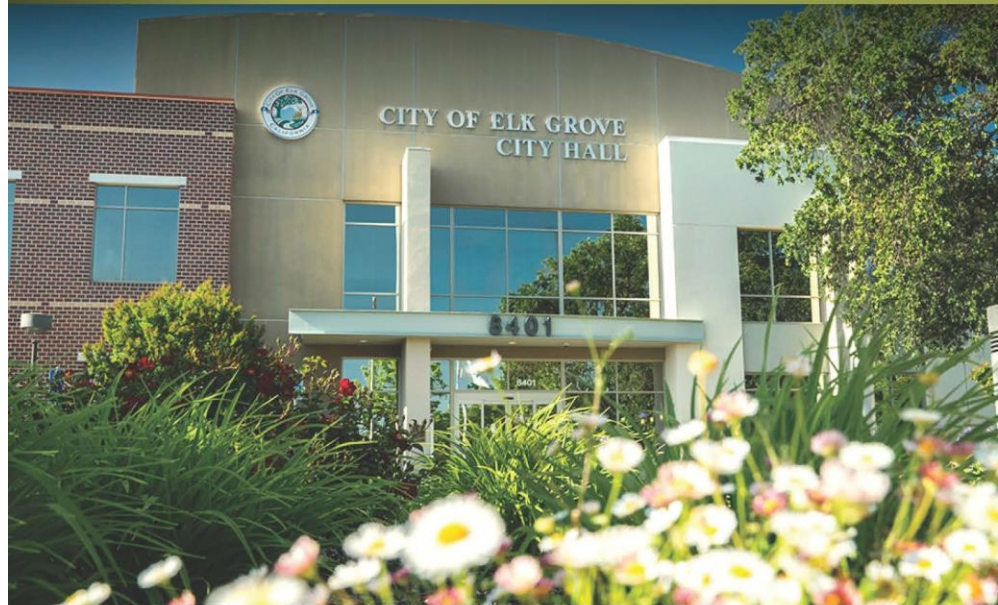


CITY OF
ELK GROVE
CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2019



CITY OF ELK GROVE, CALIFORNIA
Incorporated July 1, 2000

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PREPARED BY THE FINANCE DEPARTMENT-
ACCOUNTING DIVISION

Fiscal Year Ended June 30, 2019



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019



INTRODUCTORY SECTION (UNAUDITED)



CITY OF ELK GROVE, CALIFORNIA

Comprehensive Annual Financial Report
For the Fiscal Year Ended June 30, 2019

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December 17, 2019

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

The Comprehensive Annual Financial Report (CAFR) of the City of Elk Grove (City) for the fiscal year ended June 30, 2019, is hereby submitted in compliance with the 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, 2019. 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 the letter of transmittal 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. The City Council is a five member body with a Mayor and four Council Members. The elected mayor serves a two-year term and is elected citywide (at-large). The four Council Member positions are also elected citywide (at-large) and each represent one of four council residency districts where the Council Member must reside within. The City Council, effective December 2019, transitioned to by-district (district-based) City Council Member elections. A by-district approach means that the City is divided into districts with the voters of that district alone electing the Council Member from that district. The transition to district-based City Council Member elections would not alter the proposed sequence of elections for Elk Grove. For the November 3, 2020 General Election Districts 1 and 3 will be up for consideration, as well as the office of the directly elected mayor.

The City provides a variety of services to its residents which include public safety, animal control, highways and streets, public improvements, planning and zoning, code enforcement, building permits, transit, recycling & waste, drainage, and general administration. The City's CAFR includes all funds of the City and reports all activities considered to be a part of, controlled by, and dependent on the City. GASB Statement No. 14, *The Financial Reporting Entity* requires 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 2018-19.

There were no discretely presented component units.

The accounts of the City are organized on the basis of funds with each fund considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures/expenses, as appropriate. Government resources are allocated to and accounted for, in individual funds based upon the purpose for which they are to be spent and the means by which 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 scheduled in either May or June. 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'.

ECONOMIC CONDITION AND OUTLOOK

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. This was the third attempt to incorporate since 1986. 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 and 174,025 residents as of January 2019, a population increase of approximately 1.1% over the previous year. The City is the second largest incorporated city within Sacramento County.

The region continued to maintain strong employment statistics over the last year. According to the Employment Development Department (EDD) unemployment in the Sacramento metropolitan area as of June 2019 was 3.7% and Sacramento County at 3.9%. Unemployment rates have not been this low since 2007. Census block unemployment data that is more specific to Elk Grove is even lower at 3.4% as of June 2019.

Construction permits are strong and are reflective of robust development activity.

| | Residential Permits | Commercial permits |
|---------|---------------------|--------------------|
| 2018-19 | 819 | 18 |
| 2017-18 | 546 | 32 |
| 2016-17 | 315 | 9 |
| 2015-16 | 625 | 9 |
| 2014-15 | 568 | 14 |

Property assessed valuations increased again during fiscal year 2018-19 an increase of 6.75% in Sacramento County and 6.4% in Elk Grove over the prior year. Expectations are that the City will continue with assessed valuation increases in fiscal year 2019-20.

Sales Tax receipts outpaced budget expectations in fiscal year 2018-19 exceeding the budget by 3.9%. Sales tax revenue growth is expected to increase by 1.1% in fiscal year 2019-20. The increase reflects year-over-year more than expected increases primarily in Business and Industry. Significant increases also occurred in the State and County Pools, Building and Construction, and Fuel & Service Station sectors which also contributed to the overall increase.

LONG-TERM FINANCIAL PLANNING

In fiscal year 2018-19 the City increased the General Fund Reserve for Economic Uncertainty target level from between 15% and 20% to between 20% and 25% to mitigate impacts of future economic uncertainty, emergencies and cash flow needs. The City also created a new Opportunity Reserve fund with a target level of 0% to 5% to create capacity for providing funding for projects, acquisitions, or unforeseen events or need that are not anticipated in the budget, and without using the economic uncertainty reserve. Allocation of reserves above and beyond the combined Reserve for Economic Uncertainty and Opportunity Reserve level of 30% of adjusted appropriations shall be reallocated to two purposes: 50% to Capital Reserves and 50% to Economic Development.

In fiscal year 2018-19 the Reserve for Economic Uncertainty is \$18 million or 25% of total General Fund fiscal year 2019-20 adjusted appropriations of \$73 million. Opportunity Reserve is \$3.6 million or 5%, capital reserve is \$11.6 million or 16%, and Economic Development program reserve is \$3.8 million or 5% of total General Fund fiscal year 2019-20 adjusted appropriations.

The City made an additional payment of more than \$1.9 million to PERS (over and above the required payment) to accelerate funding towards the City's unfunded pension liability. The City had budgeted an accelerated \$900,000 payment but also realized salary and benefit savings during the course of the fiscal year that were redirected as an additional accelerated payment toward the pension liability. These accelerated payments will both reduce the pension liability and also reduce future required unfunded liability payments.

MAJOR INITIATIVES

Aquatic Center and Commons

The City's full service Aquatic Center has been completed with a grand opening on May 25, 2019. The aquatics project includes a combination of pools designed to serve competitive aquatics, instruction, water fitness, and family recreation. Features include a 50-meter pool, fitness and instructional pool, and a recreational pool with a current river and two 30 foot slides. The Commons is an inviting outdoor space that features public art, fire pits and tables, bocce ball court, and a Veterans Grove. It is located between the Aquatics Center and the Community Center on the Civic Center Campus that is now known as District56.

Community Center

The Community Center includes a Senior Center and Veterans Hall combined with a large main hall. The project will provide separate venues for seniors and veterans to serve their respective programs. The Community Center main hall provides a large assembly space to jointly support senior and veterans' programs as well as community events and private functions. Construction of the Community Center began in March 2018 with completion anticipated in winter of fiscal year 2019-20.

District56 Nature Area and Pedestrian Trails

Consistent with the approved Civic Center master plan, the City has initiated the schematic design process for the development of the southern portion of the Civic Center site which is now known as District56. This area will be mostly passive park space and include habitat restoration of wetlands, native grasslands, and preservation and expansion of the native oak forest. Site amenities may include a network of trails, benches, picnic tables, wetland area overlooks, open meadow, agricultural elements, outdoor exercise equipment, play equipment, and interpretive signs, etc.

Animal Shelter

The City is responsible for the provision of all animal services. In the past and including fiscal year 2018-19, the City provided its animal field services through City staff, while animal sheltering services were provided through a contract with Sacramento County. The contract with the County expired on June 30, 2019. Due to ongoing capacity issues at the County shelter, the City chose to construct a 17,000 square foot Animal Shelter on a 2.80-acre undeveloped parcel at the City's Corporation Yard. The Animal Shelter features pet adoption services, spay/neutering clinics, licensing, education, and veterinary care. The new Shelter had a 'soft' opening the beginning of July and was fully opened to the public September 28, 2019.

Old Town Streetscape, Plaza and Railroad Street Improvements

Old Town is the heart of the Elk Grove community, a regional treasure with many buildings dating back to the 1800s. Streetscape improvements and beautification measures designed to attract pedestrians and shoppers and enhance safety and traffic circulation are planned. The City will be working with community members to propose streetscape and infrastructure improvements to an approximately 2,400 foot long segment of Elk Grove Boulevard between School Street to the west and Waterman Road to the east. The improvements will boost the economic vitality and attractiveness of Old Town while preserving the area's unique character and history. Improvements may include expanded and decorative sidewalks, landscape strips, landscaped median islands, crosswalks, bike lanes/routes, signs, striping, bus shelters, and potential utility undergrounding.

In July 2018 City Council approved a Purchase and Sale Agreement and Joint Escrow Instructions with Eco Green LLC, for the sale and future development of property located at 9676 Railroad Street. Eco Green LLC will develop 9676 Railroad Street, near the City's Old Town Plaza property. During Phase 1, the developer will renovate the existing structure at 9676 Railroad Street into a restaurant space with a target completion of September 2020. Phase II will begin after Phase 1 or sooner, the developer will construct a new mixed-use residential building on the Property to the south of the restaurant, consisting of approximately 90 apartment units with ground floor retail or live/work units. Phase III, the developer will acquire and renovate the existing structure at 9699 Railroad Street, to the south of the City Property, as a restaurant/entertainment space with a targeted completion after Phase II is complete or sooner.

The Old Town Plaza Phase II improvements will include an entrance plaza, trails, parking, and seat wall and is programmed for fiscal year 2019-20. Old Town Plaza is on Elk Grove Boulevard and Railroad Street. Railroad Street street, curb and gutter improvements along with undergrounding utilities are expected to commence in fiscal year 2019-20.

Sterling Meadows

On May 28, 2008, the City 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 Live 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 potential 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 for single-family development and one 10.8-acre lot intended to accommodate up to 200 multi-family units. The DA has set aside 22.7 acres of the south portion for the City in which the City Council may zone it for commercial. In addition, the currently approved project allows for two park sites totaling approximately 18.5 acres in which one of the parks, Kammerer Family Park had its grand opening on July 23, 2019. Also approved is a storm drain detention basin of approximately 13.3 acres, and approximately 4.8 acres of parkways.

Site improvements and residential construction are on-going and 354 single family residential permits have been issued through June 30, 2019.

Ridge Shopping Center

Construction of the new Costco in the Ridge Shopping Center has been completed with a grand opening on September 27, 2018. To facilitate construction of the project, the City entered into a sales tax sharing agreement (i.e. provided an incentive) with the property owner. The total amount of the incentive is \$8 million on a present value basis. The funds to provide the incentive will come from a 50% share of sales tax revenues generated by the store overtime and received by the City. No current City revenues or services will be impacted by payment of the incentive. This project is an example of the innovative leveraging of future sales tax revenues to spur development of a desired project today, and allows the City to still keep 50% of all new sales tax generated by the project, even after funding the incentive. In addition to Costco, Stanton Optical opened September 30, 2019, and Olive Garden is under construction. Up to 226,000 square feet of commercial space was approved for the Center with 11 building permits issued through June 30, 2019 for a total of 39,947 square feet. The developer of the project advises the City that leasing activity at the center continues to be strong, and as new leases are executed, construction of tenant spaces will commence, and openings will occur on a continuous basis over the next approximately 18 months.

Laguna Ridge South/Southeast Policy Area

The City is actively engaged in spurring planned economic development within its limits. Construction was complete in early 2019 on the Laguna Ridge South/Southeast Policy Area Sewer Lift Station and the

extension of Bilby Road and Big Horn Boulevard (along with relevant infrastructure along these corridors). These improvements will provide access and utilities to the southern areas of Laguna Ridge and much of the Southeast Policy Area, including the employment areas. These projects total over \$32 million in infrastructure investment by the City and will serve as a catalyst for new development in the service area. The City is following up on these efforts with work on the Shed C Channel Right of Way. The Shed C Channel will provide the needed drainage infrastructure for both Laguna Ridge South/Southeast Policy Area. The City has received all the regulatory permits needed for construction in January of 2019 and the City is preparing a 65% design in order to acquire select easements for the Shed C Channel. The vision for the Shed C is to have the channel built by private development.

Other Initiatives

In February 2018, a Federal judge upheld the Federal Bureau of Indian Affairs' acceptance of 36 acres of land for the benefit of the Wilton Rancheria Indian Tribe (Tribe) for the development of a proposed casino resort project in the City of Elk Grove. The land is located just north of the approved outlet mall site. The casino will contain significant lifestyle amenities, including restaurants and entertainment venues. Start of construction and completion dates are unknown at this time.

The proposed project consists of a 608,756 square foot hospitality and entertainment facility, including a 12-story 302 room hotel, pool, spa, 47,634-square foot convention center, six restaurants and bars, and a 110,260 square foot gaming floor. 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 City of Elk Grove, 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 revenue to the City through twenty years is approximately \$119,668,656, not adjusted for the time value of money. An additional \$9,718,978 would go to the Elk Grove Unified School District with \$2,429,737 being distributed to local charitable organizations. The total cumulative payment from the Tribe to the community over 20 years is approximately \$132 million.

On October 7, 2019 a federal court for the District of Columbia issued an order granting the U.S. Department of Interior's and Wilton Rancheria's motions for summary judgment, thus approving the U.S. Department of the Interior's authority and decision to place the Elk Grove land into a federal trust. That decision was a final decision at the trial court level. On October 21, 2019 the plaintiffs in the case (Stand Up for California!) filed an appeal of the trial court's decision to the United States Court of Appeals for the District of Columbia Circuit. That appeal remains pending.

DEPARTMENT FOCUS

Development

The Development Services Department has been busy during the fiscal year. Some of the highlights include a total of 216,319 square feet of new non-residential permits issued. While this is an 8% decrease from 2017, it is 58% higher than the average non-residential buildout over the prior four years. Major non-residential permits issued in 2018 were the Townplace Suites hotel, five pad buildings in The Ridge shopping center, the City of Elk Grove Community/Civic Center, and the Elk Grove Toyota Service Center. The City Council also adopted the General Plan Update in February 2019. The General Plan update provided an opportunity to bring the General Plan into compliance with new laws and make adjustments to forthcoming issues such as climate change, transportation planning, and economic development.

Public Works

The City has completed or substantially completed several projects during the fiscal year that enhanced the community or increased public safety. The Aquatic Center was completed and opened to the public on May 25, 2019. The construction of the new Animal Shelter is complete and fully opened to the public on September 28, 2019. The Commons and the Community Center are under construction and expected completion is the winter of fiscal year 2019-20. The City hall had some remodeling done at the Reception Desk and Clerk's Office. Other projects that were completed include the Citywide Curb Ramp Improvements Project and the Sidewalk Infill Project. The City was awarded 14 grants in fiscal year 2018-19 with a total value of \$12.9 million.

Police

During fiscal year 2018-19 the police department received various grants to purchase officer safety and duty equipment, conduct operations to reduce underage smoking, conduct operations to reduce underage drinking and to provide first responders with wellness support.

They implemented a Mobile Crisis Support Team (MCST) in partnership with Sacramento County. This specially trained team includes an officer and a licensed mental health professional responding together to emergency calls for service that have a mental health crises component.

The Department now has two full-time School Resource Officers assigned to the Elk Grove Unified School District. This relationship has proven to be conducive to developing and fostering relationships between the Department and area educators and students.

The Department collaborated with allied agencies and participated in active shooter training. They sponsored and graduated two police recruits from the Sacramento County Sheriff's Academy. The Department held 13 community engagement meetings to connect, educate and grow relationships between the Police and community members. A total of 25 sworn and non-sworn police positions were added, many of which were for the Animal Shelter. The Volunteers in Police Service (VIPS) and Community Ambassadors donated almost 11,000 hours of service.

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 2018-19 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 The City of Elk Grove for its comprehensive annual financial report for the fiscal year ended June 30, 2018. This was the seventeenth consecutive year that the City has achieved this prestigious award.

In order to be awarded, the government unit must publish an easily readable and efficiently organized comprehensive annual financial report in which the contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements. The GFOA award is valid for a one year period.

The City of Elk Grove received the GFOA's Distinguished Budget Presentation Award for its annual budget document that was adopted and published on June 13, 2018. To qualify for the distinguished Budget Presentation 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 fiscal year ended June 30, 2018. To qualify for the Popular Annual Financial Reporting Award a government must publish a report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

Acknowledgements

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

Appreciation is also expressed to the staff of Maze and Associates, Certified Public Accountants, who made this presentation possible.

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 in a responsible and prudent manner.

Respectfully Submitted,



Brad Koehn
Director of Finance and Administrative Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Elk Grove
California**

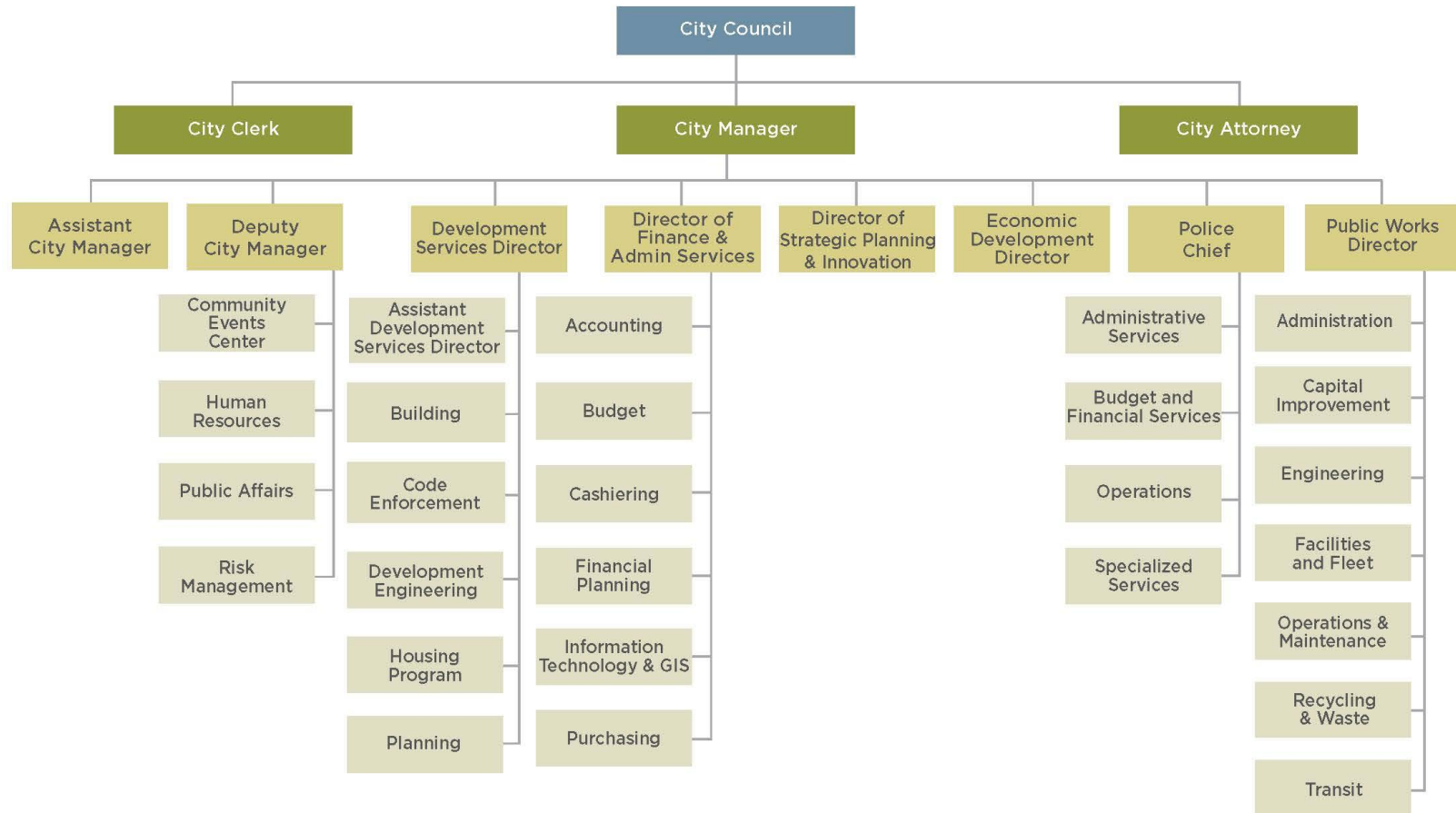
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

