funds received and disbursed under the Federal Stimulus Neighborhood Stabilization Program.

Measure A Maintenance Fund – Established to account for the Measure A Transportation Expenditure Agreement funding spent on street maintenance.

Development Services Fund – Established to record revenues and expenditures directly related to development services, including public works, building services and planning. These services, previously accounted for in the general fund, were segregated in 2008 to provide a clearer picture of the results of this activity, and the impact of those results on the City’s financial picture.

Performance Bond Fund – Established to account for assets held by the City for individuals, private organizations, and other governments related to various capital projects..

Donations and Community Programs Funds – Established to account for the donations by citizens for various City programs.

Transit Fund - Established to account for the activities related to City’s transit partnership with Sacramento Regional Transit. This includes accounting for a dedicated City Transit Liaison, building and land rental activities, and administrative and utility fees relating to the City’s Annexation, License, and Administrative Fee Agreements.



CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2022

	Recycling Grant Fund	Used Oil Grant Fund	Tire Collection & Disposal Grant Fund	BSCC Local Police Grant Fund	OTS Grants Fund
<u>ASSETS</u>					
Cash and investments	\$ 351,830	\$ 11,814	\$ -	\$ 127	\$ 19,006
Funds held in escrow	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Interest receivable	-	-	-	-	-
Taxes Receivable	-	-	-	-	-
Due from other government agencies	-	-	10,306	-	83,712
Advance to other funds	-	-	-	-	-
Long term loans receivable	-	-	-	-	-
Lease receivable	-	-	-	-	-
Total Assets	\$ 351,830	\$ 11,814	\$ 10,306	\$ 127	\$ 102,718
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ 5,840	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	6,976
Interest payable	-	-	-	-	-
Due to other funds	-	-	10,175	-	-
Retention payable	-	-	-	-	-
Refundable deposits	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Unearned revenue	339,669	-	-	-	-
Total Liabilities	339,669	5,840	10,175	-	6,976
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue	-	-	10,306	-	29,863
<u>FUND BALANCES</u>					
Restricted	12,161	5,974	-	127	65,879
Unassigned	-	-	(10,175)	-	-
Total Fund Balances	12,161	5,974	(10,175)	127	65,879
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 351,830	\$ 11,814	\$ 10,306	\$ 127	\$ 102,718

Local Police Grants Fund	CA Law Enforcement Equipment Fund	Gas Tax Fund	SB1 Streets and Roads Fund	Agricultural Preservation Fund	Swainson's Hawk Fund	Tree Mitigation Fund	Street Trench Cut Fee Fund
\$ -	\$ 302,601	\$ 3,561,390	\$ 4,660,299	\$ 49,824	\$ 3,815,444	\$ 1,383,672	\$ 686,714
-	-	-	-	-	-	-	-
-	-	25,244	-	-	4,020,611	-	48,889
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
71,378	178,112	333,356	615,159	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 71,378</u>	<u>\$ 480,713</u>	<u>\$ 3,919,990</u>	<u>\$ 5,275,458</u>	<u>\$ 49,824</u>	<u>\$ 7,836,055</u>	<u>\$ 1,383,672</u>	<u>\$ 735,603</u>
\$ -	\$ -	\$ 857,754	\$ 479,325	\$ -	\$ 8,398	\$ -	\$ 20,612
1,099	21,538	30,431	-	-	498	-	-
-	-	-	-	-	-	-	-
59,556	-	-	-	-	-	-	-
-	-	-	49,351	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>60,655</u>	<u>21,538</u>	<u>888,185</u>	<u>528,676</u>	<u>-</u>	<u>8,896</u>	<u>-</u>	<u>20,612</u>
53,350	178,112	-	-	-	4,020,611	-	-
-	281,063	3,031,805	4,746,782	49,824	3,806,548	1,383,672	714,991
(42,627)	-	-	-	-	-	-	-
<u>(42,627)</u>	<u>281,063</u>	<u>3,031,805</u>	<u>4,746,782</u>	<u>49,824</u>	<u>3,806,548</u>	<u>1,383,672</u>	<u>714,991</u>
<u>\$ 71,378</u>	<u>\$ 480,713</u>	<u>\$ 3,919,990</u>	<u>\$ 5,275,458</u>	<u>\$ 49,824</u>	<u>\$ 7,836,055</u>	<u>\$ 1,383,672</u>	<u>\$ 735,603</u>

continued

CITY OF ELK GROVE

Combining Balance Sheet (continued)
 Nonmajor Special Revenue Funds
 June 30, 2022

	Community Development Block Grant Fund	State Homeless Appropriations Fund	Strategic Planning Grants Fund	Police Services CFD Funds	Maintenance Services CFD Funds	Street Maintenance District Funds
<u>ASSETS</u>						
Cash and investments	\$ -	\$ 3,825,004	\$ -	\$ 4,517,904	\$ 13,966,054	\$ 7,523,109
Funds held in escrow	-	-	-	-	-	-
Accounts receivable	-	-	-	-	103,730	36,559
Interest receivable	26,680	-	-	-	-	-
Taxes Receivable	-	-	-	47,585	37,633	53,665
Due from other government agencies	276,332	-	171,596	-	-	-
Advance to other funds	-	-	-	-	-	3,500,000
Long term loans receivable	101,614	-	-	-	-	-
Lease receivable	-	-	-	-	-	-
Total Assets	<u>\$ 404,626</u>	<u>\$ 3,825,004</u>	<u>\$ 171,596</u>	<u>\$ 4,565,489</u>	<u>\$ 14,107,417</u>	<u>\$ 11,113,333</u>
<u>LIABILITIES</u>						
Accounts payable	\$ 67,675	\$ 15,600	\$ -	\$ 140	\$ 1,576,883	\$ 4,192
Accrued salaries and benefits	2,687	10,051	-	534	27,973	4,313
Interest payable	-	-	-	-	-	-
Due to other funds	128,255	-	171,596	-	-	-
Retention payable	31,822	-	-	-	-	75
Refundable deposits	-	-	-	-	137,619	-
Advance from other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
Total Liabilities	<u>230,439</u>	<u>25,651</u>	<u>171,596</u>	<u>674</u>	<u>1,742,475</u>	<u>8,580</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>						
Unavailable revenue	156,176	-	171,596	-	-	-
<u>FUND BALANCES</u>						
Restricted	18,011	3,799,353	-	4,564,815	12,364,942	11,104,753
Unassigned	-	-	(171,596)	-	-	-
Total Fund Balances	<u>18,011</u>	<u>3,799,353</u>	<u>(171,596)</u>	<u>4,564,815</u>	<u>12,364,942</u>	<u>11,104,753</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 404,626</u>	<u>\$ 3,825,004</u>	<u>\$ 171,596</u>	<u>\$ 4,565,489</u>	<u>\$ 14,107,417</u>	<u>\$ 11,113,333</u>

Street Lighting Maintenance District Funds	Asset Seizure State and Federal Funds	Library Ownership Fund	HUD Home Grant Fund	Neighborhood Stabilization Program Fund	Measure A Maintenance Fund	Development Services Fund	Performance Bond Fund
\$ 840,735	\$ 611,755	\$ 1,117,905	\$ -	\$ 530,843	\$ 8,943,296	\$ 8,419,522	\$ 194,879
-	-	-	-	-	159,294	-	-
-	-	-	-	-	85,912	213,206	-
-	-	-	10,533	54,757	-	-	-
14,400	-	-	-	-	-	-	-
-	67,454	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	40,000	223,416	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 855,135</u>	<u>\$ 679,209</u>	<u>\$ 1,117,905</u>	<u>\$ 50,533</u>	<u>\$ 809,016</u>	<u>\$ 9,188,502</u>	<u>\$ 8,632,728</u>	<u>\$ 194,879</u>
\$ 96,835	\$ 186,250	\$ 596	\$ -	\$ 1,013	\$ 1,937,115	\$ 1,866,119	\$ -
2,202	-	-	-	-	7,314	48,218	-
-	-	-	-	-	-	-	5,610
-	-	-	-	-	-	-	-
-	-	-	-	-	39,576	8,004	-
-	-	-	-	-	-	3,330,818	195,232
1,019,442	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,118,479</u>	<u>186,250</u>	<u>596</u>	<u>-</u>	<u>1,013</u>	<u>1,984,005</u>	<u>5,253,159</u>	<u>200,842</u>
-	-	-	10,533	54,757	-	-	-
-	492,959	1,117,309	40,000	753,246	7,204,497	3,379,569	-
(263,344)	-	-	-	-	-	-	(5,963)
<u>(263,344)</u>	<u>492,959</u>	<u>1,117,309</u>	<u>40,000</u>	<u>753,246</u>	<u>7,204,497</u>	<u>3,379,569</u>	<u>(5,963)</u>
<u>\$ 855,135</u>	<u>\$ 679,209</u>	<u>\$ 1,117,905</u>	<u>\$ 50,533</u>	<u>\$ 809,016</u>	<u>\$ 9,188,502</u>	<u>\$ 8,632,728</u>	<u>\$ 194,879</u>

continued

CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Special Revenue Funds (continued)
 June 30, 2022

	Donations and Community Programs Fund	Transit Fund	Total
	Fund	Fund	Total
<u>ASSETS</u>			
Cash and investments	\$ 51,039	\$ -	\$ 65,384,766
Funds held in escrow	-	-	159,294
Accounts receivable	-	44,099	4,578,250
Interest receivable	-	-	91,970
Taxes Receivable	-	-	153,283
Due from other government agencies	-	-	1,807,405
Advance to other funds	-	-	3,500,000
Long term loans receivable	-	-	365,030
Lease receivable	-	3,034,817	3,034,817
	<hr/>	<hr/>	<hr/>
Total Assets	\$ 51,039	\$ 3,078,916	\$ 79,074,815
	<hr/>	<hr/>	<hr/>
<u>LIABILITIES</u>			
Accounts payable	\$ 203	\$ 4,506	\$ 7,129,056
Accrued salaries and benefits	-	12,972	176,806
Interest payable	-	-	5,610
Due to other funds	-	44,099	413,681
Retention payable	-	-	128,828
Refundable deposits	-	-	3,663,669
Advance from other funds	-	3,027,368	4,046,810
Unearned revenue	-	-	339,669
	<hr/>	<hr/>	<hr/>
Total Liabilities	203	3,088,945	15,904,129
	<hr/>	<hr/>	<hr/>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	-	3,036,089	7,721,393
	<hr/>	<hr/>	<hr/>
<u>FUND BALANCES</u>			
Restricted	50,836	(3,046,118)	55,942,998
Unassigned	-	-	(493,705)
	<hr/>	<hr/>	<hr/>
Total Fund Balances	50,836	(3,046,118)	55,449,293
	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 51,039	\$ 3,078,916	\$ 79,074,815
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CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended June 30, 2022

	Recycling Grant Fund	Used Oil Grant Fund	Tire Collection & Disposal Grant Fund	BSCC Local Police Grant Fund	OTS Grants Fund
Revenues:					
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	37,222	42,910	21,689	-	229,865
Charges for services	-	-	-	-	-
Use of money and property	1,343	152	131	-	-
Other revenue	-	-	-	-	-
Total Revenues	<u>38,565</u>	<u>43,062</u>	<u>21,820</u>	<u>-</u>	<u>229,865</u>
Expenditures:					
Current:					
General government	-	-	-	-	-
Public Safety	-	-	-	32,826	246,140
Public ways and facilities	-	-	-	-	-
Community development	42,794	43,491	13,264	-	-
Tax administration	-	-	-	-	-
Total Expenditures	<u>42,794</u>	<u>43,491</u>	<u>13,264</u>	<u>32,826</u>	<u>246,140</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,229)</u>	<u>(429)</u>	<u>8,556</u>	<u>(32,826)</u>	<u>(16,275)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	169	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>169</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	(4,229)	(429)	8,725	(32,826)	(16,275)
Fund Balances, Beginning	<u>16,390</u>	<u>6,403</u>	<u>(18,900)</u>	<u>32,953</u>	<u>82,154</u>
Fund Balances, End of Year	<u>\$ 12,161</u>	<u>\$ 5,974</u>	<u>\$ (10,175)</u>	<u>\$ 127</u>	<u>\$ 65,879</u>

Local Police Grants Fund	CA Law Enforcement Equipment Fund	Gas Tax Fund	SB1 Streets and Roads Fund	Agricultural Preservation Fund	Swainson's Hawk Fund	Tree Mitigation Fund	Street Trench Cut Fees Fund
\$ -	\$ -	\$ 52,471	\$ -	\$ -	\$ 293,125	\$ 263,400	\$ 213,728
81,081	436,872	4,349,351	3,580,757	-	-	-	-
-	-	-	-	-	-	-	-
-	7,366	(120,352)	(147,812)	(6,984)	(126,250)	(41,774)	(12,957)
-	-	-	-	-	-	-	-
<u>81,081</u>	<u>444,238</u>	<u>4,281,470</u>	<u>3,432,945</u>	<u>(6,984)</u>	<u>166,875</u>	<u>221,626</u>	<u>200,771</u>
-	-	-	-	-	-	-	-
114,771	376,509	-	-	-	-	-	-
-	-	3,898,893	1,516,733	1,000,364	-	-	270
-	-	-	-	-	555,742	582	40,301
-	-	-	-	-	-	-	-
<u>114,771</u>	<u>376,509</u>	<u>3,898,893</u>	<u>1,516,733</u>	<u>1,000,364</u>	<u>555,742</u>	<u>582</u>	<u>40,571</u>
(33,690)	67,729	382,577	1,916,212	(1,007,348)	(388,867)	221,044	160,200
-	-	259,644	11,882	-	-	11,637	3,179
-	-	(1,008,625)	(264,463)	-	-	-	(3,992)
-	-	(748,981)	(252,581)	-	-	11,637	(813)
(33,690)	67,729	(366,404)	1,663,631	(1,007,348)	(388,867)	232,681	159,387
(8,937)	213,334	3,398,209	3,083,151	1,057,172	4,195,415	1,150,991	555,604
<u>\$ (42,627)</u>	<u>\$ 281,063</u>	<u>\$ 3,031,805</u>	<u>\$ 4,746,782</u>	<u>\$ 49,824</u>	<u>\$ 3,806,548</u>	<u>\$ 1,383,672</u>	<u>\$ 714,991</u>

CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances(continued) Nonmajor Special Revenue Funds For the Year Ended June 30, 2022

	Community Development Block Grant Fund	State Homeless Appropriations Fund	Strategic Planning Grants Fund	Police Services CFD Funds	Maintenance Services CFD Funds	Street Maintenance District Funds
Revenues:						
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ 30,500	\$ 689,081	\$ 21,700
Intergovernmental	1,177,228	-	-	5,226,299	5,658,868	2,307,670
Charges for services	-	-	-	-	-	-
Use of money and property	62,987	(130,025)	-	(197,128)	(404,163)	(238,341)
Other revenue	-	-	-	-	5,585	-
Total Revenues	<u>1,240,215</u>	<u>(130,025)</u>	<u>-</u>	<u>5,059,671</u>	<u>5,949,371</u>	<u>2,091,029</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	21,133	-	-
Public ways and facilities	-	-	-	-	6,049,907	629,245
Community development	1,247,434	367,235	171,596	-	-	-
Tax administration	-	-	-	55,679	10,807	15,870
Total Expenditures	<u>1,247,434</u>	<u>367,235</u>	<u>171,596</u>	<u>76,812</u>	<u>6,060,714</u>	<u>645,115</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,219)</u>	<u>(497,260)</u>	<u>(171,596)</u>	<u>4,982,859</u>	<u>(111,343)</u>	<u>1,445,914</u>
Other Financing Sources (Uses):						
Transfers in	-	-	-	-	96,174	58,200
Transfers out	-	-	-	(4,108,952)	(440,389)	(146,083)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(4,108,952)</u>	<u>(344,215)</u>	<u>(87,883)</u>
Net Change in Fund Balance	(7,219)	(497,260)	(171,596)	873,907	(455,558)	1,358,031
Fund Balances, Beginning	<u>25,230</u>	<u>4,296,613</u>	<u>-</u>	<u>3,690,908</u>	<u>12,820,500</u>	<u>9,746,722</u>
Fund Balances, End of Year	<u>\$ 18,011</u>	<u>\$ 3,799,353</u>	<u>\$ (171,596)</u>	<u>\$ 4,564,815</u>	<u>\$ 12,364,942</u>	<u>\$ 11,104,753</u>