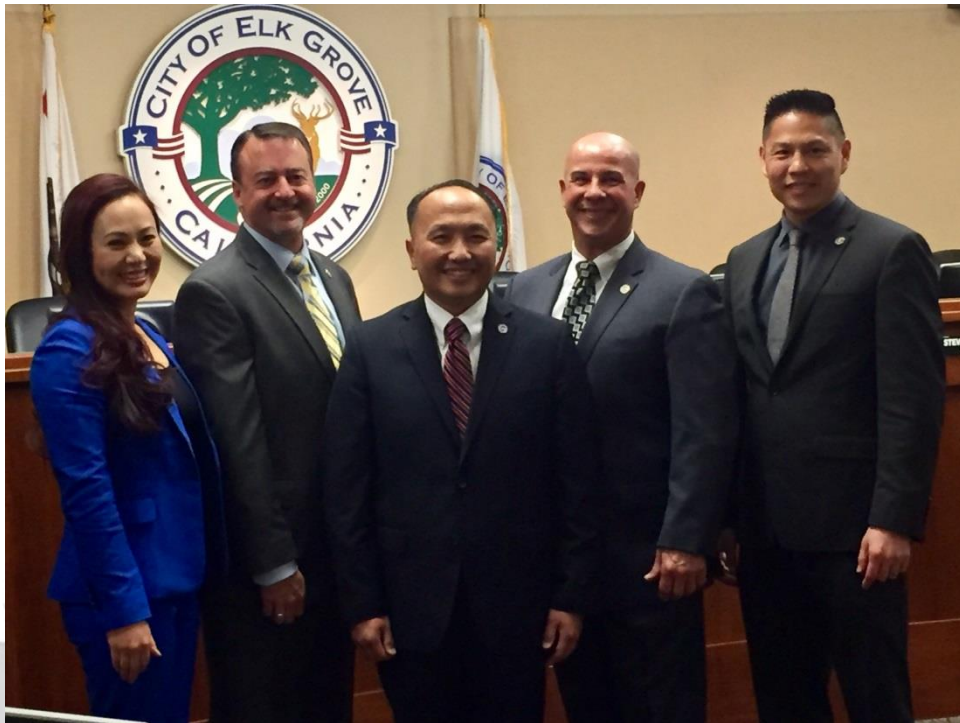
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COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

CITY COUNCIL



From left to right: Stephanie Nguyen, Councilmember; Pat Hume, Vice Mayor; Steve Ly, Mayor; Steven Detrick, Councilmember; Darren Suen, Councilmember



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

EXECUTIVE TEAM

Jason Behrmann, City Manager
Kara Reddig, Deputy City Manager
Brad Koehn, Finance Director
Tim Albright, Chief of Police
Jonathan Hobbs, City Attorney
Jason Lindgren, City Clerk
Darren Wilson, Development Services Director
Robert Murdoch, Public Works Director
Darrel Doan, Economic Development Director
Christopher Jordan, Director of Strategic Planning
& Innovation



LOCATION MAP



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

ACKNOWLEDGEMENT

Prepared by the City of Elk Grove Finance Department
Accounting Division

Marsha Ley, Accounting Manager
Jannet Meyer, Administrative Analyst
Eric Swensen, Senior Accountant
Olga Voronova, Senior Accountant
Jude Kennedy, Accounting Technician
Maria Rodriguez, Payroll Technician
Fiera Dolar, Accounting Technician
Leticia Gomez, Accounting Technician
Whitney Ladrido, Administrative Assistant



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

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, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility 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; this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

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, 2019, 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.

Emphasis of a Matter

As discussed in Note 17, the City restated the net position of governmental activities and the fund balance of the Roadway Fee Fund, Capital Facilities Fund and Mitigation and Fee Fund related to the accounting for fee credit liabilities. The emphasis of this matter does not constitute a modification to our opinions.

Other Matters

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, 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.

Other 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 Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental 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. Such 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 Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Introductory and Statistical Sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 17, 2019, 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 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 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
December 17, 2019

Management's Discussion and Analysis (unaudited)

This section of the City of Elk Grove's (City) Comprehensive Annual Financial Report presents a discussion and analysis of the City's financial performance during the year ended June 30, 2019. Please read it in conjunction with the City's basic financial statements following this section.

FISCAL YEAR 2019 FINANCIAL HIGHLIGHTS

- City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2018-19 fiscal year by \$1.4 billion (*Net Position*). Of this amount, \$279 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, 2019, the governmental funds reported combined fund balances of \$267 million, of which is all available to meet the City's current and future needs (*Restricted, Committed, Assigned and Unassigned balances*).
- Governmental capital assets increased by nearly \$69 million prior to depreciation in comparison with the prior year representing capital street improvements, facilities, and equipment. The increase is reflected in the net investment in capital assets.
- The City's total long-term liabilities decreased by \$3.2 million compared to the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components 1) **Government-wide** financial statements; 2) **Fund** financial statements and, 3) **Notes** to the basic financial statements. Required Supplementary Information is included in addition to the basic financial statements.

Government-wide Financial Statements are designed to provide readers with a broad overview of the City finances, in a manner similar to 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 governmental activities of the City include general government, public safety, public ways and facilities, and community development. The business-type activities of the City include Recycling and Waste, Transit, and Drainage. **The government-wide financial statements can be found on pages 19-21 of this report.** **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 state and local governments, uses fund accounting to ensure and demonstrate finance-related legal compliance. All of the funds of the City 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 focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City currently maintains approximately 90 governmental funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Affordable Housing Fund, Federal Capital Grants Fund, Roadway Fee Fund, Mitigation and Fee Fund, Laguna Ridge CFD 2005-1 Fund, Elk Grove Finance Authority 2017 and Elk Grove Finance Authority 2018 Debt Service Funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City adopts an annual appropriated budget for all funds. Budgetary comparison statements have been provided as required supplementary information to demonstrate compliance with the budget. **The governmental funds financial statements can be found on pages 22-27 of this report.**

Proprietary funds are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. 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.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. 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 28-30 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 own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. **The fiduciary fund financial statements can be found on page 31-32 of this report.**

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 33-84 of this report.**

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 85-92 of this report.**

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 93-184 of this report.**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

City of Elk Grove Net Position

| | Governmental activities | | Business-type activities | | Total | |
|--|-------------------------|------------------|--------------------------|---------------|------------------|------------------|
| | 2019 | 2018* | 2019 | 2018 | 2019 | 2018 |
| Current and other assets | \$ 314,987,460 | \$ 317,872,721 | \$ 39,704,025 | \$ 35,689,363 | \$ 354,691,485 | \$ 353,562,084 |
| Capital assets | 1,095,188,224 | 1,072,845,094 | 42,440,692 | 40,067,648 | 1,137,628,916 | 1,112,912,742 |
| Total Assets | 1,410,175,684 | 1,390,717,815 | 82,144,717 | 75,757,011 | 1,492,320,401 | 1,466,474,826 |
| Deferred outflows of resources related to pensions | 13,278,752 | 17,358,264 | - | - | 13,278,752 | 17,358,264 |
| Deferred outflows of resources related to OPEB | 15,388 | 187,105 | - | - | 15,388 | 187,105 |
| Total Deferred Outflows of Resources | 13,294,140 | 17,545,369 | - | - | 13,294,140 | 17,545,369 |
| Current and other liabilities | 28,221,025 | 37,633,701 | 4,084,500 | 2,905,272 | 32,305,525 | 40,538,973 |
| Long-term liabilities | 43,472,989 | 46,669,510 | 8,976,441 | 9,228,536 | 52,449,430 | 55,898,046 |
| Total Liabilities | 71,694,014 | 84,303,211 | 13,060,941 | 12,133,808 | 84,754,955 | 96,437,019 |
| Deferred inflows of resources related to pensions | 1,243,727 | 2,290,808 | - | - | 1,243,727 | 2,290,808 |
| Deferred inflows of resources related to OPEB | 186,358 | 192,459 | - | - | 186,358 | 192,459 |
| | 1,430,085 | 2,483,267 | - | - | 1,430,085 | 2,483,267 |
| Net Position: | | | | | | |
| Net investment in Capital Assets | 1,076,838,610 | 1,064,872,794 | 34,554,021 | 32,936,365 | 1,111,392,631 | 1,097,809,159 |
| Restricted Net Position | 277,972,813 | 326,370,869 | 1,293,918 | 187,918 | 279,266,731 | 326,558,787 |
| Unrestricted Net Position | (4,465,698) | (69,766,957) | 33,235,837 | 30,498,920 | 28,770,139 | (39,268,037) |
| Total Net Position | \$ 1,350,345,725 | \$ 1,321,476,706 | \$ 69,083,776 | \$ 63,623,203 | \$ 1,419,429,501 | \$ 1,385,099,909 |

*Not restated for the effects of the changes discussed in Note 17.

The City's Net Position totaled \$1.42 billion as of June 30, 2019, an increase of \$34.5 million as compared to fiscal year ended 2018. The City's Capital Improvement Projects activity increased over the prior year such as the Community and Aquatic Centers, Animal Shelter, Southeast Policy Area (SEPA) Sewer Pump Station, and Bilby Road Improvements.

The change in Net Position is reflected in the Statement of Net Position table on page 19.

The City's government-wide Net Position as of June 30, 2019, comprised the following:

- Cash and investments comprised of \$248 million in the city treasury and \$15.6 million of restricted cash held by fiscal agents. Substantially all of 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 44-50 to the financial statements.
- Governmental receivables comprised \$16.5 million of current receivables and long-term receivables of \$70 million, which are over one year or longer time periods. Long-term receivables remained flat from prior year due to 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 50-52.
- Net capital assets of over \$1 billion include the City's entire infrastructure in addition to all other City assets.
- Governmental current liabilities, totaling nearly \$28 million, include accounts payable, refundable deposits, unearned revenue, and other miscellaneous amounts.

- Restricted Net Position, totaling \$279 million; \$78 million to construct specified capital projects, and \$201 million may be spent on other projects specified by funding source restrictions.

The following tables indicate the changes in Net Position:

**City of Elk Grove Changes in Net Position
For the Year Ended June 30, 2019**

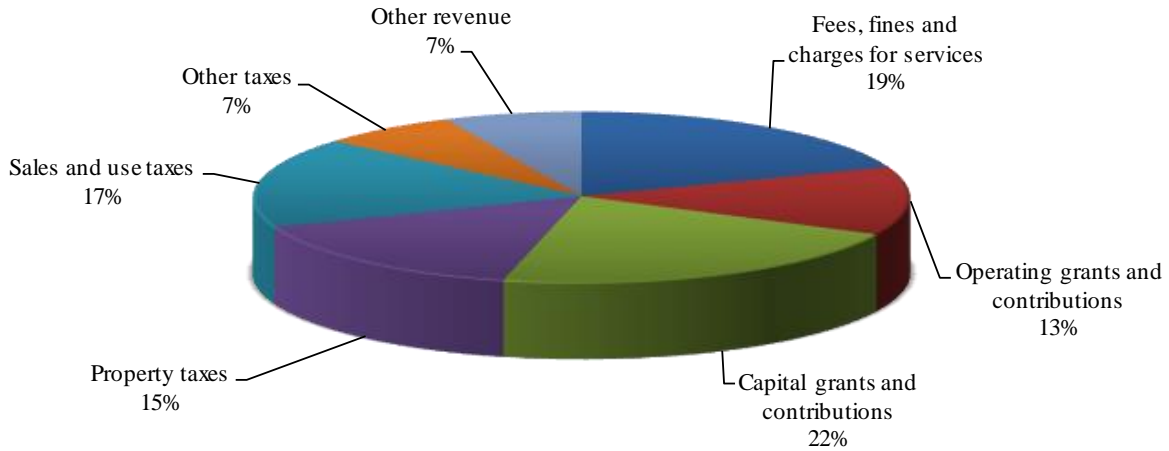
| | Governmental Activities | | Business-type Activities | | Total | |
|--|--------------------------------|--------------------------------|-----------------------------|-----------------------------|--------------------------------|--------------------------------|
| | 2019 | 2018 ⁽¹⁾ | 2019 | 2018 | 2019 | 2018 |
| <i>Revenues:</i> | | | | | | |
| <i>Program revenues:</i> | | | | | | |
| Fees, fines and charges for services | \$ 33,272,391 | \$ 32,580,517 | \$ 10,783,190 | \$ 10,660,205 | \$ 44,055,581 | \$ 43,240,722 |
| Operating grants and contributions | 22,117,670 | 22,515,041 | 11,421,609 | 12,576,884 | 33,539,279 | 35,091,925 |
| Capital grants and contributions | 36,757,932 | 12,679,620 | - | - | 36,757,932 | 12,679,620 |
| | <u>92,147,993</u> | <u>67,775,178</u> | <u>22,204,799</u> | <u>23,237,089</u> | <u>114,352,792</u> | <u>91,012,267</u> |
| <i>General Revenues:</i> | | | | | | |
| Property taxes | 26,276,570 | 25,079,951 | 1,532,613 | 1,456,673 | 27,809,183 | 26,536,624 |
| Sales and use taxes | 29,355,281 | 27,320,405 | - | - | 29,355,281 | 27,320,405 |
| Other taxes | 11,756,951 | 11,580,750 | - | - | 11,756,951 | 11,580,750 |
| Other revenue ⁽³⁾ | 11,754,931 | 3,946,919 | 1,233,757 | 138,462 | 12,988,688 | 4,085,381 |
| | <u>79,143,733</u> | <u>67,928,025</u> | <u>2,766,370</u> | <u>1,595,135</u> | <u>81,910,103</u> | <u>69,523,160</u> |
| Total Revenues | <u>171,291,726</u> | <u>135,703,203</u> | <u>24,971,169</u> | <u>24,832,224</u> | <u>196,262,895</u> | <u>160,535,427</u> |
| <i>Expenses:</i> | | | | | | |
| General government | 24,142,627 | 25,593,798 | - | - | 24,142,627 | 25,593,798 |
| Public safety | 41,095,844 | 38,640,457 | - | - | 41,095,844 | 38,640,457 |
| Public ways and facilities | 81,387,088 | 71,142,386 | - | - | 81,387,088 | 71,142,386 |
| Community development | 10,325,402 | 9,714,155 | - | - | 10,325,402 | 9,714,155 |
| Interest on long-term debt | 819,458 | 565,679 | - | - | 819,458 | 565,679 |
| Recycling & Waste | - | - | 3,170,889 | 3,295,078 | 3,170,889 | 3,295,078 |
| Transit | - | - | 11,037,095 | 10,985,466 | 11,037,095 | 10,985,466 |
| Drainage | - | - | 4,574,416 | 4,534,163 | 4,574,416 | 4,534,163 |
| | <u>157,770,419</u> | <u>145,656,475</u> | <u>18,782,400</u> | <u>18,814,707</u> | <u>176,552,819</u> | <u>164,471,182</u> |
| Total Expenses | <u>157,770,419</u> | <u>145,656,475</u> | <u>18,782,400</u> | <u>18,814,707</u> | <u>176,552,819</u> | <u>164,471,182</u> |
| Excess (deficiency) before transfers | 13,521,307 | (9,953,272) | 6,188,769 | 6,017,517 | 19,710,076 | (3,935,755) |
| Transfers | 728,196 | 1,010,576 | (728,196) | (1,010,576) | - | - |
| Change in Net Position | 14,249,503 | (8,942,696) | 5,460,573 | 5,006,941 | 19,710,076 | (3,935,755) |
| Net Position - Beginning, as restated ⁽²⁾ | 1,336,096,222 | 1,330,419,402 | 63,623,203 | 58,616,262 | 1,399,719,425 | 1,389,035,664 |
| Net Position - Ending | <u>\$ 1,350,345,725</u> | <u>\$ 1,321,476,706</u> | <u>\$ 69,083,776</u> | <u>\$ 63,623,203</u> | <u>\$ 1,419,429,501</u> | <u>\$ 1,385,099,909</u> |

⁽¹⁾ Not restated for the effects of the changes discussed in Note 17.

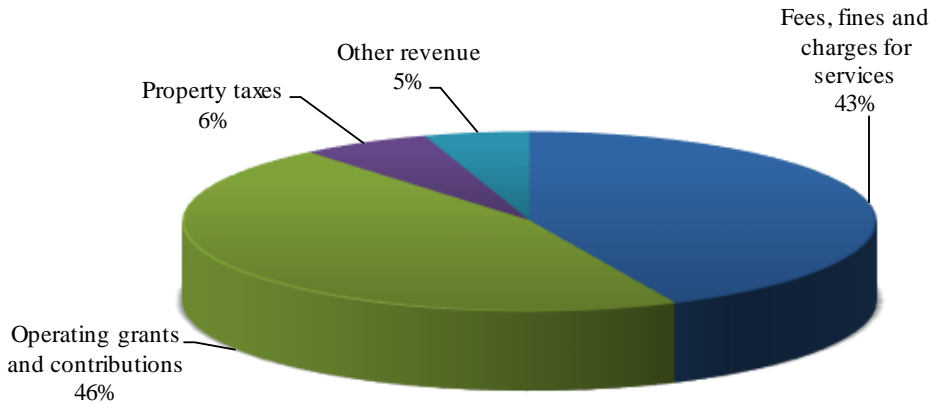
⁽²⁾ Balance at July 1, 2018 has been restated for the effects of the changes discussed in Note 17.

⁽³⁾ If unrealized gains/losses were not included the net change between years is practically flat. The unrealized gains will be reversed over time.

Revenue by Source - Governmental Activities



Revenue by Source - Business-type Activities



As the previous tables show, \$114 million, or 58% of the City’s fiscal year 2018-19 revenues are derived from program revenues and \$82 million, or 42%, from general revenues such as taxes and interest. The City’s program revenue increased by \$23 million or by 20% in fiscal year 2018-19. City’s general revenue increased by \$12.3 million or by 15%.

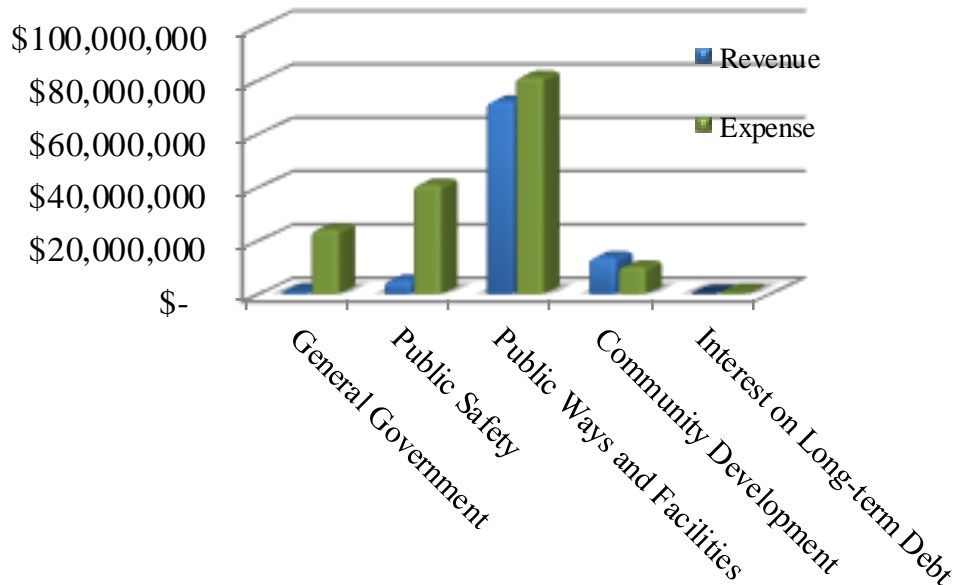
Under Governmental Activities, other revenue increased from \$3.9 million in fiscal year 2017-18 to \$11.7 million in fiscal year 2018-19. Other revenue consists of use of money and property and miscellaneous reimbursements. The major increase was in the use of money and property category in fiscal year 2018-19 due to the market value adjustment. If unrealized gains/losses were not included, the net change between years is minimal. Since the City’s Investment Policy expectation is that the investment will be held to maturity, the unrealized gains will be reversed over time.

Program Revenue and Expense - Governmental Activities

For the Fiscal Year Ended June 30, 2019

| | Revenue | Expense |
|----------------------------|----------------------|-----------------------|
| General Government | \$ 1,045,391 | \$ 24,142,627 |
| Public Safety | 5,170,506 | 41,095,844 |
| Public Ways and Facilities | 72,171,930 | 81,387,088 |
| Community Development | 13,760,166 | 10,325,402 |
| Interest on Long-term Debt | - | 819,458 |
| | <u>\$ 92,147,993</u> | <u>\$ 157,770,419</u> |

Program Revenue and Expenses - Governmental Activities



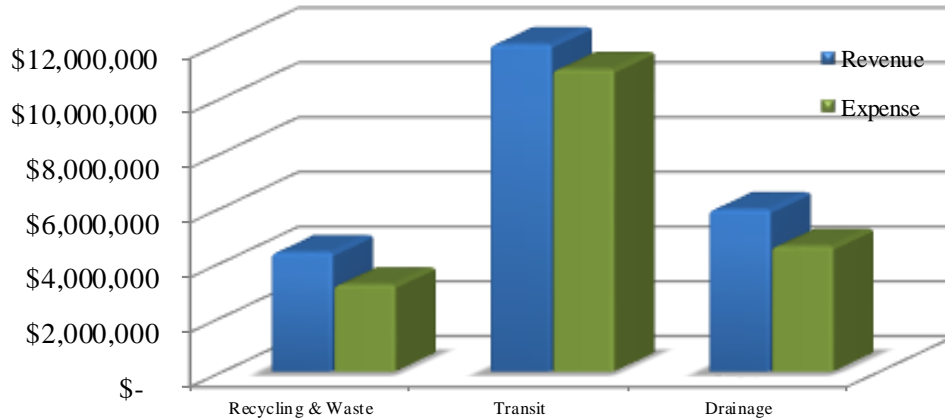
Governmental activities program related expenses exceeded revenues during the fiscal year due to increase in Public Safety and Public Ways and Facilities expense. Public Safety expense increased as a result of increases in payroll from additional staff hired during the fiscal year. The Public Ways and Facility increase was partially due to an early settlement of certain existing developer reimbursement agreements at a discounted rate in fiscal year 2018-19.

Program Revenue and Expense - Business-type Activities

For the Fiscal Year Ended June 30, 2019

| | Revenue | Expense |
|-------------------|----------------------|----------------------|
| Recycling & Waste | \$ 4,346,043 | \$ 3,170,889 |
| Transit | 11,945,484 | 11,037,095 |
| Drainage | 5,913,272 | 4,574,416 |
| | <u>\$ 22,204,799</u> | <u>\$ 18,782,400</u> |

Program Revenue and Expense - Business-type Activities



The City's Recycling and Waste and Drainage revenues continue to support their activities. Transit revenue exceeds expenses in the current year due to a subsidy from the General Fund that "forgives" a portion of the transit deficit fund balance.

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 general government functions are reported in the General, Special Revenue, Debt Service, and Capital Project Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. The classification of spendable fund balances to committed, assigned and unassigned, is intended to be more helpful in measuring the resources available for spending at the end of the fiscal year.

Seven major funds (one special revenue, four capital project and two debt service funds) and the general fund were included in the city's governmental fund statements in the 2018-19 fiscal year. An analysis of significant balances and transactions are as follows:

General Fund – General fund revenues experienced an overall increase of 7%. Property taxes increased 4.7%. Per the Sacramento County Assessor Report the City of Elk Grove Net Taxable Assessed Value increased by 6.4%. Sales and use tax increased 7.5%. Transient occupancy tax increased nearly 4.5%. Net increase in General Fund balance is \$4.9 million.

Affordable Housing Fund – The City imposes a fee on residential development to provide financing assistance for adequate low income housing in the City. Loans are granted and repaid with varied interest rates and prepayment time.

Roadway Fee Fund – The City imposes a citywide fee on development to fund center lanes and medians of major roadway, intersections, interchanges and bridges. In fiscal year 2018-19 fee credits were removed from the face of the financial statements and are disclosed in the footnotes, which caused restatement of the fund balance for Roadway Fee Fund. The fund balance increased by \$1.6 million. Licenses, fees and permits increased by 8.7%. Permit fee rates for residential constructions increased by 7.8% and commercial permits fee rated increased by 7.9%. The City received a federal grant that increased the intergovernmental revenue by \$3.4 million in the Roadway Fee fund for the Bradshaw/Sheldon intersection project.

Mitigation and Fee Fund – These funds were established to supplement various fees in specific areas, which are paid directly to the City via developer fees. Licenses, fees and permits decreased by \$928 thousand. Use of money

and property increased significantly due to the market value adjustments which is primarily unrealized investment gains. Since the City’s Investment Policy expectation is that the investments will be held to maturity, the unrealized gains will be reversed over time. If the market value adjustment is not taken into consideration the use of money and property decreased by \$129 thousand. There was a \$16 million increase in Public Ways and Facilities expenditures. The increase in the expenditures was due to several projects that occurred in fiscal year 2018-19: Oasis park, Senior center, Aquatic Center, and Community Center. An additional factor that caused expenses to increase was an early settlement of certain existing reimbursement agreements at a discounted rate in fiscal year 2018-19.

Laguna Ridge CFD 2005-1 Fund – This fund was established to account for special taxes to fund the cost of infrastructure within the boundaries of the Finance District.

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

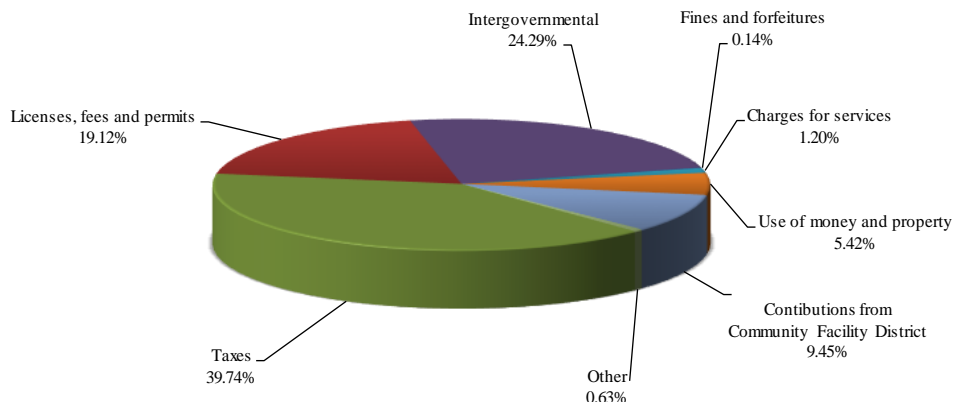
Governmental Funds – Revenues by Source

The following table presents the amount of governmental revenues from various sources:

**Revenues Classified by Source
Governmental Funds
For the Fiscal Years Ended June 30, 2019**

| Revenues by Source | 2019 | 2018 | % Change |
|--|-----------------------|-----------------------|-----------------|
| Taxes | \$ 67,388,802 | \$ 63,981,106 | 5.33% |
| Licenses, fees and permits | 32,430,388 | 29,558,628 | 9.72% |
| Intergovernmental | 41,196,733 | 30,160,655 | 36.59% |
| Fines and forfeitures | 245,488 | 281,523 | -12.80% |
| Charges for services | 2,036,472 | 3,219,568 | -36.75% |
| Use of money and property | 9,196,276 | 1,882,216 | 388.59% |
| Contributions from Community Facility District | 16,030,000 | 1,400,000 | 1045.00% |
| Contributions | - | 1,000,000 | -100.00% |
| Other | 1,067,530 | 991,515 | 7.67% |
| Total Revenues | \$ 169,591,689 | \$ 132,475,211 | 28.02% |

Revenues by Source - Governmental Funds



Governmental revenues increased by 28% or \$37 million from the prior fiscal year. Tax revenues increased by 5.3% or \$3.4 million in fiscal year 2018-19. Property taxes grew by 4.7%. Based on Sacramento County Assessor Report property assessed valuations increased by 6.4%. Sales Taxes increased by 7.5% due to significant increases that are driven by increases in Building and Construction, Food & Drugs, Fuel & Service Stations, General Consumer Goods, and State & County Pools. Contributions from the Community Facility District (CFD) increased by \$14.6 million. The portion of the CFD contributions were related to developers' reimbursement for infrastructure improvements.

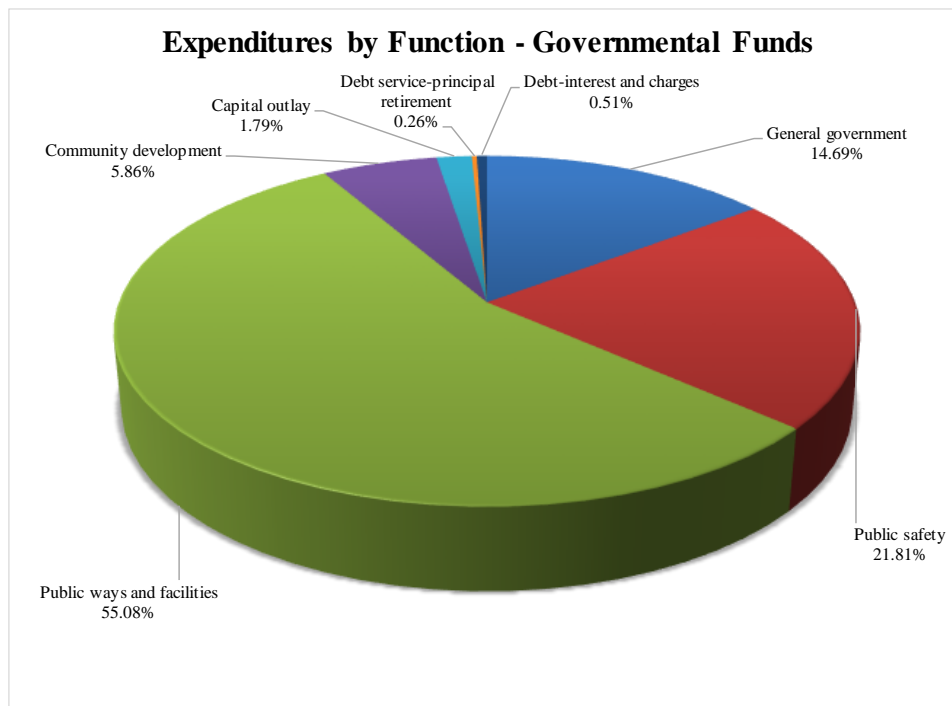
The overall increase in governmental funds in Licenses Fees and Permits category was \$2.8 million or 9.7%. The overall increase in residential permits was about 33%. Intergovernmental revenues increased by 36%. CFD taxes in the amount of \$7.2 million were classified under intergovernmental in fiscal year 2018-19. Additionally, the increase was due to the increased grant funding across various funds. A full year of Senate Bill 1 (SB1) allocations were received in fiscal year 2018-19, in addition to SB1 allocations, the City received SB1 competitive grant funding.

Governmental Funds – Expenditures by Function

The following table presents governmental expenditures by function:

**Expenditures by Function
Governmental Funds
For the Fiscal Years Ended June 30, 2019**

| Expenditures by Function | 2019 | 2018 | % Change |
|-----------------------------------|-----------------------|-----------------------|-----------------|
| General government | \$ 26,866,864 | \$ 26,431,508 | 1.65% |
| Public safety | 39,898,125 | 37,703,232 | 5.82% |
| Public ways and facilities | 100,760,979 | 80,059,131 | 25.86% |
| Community development | 10,718,894 | 9,522,145 | 12.57% |
| Capital outlay | 3,272,922 | 6,752,813 | -51.53% |
| Debt service-principal retirement | 470,000 | 265,000 | 77.36% |
| Debt-interest and charges | 940,136 | 469,879 | 100.08% |
| Total Expenditures | \$ 182,927,920 | \$ 161,203,708 | 13.48% |



General governmental expenditures increased 13.5% or \$22 million, the City's Public Safety expenditures slightly increased 5.8% or \$2.1 million due primarily to increased positions and equipment, while Public Ways and Facilities increased 25.9% or \$20.7 million, mainly because in fiscal year 2018-19 the City had several significant constructions in progress: Community and Aquatic Centers, SEPA Sewer Lift Station and Bradshaw/Sheldon Intersection.

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

GENERAL FUND BUDGETARY TO ACTUAL HIGHLIGHTS

Actual revenues exceeded the final amended budget by \$2.0 million.

- Actual property tax increased over the prior year by \$1.2 million, it surpassed budget projections by \$56 thousand. This is primarily due to the increase in property values in fiscal year 2018-19.
- Sales and Use Tax revenues were \$1.1 million over revenue projections; revenues exceeded the prior year's receipts by \$2 million. The increase reflects year-over-year more than expected increases primarily in State and County pools driven by online sales. Significant increases also occurred in the Business and Industry, Building and Construction, and Fuel & Service Station sectors which contributed to the overall increase.
- Use of money and property exceeded the revenue projection amount by \$984 thousand. The increase in use of money and property was due to the changes in the fair value of investments and are unrealized investment gains.

The actual expenditures were \$5 million below budget expectations. The main components of the difference between final budget and actuals include:

- Law enforcement actuals were \$2.7 million below expectations primarily generated in salary savings and benefits, and professional services. Salary and Benefit savings were realized in the transition between employee terminations and the time needed to recruit and hire new employees. Another reason for actuals

being below the final budget was that an IT Intergraph project was rolled over to fiscal year 2019-20.

- City Manager department actuals were \$1.4 million below budget projections. The Community/Mobility Resilience Plan and Old Town Sheldon Visioning budget were authorized to roll-over into the subsequent fiscal year. The budget had anticipated retaining additional consultant services for the General Plan-Zoning Consistency Project. After completion of the General Plan staff determined that this effort could be completed in-house and that consultant services were no longer required. The budgeted amounts for special projects exceeded the actuals. Several special projects were delayed and are expected to commence in fiscal year 2019-20. In addition, the Assistant City Manager position remained vacant.

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

| | Governmental | | Business-type | | Total | |
|-----------------------------------|-------------------------|-------------------------|----------------------|----------------------|-------------------------|-------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 |
| Land | \$ 201,939,289 | \$ 200,977,744 | \$ 6,704,548 | \$ 6,669,987 | \$ 208,643,837 | \$ 207,647,731 |
| Construction in progress | 143,401,681 | 90,434,740 | 5,960,338 | 4,407,471 | 149,362,019 | 94,842,211 |
| Other capital assets | 244,340 | - | - | - | 244,340 | - |
| Infrastructure | 1,489,340,147 | 1,475,974,378 | 8,095,650 | 6,831,701 | 1,497,435,797 | 1,482,806,079 |
| Land improvements | 892,265 | - | 485,021 | - | 1,377,286 | - |
| Building and improvements | 37,332,233 | 37,332,233 | 11,869,051 | 10,954,575 | 49,201,284 | 48,286,808 |
| Vehicles and equipment | 15,435,317 | 14,816,014 | 25,896,766 | 25,976,852 | 41,332,083 | 40,792,866 |
| Parks and park improvements | 6,230,310 | 6,230,310 | - | - | 6,230,310 | 6,230,310 |
| Other capital assets, depreciable | 109,752 | - | - | - | 109,752 | - |
| Accumulated depreciation | (799,737,110) | (752,920,325) | (16,570,682) | (14,772,938) | (816,307,792) | (767,693,263) |
| Total | \$ 1,095,188,224 | \$ 1,072,845,094 | \$ 42,440,692 | \$ 40,067,648 | \$ 1,137,628,916 | \$ 1,112,912,742 |

The City's investment in capital assets as of June 30, 2019, totaled \$1.14 billion, (net of accumulated depreciation). The investment in capital assets includes land, infrastructure, building and improvements, equipment, parks and park improvements and construction in progress. The increase in the City's investment in capital assets prior to accumulated depreciation for the current year totals \$73 million (\$69 million in Governmental funds) 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 52-54.

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 |
|--------------------------------------|-------------------------|----------------------|--------------------------|---------------------|----------------------|----------------------|------------------------------|
| | 2019 | 2018 | 2019 | 2018 | 2019 | 2018 | |
| Lease revenue bond debt | \$ 22,735,000 | \$ 23,205,000 | \$ 8,915,000 | \$ 9,165,000 | \$ 31,650,000 | \$ 32,370,000 | -2% |
| Total Governmental Activities | \$ 22,735,000 | \$ 23,205,000 | \$ 8,915,000 | \$ 9,165,000 | \$ 31,650,000 | \$ 32,370,000 | -2% |

No new debt was issued in fiscal year 2019. In the prior fiscal year, on April 5, 2018, the Elk Grove Finance Authority issued the Series 2018 Lease Revenue Bonds in the amount of \$18,530,000 to fund the construction of the City's new Animal Shelter and the purchase of surplus land from the Los Rios Community College District. The bonds have interest rates of 3.0% to 5.0% and mature beginning November 1, 2019 through November 1, 2038. The information on the City's long-term debt, including the City's Net Pension Liability can be found in Note 6 to the financial statements on pages 55-58.

Economic Factors and Next Year's Budget

- According to the California Employment Development Department, the City's unemployment rate continues to be extremely low, and as of June 2019 was 3.4%. The City is doing well compared to Sacramento County's unemployment rate at 3.9 % as of June 2019 and the Sacramento Metro Area at 3.7%.
- Sales and Use Tax receipts experienced an increase of 7.5% over the prior fiscal year. The increase was due to significant increases that occurred in the Business and Industry, Building and Construction, and Fuel & Service Station sectors.
- An actuarial report on HRA and Rate Subsidy Plan were completed in November 2019 and the Rate Subsidy Plan is over 100% funded and the HRA Plan is 67% funded. The HRA plan was closed to new employees in 2009.
- The City made an additional payment of just over \$1.9 million to PERS (over and above the required payment) to accelerate funding towards the City's unfunded pension liability. The City had budgeted an accelerated payment but also realized salary and benefit savings during the fiscal year that were redirected as an accelerated payment to the pension liability. This accelerated payment will both reduce the pension liability and also reduce future required unfunded liability payments.

All of these factors were considered in preparing the City's budget for fiscal year 2019-20.

Other Subsequent Events and Economic Factors were:

- After completing the assessment and analysis of the City's existing and future office needs, including spatial needs, staffing levels, departmental adjacencies, and location and functionality of the existing facilities and campuses, it was identified that the City's Police Department needs an additional 8,000 to 12,000 square feet in the near term (0-5 years). The City's decision was to purchase the property located at 9362 Studio Court in September 2019. The Property is nearly 9,000 square feet and has been identified in the Draft Master Plan as a preferred site for the expansion of City facilities and is located directly behind 8400 Laguna Palms Way, which currently houses the City's Police Department and Council Chambers.
- The City contracts with the California Public Employees' Retirement System (CalPERS) to provide retirement benefits to the City employees. Increasing CalPERS costs have been widely reported to be increasing for many local agencies. The City's CalPERS costs are also projected to increase compared to current costs, but the City has actively planned accelerated payments to the unfunded liability which will constrain some of those increasing costs. Since fiscal year 2016 the City periodically makes the accelerated payments to the unfunded liability. The savings from interest costs are likely to be similar to the amount of the accelerated payments overtime and the aggregate of all plans has brought the funding level to around 85%.

- Since both the City in 2012 and State in 2013 implemented Pension Reform, the City has realized an increase in the number of employees enrolled in the less expensive Tier 2 and Tier 3 plans. Similarly, there has been a reduction in employees enrolled in the Tier 1 plans as employees leave employment with the City. The table below demonstrates the changes and the fiscal year 2018-19 employer rate that the City pays for each tier. It is also important to note that PERS is an Alternative Retirement System that replaces Social Security for employees. The PERS employer rate that the City pays is instead of the 6.2% Social Security rate and not in addition to.

| <u>Year</u> | <u>Misc. Tier 1</u> | <u>Misc. Tier 2</u> | <u>Misc. Tier 3</u> | <u>Safety Tier 1</u> | <u>Safety Tier 2</u> | <u>Safety Tier 3</u> | <u>Total</u> |
|---------------------------------|---------------------|---------------------|---------------------|----------------------|----------------------|----------------------|--------------|
| FY 2012 | 153 | 0 | 0 | 134 | 0 | 0 | 287 |
| FY 2013 | 143 | 9 | 3 | 138 | 2 | 2 | 297 |
| FY 2014 | 126 | 14 | 15 | 113 | 8 | 6 | 282 |
| FY 2015 | 110 | 16 | 34 | 107 | 16 | 14 | 297 |
| FY 2016 | 104 | 20 | 49 | 97 | 22 | 21 | 313 |
| FY 2017 | 100 | 22 | 58 | 85 | 21 | 30 | 316 |
| FY 2018 | 98 | 23 | 64 | 81 | 22 | 33 | 321 |
| FY 2019 | 87 | 29 | 95 | 69 | 27 | 43 | 350 |
| Employer Rate FY 2019(*) | 12.212% | 9.409% | 6.842% | 17.556% | 15.677% | 9.141% | |

*Current fiscal year 2019 employer rate adjusted by 3% employer rate paid by the POA and PMA employees per their MOU agreement.