Street Lighting Maintenance District Funds	Asset Seizure State and Federal Funds	Library Ownership Fund	HUD Home Grant Fund	Neighborhood Stabilization Program Fund	Measure A Maintenance Fund	Development Services Fund	Performance Bond Fund
\$ 602	\$ -	\$ -	\$ -	\$ -	\$ 12,671	\$ 9,282,989	\$ -
1,218,156	194,305	140,607	-	-	5,716,034	-	-
-	-	-	-	-	-	2,694,929	-
(28,377)	-	(37,514)	-	7,196	(126,874)	(172,781)	(7,797)
-	-	-	-	-	-	-	-
<u>1,190,381</u>	<u>194,305</u>	<u>103,093</u>	<u>-</u>	<u>7,196</u>	<u>5,601,831</u>	<u>11,805,137</u>	<u>(7,797)</u>
-	-	-	-	-	-	-	-
-	487,629	-	-	-	-	-	-
531,047	-	57,920	-	61,507	5,033,274	408,083	-
-	-	-	-	-	-	8,958,625	-
48,282	-	-	-	-	-	-	-
<u>579,329</u>	<u>487,629</u>	<u>57,920</u>	<u>-</u>	<u>61,507</u>	<u>5,033,274</u>	<u>9,366,708</u>	<u>-</u>
611,052	(293,324)	45,173	-	(54,311)	568,557	2,438,429	(7,797)
35,149	-	-	-	-	192,861	-	-
(72,529)	-	(9,671)	-	-	(302,526)	(877,141)	-
<u>(37,380)</u>	<u>-</u>	<u>(9,671)</u>	<u>-</u>	<u>-</u>	<u>(109,665)</u>	<u>(877,141)</u>	<u>-</u>
573,672	(293,324)	35,502	-	(54,311)	458,892	1,561,288	(7,797)
(837,016)	786,283	1,081,807	40,000	807,557	6,745,605	1,818,281	1,834
<u>\$ (263,344)</u>	<u>\$ 492,959</u>	<u>\$ 1,117,309</u>	<u>\$ 40,000</u>	<u>\$ 753,246</u>	<u>\$ 7,204,497</u>	<u>\$ 3,379,569</u>	<u>\$ (5,963)</u>

continued

CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances (continued) Nonmajor Special Revenue Funds For the Year Ended June 30, 2022

	Donations and Community Programs Fund	Transit Fund	Total
Revenues:			
Licenses, fees and permits	\$ -	\$ 122,990	\$ 10,983,257
Intergovernmental	-	-	30,418,914
Charges for services	-	6,027	2,700,956
Use of money and property	536	482,747	(1,236,671)
Other revenue	26,525	15,015	47,125
Total Revenues	27,061	626,779	42,913,581
Expenditures:			
Current:			
General government	-	98,179	98,179
Public Safety	-	-	1,279,008
Public ways and facilities	-	-	19,187,243
Community development	5,976	-	11,447,040
Tax administration	-	-	130,638
Total Expenditures	5,976	98,179	32,142,108
Excess (Deficiency) of Revenues Over (Under) Expenditures	21,085	528,600	10,771,473
Other Financing Sources (Uses):			
Transfers in	-	-	668,895
Transfers out	-	(3,574,718)	(10,809,089)
Total Other Financing Sources (Uses)	-	(3,574,718)	(10,140,194)
Net Change in Fund Balance	21,085	(3,046,118)	631,279
Fund Balances, Beginning	29,751	-	54,818,014
Fund Balances, End of Year	\$ 50,836	\$ (3,046,118)	\$ 55,449,293

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Recycling Grant Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 9,120	\$ 37,222	\$ 28,102
Use of money and property	-	1,343	1,343
Total Revenues	9,120	38,565	29,445
Expenditures:			
Current:			
Community development	51,864	42,794	9,070
Total Expenditures	51,864	42,794	9,070
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(42,744)	(4,229)	38,515
Net Change in Fund Balance	(42,744)	(4,229)	38,515
Fund Balance, Beginning	16,390	16,390	-
Fund Balance, Ending	\$ (26,354)	\$ 12,161	\$ 38,515

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Used Oil Grant Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 50,701	\$ 42,910	\$ (7,791)
Use of money and property	-	152	152
Total Revenues	50,701	43,062	(7,639)
Expenditures:			
Current:			
Community development	69,870	43,491	26,379
Total Expenditures	69,870	43,491	26,379
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(19,169)	(429)	18,740
Net Change in Fund Balance	(19,169)	(429)	18,740
Fund Balance, Beginning	6,403	6,403	-
Fund Balance, Ending	\$ (12,766)	\$ 5,974	\$ 18,740

CITY OF ELK GROVE

Special Revenue Fund

Budgetary Comparison Schedule
Tire Collection & Disposal Grant
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 21,689	\$ 21,689
Use of money and property	-	131	131
Total Revenues	-	21,820	21,820
Expenditures:			
Current:			
Community development	13,264	13,264	-
Total Expenditures	13,264	13,264	-
Other Financing Sources (Uses):			
Transfers in	-	169	169
Total Other Financing Sources (Uses)	-	169	169
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,264)	8,556	21,820
Net Change in Fund Balance	(13,264)	8,725	21,989
Fund Balance, Beginning	(18,900)	(18,900)	-
Fund Balance, Ending	\$ (32,164)	\$ (10,175)	\$ 21,989

CITY OF ELK GROVE

Special Revenue Fund
Budgetary Comparison Schedule
BSCC Local Police Grant
For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
Current:			
Public safety	\$ 32,953	\$ 32,826	\$ 127
Total Expenditures	<u>32,953</u>	<u>32,826</u>	<u>127</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(32,953)</u>	<u>(32,826)</u>	<u>127</u>
Net Change in Fund Balance	<u>(32,953)</u>	<u>(32,826)</u>	<u>127</u>
Fund Balance, Beginning	<u>32,953</u>	<u>32,953</u>	<u>-</u>
Fund Balance, Ending	<u>\$ -</u>	<u>\$ 127</u>	<u>\$ 127</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 OTS Grants Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 405,107	\$ 229,865	\$ (175,242)
Total Revenues	<u>405,107</u>	<u>229,865</u>	<u>(175,242)</u>
Expenditures:			
Current:			
Public safety	391,519	246,140	145,379
Total Expenditures	<u>391,519</u>	<u>246,140</u>	<u>145,379</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>13,588</u>	<u>(16,275)</u>	<u>(29,863)</u>
Net Change in Fund Balance	13,588	(16,275)	(29,863)
Fund Balance, Beginning	<u>82,154</u>	<u>82,154</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 95,742</u>	<u>\$ 65,879</u>	<u>\$ (29,863)</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Local Police Grants Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Current:			
Intergovernmental	\$ 63,053	\$ 81,081	\$ 18,028
Total Revenues	63,053	81,081	18,028
Expenditures:			
Current:			
Public safety	116,836	114,771	2,065
Total Expenditures	116,836	114,771	2,065
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(53,783)	(33,690)	20,093
Net Change in Fund Balance			
	(53,783)	(33,690)	20,093
Fund Balance, Beginning			
	(8,937)	(8,937)	-
Fund Balance, Ending			
	\$ (62,720)	\$ (42,627)	\$ 20,093

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 CA Law Enforcement Equipment Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 436,872	\$ 436,872	\$ -
Use of money and property	2,718	7,366	4,648
Total Revenues	439,590	444,238	4,648
Expenditures:			
Current:			
Public safety	400,608	376,509	24,099
Total Expenditures	400,608	376,509	24,099
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	38,982	67,729	28,747
Net Change in Fund Balance	38,982	67,729	28,747
Fund Balance, Beginning	213,334	213,334	-
Fund Balance, Ending	\$ 252,316	\$ 281,063	\$ 28,747

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Gas Tax Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 10,000	\$ 52,471	\$ 42,471
Intergovernmental	4,427,279	4,349,351	(77,928)
Use of money and property	43,030	(120,352)	(163,382)
Total Revenues	4,480,309	4,281,470	(198,839)
Expenditures:			
Current:			
Public ways and facilities	4,539,168	3,898,893	640,275
Total Expenditures	4,539,168	3,898,893	640,275
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(58,859)	382,577	441,436
Other Financing Sources (Uses):			
Transfers in	259,644	259,644	-
Transfers out	(1,008,631)	(1,008,625)	(6)
Total Other Financing Sources (Uses)	(748,987)	(748,981)	6
Net Change in Fund Balance	(807,846)	(366,404)	441,442
Fund Balance, Beginning	3,398,209	3,398,209	-
Fund Balance, Ending	\$ 2,590,363	\$ 3,031,805	\$ 441,442

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 SB1 Streets and Roads Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,191,625	\$ 3,580,757	\$ (610,868)
Use of money and property	41,624	(147,812)	(189,436)
Total Revenues	4,233,249	3,432,945	(800,304)
Expenditures:			
Current:			
Public ways and facilities	1,515,076	1,516,733	(1,657)
Total Expenditures	1,515,076	1,516,733	(1,657)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	2,718,173	1,916,212	(801,961)
Other Financing Sources (Uses):			
Transfers in	11,882	11,882	-
Transfers out	(264,463)	(264,463)	-
Total Other Financing Sources (Uses)	(252,581)	(252,581)	-
Net Change in Fund Balance	2,465,592	1,663,631	(801,961)
Fund Balance, Beginning	3,083,151	3,083,151	-
Fund Balance, Ending	\$ 5,548,743	\$ 4,746,782	\$ (801,961)

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Agricultural Preservation Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 27,042	\$ (6,984)	\$ (34,026)
Total Revenues	27,042	(6,984)	(34,026)
Expenditures:			
Current:			
Public ways and facilities	1,001,000	1,000,364	636
Total Expenditures	1,001,000	1,000,364	636
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(973,958)	(1,007,348)	(33,390)
Net Change in Fund Balance	(973,958)	(1,007,348)	(33,390)
Fund Balance, Beginning	1,057,172	1,057,172	-
Fund Balance, Ending	\$ 83,214	\$ 49,824	\$ (33,390)

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Swainson's Hawk Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 377,926	\$ 293,125	\$ (84,801)
Use of money and property	44,924	(126,250)	(171,174)
Total Revenues	422,850	166,875	(255,975)
Expenditures:			
Current:			
Community development	2,065,550	555,742	1,509,808
Total Expenditures	2,065,550	555,742	1,509,808
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,642,700)	(388,867)	1,253,833
Net Change in Fund Balance	(1,642,700)	(388,867)	1,253,833
Fund Balance, Beginning	4,195,415	4,195,415	-
Fund Balance, Ending	\$ 2,552,715	\$ 3,806,548	\$ 1,253,833

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Tree Mitigation Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 240,760	\$ 263,400	\$ 22,640
Use of money and property	12,599	(41,774)	(54,373)
Total Revenues	<u>253,359</u>	<u>221,626</u>	<u>(31,733)</u>
Expenditures:			
Current:			
Community development	1,500	582	918
Total Expenditures	<u>1,500</u>	<u>582</u>	<u>918</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>251,859</u>	<u>221,044</u>	<u>(30,815)</u>
Other Financing Sources (Uses):			
Transfers in	11,637	11,637	-
Total Other Financing Sources (Uses)	<u>11,637</u>	<u>11,637</u>	<u>-</u>
Net Change in Fund Balance	263,496	232,681	(30,815)
Fund Balance, Beginning	<u>1,150,991</u>	<u>1,150,991</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 1,414,487</u></u>	<u><u>\$ 1,383,672</u></u>	<u><u>\$ (30,815)</u></u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Trench Cut Fee Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 150,000	\$ 213,728	\$ 63,728
Charges for services	73,500	-	(73,500)
Use of money and property	5,888	(12,957)	(18,845)
Total Revenues	229,388	200,771	(28,617)
Expenditures:			
Current:			
Public ways and facilities	400	270	130
Community development	100,000	40,301	59,699
Total Expenditures	100,400	40,571	59,829
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	128,988	160,200	31,212
Other Financing Sources (Uses):			
Transfers in	3,179	3,179	-
Transfers out	(3,992)	(3,992)	-
Total Other Financing Sources (Uses)	(813)	(813)	-
Net Change in Fund Balance	128,175	159,387	31,212
Fund Balance, Beginning	555,604	555,604	-
Fund Balance, Ending	\$ 683,779	\$ 714,991	\$ 31,212

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Community Development Block Grants Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,955,690	\$ 1,177,228	\$ (778,462)
Use of money and property	181	62,987	62,806
Total Revenues	<u>1,955,871</u>	<u>1,240,215</u>	<u>(715,656)</u>
Expenditures:			
Current:			
Community development	1,646,991	1,247,434	399,557
Total Expenditures	<u>1,646,991</u>	<u>1,247,434</u>	<u>399,557</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>308,880</u>	<u>(7,219)</u>	<u>(316,099)</u>
Other Financing Sources (Uses):			
Net Change in Fund Balance	308,880	(7,219)	(316,099)
Fund Balance, Beginning	<u>25,230</u>	<u>25,230</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 334,110</u></u>	<u><u>\$ 18,011</u></u>	<u><u>\$ (316,099)</u></u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 State Homeless Appropriations Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 59,923	\$ (130,025)	\$ (189,948)
Total Revenues	59,923	(130,025)	(189,948)
Expenditures:			
Current:			
Community development	2,209,630	367,235	1,842,395
Total Expenditures	2,209,630	367,235	1,842,395
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,149,707)	(497,260)	1,652,447
Net Change in Fund Balance			
	(2,149,707)	(497,260)	1,652,447
Fund Balance, Beginning			
	4,296,613	4,296,613	-
Fund Balance, Ending			
	\$ 2,146,906	\$ 3,799,353	\$ 1,652,447

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Strategic Planning Grants Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
Current:			
Community development	\$ 269,412	\$ 171,596	\$ 97,816
Total Expenditures	<u>269,412</u>	<u>171,596</u>	<u>97,816</u>
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(269,412)</u>	<u>(171,596)</u>	<u>97,816</u>
 Net Change in Fund Balance	 (269,412)	 (171,596)	 97,816
 Fund Balance, Beginning	 <u>-</u>	 <u>-</u>	 <u>-</u>
 Fund Balance, Ending	 <u>\$ (269,412)</u>	 <u>\$ (171,596)</u>	 <u>\$ 97,816</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Police Services CFD Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 10,000	\$ 30,500	\$ 20,500
Intergovernmental	5,178,905	5,226,299	47,394
Use of money and property	16,131	(197,128)	(213,259)
Total Revenues	5,205,036	5,059,671	(145,365)
Expenditures:			
Current:			
Public safety	20,964	21,133	(169)
Debt Service:			
Tax administration	19,250	55,679	(36,429)
Total Expenditures	40,214	76,812	(36,598)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	5,164,822	4,982,859	(181,963)
Other Financing Sources (Uses):			
Transfers out	(4,108,952)	(4,108,952)	-
Total Other Financing Sources (Uses)	(4,108,952)	(4,108,952)	-
Net Change in Fund Balance	1,055,870	873,907	(181,963)
Fund Balance, Beginning	3,690,908	3,690,908	-
Fund Balance, Ending	\$ 4,746,778	\$ 4,564,815	\$ (181,963)

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Maintenance Services CFD Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 339,500	\$ 689,081	\$ 349,581
Intergovernmental	5,703,279	5,658,868	(44,411)
Use of money and property	188,451	(404,163)	(592,614)
Other	-	5,585	5,585
Total Revenues	6,231,230	5,949,371	(281,859)
Expenditures:			
Current:			
Public ways and facilities	6,939,320	6,049,907	889,413
Debt Service:			
Tax administration	19,100	10,807	8,293
Total Expenditures	6,958,420	6,060,714	897,706
Excess (Deficiency) of Revenues Over (Under) Expenditures	(727,190)	(111,343)	615,847
Other Financing Sources (Uses):			
Transfers in	96,174	96,174	-
Transfers out	(440,389)	(440,389)	-
Total Other Financing Sources (Uses)	(344,215)	(344,215)	-
Net Change in Fund Balance	(1,071,405)	(455,558)	615,847
Fund Balance, Beginning	12,820,500	12,820,500	-
Fund Balance, Ending	\$ 11,749,095	\$ 12,364,942	\$ 615,847

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Maintenance District Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Licenses, fees and permits	\$ 11,500	\$ 21,700	\$ 10,200
Intergovernmental	2,269,441	2,307,670	38,229
Use of money and property	48,776	(238,341)	(287,117)
Total Revenues	<u>2,329,717</u>	<u>2,091,029</u>	<u>(238,688)</u>
Expenditures:			
Current:			
Public ways and facilities	619,038	629,245	(10,207)
Debt Service:			
Tax administration	25,705	15,870	9,835
Total Expenditures	<u>644,743</u>	<u>645,115</u>	<u>(372)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>1,684,974</u>	<u>1,445,914</u>	<u>(239,060)</u>
Other Financing Sources (Uses):			
Transfers in	58,200	58,200	-
Transfers out	(146,083)	(146,083)	-
Total Other Financing Sources (Uses)	<u>(87,883)</u>	<u>(87,883)</u>	<u>-</u>
Net Change in Fund Balance	1,597,091	1,358,031	(239,060)
Fund Balance, Beginning	<u>9,746,722</u>	<u>9,746,722</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 11,343,813</u>	<u>\$ 11,104,753</u>	<u>\$ (239,060)</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Lighting Maintenance District Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ -	\$ 602	\$ 241
Intergovernmental	1,192,274	1,218,156	25,882
Use of money and property	3,351	(28,377)	(31,728)
Total Revenues	1,195,625	1,190,381	(5,605)
Expenditures:			
Current:			
Public ways and facilities	561,031	531,047	29,984
Debt Service:			
Tax administration	34,900	48,282	(13,382)
Total Expenditures	595,931	579,329	16,602
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	599,694	611,052	11,358
Other Financing Sources (Uses):			
Transfers in	35,149	35,149	-
Transfers out	(72,529)	(72,529)	-
Total Other Financing Sources (Uses)	(37,380)	(37,380)	-
Net Change in Fund Balance	562,314	573,672	11,358
Fund Balance, Beginning	(837,016)	(837,016)	-
Fund Balance, Ending	\$ (274,702)	\$ (263,344)	\$ 11,358

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Asset Seizure State and Federal Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 194,305	\$ 194,305	\$ -
Total Revenues	<u>194,305</u>	<u>194,305</u>	<u>-</u>
Expenditures:			
Current:			
Public Safety	487,630	487,629	1
Total Expenditures	<u>487,630</u>	<u>487,629</u>	<u>1</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(293,325)</u>	<u>(293,324)</u>	<u>1</u>
Net Change in Fund Balance	(293,325)	(293,324)	1
Fund Balance, Beginning	<u>786,283</u>	<u>786,283</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 492,958</u></u>	<u><u>\$ 492,959</u></u>	<u><u>\$ 1</u></u>

CITY OF ELK GROVE

Special Revenue Fund

Budgetary Comparison Schedule

Library Ownership Fund

For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 125,000	\$ 140,607	\$ 15,607
Use of money and property	13,356	(37,514)	(50,870)
Total Revenues	138,356	103,093	(35,263)
Expenditures:			
Current:			
Public way and facilities	46,567	57,920	(11,353)
Total Expenditures	46,567	57,920	(11,353)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	91,789	45,173	(46,616)
Other Financing Sources (Uses):			
Transfers out	(9,671)	(9,671)	-
Total Other Financing Sources (Uses)	(9,671)	(9,671)	-
Net Change in Fund Balance	82,118	35,502	(46,616)
Fund Balance, Beginning	1,081,807	1,081,807	-
Fund Balance, Ending	\$ 1,163,925	\$ 1,117,309	\$ (46,616)

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Neighborhood Stabilization Program Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 61,017	\$ 7,196	\$ (53,821)
Total Revenues	<u>61,017</u>	<u>7,196</u>	<u>(53,821)</u>
Expenditures:			
Current:			
Public ways and facilities	313,531	61,507	252,024
Total Expenditures	<u>313,531</u>	<u>61,507</u>	<u>252,024</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(252,514)</u>	<u>(54,311)</u>	<u>198,203</u>
Net Change in Fund Balance	(252,514)	(54,311)	198,203
Fund Balance, Beginning	<u>807,557</u>	<u>807,557</u>	-
Fund Balance, Ending	<u><u>\$ 555,043</u></u>	<u><u>\$ 753,246</u></u>	<u><u>\$ 198,203</u></u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Measure A Maintenance Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ -	\$ 12,671	\$ 12,671
Intergovernmental	4,741,759	5,716,034	974,275
Use of money and property	129,104	(126,874)	(255,978)
Total Revenues	4,870,863	5,601,831	730,968
Expenditures:			
Current:			
Public ways and facilities	5,241,716	5,033,274	208,442
Total Expenditures	5,241,716	5,033,274	208,442
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(370,853)	568,557	939,410
Other Financing Sources (Uses):			
Transfers In	192,861	192,861	-
Transfers out	(264,221)	(302,526)	38,305
Total Other Financing Sources (Uses)	(71,360)	(109,665)	(38,305)
Net Change in Fund Balance	(442,213)	458,892	901,105
Fund Balance, Beginning	6,745,605	6,745,605	-
Fund Balance, Ending	\$ 6,303,392	\$ 7,204,497	\$ 901,105

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Development Services Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 9,336,967	\$ 9,282,989	\$ (53,978)
Charges for services	3,572,231	2,694,929	(877,302)
Use of money and property	34,510	(172,781)	(207,291)
Total Revenues	12,943,708	11,805,137	(1,138,571)
Expenditures:			
Current:			
Public ways and facilities	392,025	408,083	(16,058)
Community development	9,244,427	8,958,625	285,802
Total Expenditures	9,636,452	9,366,708	269,744
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	3,307,256	2,438,429	(868,827)
Other Financing Sources (Uses):			
Transfers out	(877,141)	(877,141)	-
Total Other Financing Sources (Uses)	(877,141)	(877,141)	-
Net Change in Fund Balance	2,430,115	1,561,288	(868,827)
Fund Balance, Beginning	1,818,281	1,818,281	-
Fund Balance, Ending	\$ 4,248,396	\$ 3,379,569	\$ (868,827)

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Performance Bond Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ (7,797)	\$ (7,797)
Total Revenues	-	(7,797)	(7,797)
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(7,797)	(7,797)
 Net Change in Fund Balance	-	(7,797)	(7,797)
 Fund Balance, Beginning	1,834	1,834	-
 Fund Balance, Ending	\$ 1,834	\$ (5,963)	\$ (7,797)

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Donations and Community Programs Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 536	\$ 536
Other	-	26,525	26,525
Total Revenues	-	27,061	27,061
Expenditures:			
Current:			
Community development	7,924	5,976	1,948
Total Expenditures	7,924	5,976	1,948
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(7,924)	21,085	29,009
Net Change in Fund Balance	(7,924)	21,085	29,009
Fund Balance, Beginning	29,751	29,751	-
Fund Balance, Ending	\$ 21,827	\$ 50,836	\$ 29,009

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Transit Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 98,180	\$ 122,990	\$ 24,810
Charges for services	-	6,027	6,027
Use of money and property	456,372	482,747	26,375
Other revenue	-	15,015	-
Total Revenues	554,552	626,779	72,227
Expenditures:			
Current:			
General government	167,568	98,179	69,389
Total Expenditures	167,568	98,179	69,389
Excess (Deficiency) of Revenues Over (Under) Expenditures	386,984	528,600	141,616
Other Financing Sources (Uses):			
Transfers out	-	(3,574,718)	(3,574,718)
Total Other Financing Sources (Uses)	-	(3,574,718)	(3,574,718)
Net Change in Fund Balance	386,984	(3,046,118)	(3,433,102)
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ 386,984	\$ (3,046,118)	\$ (3,433,102)

CAPITAL PROJECTS FUNDS

DEFINITION

The Capital Projects Funds were established to account for financial resources for the acquisition or construction of major capital facilities.

Nonmajor Capital Projects Funds

Measure A Construction Funds – Established to account for monies received under the Measure A Transportation Expenditure Agreement, approved by the voters in 1988, which pays for transportation infrastructure projects.

LTF (Local Transportation Fund) – Bikes & Pedestrians Fund – Established to account for the bicycle/pedestrian allocation of TDA funding which is used for public transportation planning, public transportation services, and community transit purposes.

Capital Facilities Funds – Established to account for new developments' share of construction and acquisition of a civic center, police facility, corporation yard, intelligent transportation system, library, railroad over crossing, rapid transit and other City facilities.

Laguna West Service Area Fund – Established to account for fees that fund the ongoing operations and maintenance costs for specialized services related to drainage, roadways, and street sweeping the Laguna West area.

Lakeside Service Area Fund – Established to account for fees that fund the ongoing operations and maintenance costs for specialized services related to drainage, roadways, and street sweeping the Lakeside area.

In Lieu Funds – Established to account for the monies received in lieu of developer built infrastructure.

East Franklin CFD 2002-1 Fund – Established to account for special revenue taxes and the costs of infrastructure within the boundaries of this finance district.

Poppy Ridge CFD 2003-1 Fund – Established to account for special taxes to fund the cost of infrastructure and a portion of police protection operational costs within the boundaries of this finance district.

District56 Nature Area and Old Town Plaza – Established to account for costs associated with The Preserve at District56 and old Town Plaza

Animal Shelter Fund – Established to pay for the construction expenses related to the City of Elk Grove Animal Shelter.

Laguna CFD Fund – Fund the acquisition and construction of certain public facilities required in connection with the development of the land within the district which consists of approximately 2,440 acres.

Laguna West CFD Fund – Established to fund the acquisition and construction of certain public facilities within the boundaries of this finance district.

Lakeside CFD Fund – Established to fund the acquisition and construction of certain public facilities within the boundaries of this finance district.

Southeast Policy Area (SEPA) Mitigation Funds – Established to account for development impact fees.

PD Tenant Improvements Fund – Established to account for expenditures associated with capital improvements to various Police facilities. The expenditures are funded from bond proceeds received from the Debt Service Elk Grove Finance Authority – Police Campus Improvements Fund (Fund 408), where the debt service payments are made.

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Federal Capital Grants Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 15,757,995	\$ 1,065,422	\$ (14,692,573)
Use of money and property	2,860	-	(2,860)
Total Revenues	15,760,855	1,065,422	(14,695,433)
Expenditures:			
Current:			
Public ways and facilities	3,871,053	1,259,389	2,611,664
Total Expenditures	3,871,053	1,259,389	2,611,664
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,889,802	(193,967)	(12,083,769)
Other Financing Sources (Uses):			
Transfers In	-	1,023,066	1,023,066
Transfers out	(2,306,051)	-	2,306,051
Total Other Financing Sources (Uses)	(2,306,051)	1,023,066	3,329,117
Net Change in Fund Balance	9,583,751	829,099	(8,754,652)
Fund Balance, Beginning	(1,058,739)	(1,058,739)	-
Fund Balance, Ending	\$ 8,525,012	\$ (229,640)	\$ (8,754,652)

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 State Grants Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 11,466,620	\$ 12,820,423	\$ 1,353,803
Total Revenues	11,466,620	12,820,423	1,353,803
Expenditures:			
Current:			
Public ways and facilities	7,790,323	10,401,985	(2,611,662)
Total Expenditures	7,790,323	10,401,985	(2,611,662)
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,676,297	2,418,438	(1,257,859)
Other Financing Sources (Uses):			
Transfers out	-	(1,023,066)	(1,023,066)
Total Other Financing Sources (Uses)	-	(1,023,066)	(1,023,066)
Net Change in Fund Balance	3,676,297	1,395,372	(2,280,925)
Fund Balance, Beginning	(5,708,499)	(5,708,499)	-
Fund Balance, Ending	\$ (2,032,202)	\$ (4,313,127)	\$ (2,280,925)

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Roadway Fee Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 8,884,712	\$ 7,487,302	\$ (1,397,410)
Use of money and property	524,415	(1,366,413)	(1,890,828)
Total Revenues	9,409,127	6,120,889	(3,288,238)
Expenditures:			
Current:			
Public ways and facilities	10,566,141	9,547,312	1,018,829
Total Expenditures	10,566,141	9,547,312	1,018,829
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,157,014)	(3,426,423)	(2,269,409)
Other Financing Sources (Uses):			
Transfers In	239,537	239,537	-
Transfers out	(313,237)	(313,237)	-
Total Other Financing Sources (Uses)	(73,700)	(73,700)	-
Net Change in Fund Balance	(1,230,714)	(3,500,123)	(2,269,409)
Fund Balance, Beginning	41,121,146	41,121,146	-
Fund Balance, Ending	\$ 39,890,432	\$ 37,621,023	\$ (2,269,409)

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Mitigation and Fee Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 3,971,578	\$ 3,139,998	\$ (831,580)
Use of money and property	181,966	(370,622)	(552,588)
Total Revenues	4,153,544	2,769,376	(1,384,168)
Expenditures:			
Current:			
Public ways and facilities	2,539,104	2,387,355	151,749
Total Expenditures	2,539,104	2,387,355	151,749
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,614,440	382,021	(1,232,419)
Other Financing Sources (Uses):			
Transfers In	13,611	13,611	-
Transfers out	(561,958)	(561,958)	-
Total Other Financing Sources (Uses)	(548,347)	(548,347)	-
Net Change in Fund Balance	1,066,093	(166,326)	(1,232,419)
Fund Balance, Beginning	5,462,846	5,462,846	-
Fund Balance, Ending	\$ 6,528,939	\$ 5,296,520	\$ (1,232,419)

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Laguna Ridge CFD 2005-1 Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 15,960	\$ 2,978,309	\$ 2,962,349
Intergovernmental	-	2,056,387	2,056,387
Contribution from property owners	17,386,461	15,579,344	(1,807,117)
Use of money and property	16,375	(119,715)	(136,090)
Total Revenues	17,418,796	20,494,325	3,075,529
Expenditures:			
Current:			
Public ways and facilities	16,996,715	4,112,617	12,884,098
Total Expenditures	16,996,715	4,112,617	12,884,098
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	422,081	16,381,708	15,959,627
Other Financing Sources (Uses):			
Transfers In	797,249	797,249	-
Transfers out	(1,566,146)	(1,566,146)	-
Total Other Financing Sources (Uses)	(768,897)	(768,897)	-
Net Change in Fund Balance	(346,816)	15,612,811	15,959,627
Fund Balance, Beginning	7,768,907	7,768,907	-
Fund Balance, Ending	\$ 7,422,091	\$ 23,381,718	\$ 15,959,627

CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2022

	Measure A Construction Funds	LTF Bikes & Pedestrian Fund	Capital Facilities Funds	Laguna West Service Area Fund
<u>ASSETS</u>				
Cash and investments	\$ 3,157,421	\$ -	\$ 18,772,970	\$ 647,226
Cash with fiscal agent	-	-	-	-
Due from other government agencies	-	490,324	-	952
Advances to other funds	-	-	1,500,000	-
Long-term development fees receivable	-	-	2,363,146	-
 Total Assets	 <u>\$ 3,157,421</u>	 <u>\$ 490,324</u>	 <u>\$ 22,636,116</u>	 <u>\$ 648,178</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 207,974	\$ 9,624	\$ -	\$ 50,000
Accrued salaries and benefits	-	-	318	-
Due to other funds	-	356,181	-	-
Retention payable	23,311	16,864	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
 Total Liabilities	 <u>231,285</u>	 <u>382,669</u>	 <u>318</u>	 <u>50,000</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	-	490,324	2,363,146	-
<u>FUND BALANCES</u>				
Restricted	2,926,136	-	20,272,652	598,178
Unassigned	-	(382,669)	-	-
 Total Fund Balances	 <u>2,926,136</u>	 <u>(382,669)</u>	 <u>20,272,652</u>	 <u>598,178</u>
 Total Liabilities, Deferred Inflows of Resources and Fund Balances	 <u>\$ 3,157,421</u>	 <u>\$ 490,324</u>	 <u>\$ 22,636,116</u>	 <u>\$ 648,178</u>

Lakeside Service Area Fund	In Lieu Funds	East Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund	District56		Laguna CFD Fund
				Nature Area and OT Plaza Fund	Animal Shelter Fund	
\$ 79,950	\$ 2,863,341	\$ 7,821,532	\$ 606,572	\$ 346,950	\$ 25,239	\$ 995,941
-	-	-	214	-	13,830	-
-	-	-	-	-	-	-
-	490,000	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 79,950</u>	<u>\$ 3,353,341</u>	<u>\$ 7,821,532</u>	<u>\$ 606,786</u>	<u>\$ 346,950</u>	<u>\$ 39,069</u>	<u>\$ 995,941</u>
\$ -	\$ 60,961	\$ 169,871	\$ -	\$ 13,068	\$ -	\$ -
-	-	802	802	-	-	-
-	-	-	-	-	-	-
-	230,135	747	-	-	36,127	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	291,096	171,420	802	13,068	36,127	-
-	-	-	-	-	-	-
79,950	3,062,245	7,650,112	605,984	333,882	2,942	995,941
-	-	-	-	-	-	-
<u>79,950</u>	<u>3,062,245</u>	<u>7,650,112</u>	<u>605,984</u>	<u>333,882</u>	<u>2,942</u>	<u>995,941</u>
<u>\$ 79,950</u>	<u>\$ 3,353,341</u>	<u>\$ 7,821,532</u>	<u>\$ 606,786</u>	<u>\$ 346,950</u>	<u>\$ 39,069</u>	<u>\$ 995,941</u>

continued

CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Capital Projects Funds (continued)
 June 30, 2022

	Laguna West CFD Fund	Lakeside CFD Fund	SEPA Mitigation Funds	PD Tenant Improvements Fund	Total
<u>ASSETS</u>					
Cash and investments	\$ 138,108	\$ -	\$ 15,479,960	\$ -	\$ 50,935,210
Cash with fiscal agent	-	-	-	11,357,679	11,371,723
Due from other government agencies	-	-	-	-	491,276
Advances to other funds	-	-	-	-	1,990,000
Long-term development fees receivable	-	-	-	-	2,363,146
Total Assets	\$ 138,108	\$ -	\$ 15,479,960	\$ 11,357,679	\$ 67,151,355
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$ -	\$ 1,179	\$ 463,598	\$ 976,275
Accrued salaries and benefits	-	-	-	-	1,922
Due to other funds	-	-	-	-	356,181
Retention payable	-	-	-	57,834	365,018
Advances from other funds	-	614	-	-	614
Unearned revenue	-	-	1,490,870	-	1,490,870
Total Liabilities	-	614	1,492,049	521,432	3,190,880
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue	-	-	-	-	2,853,470
<u>FUND BALANCES</u>					
Restricted	138,108	-	13,987,911	10,836,247	61,490,288
Unassigned	-	(614)	-	-	(383,283)
Total Fund Balances	138,108	(614)	13,987,911	10,836,247	61,107,005
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 138,108	\$ -	\$ 15,479,960	\$ 11,357,679	\$ 67,151,355