- The Kammerer Road Extension Project is the top infrastructure priority for Elk Grove. 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 (CEQA) which is completed. The National Environmental Policy Act (NEPA) work is scheduled for completion by the end of the 2019 calendar year.
- There is enough funding for a divided two-lane road on Kammerer from Lent Ranch Road to Bruceville Road. Construction from Lent Ranch Road to Big Horn Boulevard is anticipated to begin in the summer of 2020. Construction from Big Horn Boulevard to Bruceville Road is anticipated to begin in the summer of 2021. There is also enough funding to complete the design and acquire the needed right of way for the two-lane extension from Bruceville Road to I-5. This will leave the City with a shovel ready \$42 million project. This will require \$16 million in local funds, and \$26 million in grant funding to complete the two-lane extension to I-5.
- The City and the County of Sacramento (County) entered into a revenue neutrality agreement when the City incorporated to help mitigate the financial impacts on the County regarding property tax revenues. Each year the expense to the City's general fund decreases a minimum of \$800 thousand until fiscal year 2025/26. More information can be found in Note 15 on page 79.
- The five-year forecast projects that the City's economic conditions remain healthy. Ongoing discretionary payments are forecasted to be sent to CalPERS in the amount of \$900 thousand towards City's unfunded liability. In addition, the City is also anticipating to continue the discretionary annual contributions to the Capital Reserve Fund of \$1.2 million. This funding is available to be used as a stream of funds for capital projects.
- The City is projecting over the Five Year Forecast to maintain a Reserve Economic Uncertainty of 25% and 5% balance in the Opportunity Reserve. Fund Balance generation over this combined 30% is expected all years of the forecast. The amount over 30% is deposited in equal shares into the City's Capital Reserve Fund and the Economic Development Fund.

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 government's finances. 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, 2019

| | Primary Government | | |
|--|--------------------|---------------|------------------|
| | Governmental | Business-Type | Total |
| | Activities | Activities | |
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 213,503,580 | \$ 34,586,319 | \$ 248,089,899 |
| Cash and investments with fiscal agent | 13,978,630 | 1,028,329 | 15,006,959 |
| Restricted cash | 21,261 | 575,685 | 596,946 |
| Accounts receivable, net | 1,777,411 | 1,813,126 | 3,590,537 |
| Taxes receivable | 6,252,254 | - | 6,252,254 |
| Interest receivable | 1,620,139 | 37,080 | 1,657,219 |
| Due from other government agencies | 6,816,895 | 2,962,801 | 9,779,696 |
| Long-term loans receivable | 64,265,964 | 7,312 | 64,273,276 |
| Affordable housing subsidies receivable | 2,289,038 | - | 2,289,038 |
| Long-term development fees receivable | 2,922,596 | - | 2,922,596 |
| Internal balances | 1,306,627 | (1,306,627) | - |
| Net OPEB asset | 233,065 | - | 233,065 |
| Capital Assets: | | | |
| Nondepreciable | 345,585,310 | 12,664,886 | 358,250,196 |
| Depreciable, net | 749,602,914 | 29,775,806 | 779,378,720 |
| Total Assets | 1,410,175,684 | 82,144,717 | 1,492,320,401 |
| <u>DEFERRED OUTFLOWS OF RESOURCES</u> | | | |
| Deferred outflows of resources related to pensions | 13,278,752 | - | 13,278,752 |
| Deferred outflows of resources related to OPEB | 15,388 | - | 15,388 |
| Total Deferred Outflows of Resources | 13,294,140 | - | 13,294,140 |
| <u>LIABILITIES</u> | | | |
| Accounts and retention payable | 19,080,154 | 3,404,006 | 22,484,160 |
| Accrued salaries and benefits | 1,088,714 | 26,137 | 1,114,851 |
| Interest payable | 152,964 | - | 152,964 |
| Refundable deposits | 1,419,545 | 83,422 | 1,502,967 |
| Unearned revenue | 6,479,648 | 570,935 | 7,050,583 |
| Long-Term Liabilities: | | | |
| Portion due or payable within one year: | | | |
| Bonds payable | 1,080,000 | 260,000 | 1,340,000 |
| Compensated absences | 452,490 | 5,899 | 458,389 |
| Portion due or payable after one year: | | | |
| Bonds payable | 21,655,000 | 8,655,000 | 30,310,000 |
| Compensated absences | 4,260,952 | 55,542 | 4,316,494 |
| Claims payable | 397,000 | - | 397,000 |
| Net pension liability | 13,990,216 | - | 13,990,216 |
| Net OPEB liability | 1,637,331 | - | 1,637,331 |
| Total Liabilities | 71,694,014 | 13,060,941 | 84,754,955 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Deferred inflows of resources related to pensions | 1,243,727 | - | 1,243,727 |
| Deferred inflows of resources related to OPEB | 186,358 | - | 186,358 |
| Total Deferred Inflows of Resources | 1,430,085 | - | 1,430,085 |
| <u>NET POSITION</u> | | | |
| Net investment in capital assets | 1,076,838,610 | 34,554,021 | 1,111,392,631 |
| Restricted for: | | | |
| Capital projects | 77,968,342 | - | 77,968,342 |
| Operating | - | 1,293,918 | 1,293,918 |
| Affordable housing projects | 150,475,311 | - | 150,475,311 |
| Special revenue projects | 49,529,160 | - | 49,529,160 |
| Unrestricted | (4,465,698) | 33,235,837 | 28,770,139 |
| Total Net Position | \$ 1,350,345,725 | \$ 69,083,776 | \$ 1,419,429,501 |

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

CITY OF ELK GROVE

Statement of Activities
For the Year Ended June 30, 2019

| Functions/Programs | Expenses | Program Revenues | | |
|---------------------------------------|-----------------------|--------------------------------------|------------------------------------|----------------------------------|
| | | Fees, Fines and Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions |
| Primary Government: | | | | |
| General Government | \$ 24,142,627 | \$ 847,681 | \$ 197,710 | \$ - |
| Public Safety | 41,095,844 | 14,800 | 4,823,318 | 332,388 |
| Public Ways and Facilities | 81,387,088 | 26,637,537 | 9,872,125 | 35,662,268 |
| Community Development | 10,325,402 | 5,772,373 | 7,224,517 | 763,276 |
| Debt Service - Interest | 819,458 | - | - | - |
| Total Governmental Activities | 157,770,419 | 33,272,391 | 22,117,670 | 36,757,932 |
| Business-Type Activities: | | | | |
| Solid Waste | 3,170,889 | 3,791,031 | 555,012 | - |
| Transit | 11,037,095 | 1,289,226 | 10,656,258 | - |
| Drainage | 4,574,416 | 5,702,933 | 210,339 | - |
| Total Business-Type Activities | 18,782,400 | 10,783,190 | 11,421,609 | - |
| Total Primary Government | \$ 176,552,819 | \$ 44,055,581 | \$ 33,539,279 | \$ 36,757,932 |

General Revenues:

Taxes:

- Property taxes
- Sales and use tax
- Utility user tax
- Transient occupancy tax
- Property transfer tax
- Franchise tax

Other revenue

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position - Beginning, as restated (Note 17)

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 |
| \$ (23,097,236) | \$ - | \$ (23,097,236) |
| (35,925,338) | - | (35,925,338) |
| (9,215,158) | - | (9,215,158) |
| 3,434,764 | - | 3,434,764 |
| (819,458) | - | (819,458) |
| (65,622,426) | - | (65,622,426) |
| - | 1,175,154 | 1,175,154 |
| - | 908,389 | 908,389 |
| - | 1,338,856 | 1,338,856 |
| - | 3,422,399 | 3,422,399 |
| (65,622,426) | 3,422,399 | (62,200,027) |
| 26,276,570 | 1,532,613 | 27,809,183 |
| 29,355,281 | - | 29,355,281 |
| 5,847,341 | - | 5,847,341 |
| 2,154,659 | - | 2,154,659 |
| 1,145,189 | - | 1,145,189 |
| 2,609,762 | - | 2,609,762 |
| 11,754,931 | 1,233,757 | 12,988,688 |
| 728,196 | (728,196) | - |
| 79,871,929 | 2,038,174 | 81,910,103 |
| 14,249,503 | 5,460,573 | 19,710,076 |
| 1,336,096,222 | 63,623,203 | 1,399,719,425 |
| \$ 1,350,345,725 | \$ 69,083,776 | \$ 1,419,429,501 |

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

CITY OF ELK GROVE

Governmental Funds

Balance Sheet

June 30, 2019

| | General Fund | Affordable Housing Fund | Federal Capital Grants Fund | Roadway Fee Fund |
|---|---------------|----------------------------|--------------------------------|---------------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 33,990,631 | \$ 16,859,801 | \$ - | \$ 32,728,572 |
| Cash and investments with fiscal agent | - | - | - | 1,993,654 |
| Restricted cash and investments | - | - | - | - |
| Accounts receivable, net | 916,709 | - | - | 331,417 |
| Taxes receivable | 6,178,038 | - | - | - |
| Interest receivable, net | 36,933 | 1,273,542 | 2,565 | 37,284 |
| Due from other government agencies | 1,284,571 | - | 4,245,327 | - |
| Due from other funds | 165,029 | - | - | 4,270,007 |
| Advances to other funds | 2,372,795 | - | - | 766,022 |
| Long-term loans receivable | - | 63,711,956 | - | - |
| Affordable housing subsidies receivable | - | 2,289,038 | - | - |
| Long-term development fees receivable | - | 359,668 | - | 2,117,168 |
| Total Assets | \$ 44,944,706 | \$ 84,494,005 | \$ 4,247,892 | \$ 42,244,124 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 1,504,041 | \$ 35,423 | \$ 551,895 | \$ 1,659,883 |
| Accrued salaries and benefits | 971,037 | 2,138 | - | 657 |
| Due to other funds | - | - | 1,238,472 | - |
| Retention payable | 4,033 | - | 50,502 | 70,143 |
| Refundable deposits | - | - | - | - |
| Advances from other funds | - | - | 2,388,589 | - |
| Unearned revenue | - | - | - | 6,376,875 |
| Total Liabilities | 2,479,111 | 37,561 | 4,229,458 | 8,107,558 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | 98,472 | 1,615,337 | 3,759,743 | 2,117,168 |
| <u>FUND BALANCES</u> | | | | |
| Nonspendable | 2,372,795 | - | - | - |
| Restricted | - | 82,841,107 | - | 32,019,398 |
| Committed | 37,444,232 | - | - | - |
| Assigned | 2,359,382 | - | - | - |
| Unassigned | 190,714 | - | (3,741,309) | - |
| Total Fund Balances | 42,367,123 | 82,841,107 | (3,741,309) | 32,019,398 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 44,944,706 | \$ 84,494,005 | \$ 4,247,892 | \$ 42,244,124 |

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

| Mitigation and Fee Fund | Laguna Ridge CFD 2005-1 Fund | Elk Grove Finance Authority Fund | Elk Grove Finance Authority 2018 Debt Service Fund | Total Nonmajor Funds | Total |
|-------------------------|------------------------------|----------------------------------|--|-----------------------|-----------------------|
| \$ 21,326,360 | \$ 3,280,573 | \$ 296,490 | \$ 222,001 | \$ 93,016,638 | \$ 201,721,066 |
| - | 7,559,695 | - | 39,684 | 4,385,597 | 13,978,630 |
| - | - | - | - | 21,261 | 21,261 |
| - | - | 324 | - | 1,958,824 | 3,207,274 |
| - | - | - | - | 74,216 | 6,252,254 |
| 22,814 | 3,213 | - | - | 231,476 | 1,607,827 |
| - | 4,734 | - | - | 1,282,263 | 6,816,895 |
| - | - | - | - | - | 4,435,036 |
| - | - | - | - | 5,000,000 | 8,138,817 |
| - | - | - | - | 554,008 | 64,265,964 |
| - | - | - | - | - | 2,289,038 |
| - | - | - | - | 445,760 | 2,922,596 |
| <u>\$ 21,349,174</u> | <u>\$ 10,848,215</u> | <u>\$ 296,814</u> | <u>\$ 261,685</u> | <u>\$ 106,970,043</u> | <u>\$ 315,656,658</u> |
| \$ 3,550,152 | \$ 2,222,675 | \$ - | \$ - | \$ 8,267,963 | \$ 17,792,032 |
| 1,131 | 381 | - | - | 86,462 | 1,061,806 |
| - | - | - | - | 266,756 | 1,505,228 |
| 18,768 | - | - | - | 650,369 | 793,815 |
| - | - | - | - | 1,419,545 | 1,419,545 |
| 5,000,000 | - | - | - | 2,373,409 | 9,761,998 |
| - | - | - | - | 102,773 | 6,479,648 |
| <u>8,570,051</u> | <u>2,223,056</u> | <u>-</u> | <u>-</u> | <u>13,167,277</u> | <u>38,814,072</u> |
| - | - | - | - | 2,426,192 | 10,016,912 |
| - | - | - | - | - | 2,372,795 |
| 12,779,123 | 8,625,159 | 296,814 | 261,685 | 93,648,565 | 230,471,851 |
| - | - | - | - | - | 37,444,232 |
| - | - | - | - | - | 2,359,382 |
| - | - | - | - | (2,271,991) | (5,822,586) |
| <u>12,779,123</u> | <u>8,625,159</u> | <u>296,814</u> | <u>261,685</u> | <u>91,376,574</u> | <u>266,825,674</u> |
| <u>\$ 21,349,174</u> | <u>\$ 10,848,215</u> | <u>\$ 296,814</u> | <u>\$ 261,685</u> | <u>\$ 106,970,043</u> | <u>\$ 315,656,658</u> |

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, 2019

| | | |
|--|----|---------------|
| Fund Balance - total governmental funds | \$ | 266,825,674 |
| 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. | | 1,095,188,224 |
| Certain other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds. | | 8,547,706 |
| Long term net OPEB asset is not a current financial resource and therefore not reported in the governmental funds. | | 233,065 |
| Interest on long-term debt is recognized as it accrues, regardless of when it is due in the government-wide statements. | | (152,964) |
| 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: | | 10,804,945 |
| 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 | | 13,278,752 |
| Deferred inflows of resources related to pensions | | (1,243,727) |
| Deferred outflows of resources related to OPEB | | 15,388 |
| Deferred inflows of resources related to OPEB | | (186,358) |
| Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds. | | |
| Bonds payable | | (22,735,000) |
| Net pension liability | | (13,990,216) |
| Net OPEB liability | | (1,637,331) |
| Compensated absences (excluding amount recorded in the internal service funds) | | (4,602,433) |
| Net Position of governmental activities | \$ | 1,350,345,725 |

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, 2019

| | General Fund | Affordable Housing Fund | Federal Capital Grants Fund | Roadway Fee Fund |
|--|----------------------|----------------------------|--------------------------------|----------------------|
| <u>REVENUES</u> | | | | |
| Taxes | \$ 67,388,802 | \$ - | \$ - | \$ - |
| Licenses, fees and permits | 550,773 | 4,061,294 | - | 8,919,834 |
| Intergovernmental | 197,710 | - | 3,738,425 | 3,422,919 |
| Fines and forfeitures | 245,488 | - | - | - |
| Charges for services | 102,414 | - | - | - |
| Use of money and property | 1,262,839 | 891,580 | 22,213 | 1,686,323 |
| Contribution from Community Facility District | - | - | - | - |
| Other revenue | 1,067,530 | - | - | - |
| Total Revenues | <u>70,815,556</u> | <u>4,952,874</u> | <u>3,760,638</u> | <u>14,029,076</u> |
| <u>EXPENDITURES</u> | | | | |
| Current: | | | | |
| General government | 26,866,864 | - | - | - |
| Public safety | 38,784,191 | - | - | - |
| Public ways and facilities | - | - | 3,986,937 | 11,322,552 |
| Community development | 1,367,237 | 115,306 | - | - |
| Capital outlay | 3,272,922 | - | - | - |
| Debt service: | | | | |
| Tax administration | - | - | - | - |
| Principal | - | - | - | - |
| Interest | - | - | - | - |
| Total Expenditures | <u>70,291,214</u> | <u>115,306</u> | <u>3,986,937</u> | <u>11,322,552</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>524,342</u> | <u>4,837,568</u> | <u>(226,299)</u> | <u>2,706,524</u> |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | |
| Transfers in | 6,517,838 | - | 300,000 | 60,814 |
| Transfers out | (2,052,107) | (69,732) | (144,136) | (1,139,135) |
| Total Other Financing Sources (Uses) | <u>4,465,731</u> | <u>(69,732)</u> | <u>155,864</u> | <u>(1,078,321)</u> |
| Net Change in Fund Balances | 4,990,073 | 4,767,836 | (70,435) | 1,628,203 |
| Fund Balances, Beginning, as Restated | <u>37,377,050</u> | <u>78,073,271</u> | <u>(3,670,874)</u> | <u>30,391,195</u> |
| Fund Balances, Ending | <u>\$ 42,367,123</u> | <u>\$ 82,841,107</u> | <u>\$ (3,741,309)</u> | <u>\$ 32,019,398</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, 2019

| | Mitigation and Fee Fund | Laguna Ridge CFD 2005-1 Fund | Elk Grove Finance Authority Fund | Elk Grove Finance Authority 2018 Debt Service Fund | Total NonMajor Funds | Total Governmental Funds |
|--|----------------------------|------------------------------------|---|--|-------------------------|--------------------------------|
| <u>REVENUES</u> | | | | | | |
| Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 67,388,802 |
| Licenses, fees and permits | 2,857,835 | - | - | - | 16,040,652 | 32,430,388 |
| Intergovernmental | - | 1,936,458 | - | - | 31,901,221 | 41,196,733 |
| Fines and forfeitures | - | - | - | - | - | 245,488 |
| Charges for services | - | - | - | - | 1,934,058 | 2,036,472 |
| Use of money and property | 1,110,379 | 169,643 | 13,270 | 34,796 | 4,005,233 | 9,196,276 |
| Contribution from Community Facility District | - | 16,030,000 | - | - | - | 16,030,000 |
| Other revenue | - | - | - | - | - | 1,067,530 |
| Total Revenues | 3,968,214 | 18,136,101 | 13,270 | 34,796 | 53,881,164 | 169,591,689 |
| <u>EXPENDITURES</u> | | | | | | |
| Current: | | | | | | |
| General government | - | - | - | - | - | 26,866,864 |
| Public safety | - | - | - | - | 1,113,934 | 39,898,125 |
| Public ways and facilities | 17,239,349 | 28,637,680 | - | - | 39,574,461 | 100,760,979 |
| Community development | - | - | - | - | 9,236,351 | 10,718,894 |
| Capital outlay | - | - | - | - | - | 3,272,922 |
| Debt service: | | | | | | |
| Tax administration | - | - | 638 | 2,774 | 57,303 | 60,715 |
| Principal | - | - | 470,000 | - | - | 470,000 |
| Interest | - | - | 112,668 | 766,753 | - | 879,421 |
| Total Expenditures | 17,239,349 | 28,637,680 | 583,306 | 769,527 | 49,982,049 | 182,927,920 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (13,271,135) | (10,501,579) | (570,036) | (734,731) | 3,899,115 | (13,336,231) |
| <u>OTHER FINANCING SOURCES (USES)</u> | | | | | | |
| Transfers in | - | - | 600,000 | 790,000 | 4,122,989 | 12,391,641 |
| Transfers out | (305,515) | (847,651) | - | - | (6,528,674) | (11,086,950) |
| Total Other Financing Sources (Uses) | (305,515) | (847,651) | 600,000 | 790,000 | (2,405,685) | 1,304,691 |
| Net Change in Fund Balances | (13,576,650) | (11,349,230) | 29,964 | 55,269 | 1,493,430 | (12,031,540) |
| Fund Balances, Beginning , as restated | 26,355,773 | 19,974,389 | 266,850 | 206,416 | 89,883,144 | 278,857,214 |
| Fund Balances, Ending | \$ 12,779,123 | \$ 8,625,159 | \$ 296,814 | \$ 261,685 | \$ 91,376,574 | \$ 266,825,674 |