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CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Capital Projects Funds For the Year Ended June 30, 2022

	Measure A Construction Funds	LTF Bike & Pedestrian Fund	Capital Facilities Funds	Laguna West Service Area Fund
Revenues:				
Licenses, fees and permits	\$ -	\$ -	\$ 3,251,816	\$ -
Intergovernmental	1,400,661	-	-	61,047
Use of money and property	(104,429)	(211)	(617,333)	(20,895)
Other Revenue	-	-	-	-
Total Revenues	1,296,232	(211)	2,634,483	40,152
Expenditures:				
Current:				
Public ways and facilities	1,090,666	285,247	16,430	54,568
Total Expenditures	1,090,666	285,247	16,430	54,568
Excess (Deficiency) of Revenues Over (Under) Expenditures	205,566	(285,458)	2,618,053	(14,416)
Other Financing Sources (Uses):				
Transfers in	38,810	3,675	-	1,182
Transfers out	(160,207)	(51,029)	(221,452)	(4,314)
Total Other Financing Sources (Uses)	(121,397)	(47,354)	(221,452)	(3,132)
Net Change in Fund Balances	84,169	(332,812)	2,396,601	(17,548)
Fund Balances, Beginning	2,841,967	(49,857)	17,876,051	615,726
Fund Balances, End of Year	<u>\$ 2,926,136</u>	<u>\$ (382,669)</u>	<u>\$ 20,272,652</u>	<u>\$ 598,178</u>

Lakeside Service Area Fund	In Lieu Funds	East Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund	District 56		Laguna CFD Fund
				Nature Area and OT Plaza Fund	Animal Shelter Fund	
\$ -	\$ 2,386,229	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	200,000	-	-	-
(2,637)	(69,016)	(357,720)	(15,720)	(10,616)	946	(32,676)
-	-	-	-	30,415	-	-
(2,637)	2,317,213	(357,720)	184,280	19,799	946	(32,676)
36	3,211,484	5,878,280	51,802	1,560,466	78	436
36	3,211,484	5,878,280	51,802	1,560,466	78	436
(2,673)	(894,271)	(6,236,000)	132,478	(1,540,667)	868	(33,112)
-	-	39,207	366,329	-	214,937	-
(1,762)	(522)	(462,119)	(219,003)	-	(214,937)	-
(1,762)	(522)	(422,912)	147,326	-	-	-
(4,435)	(894,793)	(6,658,912)	279,804	(1,540,667)	868	(33,112)
84,385	3,957,038	14,309,024	326,180	1,874,549	2,074	1,029,053
\$ 79,950	\$ 3,062,245	\$ 7,650,112	\$ 605,984	\$ 333,882	\$ 2,942	\$ 995,941

continued

CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances(continued)
Nonmajor Capital Projects Funds
For the Year Ended June 30, 2020

	Laguna West CFD Fund	Lakeside CFD Fund	SEPA Mitigation Funds	PD Tenant Improvements Fund	Total
Revenues:					
Licenses, fees and permits	\$ -	\$ -	\$ 7,658,510	\$ -	\$ 13,296,555
Intergovernmental	-	-	-	-	1,661,708
Use of money and property	(2,462)	-	(506,359)	(347,523)	(2,086,651)
Other Revenue	-	-	-	-	30,415
Total Revenues	(2,462)	-	7,152,151	(347,523)	12,902,027
Expenditures:					
Current:					
Public ways and facilities	61	-	17,253	1,836,868	14,003,675
Total Expenditures	61	-	17,253	1,836,868	14,003,675
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,523)	-	7,134,898	(2,184,391)	(1,101,648)
Other Financing Sources (Uses):					
Transfers in	-	-	-	13,020,638	13,684,778
Transfers out	-	-	-	-	(1,335,345)
Total Other Financing Sources (Uses)	-	-	-	13,020,638	12,349,433
Net Change in Fund Balances	(2,523)	-	7,134,898	10,836,247	11,247,785
Fund Balances, Beginning	140,631	(614)	6,853,013	-	49,859,220
Fund Balances, End of Year	\$ 138,108	\$ (614)	\$ 13,987,911	\$ 10,836,247	\$ 61,107,005

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Measure A Construction Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,152,510	\$ 1,400,661	\$ 248,151
Use of money and property	33,972	(104,429)	(138,401)
Total Revenues	1,186,482	1,296,232	109,750
Expenditures:			
Current:			
Public ways and facilities	1,197,975	1,090,666	107,309
Total Expenditures	1,197,975	1,090,666	107,309
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(11,493)	205,566	217,059
Other Financing Sources (Uses):			
Transfers In	38,810	38,810	-
Transfers out	(160,207)	(160,207)	-
Total Other Financing Sources (Uses)	(121,397)	(121,397)	-
Net Change in Fund Balance	(132,890)	84,169	217,059
Fund Balance, Beginning	2,841,967	2,841,967	-
Fund Balance, Ending	\$ 2,709,077	\$ 2,926,136	\$ 217,059

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 LTF Bike & Pedestrian Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 178,075	\$ -	\$ (178,075)
Use of money and property	4,237	(211)	(4,448)
Total Revenues	182,312	(211)	(182,523)
Expenditures:			
Current:			
Public ways and facilities	285,248	285,247	1
Total Expenditures	285,248	285,247	1
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(102,936)	(285,458)	(182,522)
 Other Financing Sources (Uses):			
Transfers In	3,675	3,675	-
Transfers out	(51,029)	(51,029)	-
Total Other Financing Sources (Uses)	(47,354)	(47,354)	-
 Net Change in Fund Balance	 (150,290)	 (332,812)	 (182,522)
 Fund Balance, Beginning	 (49,857)	 (49,857)	 -
 Fund Balance, Ending	 \$ (200,147)	 \$ (382,669)	 \$ (182,522)

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Capital Facilities Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 3,132,751	\$ 3,251,816	\$ 119,065
Use of money and property	3,169,487	(617,333)	(3,786,820)
Total Revenues	6,302,238	2,634,483	(3,667,755)
Expenditures:			
Current:			
Public ways and facilities	179,181	16,430	162,751
Total Expenditures	179,181	16,430	162,751
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	6,123,057	2,618,053	(3,505,004)
Other Financing Sources (Uses):			
Transfers out	(221,452)	(221,452)	-
Total Other Financing Sources (Uses)	(221,452)	(221,452)	-
Net Change in Fund Balance	5,901,605	2,396,601	(3,505,004)
Fund Balance, Beginning	17,876,051	17,876,051	-
Fund Balance, Ending	\$ 23,777,656	\$ 20,272,652	\$ (3,505,004)

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Laguna West Service Area Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 61,000	\$ 61,047	\$ 47
Use of money and property	7,038	(20,895)	(27,933)
Total Revenues	68,038	40,152	(27,886)
Expenditures:			
Current:			
Public ways and facilities	57,165	54,568	2,597
Total Expenditures	57,165	54,568	2,597
Excess (Deficiency) of Revenues Over (Under) Expenditures	10,873	(14,416)	(25,289)
Other Financing Sources (Uses):			
Transfers In	1,182	1,182	-
Transfers out	(4,314)	(4,314)	-
Total Other Financing Sources (Uses)	(3,132)	(3,132)	-
Net Change in Fund Balance	7,741	(17,548)	(25,289)
Fund Balance, Beginning	615,726	615,726	-
Fund Balance, Ending	\$ 623,467	\$ 598,178	\$ (25,289)

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Lakeside Service Area Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Use of money and property	\$ 1,104	\$ (2,637)	\$ (3,741)
Total Revenues	<u>1,104</u>	<u>(2,637)</u>	<u>(3,741)</u>
Expenditures:			
Current:			
Public ways and facilities	55	36	19
Total Expenditures	<u>55</u>	<u>36</u>	<u>19</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>1,049</u>	<u>(2,673)</u>	<u>(3,722)</u>
Other Financing Sources (Uses):			
Transfers out	(1,762)	(1,762)	-
Total Other Financing Sources (Uses)	<u>(1,762)</u>	<u>(1,762)</u>	<u>-</u>
Net Change in Fund Balance	(713)	(4,435)	(3,722)
Fund Balance, Beginning	<u>84,385</u>	<u>84,385</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 83,672</u>	<u>\$ 79,950</u>	<u>\$ (3,722)</u>

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 In Lieu Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 3,567,430	\$ 2,386,229	\$ (1,181,201)
Use of money and property	-	(69,016)	(69,016)
Total Revenues	3,567,430	2,317,213	(1,250,217)
Expenditures:			
Current:			
Public ways and facilities	3,211,240	3,211,484	(244)
Total Expenditures	3,211,240	3,211,484	(244)
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	356,190	(894,271)	(1,250,461)
 Other Financing Sources (Uses):			
Transfers out	(522)	(522)	-
Total Other Financing Sources (Uses)	(522)	(522)	-
 Net Change in Fund Balance			
	355,668	(894,793)	(1,250,461)
 Fund Balance, Beginning			
	3,957,038	3,957,038	-
 Fund Balance, Ending			
	\$ 4,312,706	\$ 3,062,245	\$ (1,250,461)

CITY OF ELK GROVE

Capital Project Fund

Budgetary Comparison Schedule

East Franklin CFD 2002-1 Fund

For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 199,871	\$ (357,720)	\$ (557,591)
Total Revenues	199,871	(357,720)	(557,591)
 Expenditures:			
Current:			
Public ways and facilities	5,898,522	5,878,280	20,242
Total Expenditures	5,898,522	5,878,280	20,242
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(5,698,651)	(6,236,000)	(537,349)
 Other Financing Sources (Uses):			
Transfers In	39,207	39,207	-
Transfers out	(462,119)	(462,119)	-
Total Other Financing Sources (Uses)	(422,912)	(422,912)	-
 Net Change in Fund Balance			
	(6,121,563)	(6,658,912)	(537,349)
 Fund Balance, Beginning			
	14,309,024	14,309,024	-
 Fund Balance, Ending			
	\$ 8,187,461	\$ 7,650,112	\$ (537,349)

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Poppy Ridge CFD 2003-1 Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 200,000	\$ 200,000	\$ -
Use of money and property	3,332	(15,720)	(19,052)
Total Revenues	203,332	184,280	(19,052)
Expenditures:			
Current:			
Public ways and facilities	65,634	51,802	13,832
Total Expenditures	65,634	51,802	13,832
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	137,698	132,478	(5,220)
Other Financing Sources (Uses):			
Transfers In	366,329	366,329	-
Transfers out	(219,003)	(219,003)	-
Total Other Financing Sources (Uses)	147,326	147,326	-
Net Change in Fund Balance	285,024	279,804	(5,220)
Fund Balance, Beginning	326,180	326,180	-
Fund Balance, Ending	\$ 611,204	\$ 605,984	\$ (5,220)

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 District56 Nature Area and OT Plaza
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ (10,616)	\$ (10,616)
Other	-	30,415	30,415
Total Revenues	-	19,799	19,799
 Expenditures:			
Current:			
Public ways and facilities	\$ 1,560,148	\$ 1,560,466	\$ (318)
Total Expenditures	1,560,148	1,560,466	(318)
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,560,148)	(1,540,667)	19,481
 Net Change in Fund Balance	 (1,560,148)	 (1,540,667)	 19,481
 Fund Balance, Beginning	 1,874,549	 1,874,549	 -
 Fund Balance, Ending	 \$ 314,401	 \$ 333,882	 \$ 19,481

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Animal Shelter Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ 946	\$ 946
Total Revenues	-	946	946
Expenditures:			
Current:			
Public ways and facilities	500	78	422
Total Expenditures	500	78	422
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(500)	868	1,368
Other Financing Sources (Uses):			
Transfers In	214,937	214,937	-
Transfers out	(214,937)	(214,937)	-
Total Other Financing Sources (Uses)	-	-	-
Net Change in Fund Balance	(500)	868	1,368
Fund Balance, Beginning	2,074	2,074	-
Fund Balance, Ending	\$ 1,574	\$ 2,942	\$ 1,368

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Laguna CFD Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 9,693	\$ (32,676)	\$ (42,369)
Total Revenues	9,693	(32,676)	(42,369)
Expenditures:			
Public ways and facilities	-	436	(436)
Total Expenditures	-	436	(436)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	9,693	(33,112)	(42,805)
Net Change in Fund Balance	9,693	(33,112)	(42,805)
Fund Balance, Beginning	1,029,053	1,029,053	-
Fund Balance, Ending	\$ 1,038,746	\$ 995,941	\$ (42,805)

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Laguna West CFD Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
Revenues:			
Use of money and property	\$ 1,817	\$ (2,462)	\$ (4,279)
Total Revenues	<u>1,817</u>	<u>(2,462)</u>	<u>(4,279)</u>
Expenditures:			
Current:			
Public ways and facilities	121	61	60
Total Expenditures	<u>121</u>	<u>61</u>	<u>60</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>1,696</u>	<u>(2,523)</u>	<u>(4,219)</u>
Net Change in Fund Balance	1,696	(2,523)	(4,219)
Fund Balance, Beginning	<u>140,631</u>	<u>140,631</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 142,327</u>	<u>\$ 138,108</u>	<u>\$ (4,219)</u>

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Lakeside CFD Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
Public ways and facilities	\$ -	\$ -	\$ -
Total Expenditures	-	-	-
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	-	-
 Net Change in Fund Balance	-	-	-
 Fund Balance, Beginning	(614)	(614)	-
 Fund Balance, Ending	\$ (614)	\$ (614)	\$ -

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 SEPA Mitigation Funds
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 9,008,643	\$ 7,658,510	\$ (1,350,133)
Use of money and property	17,696	(506,359)	(524,055)
Total Revenues	9,026,339	7,152,151	(1,874,188)
Expenditures:			
Public ways and facilities	1,216,900	17,253	1,199,647
Total Expenditures	1,216,900	17,253	1,199,647
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	7,809,439	7,134,898	(674,541)
Net Change in Fund Balance	7,809,439	7,134,898	(674,541)
Fund Balance, Beginning	6,853,013	6,853,013	-
Fund Balance, Ending	\$ 14,662,452	\$ 13,987,911	\$ (674,541)

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 PD Tenant Improvements Fund
 For the Year Ended June 30, 2022

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ -	\$ (347,523)	\$ (347,523)
Total Revenues	-	(347,523)	(347,523)
 Expenditures:			
Public ways and facilities	1,836,868	1,836,868	-
Total Expenditures	1,836,868	1,836,868	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,836,868)	(2,184,391)	(347,523)
 Other Financing Sources (Uses):			
Transfers In	13,020,638	13,020,638	-
Total Other Financing Sources (Uses)	13,020,638	13,020,638	-
Net Change in Fund Balance	11,183,770	10,836,247	(347,523)
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ 11,183,770	\$ 10,836,247	\$ (347,523)

DEBT SERVICE FUNDS

DEFINITION

The Debt Service is used to account for the accumulation of resources for, and the payment of, long-term debt principal and interest. Major debt service funds include:

Major Debt Service Funds

Elk Grove Finance Authority (EGFA) 2017 - Established to pay for debt service on outstanding Lease Revenue Bonds that were issued to finance and re-finance certain City-owned buildings. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds

Elk Grove Finance Authority (EGFA) 2018 – Established to pay for debt service on Lease Revenue Bonds that will be issued to finance the Animal Shelter. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.

Elk Grove Finance Authority (EGFA) 2020 – Established to pay for debt service on Lease Revenue Bonds that were issued to finance the construction of The Preserve at District56 and improvements to the Old Town Plaza. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.

Elk Grove Finance Authority (EGFA) 2022 - Established to pay for debt service on bonds that were issued to finance the construction of improvements to various City facilities. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.