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, 2019

| | | |
|--|---------------------|--------------------------|
| Net change to fund balances - total governmental funds | \$ | (12,031,540) |
| <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 | \$ 69,599,454 | |
| Retirement of capital assets | (27,717) | |
| Nonreciprocal transfers of capital assets from Internal Service Funds | 10,040 | |
| Less: current year depreciation | <u>(47,238,647)</u> | 22,343,130 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | | 1,294,681 |
| <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> | | |
| Principal payments on debt | | 470,000 |
| <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 | 59,963 | |
| Change in compensated absences (excluding amount reported in the internal service funds) | <u>(367,862)</u> | (307,899) |
| Long term net OPEB asset (liability) change not paid out of current period resources | | 240,833 |
| <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> | | |
| | | (484,961) |
| <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>2,725,259</u> |
| Change in net position of governmental activities | \$ | <u><u>14,249,503</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, 2019

| | Business-Type Activities | | | | Governmental |
|---|-------------------------------|----------------------|----------------------|----------------------|----------------------|
| | | | | Enterprise | Internal |
| | Recycling & Waste Funds | Transit Funds | Drainage Funds | Funds | Service Funds |
| <u>ASSETS</u> | | | | | |
| Current Assets: | | | | | |
| Cash and investments | \$ 13,772,774 | \$ - | \$ 20,813,545 | \$ 34,586,319 | \$ 11,782,514 |
| Cash and investments with fiscal agents | 1,028,329 | - | - | 1,028,329 | - |
| Restricted cash and investments - capital | - | 575,685 | - | 575,685 | - |
| Accounts receivable, net | 591,166 | 24,281 | 1,197,679 | 1,813,126 | 39,343 |
| Interest receivable | 14,552 | 297 | 22,231 | 37,080 | 12,312 |
| Loans receivable | - | - | 7,312 | 7,312 | - |
| Due from other government agencies | 12,101 | 2,905,230 | 45,470 | 2,962,801 | - |
| Total Current Assets | <u>15,418,922</u> | <u>3,505,493</u> | <u>22,086,237</u> | <u>41,010,652</u> | <u>11,834,169</u> |
| Noncurrent Assets: | | | | | |
| Capital assets, nondepreciable | 4,059,299 | - | 8,605,587 | 12,664,886 | - |
| Capital assets, depreciable, net | 8,831,130 | 13,686,028 | 7,258,648 | 29,775,806 | - |
| Advance to other funds | - | - | 2,312,000 | 2,312,000 | - |
| Total Noncurrent Assets | <u>12,890,429</u> | <u>13,686,028</u> | <u>18,176,235</u> | <u>44,752,692</u> | <u>-</u> |
| Total Assets | <u>28,309,351</u> | <u>17,191,521</u> | <u>40,262,472</u> | <u>85,763,344</u> | <u>11,834,169</u> |
| <u>LIABILITIES</u> | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | 144,203 | 1,861,676 | 1,398,127 | 3,404,006 | 494,307 |
| Accrued salaries and benefits | 13,310 | 7,696 | 5,131 | 26,137 | 26,908 |
| Recovery zone bonds payable | 260,000 | - | - | 260,000 | - |
| Due to other funds | - | 2,929,808 | - | 2,929,808 | - |
| Customer deposits | 83,422 | - | - | 83,422 | - |
| Unearned revenue | - | 570,935 | - | 570,935 | - |
| Compensated absences | 2,858 | 2,439 | 602 | 5,899 | 10,657 |
| Total Current Liabilities | <u>503,793</u> | <u>5,372,554</u> | <u>1,403,860</u> | <u>7,280,207</u> | <u>531,872</u> |
| Noncurrent Liabilities: | | | | | |
| Advances from other funds | - | 688,819 | - | 688,819 | - |
| Recovery zone bonds payable | 8,655,000 | - | - | 8,655,000 | - |
| Compensated absences | 26,911 | 22,965 | 5,666 | 55,542 | 100,352 |
| Claims payable | - | - | - | - | 397,000 |
| Total Noncurrent Liabilities | <u>8,681,911</u> | <u>711,784</u> | <u>5,666</u> | <u>9,399,361</u> | <u>497,352</u> |
| Total Liabilities | <u>9,185,704</u> | <u>6,084,338</u> | <u>1,409,526</u> | <u>16,679,568</u> | <u>1,029,224</u> |
| <u>NET POSITION</u> | | | | | |
| Net investment in capital assets | 5,003,758 | 13,686,028 | 15,864,235 | 34,554,021 | - |
| Restricted for operating | - | 1,293,918 | - | 1,293,918 | - |
| Unrestricted | 14,119,889 | (3,872,763) | 22,988,711 | 33,235,837 | 10,804,945 |
| Total Net Position | <u>19,123,647</u> | <u>11,107,183</u> | <u>38,852,946</u> | <u>69,083,776</u> | <u>10,804,945</u> |
| Total Liabilities and Net Position | <u>\$ 28,309,351</u> | <u>\$ 17,191,521</u> | <u>\$ 40,262,472</u> | <u>\$ 85,763,344</u> | <u>\$ 11,834,169</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, 2019

| | Business-Type Activities | | | | Governmental |
|---|-------------------------------|------------------|-------------------|---------------|------------------------------|
| | Recycling & Waste Funds | Transit Funds | Drainage Funds | Total | Activities |
| | | | | | Internal Service Funds |
| <u>OPERATING REVENUES</u> | | | | | |
| Charges for services | \$ 3,791,031 | \$ 1,289,226 | \$ 5,702,933 | \$ 10,783,190 | \$ 11,723,694 |
| Total Operating Revenues | 3,791,031 | 1,289,226 | 5,702,933 | 10,783,190 | 11,723,694 |
| <u>OPERATING EXPENSES</u> | | | | | |
| Salaries and benefits | 589,133 | 519,157 | 246,078 | 1,354,368 | 1,747,475 |
| Services and supplies | 1,562,194 | 8,467,636 | 4,158,992 | 14,188,822 | 6,550,070 |
| Claims expense | - | - | - | - | 555,947 |
| Depreciation | 242,103 | 2,050,302 | 169,346 | 2,461,751 | - |
| Total Operating Expenses | 2,393,430 | 11,037,095 | 4,574,416 | 18,004,941 | 8,853,492 |
| Operating Income (Loss) | 1,397,601 | (9,747,869) | 1,128,517 | (7,221,751) | 2,870,202 |
| <u>NON-OPERATING REVENUES (EXPENSES)</u> | | | | | |
| Taxes | - | - | 1,532,613 | 1,532,613 | - |
| Intergovernmental | 555,012 | 10,656,258 | 210,339 | 11,421,609 | - |
| Investment income | 593,504 | 5,004 | 896,509 | 1,495,017 | 431,552 |
| Gain/(loss) on disposal of capital assets | - | (261,260) | - | (261,260) | - |
| Interest expense | (777,459) | - | - | (777,459) | - |
| Total Non-Operating Revenues (Expenses) | 371,057 | 10,400,002 | 2,639,461 | 13,410,520 | 431,552 |
| Income Before Contributions and Transfers | 1,768,658 | 652,133 | 3,767,978 | 6,188,769 | 3,301,754 |
| Transfers in | 115,795 | 835,304 | - | 951,099 | - |
| Transfers out | (676,782) | (376,183) | (626,330) | (1,679,295) | (576,495) |
| Net Contributions and Transfers | (560,987) | 459,121 | (626,330) | (728,196) | (576,495) |
| Change in Net Position | 1,207,671 | 1,111,254 | 3,141,648 | 5,460,573 | 2,725,259 |
| Net Position - Beginning | 17,915,976 | 9,995,929 | 35,711,298 | 63,623,203 | 8,079,686 |
| Net Position, Ending | \$ 19,123,647 | \$ 11,107,183 | \$ 38,852,946 | \$ 69,083,776 | \$ 10,804,945 |

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, 2019

| | Business-Type Activities | | | | Governmental |
|---|-------------------------------|------------------|-------------------|----------------|------------------------------|
| | Recycling & Waste Funds | Transit Funds | Drainage Funds | Total | Internal Service Funds |
| | | | | | |
| <u>CASH FLOWS FROM OPERATING ACTIVITIES</u> | | | | | |
| Cash receipts from customers/other funds | \$ 3,697,215 | \$ 1,287,332 | \$ 5,672,330 | \$ 10,656,877 | \$ 11,761,760 |
| Cash paid to suppliers for good and services | (1,628,011) | (7,354,371) | (4,493,925) | (13,476,307) | (7,107,873) |
| Cash paid to employees for services | (586,132) | (524,924) | (246,531) | (1,357,587) | (1,736,120) |
| Net Cash Provided (Used) by Operating Activities | 1,483,072 | (6,591,963) | 931,874 | (4,177,017) | 2,917,767 |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | | | | | |
| Taxes | - | - | 1,532,613 | 1,532,613 | - |
| Intergovernmental revenue received | 548,993 | 8,195,690 | 199,330 | 8,944,013 | - |
| Transfers in | 115,795 | 835,304 | - | 951,099 | - |
| Transfers out | (676,782) | (376,183) | (626,330) | (1,679,295) | (576,495) |
| Interfund loans - payments | - | (895,393) | (2,312,000) | (3,207,393) | - |
| Net Cash Provided (Used) by Noncapital Financing Activities | (11,994) | 7,759,418 | (1,206,387) | 6,541,037 | (576,495) |
| <u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u> | | | | | |
| Interest paid on Capital debt | (777,459) | - | - | (777,459) | - |
| Repayment of recovery zone bonds | (250,000) | - | - | (250,000) | - |
| Proceeds from grants | - | 468,786 | - | 468,786 | - |
| Impact fees collected | - | - | 52,897 | 52,897 | - |
| Proceeds from sale of capital assets | - | 588 | - | 588 | - |
| Acquisition of capital assets | (773,377) | (901,848) | (1,131,805) | (2,807,030) | - |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (1,800,836) | (432,474) | (1,078,908) | (3,312,218) | - |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | | | |
| Investment income (loss) | 587,068 | 4,532 | 888,072 | 1,479,672 | 424,941 |
| Increase in restricted cash and investments - capital | - | (453,720) | - | (453,720) | - |
| Net Cash Provided by Investing Activities | 587,068 | (449,188) | 888,072 | 1,025,952 | 424,941 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 257,310 | 285,793 | (465,349) | 77,754 | 2,766,213 |
| Cash and Cash Equivalents, Beginning of Year | 14,543,793 | 289,892 | 21,278,894 | 36,112,579 | 9,016,301 |
| Cash and Cash Equivalents, End of Year | \$ 14,801,103 | \$ 575,685 | \$ 20,813,545 | \$ 36,190,333 | \$ 11,782,514 |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u> | | | | | |
| Operating income (loss) | \$ 1,397,601 | \$ (9,747,869) | \$ 1,128,517 | \$ (7,221,751) | \$ 2,870,202 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities | | | | | |
| Depreciation | 242,103 | 2,050,302 | 169,346 | 2,461,751 | - |
| Changes in assets and liabilities (Increase) decrease in: | | | | | |
| (Increase) decrease in: | | | | | |
| Accounts receivable | (92,867) | (1,894) | (30,603) | (125,364) | 38,066 |
| Increase (decrease) in: | | | | | |
| Accounts payable | (65,817) | 1,113,265 | (334,933) | 712,515 | 215,699 |
| Accrued salaries and benefits | 1,114 | (1,800) | (438) | (1,124) | (718) |
| Deposits | (949) | - | - | (949) | - |
| Compensated absences | 1,887 | (3,967) | (15) | (2,095) | 12,073 |
| Claims payable | - | - | - | - | (217,555) |
| Net Cash Provided (Used) by Operating Activities | \$ 1,483,072 | \$ (6,591,963) | \$ 931,874 | \$ (4,177,017) | \$ 2,917,767 |
| <u>SUPPLEMENTAL DISCLOSURE OF Cash and Cash Equivalents</u> | | | | | |
| Cash and investments | \$ 13,772,774 | \$ - | \$ 20,813,545 | \$ 34,586,319 | \$ 11,782,514 |
| Cash and investments with fiscal agents | 1,028,329 | - | - | 1,028,329 | - |
| Restricted cash and investments - capital | - | 575,685 | - | 575,685 | - |
| Cash and Cash Equivalents, End of Year | \$ 14,801,103 | \$ 575,685 | \$ 20,813,545 | \$ 36,190,333 | \$ 11,782,514 |
| <u>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</u> | | | | | |
| Retirement of Capital Assets | - | \$ (284,235) | - | - | - |
| Nonreciprocal transfer of capital assets to governmental activities | | | | | \$ (10,040) |

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

CITY OF ELK GROVE

Fiduciary Funds
Statement of Fiduciary Net Position
June 30, 2019

| | Retirement | |
|--|----------------------|-----------------|
| | Health Trust Fund | Agency Funds |
| <u>ASSETS</u> | | |
| Cash and Cash equivalents | \$ 189,148 | \$ 11,906,019 |
| Investments | - | 12,578,182 |
| Mutual Funds - Equity | 5,117,696 | - |
| Mutual Funds - Fixed Income | 1,585,212 | - |
| Accounts receivable | - | 816,315 |
| Interest receivable | - | 6,207 |
| | | |
| Total Assets | \$ 6,892,056 | \$ 25,306,723 |
| <u>LIABILITIES</u> | | |
| Accounts payable | \$ 83,487 | \$ 2,580,438 |
| Interest payable | 576 | 56,262 |
| Due to other member agencies | - | 210,459 |
| Due to bondholders and others | - | 21,813,728 |
| Deposits | - | 645,836 |
| | | |
| Total Liabilities | 84,063 | \$ 25,306,723 |
| <u>NET POSITION RESTRICTED FOR OPEB</u> | | |
| Held in Trust for Retiree Health Benefits: | \$ 6,807,993 | |

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

CITY OF ELK GROVE

Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2019

| | <u>Retirement Health Trust Fund</u> |
|--|---|
| <u>ADDITIONS</u> | |
| Net investment income: | |
| Interest income and net increase (decrease) in the fair value of investments | \$ 445,019 |
| Investment management fees | (32,826) |
| Employer contributions | <u>710,358</u> |
| Total additions | <u>1,122,551</u> |
| <u>DEDUCTIONS</u> | |
| Benefits | <u>406,278</u> |
| Total deductions | <u>406,278</u> |
| Change in plan net position | 716,273 |
| <u>NET POSITION</u> | |
| Held in Trust for Retiree Health Benefits: | |
| Beginning of year | <u>6,091,720</u> |
| End of year | <u>\$ 6,807,993</u> |

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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, 2019

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 unit:

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.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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. EGTMD will have a five (5) year life, beginning April 1, 2015, through March 31, 2020. 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.

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.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

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 *Federal Capital Grant Funds* were established to account for grants received from the federal government 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 2005-1 Capital Project Fund* was established to account for operations and maintenance and special taxes to fund the cost of infrastructure and a

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

portion of police protection operational costs within the boundaries of this finance district.

- The *Elk Grove Finance Authority 2017 Debt Service Fund* was 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.
- 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 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:

- *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 Agency 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 Trust and Agency Funds consist of:
 - The *Retirement Health Trust Fund* accounts postemployment benefits (OPEB) trust funds used for funding of health insurance for retirees.

CITY OF ELK GROVE

Notes to Financial Statements
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- The *Agency Funds* account for assets held by the City as an agent for various local governments and other entities. The Trust and Agency Funds consist of:
 - **Performance Bonds Fund** – Established to account for surety or cash bonds from contractors, developers, residents or any outside party prior to work being performed for various types of activities. These bonds are to help protect the public and the City from damages.
 - **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.
 - **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 Springs Open Space Preserve** – Established to maintain wetlands.
 - **Laguna Ridge/Poppy Ridge Reclaimed Water Fund** – Established to account for the collection of fees for reclaimed water.
 - **East Elk Grove Specific Plan Fund** – Established to account for developer impact fees which are collected for projects in the East Elk Grove Specific Plan.
 - **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.
 - **Donation Community Programs** – Established to account for the donations by citizens for various City programs.
 - **Unclaimed Payments Fund** – Established to account for the Utility bill refund checks which have remained unclaimed by the property owner and have become stale dated. The City publishes an itemized listing of these funds on the website.
 - **EGPD Property & Evidence Fund** – Established to account for the collection for confiscated funds which may become evidence or asset seizures.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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 OPEB benefit trust funds. The agency fund financial statements have no measurement focus and use the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. 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, as well as expenditures related to claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

D. Current Year GASB Implementation

The GASB approved Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. This statement clarifies which liabilities governments should include in their note disclosures related to debt. GASB is requiring direct borrowings and direct placements to be presented separately because they may expose a government to risks that are different from, or additional to, risks related to other types of debt. The new standard also requires the disclosure of additional essential debt-related information for all types of debt, including amounts of unused lines of credit and assets pledged as collateral for debt. Also required to be disclosed are terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences and significant subjective acceleration clauses. The requirements take effect for reporting periods beginning after June 15, 2018.

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.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

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 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 \$19,847,880 is offset by an allowance for potential forgiveness of \$18,631,882. 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 \$1,469,206 at June 30, 2019.

H. Unearned Revenue

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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.

J. Capital Assets

Capital assets (including infrastructure) are recorded at historical or estimated cost. 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 |
| Land improvements | 20 to 40 years |
| 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 resources 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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

represent an acquisition of resources that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

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 11 and 12 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 non-exchange transactions that will not be collected within the City’s period of availability.

L. 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 14 | 216 hours | 432 hours |
| 15 or more | 256 hours | 512 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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

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.

M. 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. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

N. 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.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

O. 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, 2019, consist of the following:

| | Cash and Investments | Restricted and Held with Third Parties | Total Cash and Investments |
|----------------------------|-------------------------|--|-------------------------------|
| Cash and deposits | \$ 14,336,397 | \$ 2,569,339 | \$ 16,905,736 |
| Investments | 245,743,583 | 32,420,742 | \$ 278,164,325 |
| Total Cash and Investments | \$ 260,079,980 | \$ 34,990,081 | \$ 295,070,061 |

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

| | Cash and Investments | Restricted and Held with Third Parties | Total Cash and Investments |
|----------------------------|-------------------------|--|-------------------------------|
| Governmental activities | \$ 213,503,580 | \$ 13,999,891 | \$ 227,503,471 |
| Business-type activities | 34,586,319 | 1,604,014 | 36,190,333 |
| Fiduciary funds | 11,990,081 | 19,386,176 | 31,376,257 |
| Total Cash and Investments | \$ 260,079,980 | \$ 34,990,081 | \$ 295,070,061 |

Fair Value Measurements

The Pool 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.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

The Pool has the following recurring fair value measurements as of June 30, 2019:

| | 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 (Non-Negotiable Time Deposits) | \$ 1,516,926 | \$ - | \$ 1,516,926 | \$ - |
| Certificates of Deposit (Negotiable Time Deposits) | 19,251,470 | - | 19,251,470 | - |
| Federal Farm Credit Bank | 4,229,710 | - | 4,229,710 | - |
| Federal Home Loan Bank | 11,079,489 | - | 11,079,489 | - |
| Federal Home Loan Mortgage Corporation | 6,581,851 | - | 6,581,851 | - |
| Federal Agriculture Mortgage Corporation | 5,528,941 | - | 5,528,941 | - |
| Federal National Mortgage Association | 15,362,706 | - | 15,362,706 | - |
| Supranational Securities | 8,774,764 | - | 8,774,764 | - |
| US Treasury Notes | 38,756,274 | 38,756,274 | - | - |
| Municipal Securities (CA State and local agencies) | 25,193,358 | - | 25,193,358 | - |
| Medium Term Corporate Notes | 42,596,844 | - | 42,596,844 | - |
| Total investments measured at fair value | \$ 178,872,333 | \$ 38,756,274 | \$ 140,116,059 | \$ - |

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.