CITY OF ELK GROVE

Major Debt Service Fund
 Budgetary Comparison Schedule
 Elk Grove Finance Authority Debt Service Fund
 For the Year Ended June 30, 2022

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual Amounts	(Negative)
Revenues:			
Use of money and property	\$ 8,075	\$ (2,724)	\$ (10,799)
Total Revenues	8,075	(2,724)	(10,799)
Expenditures:			
Debt Service:			
Tax administration	4,470	1,713	2,757
Principal	510,000	510,000	-
Interest	77,723	77,723	-
Total Expenditures	592,193	589,436	2,757
Excess (Deficiency) of Revenues Over (Under) Expenditures	(584,118)	(592,160)	(8,042)
Other Financing Sources (Uses):			
Transfers in	550,000	549,999	(1)
Total Other Financing Sources (Uses)	550,000	549,999	(1)
Net Change in Fund Balance	(34,118)	(42,161)	(8,043)
Fund Balance, Beginning	327,715	327,715	-
Fund Balance, Ending	\$ 293,597	\$ 285,554	\$ (8,043)

CITY OF ELK GROVE

Major Debt Service Fund
 Budgetary Comparison Schedule
 Elk Grove Finance Authority 2018 Debt Service Fund
 For the Year Ended June 30, 2022

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual Amounts	
Revenues:			
Use of money and property	\$ 2,015	\$ (12,837)	\$ (14,852)
Total Revenues	<u>2,015</u>	<u>(12,837)</u>	<u>(14,852)</u>
Expenditures:			
Debt Service:			
Tax administration	10,000	4,157	5,843
Principal	645,000	645,000	-
Interest	656,332	656,331	1
Total Expenditures	<u>1,311,332</u>	<u>1,305,488</u>	<u>5,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,309,317)</u>	<u>(1,318,325)</u>	<u>(9,008)</u>
Other Financing Sources (Uses):			
Transfers in	<u>1,516,272</u>	<u>1,516,272</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>1,516,272</u>	<u>1,516,272</u>	<u>-</u>
Net Change in Fund Balance	206,955	197,947	(9,008)
Fund Balance, Beginning	<u>264,734</u>	<u>264,734</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 471,689</u>	<u>\$ 462,681</u>	<u>\$ (9,008)</u>

CITY OF ELK GROVE

Major Debt Service Fund
 Budgetary Comparison Schedule
 Elk Grove Finance Authority 2020 Debt Service Fund
 For the Year Ended June 30, 2022

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
Revenues:			
Use of money and property	\$ -	\$ (167,509)	\$ (167,509)
Total Revenues	-	(167,509)	(167,509)
Expenditures:			
Debt Service:			
Tax administration	5,000	1,530	3,470
Principal	555,999	555,998	1
Interest	261,119	260,712	407
Total Expenditures	822,118	818,240	3,878
Excess (Deficiency) of Revenues Over (Under) Expenditures	(822,118)	(985,749)	(163,631)
Other Financing Sources (Uses):			
Transfers in	817,120	817,117	3
Total Other Financing Sources (Uses)	817,120	817,117	3
Net Change in Fund Balance	(4,998)	(168,632)	(163,628)
Fund Balance, Beginning	699,083	699,083	-
Fund Balance, Ending	\$ 694,085	\$ 530,451	\$ (163,628)

CITY OF ELK GROVE

Major Debt Service Fund
 Budgetary Comparison Schedule
 Elk Grove Finance Authority 2022 Debt Service Fund
 For the Year Ended June 30, 2022

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
Revenues:			
Use of money and property	\$ -	\$ 53	\$ 53
Total Revenues	-	53	53
Expenditures:			
Debt Service:			
Bond issuance costs	244,428	244,428	-
Total Expenditures	244,428	244,428	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(244,428)	(244,375)	53
Other Financing Sources (Uses):			
Issuance of debt	12,035,000	12,035,000	-
Premium on bonds issued	1,501,125	1,501,125	-
Transfers out	(13,020,638)	(13,020,638)	-
Total Other Financing Sources (Uses)	515,487	515,487	-
Net Change in Fund Balance	271,059	271,112	53
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ 271,059	\$ 271,112	\$ 53

INTERNAL SERVICE FUNDS

DEFINITION

Internal Service Funds were established to finance and account for services and commodities furnished by a designated agency of a governmental unit to other departments of the same government unit. Since the services and commodities are supplied exclusively to other departments of a governmental jurisdiction, they are distinguishable from those public services which are rendered to the public in general and which are accounted for in General or Special Revenue Funds.

Self-Insurance Fund – Established to account for the self-insured position of the City’s workers compensation and general liability insurance.

Facilities and Fleet Fund – Established to account for the operation, maintenance and repair of City facilities and fleet.

IT and GIS Fund – Established to account for the operation, maintenance and repair of the City’s Information Technology assets and Geographic Information Services.

State Unemployment Insurance Fund – Established to account for unemployment insurance premiums collected from all departments with City employees and makes payments on their behalf to the California Employment Development Department.

CITY OF ELK GROVE

Balance Sheet
Internal Service Funds
June 30, 2022

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
<u>ASSETS</u>					
Current Assets:					
Cash and Investments	\$ 5,831,705	\$ 4,252,963	\$ 3,359,067	\$ 220,123	\$ 13,663,858
Accounts Receivable	273,842	-	-	332	274,174
Lease Assets	-	-	242,639	-	242,639
Accumulated amortization - Leases	-	-	(57,789)	-	(57,789)
Total Assets	6,105,547	4,252,963	3,543,917	220,455	14,122,882
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	30,125	126,416	271,763	-	428,304
Accrued salaries and benefits	-	23,685	89,709	-	113,394
Compensated absences - current	8,532	11,619	23,532	-	43,683
Lease liabilities	-	-	57,774	-	57,774
Interest payable - Leases	-	-	40	-	40
Total Current Liabilities	38,657	161,720	442,818	-	643,195
Noncurrent Liabilities:					
Compensated absences - long term	37,011	50,404	102,084	-	189,499
Claims payable - long term	631,000	-	-	-	631,000
Lease liabilities	-	-	127,294	-	127,294
Total Noncurrent Liabilities	668,011	50,404	229,378	-	947,793
Total Liabilities	706,668	212,124	672,196	-	1,590,988
<u>Net Position</u>					
Net investment in capital assets			(218)		(218)
Unrestricted	5,398,879	4,040,839	2,871,939	220,455	12,532,112
Total Net Position	\$ 5,398,879	\$ 4,040,839	\$ 2,871,721	\$ 220,455	\$ 12,531,894

CITY OF ELK GROVE

Combining Statement of Revenues, Expenses and Changes in Fund Net Position Internal Service Funds

For the Year Ended June 30, 2022

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
Operating Revenues:					
Charges for services	\$ 5,152,312	\$ 3,345,247	\$ 6,600,031	\$ 41,613	\$ 15,139,203
Insurance recoveries	11,055	-	-	-	11,055
Total Operating Revenues	<u>5,163,367</u>	<u>3,345,247</u>	<u>6,600,031</u>	<u>41,613</u>	<u>15,150,258</u>
Operating Expenses:					
Salaries and benefits	251,937	657,329	2,495,635	-	3,404,901
Services and supplies	4,159,956	2,771,504	3,973,423	-	10,904,883
Claims expense	534,648	-	-	29,375	564,023
Amortization expense - Leases (depreciation)	-	-	57,789	-	57,789
Total Operating Expenses	<u>4,946,541</u>	<u>3,428,833</u>	<u>6,526,847</u>	<u>29,375</u>	<u>14,931,596</u>
Operating Income	<u>216,826</u>	<u>(83,586)</u>	<u>73,184</u>	<u>12,238</u>	<u>218,662</u>
Non-Operating Revenues (Expenses):					
Interest income	(205,888)	(145,890)	(121,509)	(9,897)	(483,184)
Gain/(loss) on disposal of capital assets	-	26,066	-	-	26,066
Lease interest	-	-	(960)	-	(960)
Total Non-Operating Revenues (Expenses)	<u>(205,888)</u>	<u>(119,824)</u>	<u>(122,469)</u>	<u>(9,897)</u>	<u>(458,078)</u>
Net Income Before Transfers	10,938	(203,410)	(49,285)	2,341	(239,416)
Transfers In	-	5,003	-	-	5,003
Transfers Out	(301,444)	(313,514)	(424,376)	-	(1,039,334)
Total Other Financing Sources (Uses)	<u>(301,444)</u>	<u>(308,511)</u>	<u>(424,376)</u>	<u>-</u>	<u>(1,034,331)</u>
Change in Net Position	<u>(290,506)</u>	<u>(511,921)</u>	<u>(473,661)</u>	<u>2,341</u>	<u>(1,273,747)</u>
Net Position - Beginning of Year	<u>5,689,385</u>	<u>4,552,760</u>	<u>3,345,382</u>	<u>218,114</u>	<u>13,805,641</u>
Net Position - End of Year	<u>\$ 5,398,879</u>	<u>\$ 4,040,839</u>	<u>\$ 2,871,721</u>	<u>\$ 220,455</u>	<u>\$ 12,531,894</u>

CITY OF ELK GROVE

Combining Statement of Cash Flows Internal Service Funds For the Year Ended June 30, 2022

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash receipts from customers/ other funds	\$ 5,059,299	\$ 3,345,246	\$ 6,600,031	\$ 41,399	\$ 15,045,975
Cash receipts from insurance recoveries	11,055	-	-	-	11,055
Cash paid to suppliers for goods and services	(4,692,194)	(2,829,854)	(3,775,060)	(29,375)	(11,326,483)
Cash paid to employees for services	(244,967)	(650,097)	(2,431,229)	-	(3,326,293)
Net Cash Provided (Used) by Operating Activities	133,193	(134,705)	393,742	12,024	404,254
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers In		5,003			5,003
Transfers (Out)	(301,444)	(313,514)	(424,376)	-	(1,039,334)
Net Cash (Used) by Noncapital Financing Activities	(301,444)	(308,511)	(424,376)	-	(1,034,331)
<u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</u>					
Lease interest			(1,178)		(1,178)
Lease principal			(57,571)		(57,571)
Proceeds from disposal of capital assets	-	26,066	-	-	26,066
Net Cash Provided (Used) by Capital and Related Activities	-	26,066	(58,749)	-	(32,683)
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment income (loss)	(204,891)	(145,122)	(120,679)	(9,897)	(480,589)
Net Cash Provided by Investing Activities	(204,891)	(145,122)	(120,679)	(9,897)	(480,589)
Net Increase (Decrease) in Cash and Cash Equivalents	(373,142)	(562,272)	(210,062)	2,127	(1,143,349)
Cash and Cash Equivalents, Beginning of Year	6,204,847	4,815,235	3,569,129	217,996	14,807,207
Cash and Cash Equivalents, End of Year	\$ 5,831,705	\$ 4,252,963	\$ 3,359,067	\$ 220,123	\$ 13,663,858
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
Operating income (loss)	\$ 216,826	\$ (83,586)	\$ 73,183	\$ 12,238	\$ 218,661
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation			57,789		57,789
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(93,013)	-	-	(214)	(93,227)
Increase (decrease) in:					
Accounts payable	(56,590)	(58,350)	198,363	-	83,423
Accrued salaries and benefits payable	-	4,042	55,334	-	59,376
Compensated absences	6,970	3,189	9,073	-	19,232
Claims payable	59,000	-	-	-	59,000
Net Cash Provided (Used) by Operating Activities	\$ 133,193	\$ (134,705)	\$ 393,742	\$ 12,024	\$ 404,254
<u>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</u>					
Nonreciprocal transfer of capital assets to governmental activities	\$ -	\$ 353,477	\$ 198,663	\$ -	\$ 552,140

CUSTODIAL FUNDS

DEFINITION

Custodial funds are used to account for resources, not in a trust, that are held by the City as an agent for individuals, other governments and other organizations outside of the City's reporting entity.

Custodial Funds

Community Services District & Sac County Funds – Established to account for development fees, which are collected and remitted to the Cosumnes Community Services District or to Sacramento County for fire and recreation and transportation facilities as well as landscape maintenance. The Funds established for this purpose are:

East Elk Grove Park Fee Fund
East Franklin Park Fee Fund
Elk Grove Fire Fee Fund

STA Transportation Fee Fund
Laguna West Park Fee Fund

Elk Grove Employee Sunshine Fund – Established to account for the donation by payroll deduction of Employee funds which are collected and used for Employee functions and activities as directed by employees.

Special Assessment/Community Facility District (CFDs) – Established to account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.

Laguna Ridge CFD 2005-1 Fund
Poppy Ridge CFD 2003-1 Fund

East Franklin CFD 2002-1 Fund

Property & Evidence Fund – Established to account for the collection for confiscated funds which may become evidence or asset seizures.

CITY OF ELK GROVE

Combining Statement of Net Position
Custodial Funds
June 30, 2022

	Community Services District & Sac County Funds	Elk Grove Employee Sunshine Fund	CFD 2005-1 Laguna Ridge Fund
<u>ASSETS</u>			
Cash and investments	\$ 2,131,388	\$ 58,027	\$ 954,640
Cash with fiscal agent	-	-	13,460,904
Accounts receivable	484,981	683	-
Taxes receivable	-	-	250,881
	Total Assets	58,710	14,666,425
<u>LIABILITIES</u>			
Accounts payable	2,677,571	292	-
Interest payable	-	-	-
Refundable deposits	-	-	-
	Total Liabilities	292	-
<u>NET POSITION</u>			
Restriccted for individuals and organizations	(61,202)	58,418	14,666,425
	Total Net Position	\$ 58,418	\$ 14,666,425

CFD 2002-1 East Franklin Fund	CFD 2003-1 Poppy Ridge Fund	Property & Evidence Fund	Total
\$ 4,827,699	\$ 2,091,877	\$ 66,609	\$ 10,130,240
-	-	-	13,460,904
-	-	-	485,664
135,319	356,994	-	743,194
<u>4,963,018</u>	<u>2,448,871</u>	<u>66,609</u>	<u>24,820,002</u>
-	-	-	2,677,863
-	-	126	126
-	-	66,483	66,483
<u>-</u>	<u>-</u>	<u>66,609</u>	<u>2,744,472</u>
<u>4,963,018</u>	<u>2,448,871</u>	<u>-</u>	<u>22,075,530</u>
<u>\$ 4,963,018</u>	<u>\$ 2,448,871</u>	<u>\$ -</u>	<u>\$ 22,075,530</u>

CITY OF ELK GROVE

Combining Statement of Changes in Net Position
Custodial Funds
For the Year Ended June 30, 2022

	Community Services District & Sac County Custodial Funds	Elk Grove Employee Sunshine Fund	CFD 2005-1 Laguna Ridge Fund
ADDITIONS			
Investment earnings:			
Net increase in fair value of investments	\$ (98,225)	\$ (2,606)	\$ (39,899)
Interest, dividends, and other	5,751	773	3,879
Total investment earnings	<u>(92,474)</u>	<u>(1,833)</u>	<u>(36,020)</u>
Less investment costs:			
Investment activity costs	-	(26)	(77)
Net investment earnings	<u>(92,474)</u>	<u>(1,859)</u>	<u>(36,097)</u>
Fees, taxes and special assessments for other governments	3,234,206	-	9,912,435
Issuance of debt	-	-	12,273,548
Activity fees	-	19,653	-
Miscellaneous	-	468	-
Total additions	<u>3,141,732</u>	<u>18,262</u>	<u>22,149,886</u>
DEDUCTIONS			
Administrative expense	33,921	-	6,226
Payment of fees, taxes and special assessments to other governments	3,202,659	-	-
Development and construction expense	-	-	17,186,461
Activities and events	-	17,101	-
Debt issuance costs	-	-	387,351
Debt service	-	-	8,038,906
Total deductions	<u>3,236,580</u>	<u>17,101</u>	<u>25,618,944</u>
Net increase (decrease) in fiduciary net position	<u>(94,848)</u>	<u>1,161</u>	<u>(3,469,058)</u>
Net Position - Beginning of Year	33,646	57,257	18,135,483
Net Position - End of Year	<u>\$ (61,202)</u>	<u>\$ 58,418</u>	<u>\$ 14,666,425</u>

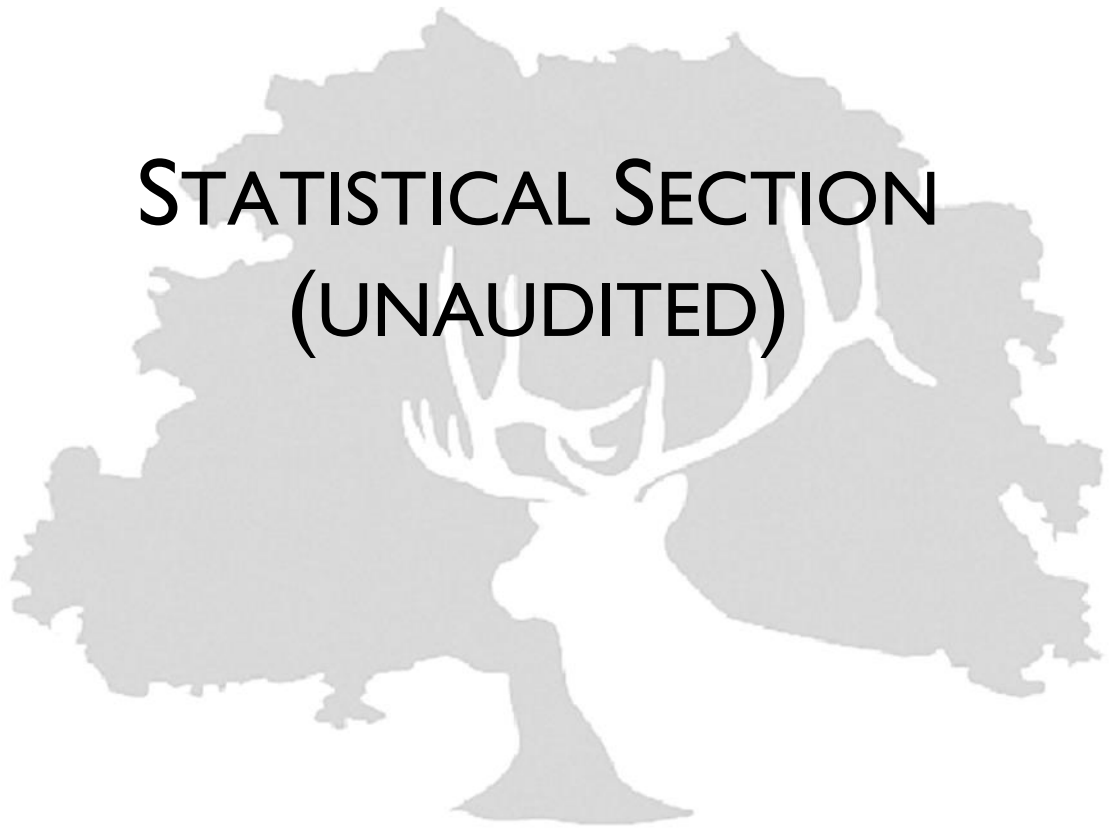
CFD 2002-1 East Franklin Fund	CFD 2003-1 Poppy Ridge Fund	Property & Evidence Fund	Total
\$ (207,184)	\$ (87,960)	\$ -	\$ (435,874)
4	3	-	10,410
(207,180)	(87,957)	-	(425,464)
(1,049)	(226)	-	(1,378)
(208,229)	(88,183)	-	(426,842)
4,534,099	3,982,624	-	21,663,364
-	-	-	12,273,548
-	-	-	19,653
-	-	-	468
4,325,870	3,894,441	-	33,530,191
7,031	5,799	-	52,977
-	-	-	3,202,659
-	199,998	-	17,386,459
-	-	-	17,101
-	-	-	387,351
3,582,575	3,245,475	-	14,866,956
3,589,606	3,451,272	-	35,913,503
736,264	443,169	-	(2,383,312)
4,226,754	2,005,702	-	24,458,842
\$ 4,963,018	\$ 2,448,871	\$ -	\$ 22,075,530

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ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2022

STATISTICAL SECTION (UNAUDITED)



STATISTICAL SECTION

This part of the City of Elk Grove’s Annual Comprehensive Financial Report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

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Financial Trends.....	208
These schedules contain trend information to help the reader understand how the City’s financial performance and well-being have changed over time.	
Revenue Capacity	216
These schedules contain information to help the reader assess the City’s most significant local revenue sources, sales tax and property tax.	
Debt Capacity.....	223
These schedules present information to help the reader assess the affordability of the City’s current levels of outstanding debt and the City’s ability to issue additional debt in the future.	
Demographic and Economic Information.....	228
These schedules offer demographic and economic indicators to help the reader understand the environment within which the City’s financial activities take place.	
Operating Information	230
These schedules contain service and infrastructure data to help the reader understand how the information in the City’s financial report relates to the services the City provides and the activities it performs.	

CITY OF ELK GROVE

Net Position by Component Last Ten Fiscal Years At June 30, 2022

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Governmental activities				
Net investment in capital assets	\$ 1,078,400,474	\$ 1,039,981,256	\$ 1,022,527,119	\$ 976,664,371
Restricted	180,771,790	186,903,329	189,080,327	215,829,204
Unrestricted	<u>5,047,782</u>	<u>11,298,487</u>	<u>196,869</u>	<u>20,295,785</u>
Total governmental activities net position	<u>1,264,220,046</u>	<u>1,238,183,072</u>	<u>1,211,804,315</u>	<u>1,212,789,360</u>
Business-type activities				
Net investment in capital assets	21,427,305	22,023,121	22,404,646	28,132,236
Restricted	-	-	1,180,453	1,398,464
Unrestricted	<u>17,698,799</u>	<u>22,689,582</u>	<u>24,944,050</u>	<u>27,615,148</u>
Total business-type activities net position	<u>39,126,104</u>	<u>44,712,703</u>	<u>48,529,149</u>	<u>57,145,848</u>
Primary government				
Net investment in capital assets	1,099,827,779	1,062,004,377	1,045,953,748	1,004,796,607
Restricted	180,771,790	186,903,329	190,260,780	217,227,668
Unrestricted	<u>22,746,581</u>	<u>33,988,069</u>	<u>25,140,918</u>	<u>47,910,933</u>
Total primary government net position	<u>\$ 1,303,346,150</u>	<u>\$ 1,282,895,775</u>	<u>\$ 1,261,355,446</u>	<u>\$ 1,269,935,208</u>

Source: The City of Elk Grove ACFR

2017	2018	2019	2020	2021	2022
\$ 1,053,280,603	\$ 1,110,618,821	\$ 1,076,838,610	\$ 1,060,332,753	\$ 1,047,211,028	\$ 1,039,686,886
257,008,259	280,624,842	277,972,813	284,980,049	292,185,610	255,036,872
22,513,816	(69,766,957)	(4,465,698)	4,692,738	33,000,422	154,445,985
<u>1,332,802,678</u>	<u>1,321,476,706</u>	<u>1,350,345,725</u>	<u>1,350,005,540</u>	<u>1,372,397,060</u>	<u>1,449,169,743</u>
28,608,561	32,936,365	34,554,021	34,844,354	40,541,319	35,348,429
272,077	187,918	1,293,918	35,348,429	35,348,429	-
29,735,624	30,498,920	33,235,837	40,536,527	38,712,765	31,465,091
<u>58,616,262</u>	<u>63,623,203</u>	<u>69,083,776</u>	<u>110,729,310</u>	<u>114,602,513</u>	<u>66,813,520</u>
1,081,889,164	1,143,555,186	1,111,392,631	1,095,177,107	1,087,752,347	1,075,035,315
257,280,336	280,812,760	279,266,731	320,328,478	327,534,039	255,036,872
52,249,440	(39,268,037)	28,770,139	45,229,265	71,713,187	185,911,076
<u>\$ 1,391,418,940</u>	<u>\$ 1,385,099,909</u>	<u>\$ 1,419,429,501</u>	<u>\$ 1,460,734,850</u>	<u>\$ 1,486,999,573</u>	<u>\$ 1,515,983,263</u>

CITY OF ELK GROVE, CALIFORNIA

Changes in Net Position, Last Ten Fiscal Years (accrual basis)

For The Years Ended June 30, 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental activities										
General government	\$ 20,774,018	\$ 16,175,748	\$ 14,105,998	\$ 18,070,372	\$ 19,975,018	\$ 25,593,798	\$ 24,142,627	\$ 26,290,186	\$ 33,790,534	\$ 21,824,841
Public safety	31,181,737	33,121,110	34,793,685	32,251,277	33,957,641	38,640,457	41,095,844	45,928,962	52,721,661	29,476,434
Public ways and facilities	52,655,196	58,379,175	57,464,510	60,661,733	79,170,655	71,142,386	81,387,088	66,498,261	68,792,816	64,270,550
Community development	6,636,749	7,810,427	7,375,422	9,688,271	9,373,576	9,714,155	10,325,402	10,607,681	13,712,896	20,776,727
Interest on long-term debt	5,285,258	4,845,038	4,875,918	6,364,518	501,705	565,679	819,458	1,003,870	1,038,694	1,323,673
Total governmental activities expenses	<u>116,532,958</u>	<u>120,331,498</u>	<u>118,615,533</u>	<u>127,036,171</u>	<u>142,978,595</u>	<u>145,656,475</u>	<u>157,770,419</u>	<u>150,328,960</u>	<u>170,056,601</u>	<u>137,672,225</u>
Business-type activities										
Solid Waste	11,881,280	13,106,912	14,142,088	15,688,146	16,025,115	3,295,078	3,170,889	2,999,283	3,046,795	2,446,042
Transit	9,515,572	9,589,073	9,030,560	10,827,002	11,549,568	10,985,466	11,037,095	10,509,143	10,027,298	15,585,396
Drainage	3,261,545	3,087,492	3,374,484	3,427,573	4,195,296	4,534,163	4,574,416	4,742,055	6,169,730	5,783,561
Total business-type activities expenses	<u>24,658,397</u>	<u>25,783,477</u>	<u>26,547,132</u>	<u>29,942,721</u>	<u>31,769,979</u>	<u>18,814,707</u>	<u>18,782,400</u>	<u>18,250,481</u>	<u>19,243,823</u>	<u>23,814,999</u>
Total primary government expenses	<u>141,191,355</u>	<u>146,114,975</u>	<u>145,162,665</u>	<u>156,978,892</u>	<u>174,748,574</u>	<u>164,471,182</u>	<u>176,552,819</u>	<u>168,579,441</u>	<u>189,300,424</u>	<u>161,487,224</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	-	-	-	-	1,062,583	910,363	847,681	2,310,388	3,001,983	1,863,899
Public safety	2,608,338	1,585,802	1,203,963	1,152,599	7,300	20,700	14,800	6,370	10,200	30,500
Public ways and facilities	6,162,251	8,745,249	12,932,599	15,141,731	13,173,695	27,601,261	26,637,537	28,705,240	33,889,089	44,859,708
Other activities	7,954,482	9,174,547	8,831,340	9,963,980	2,206,419	4,048,193	5,772,373	4,240,029	5,615,428	14,370,204
Operating grants, interest, and contributions	30,507,890	34,884,138	35,982,947	27,881,745	15,651,340	22,515,041	22,117,670	23,446,687	32,590,579	37,732,695
Capital grants, interest and contributions	2,502,248	10,639,110	4,724,172	16,286,252	79,906,262	12,679,620	36,757,932	9,617,430	35,594,106	31,306,505
Total governmental activities program revenues	<u>49,735,209</u>	<u>65,028,846</u>	<u>63,675,021</u>	<u>70,426,307</u>	<u>112,007,599</u>	<u>67,775,178</u>	<u>92,147,993</u>	<u>68,326,144</u>	<u>110,701,385</u>	<u>130,163,511</u>
Business-type activities										
Charges for services										
Solid Waste	14,586,613	15,261,474	15,139,025	17,080,638	16,863,927	3,634,335	3,791,031	3,775,643	3,897,190	3,780,165
Transit	1,560,881	1,583,621	1,618,573	1,454,582	1,430,071	1,319,149	1,289,226	1,049,077	240,620	-
Drainage	5,163,800	5,257,252	5,359,836	5,448,108	5,632,309	5,706,721	5,702,933	5,982,654	6,119,877	6,170,356
Operating grants, interest, and contributions	6,261,715	8,803,329	8,737,006	12,468,916	8,869,845	12,576,884	11,421,609	11,327,506	13,402,350	717,637
Capital grants, interest and contributions	-	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>27,573,009</u>	<u>30,905,676</u>	<u>30,854,440</u>	<u>36,452,244</u>	<u>32,796,152</u>	<u>23,237,089</u>	<u>22,204,799</u>	<u>22,134,880</u>	<u>23,660,037</u>	<u>10,668,158</u>
Total primary government program revenues	<u>77,308,218</u>	<u>95,934,522</u>	<u>94,529,461</u>	<u>106,878,551</u>	<u>144,803,751</u>	<u>91,012,267</u>	<u>114,352,792</u>	<u>90,461,024</u>	<u>134,361,422</u>	<u>140,831,669</u>

CITY OF ELK GROVE, CALIFORNIA

Changes in Net Position, Last Ten Fiscal Years (accrual basis)
For The Years Ended June 30, 2022

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental activities	(66,797,749)	(55,302,652)	(54,940,512)	(56,609,864)	(30,970,996)	(77,881,297)	(65,622,426)	(82,002,816)	(59,355,216)	(7,508,714)
Business-type activities	2,914,612	5,122,199	4,307,308	6,509,523	1,026,173	4,422,382	3,422,399	3,884,399	4,416,214	(13,146,841)
Total primary government net revenue (expense)	<u>\$ (63,883,137)</u>	<u>\$ (50,180,453)</u>	<u>\$ (50,633,204)</u>	<u>\$ (50,100,341)</u>	<u>\$ (29,944,823)</u>	<u>\$ (73,458,915)</u>	<u>\$ (62,200,027)</u>	<u>\$ (78,118,417)</u>	<u>\$ (54,939,002)</u>	<u>\$ (20,655,555)</u>
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes	\$ 10,174,450	\$ 9,680,843	\$ 10,748,517	\$ 11,443,260	\$ 23,670,228	\$ 25,079,951	\$ 26,276,570	\$ 27,773,836	\$ 29,511,750	\$ 31,175,469
Sales & Use tax	13,708,848	15,365,390	16,567,321	20,504,422	25,535,498	27,320,405	29,355,281	29,768,093	34,975,729	38,501,983
In-Lieu sales tax	4,710,293	4,845,534	5,583,730	4,704,053	5,681,559	-	-	-	-	-
Other taxes	8,591,465	8,905,914	9,319,299	10,174,956	4,510,259	11,580,750	11,756,951	10,785,744	11,305,394	12,720,908
Investment Income	3,611,324	3,933,612	7,107,416	4,671,926	-	-	-	-	-	(2,002,595)
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	3,313,623
Other Revenue	-	-	-	-	5,727,764	3,946,919	11,754,931	12,631,488	3,664,095	640,781
Transfers	(479,287)	908,351	868,712	1,096,291	1,098,174	1,010,576	728,196	703,470	2,172,721	(68,772)
Total governmental activities	<u>40,317,093</u>	<u>43,639,644</u>	<u>50,194,995</u>	<u>52,594,908</u>	<u>66,223,482</u>	<u>68,938,601</u>	<u>79,871,929</u>	<u>81,662,631</u>	<u>81,629,689</u>	<u>84,281,397</u>
Business-type activities										
Other taxes	1,014,591	1,129,497	1,235,074	1,301,708	1,379,717	1,456,673	1,532,613	1,607,522	1,685,060	1,769,562
Unrestricted interest income	165,275	243,254	164,758	879,777	-	-	-	-	-	(1,132,057)
Other	-	-	-	-	162,698	138,462	1,233,757	1,508,654	(55,350)	-
Transfers	479,287	(908,351)	(868,712)	(1,096,291)	(1,098,174)	(1,010,576)	(728,196)	(703,470)	(2,172,721)	68,772
Total business-type activities	<u>1,659,153</u>	<u>464,400</u>	<u>531,120</u>	<u>1,085,194</u>	<u>444,241</u>	<u>584,559</u>	<u>2,038,174</u>	<u>2,412,706</u>	<u>(543,011)</u>	<u>706,277</u>
Total primary government	<u>41,976,246</u>	<u>44,104,044</u>	<u>50,726,115</u>	<u>53,680,102</u>	<u>66,667,723</u>	<u>69,523,160</u>	<u>81,910,103</u>	<u>84,075,337</u>	<u>81,086,678</u>	<u>84,987,674</u>
Change in governmental activities net position before special item	(26,480,656)	(11,663,008)	(4,745,517)	(4,014,956)	35,252,486	(8,942,696)	14,249,503	(340,185)	22,274,473	76,772,683
Special item:										
Loss on sale of Vineyard Property	-	(14,373,966)	-	-	-	-	-	-	-	-
Bad debt expense	-	-	(12,141,141)	-	-	-	-	-	-	-
Change in Net Position:										
Governmental activities	(26,480,656)	(26,036,974)	(16,886,658)	(4,014,956)	35,252,486	(8,942,696)	14,249,503	(340,185)	22,274,473	76,772,683
Business-type activities	4,573,765	5,586,599	4,838,428	7,594,717	1,470,414	5,006,941	5,460,573	6,297,105	3,873,203	(12,440,564)
Total primary government	<u>\$ (21,906,891)</u>	<u>\$ (20,450,375)</u>	<u>\$ (12,048,230)</u>	<u>\$ 3,579,761</u>	<u>\$ 36,722,900</u>	<u>\$ (3,935,755)</u>	<u>\$ 19,710,076</u>	<u>\$ 5,956,920</u>	<u>\$ 26,147,676</u>	<u>\$ 64,332,119</u>

* These numbers include Property Tax in Lieu of Vehicle License Fee (VLF). Beginning in 2008 the Property Tax in Lieu VLF was moved to intergovernmental, and in 2017 it was moved to property taxes.