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.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

| Authorized Investment Type | Maximum Maturity | Maximum Percentage of Portfolio | Maximum Investment in One Issuer |
|---|------------------|---------------------------------|----------------------------------|
| U.S. Treasury Obligations | 5 years | None | None |
| U.S. Agency or U.S. Government Sponsored Enterprise Obligations | 5 years | None | None |
| Banker's Acceptances | 180 days | 40% | 30% |
| Commercial Paper | 270 days | 25% | 10% |
| Negotiable Certificates of Deposit | 5 years | 30% | 5% |
| Repurchase Agreements | 90 days | 20% | 15% |
| Reverse Repurchase Agreements | 5 years | 20% of base value | 15% |
| Medium Term Corporate Notes | 5 years | 15%* | 15% |
| Supranational Securities | 5 years | 10% | None |
| Mutual Funds/Money Market Mutual Funds | N/A | 20% | 10% |
| Time Deposits | 5 years | 25% | 5% |
| Local Agency Investment Fund (LAIF) | N/A | None | \$65m per account |
| Investment Trust of California (CalTRUST) | N/A | 30% | 15% |
| Municipal Securities - California Local Agencies | 5 years | 20% | 5% |
| State Municipal Securities (CA and Others) | 5 years | None | None |

*Limitation includes both commercial paper and medium term corporate note types in the calculation

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.

| 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 Association | 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 Corporate Notes | 5 years | None | 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 |

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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.

| <u>Investment Type</u> | <u>Amount</u> | <u>Weighted Average Maturity (in years)</u> |
|---|-----------------------|---|
| Investments in Investment Pool: | | |
| Federal National Mortgage Association | \$ 15,362,706 | 1.66 |
| Federal Agriculture Mortgage Corporation | 5,528,941 | 2.43 |
| Federal Farm Credit Bank | 4,229,710 | 2.52 |
| Federal Home Loan Bank | 11,079,489 | 3.25 |
| Federal Home Loan Mortgage Corporation | 6,581,851 | 1.95 |
| Supranational Securities | 8,774,764 | 4.11 |
| US Treasury Notes | 38,756,274 | 2.44 |
| Municipal Securities(CA Local Agencies & State of CA) | 25,193,358 | 1.98 |
| Certificates of Deposit (Non-NegotiableTime Deposits) | 1,516,926 | 0.43 |
| Certificates of Deposit (NegotiableTime Deposits) | 19,251,470 | 2.42 |
| Medium Term Corporate Notes | 42,596,844 | 2.60 |
| CalTRUST | 20,521,283 | 2.01 |
| LAIF | 46,371,636 | 0.48 |
| Total Investments in Investment Pool | <u>245,765,252</u> | 2.04 |
| Investments outside Investment Pool: | | |
| Money Market Mutual Funds | 25,696,165 | |
| Mutual Funds | 6,702,908 | |
| Total Investments | <u>\$ 278,164,325</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.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

| Investment Type | Amount | Minimum Legal Rating | Ratings as of Year End (Standard and Poors) | | | | |
|--|-----------------------|----------------------------|---|----------------------|----------------------|-------------------|-----------------------|
| | | | AAA/AAAm | AA+/AA/AA- | A+/A | BBB+ | Not Rated |
| Investments in Investment Pool: | | | | | | | |
| Certificates of Deposit (Non-Negotiable Time Deposits) | \$ 1,516,926 | N/A | \$ - | \$ - | \$ - | \$ - | \$ 1,516,926 |
| Certificates of Deposit (Negotiable Time Deposits) | 19,251,470 | N/A | - | - | - | - | 19,251,470 |
| Federal Farm Credit Banks | 4,229,710 | N/A | - | 4,229,710 | - | - | - |
| Federal Home Loan Banks | 11,079,489 | N/A | - | 11,079,489 | - | - | - |
| Federal Home Loan Mortgage Corporation | | | | | | | |
| Medium Term Notes | 6,581,851 | N/A | - | 6,581,851 | - | - | - |
| Federal Agriculture Mortgage Corporation | 5,528,941 | N/A | - | - | - | - | 5,528,941 |
| Federal National Mortgage Association | 15,362,706 | N/A | - | 15,362,706 | - | - | - |
| Supranational Securities | 8,774,764 | AA | 7,030,789 | - | - | - | 1,743,975 |
| US Treasury Notes | 38,756,274 | N/A | - | - | - | - | 38,756,274 |
| Municipal Securities (CA State and local agencies) | 25,193,358 | A | - | 25,151,838 | - | - | 41,520 |
| Medium Term Corporate Notes | 42,596,844 | A | 7,916,381 | 24,011,103 | 9,733,738 | 935,622 | - |
| CalTRUST | 20,521,283 | N/A | - | - | 20,521,283 | - | - |
| LAIF | 46,371,636 | N/A | - | - | - | - | 46,371,636 |
| Investments outside Investment Pool: | | | | | | | |
| Mutual Funds | 6,702,908 | | - | - | - | - | 6,702,908 |
| Money Market Funds | 25,696,165 | | - | - | - | - | 25,696,165 |
| Total Investments | <u>\$ 278,164,325</u> | | <u>\$ 14,947,170</u> | <u>\$ 86,416,697</u> | <u>\$ 30,255,021</u> | <u>\$ 935,622</u> | <u>\$ 145,609,815</u> |

Concentrations of Credit Risk

The California Government Code and the investment policy of the City contain limitations on the amount that can be invested in any one issuer. Investments in any one issuer (other than investments issued by or explicitly guaranteed by the US Government and investments in mutual funds, external investment pools, and other pooled investments) that represent 5% or more of total City investments are required to be disclosed. As of June 30, 2019, the City had investments in the Federal National Mortgage Association totaling \$15,362,706.

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

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, 2019, the recorded amount of the City's petty cash and demand deposits was \$7,700 and \$16,597,567, respectively, and the recorded amount of mutual funds classified as cash and deposits was \$300,469. Out of the \$16,597,567 that was deposited in financial institutions \$750,000 was insured by the Federal Depository Insurance Corporation (FDIC) and the bank balance at June 30, 2019 was \$15,190,393 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 and CalTRUST.

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 \$65 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, 2019, the City's investment position in LAIF was \$46,371,636.

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. As of June 30, 2019, the City's investment in CalTRUST is \$20,521,283; all of which is invested in the medium term fund.

CalTRUST does not have limits on transactions per month or dollar amount of transactions.

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

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 \$60,904,956 at June 30, 2019. 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.

The City is a participant in the State of California's Department of Housing and Community Development's Home Investment Partnerships Program (HOME) program. Through this program, the City was awarded \$700,000 to assist new home buyers in the purchase of

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

affordable housing. 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, 2019, 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 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, 2019, the total outstanding principal for the down payment assistance program loans is \$333,788.

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 \$747,350 at June 30, 2019. The City also funded the Homebuyers Assistance Program using Affordable Housing funds in Fiscal year 2018-19 under the same conditions. The Affordable Housing loans totaled \$59,650 at June 30, 2019.

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 \$107,605 at June 30, 2019 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 \$72,615 at June 30, 2019, are interest free and may be forgiven if the borrower continuously resides in the subject property for ten years.

In December of 2012, the City purchased property using drainage funds for the purposes of alleviating potential flooding and water quality issues on existing, deficient drainage systems within the City. Subsequently, the City split the parcel into two pieces as only part of the parcel was needed for storm drainage. In October of 2015 the City sold the unused parcel for commercial purposes while retaining the loan. The loan amount of \$200,000 earns interest at 5.5%, with the outstanding principal being amortized over 45 months. At June 30, 2019, the principal amount outstanding was \$7,312.

In August 2017, the City approved 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 fiscal year 2019. The loan bears simple interest of 4% on the

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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.

Activity in loans receivable for the year ended June 30, 2019, was as follows:

| | Balance at July 1, 2018 | Additions | Repayments | Adjustments | Balance at June 30, 2019 |
|------------------------------------|------------------------------------|---------------------|---------------------|--------------------|-------------------------------------|
| Major Governmental Funds | | | | | |
| Affordable Housing Special Revenue | \$ 61,759,956 | \$ 2,000,000 | \$ (48,000) | \$ - | \$ 63,711,956 |
| Other Governmental Funds | | | | | |
| HUD Home Grant | 40,000 | - | - | - | 40,000 |
| Neighborhood Stabilization | 333,788 | - | - | - | 333,788 |
| Community Development Block Grant | 214,945 | - | (34,725) | - | 180,220 |
| Major Enterprise Funds | | | | | |
| Drainage | 60,209 | - | (52,897) | - | 7,312 |
| Totals | \$ 62,408,898 | \$ 2,000,000 | \$ (135,622) | \$ - | \$ 64,273,276 |

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, 2019, the City had subsidies valued at \$2,289,038.

Note 4: **Capital Assets**

Capital asset activity for the year ended June 30, 2019, was as follows:

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

| | Balance 7/1/2018 | Additions | Deletions | Transfers/ Adjustments | Balance 6/30/2019 |
|---|-----------------------------|----------------------|---------------------|-----------------------------------|------------------------------|
| Governmental Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 200,977,744 | \$ 961,545 | \$ - | \$ - | \$ 201,939,289 |
| Construction in progress | 90,434,740 | 61,275,386 | (26,196) | (8,282,249) | 143,401,681 |
| Other capital assets | - | 121,590 | - | 122,750 | 244,340 |
| Total capital assets, not being depreciated | 291,412,484 | 62,358,521 | (26,196) | (8,159,499) | 345,585,310 |
| Capital assets, being depreciated: | | | | | |
| Infrastructure | 1,475,974,378 | 5,997,449 | - | 7,368,320 | 1,489,340,147 |
| Land Improvements | - | 162,687 | - | 729,578 | 892,265 |
| Building and improvements | 37,332,233 | - | - | - | 37,332,233 |
| Vehicles and equipment | 14,816,014 | 1,042,686 | (423,383) | - | 15,435,317 |
| Parks and park improvements | 6,230,310 | - | - | - | 6,230,310 |
| Other capital assets, depreciable | - | 48,151 | - | 61,601 | 109,752 |
| Total capital assets, being depreciated | 1,534,352,935 | 7,250,973 | (423,383) | 8,159,499 | 1,549,340,024 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (731,279,598) | (44,243,706) | - | - | (775,523,304) |
| Buildings and improvements | (11,105,048) | (945,589) | - | - | (12,050,637) |
| Vehicles and equipment | (9,423,856) | (1,426,806) | 421,862 | - | (10,428,800) |
| Parks and park improvements | (1,111,823) | (622,546) | - | - | (1,734,369) |
| Other capital assets, depreciable | - | - | - | - | - |
| Total accumulated depreciation | (752,920,325) | (47,238,647) | 421,862 | - | (799,737,110) |
| Total capital assets, being depreciated, net | 781,432,610 | (39,987,674) | (1,521) | 8,159,499 | 749,602,914 |
| Governmental activities capital assets, net | \$ 1,072,845,094 | \$ 22,370,847 | \$ (27,717) | \$ - | \$ 1,095,188,224 |
| | | | | | |
| | Balance 7/1/2018 | Additions | Deletions | Transfers/ Adjustments | Balance 6/30/2019 |
| Business-type Activities: | | | | | |
| Capital assets, not being depreciated: | | | | | |
| Land | \$ 6,669,987 | \$ 34,561 | \$ - | \$ - | \$ 6,704,548 |
| Construction in progress | 4,407,471 | 2,373,287 | - | (820,420) | 5,960,338 |
| Total capital assets, not being depreciated | 11,077,458 | 2,407,848 | - | (820,420) | 12,664,886 |
| Capital assets, being depreciated: | | | | | |
| Infrastructure | 6,831,701 | 1,069,648 | - | 194,301 | 8,095,650 |
| Land Improvements | - | - | - | 485,021 | 485,021 |
| Buildings and improvements | 10,954,575 | 773,378 | - | 141,098 | 11,869,051 |
| Vehicles and equipment | 25,976,852 | 868,155 | (948,241) | - | 25,896,766 |
| Total capital assets, being depreciated | 43,763,128 | 2,711,181 | (948,241) | 820,420 | 46,346,488 |
| Less accumulated depreciation for: | | | | | |
| Infrastructure | (570,654) | (170,985) | - | - | (741,639) |
| Buildings and improvements | (1,210,549) | (279,186) | - | - | (1,489,735) |
| Vehicles and equipment | (12,991,735) | (2,011,580) | 664,007 | - | (14,339,308) |
| Total accumulated depreciation | (14,772,938) | (2,461,751) | 664,007 | - | (16,570,682) |
| Total capital assets, being depreciated, net | 28,990,190 | 249,430 | (284,234) | 820,420 | 29,775,806 |
| Business-type activities capital assets, net | \$ 40,067,648 | \$ 2,657,278 | \$ (284,234) | \$ - | \$ 42,440,692 |

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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

| | | |
|---|----|------------|
| Governmental activities: | | |
| General government | \$ | 1,404,103 |
| Public safety | | 1,278,479 |
| Public ways and facilities | | 44,243,706 |
| Community development | | 312,359 |
| Total depreciation expense - governmental activities | \$ | 47,238,647 |
| Business-type activities: | | |
| Transit | \$ | 2,050,302 |
| Drainage | | 169,346 |
| Solid Waste | | 242,103 |
| Total depreciation expense - business-type activities | \$ | 2,461,751 |

Note 5: Unavailable Revenue

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, 2019, the various components of unavailable revenue in the governmental funds are detailed as follows:

| | | |
|------------------------------|--|---------------|
| Government Activities : | | |
| General Fund: | Intergovernmental receivables | \$ 98,472 |
| Affordable Housing Fund : | Housing project loan interest receivable | 1,255,669 |
| | Housing subsidies receivable | 359,668 |
| Federal Capital Grants Fund: | Intergovernmental receivables | 3,759,743 |
| Roadway Fees: | Development impact fees receivable | 2,117,168 |
| Other Governmental Funds: | Intergovernmental receivables | 373,789 |
| | Housing project loan interest receivable | 137,438 |
| | LT development fees receivable | 445,759 |
| Swainson's Hawk Fund: | LT mitigation fees receivable | 1,469,206 |
| | | \$ 10,016,912 |

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

Note 6: **Long-Term Liabilities**

The following is a summary of long-term liabilities transactions of the City for the fiscal year ended June 30, 2019:

| | Balance at 7/1/2018 | Additions | Deletions | Balance at 6/30/2019 | Amount Due Within One year |
|-------------------------------------|--------------------------------|---------------------|-----------------------|---------------------------------|---|
| Governmental Activities: | | | | | |
| Lease revenue bond debt-Series 2017 | \$ 4,675,000 | \$ - | \$ (470,000) | \$ 4,205,000 | \$ 485,000 |
| Lease revenue bond debt-Series 2018 | 18,530,000 | - | - | 18,530,000 | 595,000 |
| Total Bonds Payable | <u>23,205,000</u> | <u>-</u> | <u>(470,000)</u> | <u>22,735,000</u> | <u>1,080,000</u> |
| Net Pension Liability | 16,537,686 | 1,736,033 | (4,283,503) | 13,990,216 | - |
| Compensated absences | 4,333,507 | 3,864,192 | (3,784,257) | 4,413,442 | 452,490 |
| Claims payable | 614,555 | 118,738 | (336,293) | 397,000 | - |
| Totals | <u>\$ 44,690,748</u> | <u>\$ 5,718,963</u> | <u>\$ (8,874,053)</u> | <u>\$ 41,535,658</u> | <u>\$ 1,532,490</u> |

| | Balance at 7/1/2018 | Additions | Deletions | Balance at 6/30/2019 | Amount Due Within One year |
|----------------------------------|--------------------------------|------------------|---------------------|---------------------------------|---|
| Business-type activities: | | | | | |
| Lease revenue bond debt | \$ 9,165,000 | \$ - | \$ (250,000) | \$ 8,915,000 | \$ 260,000 |
| Compensated absences | 63,536 | 93,033 | (95,128) | 61,441 | 5,899 |
| Totals | <u>\$ 9,228,536</u> | <u>\$ 93,033</u> | <u>\$ (345,128)</u> | <u>\$ 8,976,441</u> | <u>\$ 265,899</u> |

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

As of June 30, 2019, 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 |
| 2020 | \$ 485,000 | \$ 101,341 | 2020 | \$ 595,000 | \$ 706,181 |
| 2021 | 495,000 | 89,652 | 2021 | 620,000 | 684,856 |
| 2022 | 510,000 | 77,723 | 2022 | 645,000 | 656,331 |
| 2023 | 520,000 | 65,432 | 2023 | 680,000 | 623,206 |
| 2024 | 530,000 | 52,900 | 2024 | 715,000 | 588,331 |
| 2025-2027 | 1,665,000 | 80,735 | 2025-2029 | 4,155,000 | 2,353,406 |
| | | | 2030-2034 | 5,120,000 | 1,394,953 |
| | | | 2035-2039 | 6,000,000 | 513,125 |
| Total | <u>\$ 4,205,000</u> | <u>\$ 467,781</u> | Total | <u>\$ 18,530,000</u> | <u>\$ 7,520,389</u> |

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

Individual issues of bonds at June 30, 2019, are as follows:

Governmental Activities

| <u>Lease Revenue Bond Debt</u> | <u>Maturity Date</u> | <u>Interest Rates</u> | <u>Annual Principal Installments</u> | <u>Original Issue Amount</u> | <u>Outstanding at 6/30/2019</u> |
|---|----------------------|-----------------------|--------------------------------------|------------------------------|---------------------------------|
| 2017 Refunding of the Elk Grove Financing Authority Lease Revenue Bonds (2007 Capital Projects) | 2027 | 2.41% | \$265,000 - \$565,000 | <u>\$ 4,940,000</u> | <u>\$ 4,205,000</u> |
| Elk Grove Financing Authority Lease Revenue Bonds (Series 2018) | 2039 | 3.0 - 5.0% | \$595,000 - \$1,280,000 | <u>\$ 18,530,000</u> | <u>\$ 18,530,000</u> |

Lease Revenue Bonds 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 2010 Lease Revenue Bonds (Capital Facility)

On December 22, 2010, the Elk Grove Financing Authority issued Lease Revenue Bonds in the principal amount of \$10,715,000, which will mature on March 1, 2040. Interest payments are due semi-annually, on March 1 and September 1 of each year, at rates ranging from 3.433% to 8.668%. Principal payments are due annually on March 1. The bond issuance provides for optional redemption at 100% of par on or after March 1, 2020. They are collateralized by revenue received from the City by the Authority under the Lease Agreement for the Special Waste Collection Center, dated July 10, 2015. Proceeds from the Bonds were used to finance the design and construction of the Special Waste Collection Center.

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 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 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%.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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 the Lease Agreement for three City-owned properties, dated April 1, 2018. The three properties are located at 8380, 8400, and 8401 Laguna Palms Drive. 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.