Source: The City of Elk Grove ACFR

CITY OF ELK GROVE, CALIFORNIA

Fund Balances, Governmental Funds Last Ten Fiscal Years (modified accrual basis of accounting) For The Years Ended June 30, 2022

	2013	2014	2015	2016
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	18,950,057	18,604,618	19,227,947	20,096,678
Assigned	-	-	1,649,271	346,141
Unassigned	4,876,432	5,995,555	1,381,845	7,498,226
Total General Fund	\$ 23,826,489	\$ 24,600,173	\$ 22,259,063	\$ 27,941,045
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ 65,738,124	\$ 66,458,363
Restricted	109,716,431	113,819,244	124,249,316	151,376,738
Committed	-	-	-	20,096,678
Assigned	-	-	-	346,141
Unassigned	(5,952,761)	(14,415,146)	(14,415,146)	(3,262,256)
Total All Other Governmental Funds	\$ 103,763,670	\$ 99,404,098	\$ 175,572,294	\$ 235,015,664

Source: The City of Elk Grove ACFR

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 3,510,730	\$ 2,801,341	\$ 2,372,795	\$ 1,939,752	\$ 1,544,352	\$ 4,046,810
21,000,138	22,407,940	37,444,232	35,805,778	45,856,905	68,864,439
357,858	373,349	2,359,382	4,765,651	634,036	150,276
9,447,603	11,794,420	190,714	3,605,551	6,102,376	703,902
<u>\$ 34,316,329</u>	<u>\$ 37,377,050</u>	<u>\$ 42,367,123</u>	<u>\$ 46,116,732</u>	<u>\$ 54,137,669</u>	<u>\$ 73,765,427</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
242,335,680	234,660,067	230,471,851	245,502,694	252,216,752	281,344,183
-	-	-	-	-	-
-	-	-	-	13,445	56,100
<u>(4,644,863)</u>	<u>(7,799,419)</u>	<u>(6,013,300)</u>	<u>(4,461,827)</u>	<u>(7,682,562)</u>	<u>(5,419,755)</u>
<u>\$ 237,690,817</u>	<u>\$ 226,860,648</u>	<u>\$ 224,458,551</u>	<u>\$ 241,040,867</u>	<u>\$ 244,547,635</u>	<u>\$ 275,980,528</u>

CITY OF ELK GROVE, CALIFORNIA

Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years Ending June 30, 2022
 (modified accrual basis of accounting)

	2013	2014	2015	2016
REVENUES				
Taxes	\$ 37,185,056	\$ 38,797,684	\$ 42,218,867	\$ 46,826,691
Licenses, fees and permits	12,925,467	15,574,986	19,444,219	23,521,281
Intergovernmental	33,646,054	44,698,377	40,589,946	42,846,356
Fines and forfeitures	1,525,078	1,319,758	488,299	387,185
Charges for services	2,234,212	3,083,121	3,308,827	2,481,403
Investment earnings	1,294,280	1,985,204	3,122,257	4,040,144
Contribution from Community Facility District	-	-	-	-
Contributions from property owners	-	-	-	-
Contributions and donations	-	-	-	-
Other Revenue	459,128	356,980	1,352,612	970,243
Total revenues	<u>89,269,275</u>	<u>105,816,110</u>	<u>110,525,027</u>	<u>121,073,303</u>
EXPENDITURES:				
General government	19,017,525	18,789,272	19,891,965	19,971,477
Public safety	30,592,175	32,537,512	34,796,247	35,356,689
Public ways and facilities	9,277,761	15,306,831	15,453,017	15,331,077
Community development	7,868,412	8,433,339	7,329,328	9,444,746
Capital outlay	12,525,633	20,853,268	22,636,496	19,170,128
Debt service:				
Principal retirement	3,290,000	3,460,000	3,620,000	1,315,000
Interest and fiscal charges	5,290,067	4,968,805	4,803,957	5,121,900
Tax administration	-	-	-	-
Bond issue costs	-	-	-	1,356,411
Total expenditures	<u>87,861,573</u>	<u>104,349,027</u>	<u>108,531,010</u>	<u>107,067,428</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>1,407,702</u>	<u>1,467,083</u>	<u>1,994,017</u>	<u>14,005,875</u>
OTHER FINANCING SOURCES (USES)				
Long-term liabilities issued	-	-	-	90,630,000
Premium (discount) on debt issued	-	-	-	9,594,496
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	(89,402,398)
Proceeds from sale of property	-	-	-	-
Transfers from other funds	11,008,485	11,695,534	17,862,895	35,802,601
Transfers to other funds	(10,417,645)	(9,423,825)	(15,470,054)	(33,280,777)
Total other financing sources (uses)	<u>590,840</u>	<u>2,271,709</u>	<u>2,392,841</u>	<u>13,343,922</u>
Net Change in Fund Balances before special item	1,998,542	3,738,792	4,386,858	27,349,797
Special Item:				
Sale of Vineyard Property	-	3,347,156 ⁽¹⁾	-	-
NET CHANGE IN FUND BALANCES	<u>\$ 1,998,542</u>	<u>\$ 7,085,948</u>	<u>\$ 4,386,858</u>	<u>\$ 27,349,797</u>

Debt service as a percentage of noncapital expenditures.

11.39%	10.09%	9.81%	7.32%
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2017	2018	2019	2020	2021	2022
\$ 59,397,544	\$ 63,981,106	\$ 67,388,802	\$ 68,327,673	\$ 75,792,873	\$ 82,398,360
13,741,076	29,558,628	32,430,388	31,129,318	39,845,008	42,652,817
24,099,150	30,160,655	41,196,733	33,474,390	43,187,367	61,022,287
354,504	281,523	245,488	504,072	909,033	609,151
1,804,824	3,219,568	2,036,472	2,441,302	2,826,699	3,037,421
5,097,917	1,882,216	9,196,276	10,181,302	3,036,689	(3,461,070)
-	-	-	-	7,452,238	15,579,344
72,700,000	1,400,000	16,030,000	-	-	-
30,000	1,000,000	-	-	-	-
947,939	991,515	1,067,530	1,825,575	1,330,827	640,781
<u>178,172,954</u>	<u>132,475,211</u>	<u>169,591,689</u>	<u>147,883,632</u>	<u>174,380,734</u>	<u>202,479,091</u>
23,312,594	26,431,508	26,866,864	28,229,779	32,229,265	35,265,452
36,067,903	37,703,232	39,898,125	48,759,157	50,117,147	50,786,209
59,011,979	80,059,131	100,760,979	43,448,285	62,246,726	61,266,814
9,193,193	9,522,145	10,718,894	12,409,217	11,866,414	17,791,162
488,306	6,752,813	3,272,922	3,686,811	6,594,030	444,712
2,335,000	265,000	470,000	1,080,000	1,717,440	1,710,998
679,930	194,439	940,136	1,071,385	989,185	994,766
-	-	-	-	64,912	138,038
104,578	275,440	-	172,500	-	244,428
<u>131,193,483</u>	<u>161,203,708</u>	<u>182,927,920</u>	<u>138,857,134</u>	<u>165,825,119</u>	<u>168,642,579</u>
46,979,471	(28,728,497)	(13,336,231)	9,026,498	8,555,615	33,836,512
-	18,530,000	-	10,000,000	-	12,035,000
-	973,533	-	-	-	1,501,125
4,940,000	-	-	-	-	-
(7,200,000)	-	-	-	-	-
-	-	-	-	-	5,138,446
13,408,691	29,617,243	12,391,641	13,770,663	26,438,237	31,330,036
(10,827,097)	(28,161,727)	(11,086,950)	(12,465,236)	(23,583,194)	(32,780,468)
<u>321,594</u>	<u>20,959,049</u>	<u>1,304,691</u>	<u>11,305,427</u>	<u>2,855,043</u>	<u>17,224,139</u>
47,301,065	(7,769,448)	(12,031,540)	20,331,925	11,410,658	51,060,651
-	-	-	-	-	-
<u>\$ 47,301,065</u>	<u>\$ (7,769,448)</u>	<u>\$ (12,031,540)</u>	<u>\$ 20,331,925</u>	<u>\$ 11,410,658</u>	<u>\$ 51,060,651</u>

2.31%

0.30%

0.78%

2.05%

2.51%

2.33%

CITY OF ELK GROVE, CALIFORNIA

Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Residential Property	Commercial Property	Industrial Property	Other	Less Tax Exempt Property	Total Taxable Assessed Value	Total Direct Tax Rate
2013	\$ 11,029,428,330	\$ 1,532,669,836	\$ 385,075,524	\$ 608,914,724	\$ 346,233,652	\$ 13,209,854,762	0.06453
2014	12,146,070,163	1,500,346,050	392,460,053	567,434,705	359,424,853	14,246,886,118	0.06480
2015	13,492,526,952	1,587,754,482	419,089,413	619,856,390	398,318,801	15,720,908,436	0.06460
2016	14,087,121,936	1,687,253,176	442,986,037	675,804,195	430,877,261	16,462,288,083	0.06451
2017	14,979,885,692	1,836,489,273	465,865,942	725,782,693	426,240,108	17,581,783,492	0.06443
2018	16,057,715,795	2,134,418,574	489,962,755	780,522,286	487,229,789	18,975,389,621	0.06432
2019	16,984,457,684	2,232,189,341	516,630,510	904,022,876	451,113,557	20,186,186,854	0.06421
2020	18,085,070,381	2,244,668,823	554,425,205	920,172,885	495,987,672	21,804,337,304	0.06434
2021	19,147,318,733	2,412,556,407	572,237,899	975,152,542	508,124,010	23,107,265,581	0.06418
2022	20,263,052,471	2,465,719,342	594,442,627	965,320,208	543,280,121	24,288,534,648	0.06393

Source: HdL from the Sacramento County Assessor 2012/13-2021/22 Combined Tax Rolls

CITY OF ELK GROVE, CALIFORNIA

Direct and Overlapping Property Tax Rates
Last Ten Fiscal Years
(Per \$100 of Assessed Value)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
City's Share of 1% Levy Per Prop 13/ City of Elk Grove Direct Rate³	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740
Overlapping Rates:										
Sacramento County General	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38218	0.38219	0.38219
Elk Grove Unified School District	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490
Cosumnes CSD - Fire District	0.22140	0.22140	0.22140	0.22140	0.22140	0.22140	0.22141	0.22140	0.22139	0.22139
Los Rios Community College District	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640
Sacramento County Library	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040
Sacramento - Yolo Mosquito	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866
Physically Handicapped-unified	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459
Childrens Institution	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447
Elk Grove - Cosumnes Cemetery	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275
Sacramento County Superintendent Admin.	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259
Development Center Handicapped	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145
Sacramento County Wide Equalization	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131
Sacramento County Regional Occupational Center	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096
Sacramento County Juvenile Hall	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055
Infant Developmentally-physically Handicapped	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006
Infant Developmentally Retarded	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006
Total Proposition 13 Rate (Basic Levy)¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Elk Grove Unified Gob 2017	0.00000	0.00000	0.00000	0.00000	0.00000	0.03730	0.03570	0.03490	0.03520	0.03670
Los Rios College Bond	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Los Rios College Gob	0.01930	0.01810	0.01130	0.00910	0.01410	0.01300	0.01310	0.02320	0.02230	0.02490
Sacramento Unified Gob	0.09990	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Sacto City Unified Gob	0.00000	0.12250	0.12120	0.13350	0.12770	0.12350	0.11640	0.11390	0.11710	0.09180
Total Direct & Overlapping² Tax Rates	1.11920	1.14060	1.13250	1.14260	1.14180	1.17380	1.16520	1.17200	1.17460	1.15340

General Obligation Debt Rate

Total Direct Rate⁴	0.64530	0.64530	0.06460	0.06451	0.06443	0.06432	0.06421	0.06434	0.06418	0.06393
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Source: Prepared by HdL, Coren & Cone

Data source: Sacramento County Assessor 2012/13 - 2021/22 Tax Rate Table

Notes:

¹In 1978, California voters passed Proposition 13 which set the property tax rate at a 1.00% fixed amount. This 1.00% is shared by all taxing agencies for which the subject property resides within. In addition to the 1.00% fixed amount, property owners are charged taxes as a percentage of assessed property values for the payment of any voter approved bonds.

²Overlapping rates are those of local and county governments that apply to property owners within the City. Not all overlapping rates apply to all city property owners.

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴Because basic and debt rates vary by tax rate area individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. GASB S44 Q&A 9.19.1

CITY OF ELK GROVE, CALIFORNIA

Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2022			2013		
	Rank	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation	Rank	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation
Apple Computer Inc	1	\$ 210,299,779	0.90%	1	\$ 123,939,953	0.93%
PF Portfolio 1 LP	2	101,292,994	0.43%			
Pappas Laguna 2 LP	3	98,676,710	0.42%	3	75,884,534	0.57%
Oakmont Properties II LP	4	98,676,710	0.42%	6	41,558,000	0.31%
PF Portfolio 2 LP	5	68,759,320	0.29%			
MGSomerfield At Lakeside Apartments	6	65,955,989	0.28%			
Elk Grove Owner LP (KOHLS)	7	61,814,597	0.26%			
MGBella Vista Apartments EKG LLC	8	60,803,464	0.26%			
Comcast Cable	9	56,066,521	18.24%			
Elk Grove Independent Living LLC	10	54,449,924	0.23%			
Donahue Schriber Realty Group LP				2	109,073,647	0.82%
DS Hawk Common Square LLC				4	54,076,327	0.41%
Jackson II LLC				5	48,304,061	0.36%
Elk Grove Properties Company LLC				7	38,223,732	0.29%
9130 Nolan Street LLC				8	32,208,000	0.24%
JJD HOV Elk Grove LLC				9	30,291,816	0.23%
Kaiser Foundation Health Plan Inc.				10	29,823,285	0.22%
		<u>\$ 876,796,008</u>	<u>21.73%</u>		<u>\$ 583,383,355</u>	<u>4.38%</u>

Source: HDL, Coren & Cone, Sacramento County Assessor 2021-22 Combined Tax Rolls and the SBE Non Unitary Tax Roll

CITY OF ELK GROVE, CALIFORNIA

Property Tax Levies and Collections
Last Ten Fiscal Years

Fiscal Year Ended June 30	Taxes Levied for the Fiscal Year	Collected within the Fiscal Year of the Levy		Collection in Subsequent Years	Total Collection to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2013	\$ 17,065,239	\$ 16,808,942	98.50%	\$ 256,297	\$ 17,065,239	100.00%
2014	17,910,846	17,842,391	99.62%	68,455	17,910,846	100.00%
2015	20,085,162	20,021,250	99.68%	63,912	20,085,162	100.00%
2016	22,492,684	22,421,589	99.68%	71,095	22,492,684	100.00%
2017	24,198,311	24,000,095	99.18%	198,216	24,198,311	100.00%
2018	24,778,708	24,650,410	99.48%	128,298	24,778,708	100.00%
2019	27,469,694	27,364,210	99.62%	105,484	27,469,694	100.00%
2020	29,353,226	29,067,981	99.03%	285,245	29,353,226	100.00%
2021	31,585,603	31,427,396	99.50%	158,207	31,585,603	100.00%
2022	33,592,664	33,495,020	99.71%	97,644	33,592,664	100.00%

Source: Sacramento County Department of Finance, Auditor-Controller Division

CITY OF ELK GROVE, CALIFORNIA

Taxable Sales by Category
Last Ten Fiscal Years
(in thousands of dollars)

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Apparel Stores	\$ 65,521	\$ 72,656	\$ 76,039	\$ 79,512	\$ 80,587
General Merchandise	157,202	178,709	184,822	187,807	185,515
Food Stores	64,032	60,816	64,028	65,466	66,083
Eating and Drinking Places	175,995	187,234	201,084	228,559	250,348
Building Materials	63,726	67,783	63,315	76,102	86,754
Auto Dealers and Supplies	492,184	576,870	637,312	736,551	850,020
Service Stations	201,937	202,295	202,900	175,264	165,039
Other Retail Stores	318,666	276,132	285,513	294,492	318,251
All Other Outlets	<u>297,654</u>	<u>377,509</u>	<u>441,461</u>	<u>474,317</u>	<u>514,399</u>
Total	<u><u>\$ 1,836,917</u></u>	<u><u>\$ 2,000,004</u></u>	<u><u>\$ 2,156,474</u></u>	<u><u>\$ 2,318,070</u></u>	<u><u>\$ 2,516,996</u></u>

Source: State of California Board of Equalization and The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Total is taxable sales, not sales tax revenue received. Does not include Use tax or County pool allocation.