Business Type Activities

As of June 30, 2019, annual debt service requirements of business-type activities to maturity are as follows:

| Business-type Activities | | |
|--|---------------------|---------------------|
| Recovery Zone Economic Development Bond Debt | | |
| Year Ending June 30: | Principal | Interest |
| 2020 | \$ 260,000 | \$ 759,461 |
| 2021 | 270,000 | 740,744 |
| 2022 | 285,000 | 718,741 |
| 2023 | 295,000 | 695,517 |
| 2024 | 310,000 | 671,477 |
| 2025-2029 | 1,780,000 | 2,948,405 |
| 2030-2034 | 2,235,000 | 2,108,058 |
| 2035-2039 | 2,830,000 | 1,040,160 |
| 2040 | 650,000 | 56,342 |
| Total | <u>\$ 8,915,000</u> | <u>\$ 9,738,905</u> |

| Recovery Zone Economic Development Bond Debt Lease Revenue Bond Debt | Maturity Date | Interest Rates | Annual Principal Installments | Original Issue Amount | Outstanding at 6/30/2019 |
|--|------------------|-------------------|----------------------------------|--------------------------|-----------------------------|
| Elk Grove Finance Authority Series 2010 Lease Revenue Bonds | 2040 | 3.4 -8.7% | \$205,000 - \$650,000 | <u>\$ 10,715,000</u> | <u>\$ 8,915,000</u> |

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 range from 3.433% to 8.668% and mature beginning March 1, 2012 through March 1, 2040. The bonds will be 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 has elected to receive.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

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, 2019 is:

| <u>Special Assessment Debt with no Governmental Commitment</u> | <u>Issue Year</u> | <u>Maturity Year</u> | <u>Outstanding at 6/30/2019</u> |
|---|-----------------------|--------------------------|-------------------------------------|
| E. Franklin Community Facilities District No. 2002-1, Series 2015 | 2015 | 2038 | \$ 45,245,000 |
| Poppy Ridge Community Facilities District No. 2003-1, Series 2015 | 2015 | 2038 | \$ 40,220,000 |
| Laguna Ridge Community Facilities District No. 2005-1, Series 2016 | 2017 | 2046 | \$ 111,920,000 |
| Laguna Ridge Community Facilities District No. 2005-1, Series 2018 | 2018 | 2018 | \$ 19,145,000 |

Note 7: 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 Council amended the Fund Balance Reserve Policy in April 2019 by Resolution No. 2019-083 which states that the City Council approved to increase the General Fund Reserve for Economic Uncertainty target level from between 15% and 20% to between 20% and 25% to assist with economic uncertainty, emergencies and cash flow needs and the City Council voted to create

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

a new Opportunity Reserve fund with a target level of 0% to 5% to add budget flexibility for the purpose of 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 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 CAFR. 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 want to retain a Stabilization Reserve level of 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 will be reported as part of the committed reserve 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, 2019

As of June 30, 2019, the fund balance details by classification are on the next page:

| | General Fund | Affordable Housing Special Revenue Fund | Federal Capital Grant Fund | Roadway Fee Capital Projects Fund | Mitigation and Fee Funds | Laguna Ridge CFD 2005-1 Fund | Elk Grove Financing Authority | EGFA 2017 | Other Governmental Funds | Total |
|----------------------------------|---------------------|---|----------------------------|-----------------------------------|--------------------------|------------------------------|-------------------------------|-------------------|--------------------------|-----------------------|
| Fund Balance: | | | | | | | | | | |
| Nonspendable | | | | | | | | | | |
| Advance to other funds | \$ 2,372,795 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 2,372,795 |
| Restricted: | | | | | | | | | | |
| Affordable housing projects | - | 82,841,107 | - | - | - | - | - | - | 801,261 | 83,642,368 |
| CDBG | - | - | - | - | - | - | - | - | 210,017 | 210,017 |
| Development services fund | - | - | - | - | - | - | - | - | 730,707 | 730,707 |
| State homeless appropriations | - | - | - | - | - | - | - | - | 4,567,656 | 4,567,656 |
| State grants | - | - | - | - | - | - | - | - | 15,166 | 15,166 |
| Public safety | - | - | - | - | - | - | - | - | 3,405,242 | 3,405,242 |
| Public works maintenance | - | - | - | - | - | - | - | - | 29,498,125 | 29,498,125 |
| Public works fund | - | - | - | - | - | - | - | - | 1,359,228 | 1,359,228 |
| Agricultural preservation | - | - | - | - | - | - | - | - | 2,043,254 | 2,043,254 |
| Swainson's Hawk | - | - | - | - | - | - | - | - | 3,171,483 | 3,171,483 |
| Tree mitigation | - | - | - | - | - | - | - | - | 987,096 | 987,096 |
| Library | - | - | - | - | - | - | - | - | 1,036,473 | 1,036,473 |
| Capital projects | - | - | - | 32,019,398 | 12,779,123 | 8,625,159 | - | - | 45,948,944 | 99,372,624 |
| Debt service | - | - | - | - | - | - | 296,814 | 261,685 | - | 558,499 |
| Committed: | | | | | | | | | | |
| Reserve for economic uncertainty | 18,269,813 | - | - | - | - | - | - | - | - | 18,269,813 |
| Opportunity reserves | 3,653,963 | - | - | - | - | - | - | - | - | 3,653,963 |
| Capital reserve | 11,654,084 | - | - | - | - | - | - | - | - | 11,654,084 |
| Economic development programs | 3,866,372 | - | - | - | - | - | - | - | - | 3,866,372 |
| Assigned: | | | | | | | | | | |
| Appropriation of fund balance | 2,359,382 | - | - | - | - | - | - | - | - | 2,359,382 |
| Unassigned: | 190,714 | - | (3,741,309) | - | - | - | - | - | (2,271,991) | (5,822,586) |
| Total Fund Balances | <u>\$42,367,123</u> | <u>\$ 82,841,107</u> | <u>\$ (3,741,309)</u> | <u>\$ 32,019,398</u> | <u>\$ 12,779,123</u> | <u>\$ 8,625,159</u> | <u>\$ 296,814</u> | <u>\$ 261,685</u> | <u>\$ 91,502,661</u> | <u>\$ 266,951,761</u> |

Note 8: **Interfund Transactions**

Interfund balances as of June 30, 2019, 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 | \$ 165,029 |
| Roadway Fee Fund | Federal Capital Grants Fund | 1,238,472 |
| Roadway Fee Fund | Other Governmental Funds | 101,727 |
| Roadway Fee Fund | Transit Fund | 2,929,808 |
| | | <u>\$ 4,435,036</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.

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Notes to Financial Statements
June 30, 2019

Advances From/To Other Funds:

| Receivable Fund | Payable Fund | Amount |
|--------------------------|-----------------------------|----------------------|
| General Fund | Other Governmental Funds | \$ 2,372,795 |
| Other Governmental Funds | Mitigation Fund | 5,000,000 |
| Drainage Fund | Federal Capital Grants Fund | 2,312,000 |
| Roadway Fee Fund | Other Governmental Funds | 614 |
| Roadway Fee Fund | Transit Fund | 688,819 |
| Roadway Fee Fund | Federal Capital Grants Fund | 76,589 |
| | | \$ 10,450,817 |

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 is \$2,372,795 is reflected as an advance from other funds in the Street Lighting Maintenance District Funds Zones. There are 6 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. More details of the settlement can be found in Note 15 on page 80.

The City is undertaking the advancing of the Intelligent Transportation System Phase IV Project. In order to pursue the Advanced Funding Agreement, the City first needs to provide evidence of its ability to fully fund the project. The advance from the Drainage Fund to the Federal Grant Fund was approved by Council to provide the local funds. Repayment of the loan will be repaid any time during the five-year term. The loan will be amortized using a variable interest rate, tied to the Local Agency Investment Fund (LAIF) investment earnings. The remaining balance is \$2,312,000.

The Transit Fund had a series of years prior to fiscal year 2009-10 where the fund operated in a deficit. The General Fund has assisted over the past fiscal years by reducing the Transit unrestricted deficit to the current balance of (\$3,872,763). The interfund transaction of \$2,929,808 included in the due to other funds represents the amount that is considered to be collected within a year, the \$688,819 is considered collectable outside of a year. The Transit operations budget has remained stable and more balanced over the last several years slowly reducing the overall negative net position is the Transit Operations fund. Per the forecast above, the negative net position is expected to turn positive in fiscal year 2023 and hence forth no longer rely on the General Fund Deficit Forgiveness contribution amount. Much of the success in reducing the negative fund balance can be attributed to the Comprehensive Operations Analysis (COA) adopted by Council in April of 2017, the anticipation of receiving increased revenues through Senate Bill 1 (SB 1) and the sound fiscal management by the Transit staff.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

Interfund transfers as of June 30, 2019, consisted of the following:

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> | <u>Purpose</u> |
|---------------------------------|-----------------------------|------------------|---------------------------|
| General Fund | Other Governmental Funds | \$ 71,395 | Cost Recovery |
| | Other Governmental Funds | 44,793 | Cost Recovery |
| | EG Finance Authority | 365,213 | Cost Recovery |
| | EG Finance Authority 2018 | | |
| | Debt Service Fund | 690,000 | Cost Recovery |
| | Recycling & Waste Fund | 45,402 | Cost Recovery |
| | Transit Fund | 835,304 | Transit Deficit Reduction |
| | | <u>2,052,107</u> | |
| Affordable Housing | Other Governemntal Funds | 8,918 | Cost Recovery |
| | Roadway Fee Fund | 60,814 | Fee reimbursements |
| | | <u>69,732</u> | |
| Federal Capital Grants Fund | Other Governmental Funds | <u>144,136</u> | Cost Recovery |
| Roadway Fee Fund | General Fund | 37,897 | Cost Recovery |
| | Other Governmental Funds | 801,238 | Cost Recovery |
| | Federal Capital Grants Fund | 300,000 | Cost Recovery |
| | | <u>1,139,135</u> | |
| Mitigation and Fee Fund | General Fund | 53,237 | Cost Recovery |
| | Other Governmental Funds | 252,278 | Cost Recovery |
| | | <u>305,515</u> | |
| Laguna Ridge CFD 2005-1 Fund | General Fund | 103,018 | Cost Recovery |
| | Other Governmental Funds | 744,633 | Cost Recovery |
| | | <u>847,651</u> | |

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Notes to Financial Statements
June 30, 2019

| <u>Transfer From</u> | <u>Transfer To</u> | <u>Amount</u> | <u>Purpose</u> |
|--------------------------|---------------------------|----------------------|---------------------------|
| Other Governmental Funds | General Fund | 1,388,082 | Cost Recovery |
| | General Fund | 3,230,000 | Police Funding |
| | Other Governmental Funds | 1,560,488 | Cost Recovery |
| | EG Finance Authority | 179,711 | Cost Allocation |
| | EG Finance Authority 2018 | | |
| | Debt Service Fund | 100,000 | Cost Allocation |
| | Recycling & Waste Fund | 70,393 | Correct Revenue Posting |
| | | <u>6,528,674</u> | |
| Solid Waste Fund | General Fund | 575,365 | Cost Recovery |
| | General Fund | 86,438 | Code Enforcement Services |
| | Other Governmental Funds | 4,707 | Cost Recovery |
| | EG Finance Authority | 10,272 | Cost Allocation |
| | | <u>676,782</u> | |
| Transit Fund | General Fund | 362,369 | Cost Recovery |
| | Other Governmental Funds | 523 | Cost Recovery |
| | EG Finance Authority | 13,291 | Cost Recovery |
| | | <u>376,183</u> | |
| Drainage Fund | General Fund | 125,606 | Cost Recovery |
| | Other Governmental Funds | 488,480 | Cost Recovery |
| | EG Finance Authority | 12,244 | Debt Service Allocation |
| | | <u>626,330</u> | |
| Internal Service Funds | General Fund | 555,826 | Cost Recovery |
| | Other Governmental Funds | 1,400 | Cost Recovery |
| | EG Finance Authority | 19,269 | Debt Service Allocation |
| | | <u>576,495</u> | |
| | | <u>\$ 13,342,742</u> | |

Note 9: **Excess Expenditures over Appropriations**

For the year ended June 30, 2019, the following budgetary unit had expenditures that exceeded appropriations:

| <u>Fund</u> | <u>Appropriations</u> | <u>Expenditures</u> | <u>Over</u> |
|------------------------------|-----------------------|---------------------|--------------|
| Special Revenue Funds | | | |
| Public Works Fund | \$ 4,173,481 | \$ 4,331,937 | \$ (158,456) |

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

Note 10: **Deficit Fund Balances**

As of June 30, 2019, the following funds had deficit fund balances. The deficits occurred because expenditures exceeded revenues. The City expects that future funding will reduce the deficits.

| <u>Fund</u> | <u>Deficit</u> | |
|--|----------------|--|
| Special Revenue: | | |
| Tire Collection & Disposal Grant Fund | \$ 22,811 | Result of timing difference between expenditures and the receipt of Grant funding. |
| Local Police Grants Fund | 45,014 | Result of timing difference between expenditures and the receipt of Grant funding. |
| Street Lighting Maintenance District Funds | 2,063,135 | Result of interfund loan for LED street light replacement |
| Capital Projects: | | |
| Federal Capital Grants Fund | 3,741,309 | Result of timing difference between expenditures and the receipt of Grant funding. |
| State Grants Fund | 140,417 | 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 funding. |

Note 11: **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 a single 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).

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 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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

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 Representative employees 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 \$361,768. Employer contributions of \$751,745 were paid into the Defined 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 for the City's Health Insurance Rate Subsidy Plan. The fiscal year 2018-19 Budget programmed \$32 per employee per pay period as planned funding for the existing plan's liability. The financial

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

statements for the Health Insurance Rate Subsidy 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 Health Insurance Rate Subsidy Plan. The current rate subsidy is \$136 per eligible retiree per month.

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. PARS administers the investment trust for the HRA Plan and ICMA administers the investment trust for the Rate Subsidy OPEB Plan.

Plan Membership – As of the June 30, 2018 actuarial valuation date, membership in the Plans consisted of the following;

| | HRA Plan | Rate Subsidy Plan |
|--|-----------|----------------------|
| Retirees and beneficiaries receiving benefits | 40 | 23 |
| Terminated plan members entitled to, but not yet receiving benefits | - | - |
| Active plan members | 16 | 326 |
| Total Number of Participants | <u>56</u> | <u>349</u> |

Investment Policy – PARS and ICMA offer different investment portfolios as part of the investment vehicle. The investments held as of June 30, 2019 are included in Note 2.

Rate of Return - For the year ended June 30, 2019, the annual money-weighted rate of return on investments, net of investment expense, was 7.05% for the HRA Plan 3.65% for the Rate Subsidy 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, 2019, were as follows:

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Notes to Financial Statements
June 30, 2019

HRA Plan

| | Increase (Decrease) | | |
|--|---------------------------------|--|---------------------------------------|
| | Total OPEB Liability | Plan Fiduciary Net Position | Net OPEB Liability/(Asset) |
| | (a) | (b) | (a) - (b) |
| Balance at June 30, 2018 | \$ 5,025,742 | \$ 3,046,980 | \$ 1,978,762 |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 14,602 | - | 14,602 |
| Interest on the total OPEB liability | 282,474 | - | 282,474 |
| Changes in benefit terms | - | - | - |
| Differences between expected and actual experience | 40,664 | - | 40,664 |
| Changes of assumptions | - | - | - |
| Employer Contributions | - | 470,332 | (470,332) |
| Actual Investment Income | - | 179,331 | (179,331) |
| Investment Gains/Losses | - | 43,760 | (43,760) |
| Administrative expenses | - | (14,252) | 14,252 |
| Benefit payments | (366,252) | (366,252) | - |
| Net changes | (28,512) | 312,919 | (341,431) |
| Balance at June 30, 2019 | <u>\$ 4,997,230</u> | <u>\$ 3,359,899</u> | <u>\$ 1,637,331</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, 2018 | \$ 2,882,047 | \$ 3,044,740 | \$ (162,693) |
| Changes Recognized for the Measurement Period: | | | |
| Service Cost | 195,422 | - | 195,422 |
| Interest on the total OPEB liability | 177,586 | - | 177,586 |
| Changes in benefit terms | - | - | - |
| Differences between expected and actual experience | - | - | - |
| Changes of assumptions | - | - | - |
| Employer Contributions | - | 240,026 | (240,026) |
| Actual Investment Income | - | 188,128 | (188,128) |
| Investment Gains/Losses | - | 33,800 | (33,800) |
| Administrative expenses | - | (18,574) | 18,574 |
| Benefit payments | (40,026) | (40,026) | - |
| Net changes | 332,982 | 403,354 | (70,372) |
| Balance at June 30, 2019 | <u>\$ 3,215,029</u> | <u>\$ 3,448,094</u> | <u>\$ (233,065)</u> |

Actuarial Assumptions - The total OPEB liabilities for the HRA Plan and Rate Subsidy Plan were determined by actuarial valuations as of June 30, 2018, rolled forward to June 30, 2019 using standard update procedures. The valuations used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

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Notes to Financial Statements June 30, 2019

| | HRA Plan | Rate Subsidy Plan |
|-----------------------------|--|--|
| Inflation | 2.75% | 2.75% |
| Salary Increases | 2.75% | 2.75% |
| Investment Rate of Return | 5.8%, net of OPEB plan investment expenses | 6.0%, net of OPEB plan investment expenses |
| Healthcare Cost Trend Rates | 4.00% | 4.00% |
| | 2014 CalPERS Mortality for Active Safety Employees and Active Miscellaneous | 2014 CalPERS Mortality for Active Safety Employees and Active Miscellaneous |
| Mortality Tables | Employees | 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, 2019 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 | 50% | 7.00% | | |
| Fixed Income | 50% | 4.00% | | |
| All US Domestic Stock | | | 60% | 7.795% |
| Long-Term Corporate Bonds | | | 40.0% | 5.295% |

Discount rate - The discount rates used to measure the total OPEB liabilities as of June 30, 2019 were 5.8% and 6.0% 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.

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:

| | HRA Plan | | |
|----------------------------|--------------|---------------|--------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 4.80% | 5.80% | 6.80% |
| Net OPEB Liability (Asset) | \$ 2,128,321 | \$ 1,637,331 | \$ 1,146,977 |

| | Rate Subsidy Plan | | |
|----------------------------|-------------------|---------------|--------------|
| | 1% Decrease | Discount Rate | 1% Increase |
| | 5.00% | 6.00% | 7.00% |
| Net OPEB Liability (Asset) | \$ 380,631 | \$ (233,065) | \$ (721,624) |

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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 | | |
| | <u>1% Decrease</u> | <u>Trend Rate</u> | <u>1% Increase</u> |
| Net OPEB Liability (Asset) | \$ 1,637,331 | \$ 1,637,331 | \$ 1,637,331 |

| | Rate Subsidy Plan | | |
|----------------------------|--------------------------|-------------------|--------------------|
| | Healthcare Cost | | |
| | <u>1% Decrease</u> | <u>Trend Rate</u> | <u>1% Increase</u> |
| Net OPEB Liability (Asset) | \$ (754,367) | \$ (233,065) | \$ 410,287 |

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2019, the City recognized OPEB expense of \$265,633 for the HRA Plan and \$198,539 for the Rate Subsidy Plan. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

| HRA Plan | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between actual and expected experience | \$ 9,384 | |
| Changes of assumptions | | |
| Net differences between projected and actual earnings on plan investments | | \$ (7,549) |
| Total | <u>\$ 9,384</u> | <u>\$ (7,549)</u> |

| Rate Subsidy Plan | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Differences between actual and expected experience | | \$ (178,809) |
| Changes of assumptions | | |
| Net differences between projected and actual earnings on plan investments | \$ 6,004 | |
| Total | <u>\$ 6,004</u> | <u>\$ (178,809)</u> |

| | | |
|-------------------------|-------------------------|----------------------------|
| Total Both Plans | <u>\$ 15,388</u> | <u>\$ (186,358)</u> |
|-------------------------|-------------------------|----------------------------|

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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 |
| 2020 | \$ 12,924 | \$ (4,915) | \$ 8,009 |
| 2021 | 3,540 | (4,915) | (1,375) |
| 2022 | (5,877) | (18,356) | (24,233) |
| 2023 | (8,752) | (20,410) | (29,162) |
| 2024 | - | (13,650) | (13,650) |
| Thereafter | - | (110,559) | (110,559) |

Note 12: **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.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

| Employer rate plan | Employer Rate Plans in the Miscellaneous Risk Pool | | |
|--|--|------------------------------|------------------------|
| | Classic Miscellaneous | Miscellaneous Second Tier | PEPRA 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% | 6.25% |
| Required employer contribution rates | 12.212% | 9.409% | 6.842% |
| Requires UAL contribution | \$ 251,872 | \$ 1,015 | \$ 1,615 |

| | Employer Rate Plans in the Safety Risk Pool | | |
|--|---|------------------------------|------------------------|
| | Safety Police Classic | Safety Police Second Tier | PEPRA 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% | 12.00% |
| Required employer contribution rates | 20.566% | 18.677% | 12.141% |
| Required UAL contribution | \$ 455,418 | \$ 1,869 | \$ 1,385 |

*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 is billed on a monthly basis. The City's required contribution for the unfunded liability was \$713,174 in fiscal year 2019, as shown in the table above.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

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 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. The City's contributions to the Plan for the year ended June 30, 2019 were:

| | Contributions |
|--------------------------|----------------------------|
| Legally required | \$ 4,539,174 |
| Additional contributions | <u>1,953,200</u> |
| Total contributions | <u><u>\$ 6,492,374</u></u> |

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

As of June 30, 2019, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$13,990,216.

The City's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by the actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The City's proportion of the net pension liability 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 for the Plan as of June 30, 2017 and 2018 was as follows:

| | Plan |
|------------------------------|-------------------------|
| Proportion - June 30, 2017 | <u>0.16676%</u> |
| Proportion - June 30, 2018 | <u>0.14518%</u> |
| Change - increase (decrease) | <u><u>-0.02158%</u></u> |

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

For the year ended June 30, 2019, the City recognized pension expense of \$6,977,335. At June 30, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|---|--|
| | <u> </u> | <u> </u> |
| Pension contributions subsequent to measurement date | \$ 6,492,374 | \$ - |
| Changes in assumptions | 1,428,089 | (236,477) |
| Differences between expected and actual experience | 359,481 | (46,394) |
| Changes in proportion and differences between the City's contributions and the City's proportionate share of contributions | 4,910,458 | (960,856) |
| Net differences between projected and actual earnings on plan investments | 88,350 | - |
| Total | <u><u>\$ 13,278,752</u></u> | <u><u>\$ (1,243,727)</u></u> |

\$6,492,374 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, 2020. 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 Ammortization</u> |
|---------------------------|---------------------------------|
| 2020 | \$ 2,763,589 |
| 2021 | 2,437,216 |
| 2022 | 445,961 |
| 2023 | (104,115) |
| Total | <u><u>\$ 5,542,651</u></u> |

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

Actuarial Assumptions

The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

| | |
|---------------------------|--|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Cost Method | Entry-Age Normal |
| Actuarial Assumptions: | |
| | Derived using |
| Mortality Rate Table | CalPERS' Membership Data for all Funds (2) |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Investment Rate of Return | 7.15% (1) |

(1) Net of pension plan investment and administrative 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, 2017 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.