<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$ 80,771	\$ 79,920	\$ 76,895	\$ 51,311	\$ 82,074
180,858	207,432	321,230	313,642	372,887
66,359	67,259	67,617	76,403	75,003
265,459	273,225	290,727	255,110	346,204
98,934	110,519	113,665	148,896	196,088
905,658	881,314	880,071	936,454	1,110,249
191,409	216,404	204,840	147,261	223,885
315,468	306,892	292,294	430,389	537,537
<u>598,642</u>	<u>613,474</u>	<u>801,939</u>	<u>795,364</u>	<u>786,204</u>
<u>\$ 2,703,558</u>	<u>\$ 2,756,439</u>	<u>\$ 3,049,278</u>	<u>\$ 3,154,830</u>	<u>\$ 3,730,131</u>

CITY OF ELK GROVE

Direct and Overlapping Sales Tax Rates Last Ten Fiscal Years

Fiscal Year	City Direct Rate	Sacramento County	STA Measure A	State of California
2013	1.00	0.25	0.50	6.25 (a)
2014	1.00	0.25	0.50	6.25
2015	1.00	0.25	0.50	6.25
2016	1.00	0.25	0.50	6.25
2017	1.00	0.25	0.50	6.00 (b)
2018	1.00	0.25	0.50	6.00
2019	1.00	0.25	0.50	6.00
2020	1.00	0.25	0.50	6.00
2021	1.00	0.25	0.50	6.00
2022	1.00	0.25	0.50	6.00

Sources: California State Board of Equalization, Sacramento Transportation Authority, California Legislative Analyst's Office, California Department of Tax and Fee Administration

(a) January 1, 2013 the State increased the State Rate 0.25%

(b) January 1, 2017, the State decreased the State rate 0.25%

Note: In 2004, the State issued Economic Recovery Bonds (ERB). To repay the ERBs, the State pledged one-quarter cent of the local Bradley-Burns sales tax, which cities and counties use for general purposes, and replaced it with one-quarter cent State special fund sales tax for repayment of the bonds. The State replaced the one-quarter cent local tax with equal dollars from the property tax allocation, and described it as "in lieu" sales tax. In 2016, the ERBs were fully paid and the sales tax rates were restored. For ACFR reporting purposes, the full 1% was classified as sales tax during this entire period. To avoid confusion, the City Direct Rate for practical purposes, was unchanged and has not been adjusted between the local and State rates as expressed in the above table.

CITY OF ELK GROVE

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
	Special Assessment Bonds ⁽¹⁾	Economic Development Bonds			
2013	\$ 108,376,624	\$ 10,300,000	\$ 118,676,624	2.77%	746
2014	104,833,363	10,090,000	114,923,363	2.58%	715
2015	101,130,102	9,870,000	111,000,102	2.44%	681
2016	109,611,895	9,645,000	119,256,895	2.53%	710
2017	4,940,000 ⁽³⁾	9,410,000	14,350,000	0.30%	84
2018	23,205,000	9,165,000	32,370,000	0.62%	188
2019	22,735,000	8,915,000	31,650,000	0.60%	182
2020	31,655,000	8,655,000	40,310,000	0.69%	229
2021	29,937,560	8,385,000	38,322,560	0.62%	215
2022	40,261,562	- ⁽⁴⁾	40,261,562	0.62%	228

Notes: City incorporated July 1, 2000. U.S. Census and subsequent estimates has area approximately 2/3 of City's actual size.

Source: ⁽¹⁾ City of Elk Grove ACFR

⁽²⁾ See Schedule of Demographic and Economic Statistics for personal and population data

⁽³⁾ In fiscal year 2017, the City determined that bonds in the amount of \$107,076,895 should be reported as debt without city commitment. Amounts prior to 2017 have not been restated.

⁽⁴⁾ The City redeemed the 2010 Lease Revenue Recovery Zone Economic Development Bonds on August 26, 2021.

CITY OF ELK GROVE

Direct and Overlapping Governmental Activities Debt

June 30, 2022

2021-22 Assessed Valuation: \$23,714,724,852

	Total Debt		City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2022</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/22</u>
Los Rios Community College District	\$495,095,000	10.286%	\$50,925,472
Elk Grove Unified School District	309,250,000	55.110%	170,427,675
Sacramento Unified School District	488,647,966	0.160%	781,837
City of Elk Grove Community Facilities District No. 2002-1	40,805,000	100.000%	40,805,000
City of Elk Grove Community Facilities District No. 2003-1	36,075,000	100.000%	36,075,000
City of Elk Grove Community Facilities District No. 2005-1	149,815,000	100.000%	149,815,000
Elk Grove Unified School District Community Facilities District No. 1	178,666,133	55.110%	98,462,906
Sacramento County Community Facilities Districts	3,283,080	100.000%	3,283,080
California Municipal Finance Authority Community Facilities Districts	16,336,000	100.000%	16,336,000
California Statewide Community Development Authority 1915 Act Bonds	18,909,478	100.000%	<u>18,909,478</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$585,821,448
<u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Sacramento County General Fund Obligations	\$128,277,354	12.392%	\$15,896,130
Sacramento County Pension Obligation Bonds	625,201,330	12.392%	77,474,949
Sacramento County Board of Education Certificates of Participation	2,635,000	12.392%	326,529
Elk Grove Unified School District Certificates of Participation	11,330,000	55.110%	6,243,963
Sacramento Unified School District Certificates of Participation	55,030,000	0.160%	88,048
Cosumnes Community Services District Certificates of Participation	61,906,000	87.102%	53,921,364
City of Elk Grove Lease Revenue Bonds	40,261,562	100.000%	<u>40,261,562</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$194,212,545
Less: Sacramento County supported obligations			\$1,702,233
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$192,510,312
TOTAL GROSS DIRECT DEBT			\$40,261,562
TOTAL OVERLAPPING DEBT			\$739,772,431
GROSS COMBINED TOTAL DEBT			\$780,033,993
NET COMBINED TOTAL DEBT			\$778,331,760

- (1) The percentage of overlapping debt applicable to the city is estimated using taxable assessed property value. Applicable percentages were estimated by determining the portion of the overlapping district's assessed value that is within the boundaries of the city divided by the district's total taxable assessed value.
- (2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

Ratios to Assessed Valuation:

Total Overlapping Tax and Assessment Debt	2.47%
Total Gross Direct Debt (\$40,261,562)	0.17%
Gross Combined Total Debt	3.29%
Net Combined Total Debt	3.28%

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CITY OF ELK GROVE, CALIFORNIA

Legal Debt Margin
For the Last Ten Years Ended June 30, 2021

	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Assessed value ⁽¹⁾	\$ 13,556,088,414	\$ 14,606,310,971	\$ 16,119,227,237	\$ 16,893,165,344
Less: Exemptions ⁽¹⁾	<u>(346,233,652)</u>	<u>(359,424,853)</u>	<u>(398,318,801)</u>	<u>(430,877,261)</u>
	13,209,854,762	14,246,886,118	15,720,908,436	16,462,288,083
Legal debt margin				
Debt Limit (15% of Assessed Value)	1,981,478,214	2,137,032,918	2,358,136,265	2,469,343,212
Debt applicable to limit:				
Total Bonded Debt (including Special Assessment Bonds)	118,676,624	114,923,363	111,000,102	119,256,895
Less:				
Special Assessment Bonds	-	-	-	-
Tax Allocation Bonds	-	-	-	-
Total Amount of Debt Applicable to Debt Limit	<u>118,676,624</u>	<u>114,923,363</u>	<u>111,000,102</u>	<u>119,256,895</u>
Legal Debt Margin	<u>\$ 1,862,801,590</u>	<u>\$ 2,022,109,555</u>	<u>\$ 2,247,136,163</u>	<u>\$ 2,350,086,317</u>
Total debt applicable to limit as a percentage of debt limit	6.37%	5.68%	4.94%	5.07%

Source: ⁽¹⁾ HdL from the Sacramento County Assessor 2012/13-2021/2022 Combined Tax Rolls

	2017	2018	2019	2020	2021	2022
\$	18,008,023,600	\$ 19,462,619,410	\$ 20,637,300,411	\$ 22,300,324,976	\$ 23,615,389,591	\$ 24,831,814,769
	(426,240,108)	(487,229,789)	(451,113,557)	(495,987,672)	(508,124,010)	(543,280,121)
	17,581,783,492	18,975,389,621	20,186,186,854	21,804,337,304	23,107,265,581	24,288,534,648
	2,637,267,524	2,846,308,443	3,027,928,028	3,270,650,596	3,466,089,837	3,643,280,197
	14,350,000	32,370,000	31,650,000	40,310,000	38,322,560	40,261,562
	-	-	-	-	-	-
	-	-	-	-	-	-
	14,350,000	32,370,000	31,650,000	40,310,000	38,322,560	40,261,562
\$	2,622,917,524	\$ 2,813,938,443	\$ 2,996,278,028	\$ 3,230,340,596	\$ 3,427,767,277	\$ 3,603,018,635
	0.55%	1.15%	1.06%	1.25%	1.12%	1.12%

CITY OF ELK GROVE, CALIFORNIA

Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population ⁽¹⁾	County Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Public School Enrollment ⁽³⁾	Median Age ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2013	159,074	1,450,121	\$ 4,277,022,638	\$ 26,887	62,137	33.30	6.70%
2014	160,688	1,454,406	4,447,843,840	27,680	62,499	33.90	5.00%
2015	162,899	1,470,912	4,550,094,868	27,932	62,888	33.80	4.50%
2016	167,965	1,495,297	4,705,371,510	28,014	62,767	34.50	4.20%
2017	171,059	1,514,770	4,838,916,992	28,288	63,061	35.10	4.10%
2018	172,116	1,529,501	5,224,409,064	30,354	63,297	35.40	3.60%
2019	174,025	1,546,174	5,516,940,550	31,702	63,917	36.00	3.40%
2020	176,154	1,555,365	5,837,743,560	33,140	64,480	36.60	12.70%
2021	178,124	1,561,014	6,161,309,160	34,590	63,947	37.50	6.60%
2022	176,972	1,576,618	6,458,416,168	36,494	63,041	37.70	3.10%

- Sources:
- ⁽¹⁾ California Department of Finance
 - ⁽²⁾ HdL, Coren & Cone, US Census Bureau
 - ⁽³⁾ California Department of Education
 - ⁽⁴⁾ U.S. Census Bureau, American FactFinder, 2011 American Community Survey
 - ⁽⁵⁾ www.labormarketinfo.edd.ca.gov

City of Elk Grove

Principal Employers Last Fiscal Year & Ten Years Ago

Business Name	2022		2013	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Elk Grove Unified School District	5,986	7.00%	5,000	14.01%
Apple Computer Inc. *	5,000	5.85%	1,800	5.05%
California Correctional Health Care Services ⁽¹⁾	1,800	2.11%		
Cosumnes Community Services District	813	0.95%	330	0.93%
Walmart (3 locations)	585	0.68%	273	0.77%
Kaiser Permanente Med Ctr (2 locations)	500	0.58%	1,468	4.12%
City of Elk Grove	412	0.48%	289	0.81%
Raley's/Bel Air Markets (4 locations)	386	0.45%		
Alldata LLC	285	0.33%	400	1.12%
Safeway (2 locations)	275	0.32%		
Methodist Hospital of Sacramento			550	1.54%
Bimbo Bakeries, Inc.			265	0.74%
Elk Grove Bank of Stockton			237	0.66%
Total Top 10 Employers	16,042	18.75%	10,612	29.76%
Total City Labor Force ⁽²⁾	85,500		35,643	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2012-13, previously published ACFR

*Approximate headcount based on previous Journal publications. Note: Employer Declined Headcount Request.

(1) State of California employees

(2) Employment Development Department - EDD

CITY OF ELK GROVE

Government Employment Information Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
City Council	5	5	5	5
City Manager	9	11	13	13
City Attorney	4	4	4	5
City Clerk	3	3	3	3
Development Services	10	11	7	9
Finance	14	14	16	19
Code Enforcement - Community Development	9	9	9	9
Animal Services	7	7	7	7
Human Resources	4	4	3	5
Police Department	200	211	205	211
Public Works	5	6	6	10
Utilities*	5	5	5	0
Solid Waste	4	3	3	3
Transit	4	4	5	5
Risk Management	1	1	1	1
Information Technology	5	4	4	4
Facilities/Fleet	4	4	4	5
Total employees	293	306	300	314

Source: Human Resources Department, City of Elk Grove

Note: The City contracts for public works, planning, building, trash hauling and transit departments as well as key positions in other departments.

*Utilities transitioned from City staff to contractual effective fiscal 2018.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
5	5	5	4	4	2
20	21	20	20	26	30
5	6	6	6	6	6
3	3	3	3	3	3
9	14	13	14	13	15
18	18	21	21	22	22
8	8	9	8	9	9
7	7	23	23	26	26
4	5	4	5	5	6
221	224	231	223	237	245
12	12	12	24	25	29
0	0	0	0	0	0
4	4	4	5	5	5
5	5	4	2	5	2
2	1	2	2	2	2
6	7	7	8	8	8
4	4	5	5	5	5
<u>333</u>	<u>344</u>	<u>369</u>	<u>373</u>	<u>401</u>	<u>415</u>

CITY OF ELK GROVE

Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016
General Government				
Residential Building Permits Issued	441	378	568	625
Commercial Building Permits Issued	13	11	14	9
Refuse Collection⁽¹⁾				
Total Tons Disposed	80,597	82,795	88,053	78,473
Total Tons Diverted	72,580	73,540	48,305	50,151
Transit⁽³⁾⁽⁴⁾				
Total Route Miles	1,009,437	1,032,906	1,080,819	1,073,588
Total Passengers	1,049,584	1,043,906	1,032,039	945,262
Police				
Calls for service	96,089	95,107	98,098	95,677
Average Emergency Response Time	6.0	6.1	5.8	5.2
Clearance Rate of all Part I Crimes	28%	35%	30%	28%
Utility Billing⁽²⁾				
Residential Customers	46,879	47,161	47,985	49,845
Community Enhancement				
Calls for Service	4,318	2,664	3,236	4,258
Average Emergency Response Time	24 Hours	24 Hours	24 Hours	24 Hours
Number of Inspectors	6	6	6	6
Average Number of Cases Per Inspector	720	444	539	710

Sources: City of Elk Grove, Republic Services

⁽¹⁾Based on calendar year. State switched to per pound/person tracking and no longer tracks tons diverted. Data is all that was available.

⁽²⁾Utility Billing services were outsourced to the waste and recycling provider effective July, 1, 2017. Data provided by Republic Services beginning fiscal year 2018.

⁽³⁾COVID-19 reduced 2021 numbers.

⁽⁴⁾2021-2022 City of Elk Grove no longer has a Transit service. Transferred to Regional Transit effective July 1, 2021.

2017	2018	2019	2020	2021	2022
315	546	819	642	752	567
9	32	18	8	27	24
76,577	76,233	83,879	80,920	93,023	82,838
53,182	55,528	57,309	57,753	59,433	75,462
1,085,711	1,025,867	1,037,044	955,309	769,566	0
860,773	783,893	774,736	610,875	121,817	0
94,677	94,776	97,528	96,109	88,362	85,273
4.9	5.0	5.2	4.7	5.2	5.6
26%	22%	21%	21%	19%	21%
50,332	50,723	50,264	50,110	50,502	52,391
2,880	2,833	2,802	2,706	2,438	2,297
24 Hours	24 Hours	24 Hours	24 Hours	24 Hours	24 Hours
6	6	5	6	5	5
480	472	560	451	488	459

CITY OF ELK GROVE

Capital Asset and Infrastructure Statistics by Function/Program Last Ten Fiscal Years

Function/Program	2013	2014	2015	2016	2017
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol units ⁽¹⁾	75	74	74	75	63
Highways and Streets					
Streets (miles) ⁽²⁾	574	555	555	560	545
Streetlights ⁽³⁾	11,706	13,830	14,082	14,195	14,195
Traffic signals	130	167	161	168	151
Traffic signs ⁽⁴⁾	10,000	10,057	10,465	10,873	25,000
Bridges ⁽⁵⁾	67	67	81	89	89
Sidewalk (miles)	997	794	800	829	829
Drainage					
Manholes ⁽⁶⁾	8,315	8,490	8,686	9,027	9,147
Feet of pipe ⁽⁷⁾	2,336,043	2,361,500	2,404,418	2,063,846	2,116,599
Storm drain inlets ⁽⁶⁾	14,588	14,907	15,180	15,836	15,903

⁽¹⁾ Additional vehicle added from CFF funds

⁽²⁾ Street miles decreased in 2014 due to the removal of private streets.

⁽³⁾ Streetlights GIS data clean up discovered multiple private lights were included in the data. 2019 represents an accurate count.

⁽⁴⁾ Traffic signs were corrected after an inventory count in 2017.

2017-2018 represented an estimate and following years represent an accurate count.

⁽⁵⁾ Bridge GIS data was including retired assets previously, 2022 represents an accurate count.

⁽⁶⁾ Manhole and inlet counts were corrected starting in 2020. The count prior to 2020 included assets outside City limits and, privately maintained assets.

⁽⁷⁾ During GIS data clean up, pipelines were found to be mapped in error and/or were discovered as not city-maintained assets. These were removed from the estimates. 2017 data has been updated to reflect the GIS data clean up.

Cosumnes Community Services District is the provider for Parks and Recreation Facilities and Fire stations.

Source: Departments within the City of Elk Grove

2018	2019	2020	2021	2022
1	1	1	1	1
60	58	56	57	61
545	553	553	553	555
14,195	13,435	13,799	13,885	14,551
151	151	159	161	187
25,000	23,369	23,619	23,657	23,404
89	89	92	92	69
899	899	899	899	899
9,215	9,287	8,184	8,162	8,724
2,122,948	2,144,206	2,164,297	2,121,685	2,189,387
16,192	16,265	13,716	12,745	13,444