Change of Assumptions – For the measurement date of June 30, 2018, the inflation rate reduced from 2.75% to 2.50%.

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

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 best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the 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 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 equivalent to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

| Asset Class (a) | New Strategic Allocation | Real Return Years 1-10^(b) | Real Return Years 11+^(c) |
|------------------------|---|---|--|
| Global 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 | 100% | | |

(a) In the CalPERS CAFR, 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 Securities.

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

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

Sensitivity of the City’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City’s proportionate share of the net pension liability 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 would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

| | Discount Rate –1% (6.15%) | Current Discount Rate (7.15%) | Discount Rate +1% (8.15%) |
|---|--------------------------------------|--|--------------------------------------|
| City’s proportionate share of the net pension liability | \$30,029,619 | \$13,990,216 | \$809,699 |

Pension Plan Fiduciary Net Position

Detailed information about the Plan’s fiduciary net position is available in the separately issued CalPERS financial reports.

Note 13: **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. Depending on the employee group, the City will match up to 2%, 3%, 4% or 5% of the covered payroll as a benefit under Internal Revenue Code Section 401(a). For the 2018-19 fiscal year the City’s matching contribution was \$886,811.

The laws governing deferred compensation plan assets dictate that they be held in a Trust for the exclusive benefit of plan participants and their beneficiaries. 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, they have been excluded from these financial statements.

Note 14: **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.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

The City participates in a joint venture under a Joint Powers Agreement (JPA) with the California State Association of Counties – Excess Insurance Authority (CSAC-EIA). Established in 1979, CSAC-EIA 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 CSAC-EIA 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). CSAC-EIA also provides the City with property, pollution, cyber liability, and crime bond insurance.

CSAC-EIA 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 EIA’s 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 CSAC-EIA is available on their website www.csac-eia.org and at the following address:

CSAC-Excess Insurance Authority
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 | \$ 25,000,000 | \$ 25,000,000 |
| Property Coverage | | | |
| All Risk | 5,000 | 25,000,000 | 300,000,000 |
| Auto | 10,000 | 25,000,000 | 300,000,000 |
| Buses | 100,000 | 25,000,000 | 300,000,000 |
| Crime Coverage | 2,500 | 1,000,000 | 1,000,000 |
| Pollution Coverage | 75,000 | 10,000,000 | 10,000,000 |
| Cyber Liability Coverage | 50,000 | 5,000,000 | 5,000,000 |

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.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

Changes in the reported liability resulted from the following:

| | General Liability |
|---------------------------------|----------------------|
| Liability at June 30, 2017 | \$ 421,154 |
| Claims and changes in estimates | 193,401 |
| Liability at June 30, 2018 | \$ 614,555 |
| Claims and changes in estimates | (217,555) |
| Liability at June 30, 2019 | \$ 397,000 |

Crime Coverage

Crime Insurance is secured through the Alliant Crime Insurance Program and provides the City with \$1,000,000 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 \$10,000.

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,

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

CSAC-EIA. CSAC-EIA 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, 2019 is as follows:

| Balance 6/30/2018 | Deposits & Other Income | Investment Income & FMV Change | Claims Paid Net of Refunds | Claims Admin. & Other Exp | Balance 6/30/2019 |
|----------------------|-------------------------------|---|----------------------------------|---------------------------------|----------------------|
|----------------------|-------------------------------|---|----------------------------------|---------------------------------|----------------------|

| | | | | | | |
|--------------------------|------------|------------|------------|--------------|-------------|------------|
| Worker's Compensation | \$ 807,163 | \$ 680,276 | \$ 122,162 | \$ (879,743) | \$ (52,959) | \$ 676,899 |
|--------------------------|------------|------------|------------|--------------|-------------|------------|

Note 15: **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, 2019. The balances owed on the existing construction and acquisition commitments were \$22,419,393 at June 30, 2019.

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 \$32 to \$149 per hour for Federal/State funded project management services. For non-Federal/State, the hourly rates range from \$57 to \$222 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, 2020 through June 30, 2026:

| Year | Fiscal Year | County Share | City Share |
|------|-------------|-----------------|---------------|
| 20 | 2019/2020 | 60% | 40% |
| 21 | 2020/2021 | 50% | 50% |
| 22 | 2021/2022 | 40% | 60% |
| 23 | 2022/2023 | 30% | 70% |

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

| | | | |
|----|-----------|-----|------|
| 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 \$7,067,279 during the fiscal year ended June 30, 2019.

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 is \$8 million relating to the construction of Costco. 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 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, 2019, the City has paid a total of \$274,357 of this incentive.

Reynen & Bardis Payment

The City Council in October 2006 approved several developer agreements between the City and Reynen & Bardis (R&B). The City and R&B agreed that they would pay off the agreement early in order to get the \$1 million discount. After the \$1 million discount was applied the total settlement was \$9,369,186 R&B consented to and directed payments from the City under the Settlement Agreement to the following entities: Maderia East V4, LLC received \$782,978, BTG EGZ Investments, LLC received \$337,100, Artisan Land Investments, LLC received \$403,797 and Reynen and Bardis Laguna Ridge, LP received \$7,845,311. This payment was made in June 2019. Payment to the entities mentioned previously shall fully discharge the City's obligation per the Settlement Agreement.

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.

Capital Facilities Fee (CFF) – Transit (Fund 317)

- \$38,161 in earned fee credits

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

Elk Grove Roadway Fee Program (Fund 328)

- \$3,922,106 in earned fee credits
- \$2,029,362 in unearned fee credits

LRSP Supplemental Park Fee – Land Acquisition (Fund 331)

- \$582,341 in earned fee credits
- \$236,817 in unearned fee credits

LRSP Supplemental Park Fee – Facilities (Fund 332)

- \$11,974 in earned fee credits

Sterling Meadows

On May 28, 2008, the City 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 Live 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. 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.

Site improvements and residential construction are on-going.

Wilton Rancheria

In February 2018, a Federal judge upheld the Federal Bureau of Indian Affairs' acceptance of 36 acres of land for the benefit of the Wilton Rancheria Indian Tribe (Tribe) for the development of a proposed casino resort project in the City of Elk Grove. The land is located just north of the approved outlet mall site. The casino will contain significant lifestyle amenities, including restaurants and entertainment venues. Start of construction and completion dates are unknown currently.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

The proposed project consists of a 608,756 square foot hospitality and entertainment facility, including a 12-story 302 room hotel, pool, spa, 47,634-square foot convention center, six restaurants and bars, and a 110,260 square foot gaming floor. 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 City of Elk Grove, 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.

On October 7, 2019 a Federal judge ruled in favor of the U.S. Department of the Interior's authority and decision to place the Elk Grove land into a federal trust. This is the final claims in suit against the Wilton Rancheria Casino-Resort.

Litigation

The City has various pending claims and lawsuits the outcome off 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 16: **Subsequent Events**

Sacramento Regional Transit District

On March 13, 2019 the City Council executed a contract with Sacramento Regional Transit District (SacRT) to provide the City's fixed-route local and commuter transit services, Americans with Disabilities Act (ADA) paratransit services, and supporting transit maintenance operations. The current transit services and maintenance operations with MV Transportation, Inc. (MV), ended June 30, 2019. On December 12, 2018, the City Council of the City of Elk Grove directed staff to negotiate a contract with SacRT to provide the City's transit services and maintenance operations following the expiration of MV's current contract. The contract with SacRT establishes a five-year term for SacRT to operate the City's transit services and maintenance operations, beginning on July 1, 2019, and ending on June 30, 2024. The City's fixed-route local and commuter transit services, ADA paratransit service, and supporting transit maintenance operations, beginning on July 1, 2019, with a total contract cost not-to-exceed \$36,000,000.

Agave Apartments

Agave Apartments is a 188-unit family affordable housing complex built in 2005 and located at 10070 Willard Parkway. The property's finances are fiscally sound. In 2018, the property generated gross revenues of around \$2.3 million, which was enough to pay its operating expenses and debt service, with an adjusted net income of \$1 million for the year.

Agave Associates, LP, the limited partnership created by Pacific West Communities for this project, received a City loan of \$2.5 million back in 2003. As a part of the transaction, the Owner executed a Loan Agreement, Promissory Note, Deed of Trust, and a Regulatory Agreement with the City. The Regulatory Agreement restricts 150 of the 188 units as affordable for a period of 30

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

years. Other funding sources, including low-income housing tax credits, restricted additional units, and overall 187 of the 188 units are considered affordable.

The loan started accruing 3.5% interest annually as of October 1, 2008, with payments to be made from residual cash flow. In September 2019, the city received a \$3.46 million payment that included accrued interest and the original principle amount of \$2.5 million. This payment was deposited into the Affordable Housing Fund, which will help to support new affordable housing, such as land acquisition or development loans.

The primary risk to the City is that the Project would go into foreclosure and the affordability restrictions would be removed. City staff has mitigated against this by negotiating an Amendment to the Deed of Trust and Regulatory Agreement that ensures the major affordability restrictions will survive foreclosure. Staff analysis of the Project financials supports the Owner's assertion that the Project is financially sound, and the risk of foreclosure is low.

Note 17: **Restatement of Fund Balance and Net Position**

Management chose to change the City's accounting policy and remove the fee credit liabilities from the Financial Statements while moving the footnote disclosure from Unavailable Revenue to Commitments and enhancing the note disclosure with more detailed information and description of these contingent commitments. 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. This does not conform with fund accounting ideas of reporting current obligations, revenues and expenses and can often cause a disconnect between the recognition period of the revenues and expenses between fiscal years.

In addition, the City received \$2,237,767 in funds through the SCIP program in January of 2013. It was the understanding of the City that these funds were an advance and only recognized as revenue when the associated project was fully complete. As such, the City has been reporting this cash as unearned revenue in the Roadway Fee Fund as the project has not been fully completed. However, the City was able to clarify with the SCIP representatives that funds are earned based on qualified Roadway Fee expenses and not the completion of the project. Per review of the Roadway Fee Fund expenditure history, it was determined that these funds were earned back in fiscal year-end 2013. As such the City is recognizing the revenue back to fiscal year-end 2013 and increasing the beginning fund balance for the Roadway Fee Fund.

The implementation of this accounting policy change and prior year revenue required the City to make prior period adjustments. As a result, the beginning fund balance of the Roadway Fee Fund was restated and increased \$6,983,684. The Capital Facilities Fund's beginning fund balance was restated and increased \$38,161 and the Mitigation and Fee Funds' beginning fund balance was restated and increased \$7,597,671 for a total restatement. As a result of those restatements, the Governmental Activities beginning net position was restated and increased \$14,619,516.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2019

Note 18: **Future GASB Pronouncements**

In January 2017, the GASB approved Statement No. 84. *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

In June 2017, the GASB approved Statement No. 87. *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. 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 requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In August 2018 the GASB approved Statement No. 90 *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2019

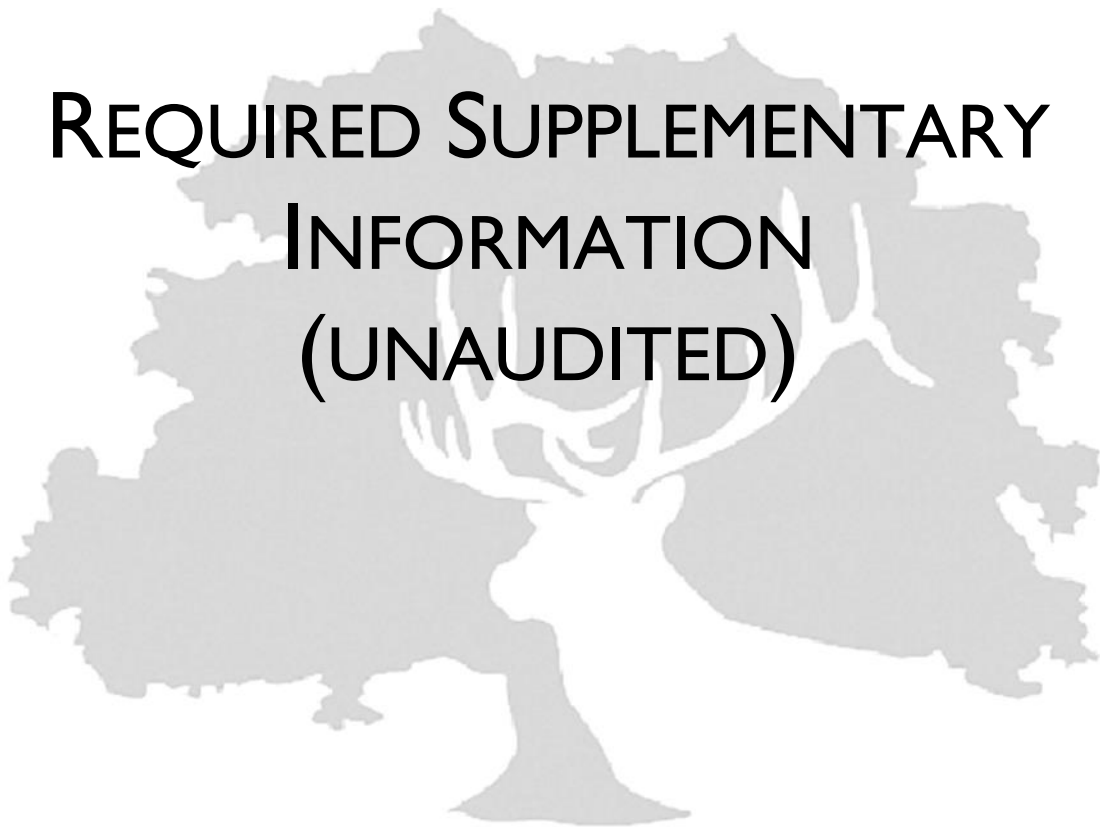
should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018.

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, 2020.

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019

REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)



CITY OF ELK GROVE

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2019

| REVENUES | Budgeted Amounts | | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|----------------------|----------------------|----------------------|--|
| | Original | Final | | |
| Taxes: | | | | |
| Property taxes | \$ 26,220,577 | \$ 26,220,577 | \$ 26,276,570 | \$ 55,993 |
| Sales and use tax | 28,231,460 | 28,231,460 | 29,355,281 | 1,123,821 |
| Utility users' tax | 6,152,560 | 6,152,560 | 5,847,341 | (305,219) |
| Transient occupancy tax | 2,196,447 | 2,196,447 | 2,154,659 | (41,788) |
| Property transfer tax | 1,167,693 | 1,167,693 | 1,145,189 | (22,504) |
| Franchise tax | 2,675,000 | 2,675,000 | 2,609,762 | (65,238) |
| Licenses, fees and permits | 521,400 | 521,400 | 550,773 | 29,373 |
| Intergovernmental | 95,000 | 95,000 | 197,710 | 102,710 |
| Fines and forfeitures | 260,622 | 260,622 | 245,488 | (15,134) |
| Charges for services | 85,000 | 85,000 | 102,414 | 17,414 |
| Use of money and property | 278,780 | 278,780 | 1,262,839 | 984,059 |
| Other revenue | 906,070 | 926,703 | 1,067,530 | 140,827 |
| Total Revenues | <u>68,790,609</u> | <u>68,811,242</u> | <u>70,815,556</u> | <u>2,004,314</u> |
| EXPENDITURES | | | | |
| General Government: | | | | |
| City Council | 311,865 | 349,163 | 290,085 | 59,078 |
| Planning Commission | 9,755 | 9,755 | 7,398 | 2,357 |
| Planning | 154,457 | 154,457 | 153,984 | 473 |
| Economic Development | 1,516,157 | 1,599,514 | 1,091,717 | 507,797 |
| City Manager | 3,687,258 | 4,396,282 | 3,018,487 | 1,377,795 |
| City Attorney | 1,392,026 | 1,392,026 | 1,398,316 | (6,290) |
| City Clerk | 645,833 | 645,833 | 610,969 | 34,864 |
| Finance | 2,864,046 | 2,864,046 | 2,795,792 | 68,254 |
| Human Resources | 990,567 | 985,167 | 911,501 | 73,666 |
| Other - Non-Departmental | 9,367,615 | 9,621,038 | 9,521,336 | 99,702 |
| Revenue Neutrality | 7,140,000 | 7,140,000 | 7,067,279 | 72,721 |
| Total General Government | <u>28,079,579</u> | <u>29,157,281</u> | <u>26,866,864</u> | <u>2,290,417</u> |
| Public Safety: | | | | |
| Law Enforcement | 42,247,755 | 41,506,130 | 38,784,191 | 2,721,939 |
| Total Public Safety | <u>42,247,755</u> | <u>41,506,130</u> | <u>38,784,191</u> | <u>2,721,939</u> |
| Community Development | | | | |
| Code Enforcement | 1,009,427 | 1,009,428 | 1,000,541 | 8,887 |
| Community Grants | 396,383 | 396,383 | 366,696 | 29,687 |
| Total Community Development | <u>1,405,810</u> | <u>1,405,811</u> | <u>1,367,237</u> | <u>38,574</u> |
| Capital Outlay | 4,702,175 | 3,280,575 | 3,272,922 | 7,653 |
| Total Expenditures | <u>76,435,319</u> | <u>75,349,797</u> | <u>70,291,214</u> | <u>5,058,583</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(7,644,710)</u> | <u>(6,538,555)</u> | <u>524,342</u> | <u>7,062,897</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 9,828,628 | 6,517,838 | 6,517,838 | - |
| Transfers out | (5,363,435) | (2,052,644) | (2,052,107) | 537 |
| Total Other Financing Sources (Uses) | <u>4,465,193</u> | <u>4,465,194</u> | <u>4,465,731</u> | <u>537</u> |
| Net Change in Fund Balance | <u>(3,179,517)</u> | <u>(2,073,361)</u> | <u>4,990,073</u> | <u>7,063,434</u> |
| Fund Balance, Beginning | <u>37,377,050</u> | <u>37,377,050</u> | <u>37,377,050</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 34,197,533</u> | <u>\$ 35,303,689</u> | <u>\$ 42,367,123</u> | <u>\$ 7,063,434</u> |

CITY OF ELK GROVE

Major Special Revenue Fund
 Budgetary Comparison Schedule
 Affordable Housing Fund
 For the Year Ended June 30, 2019

| | Original Budgeted Amounts | Final Budgeted Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------------------|------------------------------|----------------------------|---|
| Revenues: | | | | |
| Licenses, fees and permits | \$ 1,950,703 | \$ 1,950,703 | \$ 4,061,294 | \$ 2,110,591 |
| Use of money and property | 313,590 | 313,590 | 891,580 | 577,990 |
| Total Revenues | <u>2,264,293</u> | <u>2,264,293</u> | <u>4,952,874</u> | <u>2,688,581</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Community development | 6,830,137 | 6,829,022 | 115,306 | 6,713,716 |
| Total Expenditures | <u>6,830,137</u> | <u>6,829,022</u> | <u>115,306</u> | <u>6,713,716</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(4,565,844)</u> | <u>(4,564,729)</u> | <u>4,837,568</u> | <u>9,402,297</u> |
| Net Change in Fund Balance | (4,565,844) | (4,564,729) | 4,767,836 | 9,332,565 |
| Fund Balance, Beginning | <u>78,073,271</u> | <u>78,073,271</u> | <u>78,073,271</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$73,507,427</u></u> | <u><u>\$73,508,542</u></u> | <u><u>\$82,841,107</u></u> | <u><u>\$ 9,332,565</u></u> |

CITY OF ELK GROVE

Notes to Budgetary Comparison Statements
For the Year Ended June 30, 2019

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 Agency 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

| | 2019 | | 2018 | | 2017 | |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| | Rate Subsidy | | Rate Subsidy | | Rate Subsidy | |
| | HRA Plan | Plan | HRA Plan | Plan | HRA Plan | Plan |
| Total OPEB Liability | | | | | | |
| Service Cost | \$ 14,602 | \$ 195,422 | \$ 75,799 | \$ 177,595 | \$ 73,770 | \$ 172,842 |
| Interest | 282,474 | 177,586 | 244,637 | 170,836 | 241,901 | 152,480 |
| Changes of benefit terms | - | - | - | - | - | - |
| Differences between expected and actual experience | 40,664 | - | 428,202 | (206,110) | - | - |
| Changes of assumptions | - | - | - | - | - | - |
| Benefit Payments | (366,252) | (40,026) | (265,878) | (37,488) | (266,052) | (6,041) |
| Other | - | - | - | - | - | - |
| Net change in Total OPEB Liability | (28,512) | 332,982 | 482,760 | 104,833 | 49,619 | 319,281 |
| Total OPEB Liability at beginning of year | 5,025,742 | 2,882,047 | 4,542,982 | 2,777,214 | 4,493,363 | 2,457,933 |
| Total OPEB Liability at end of year | \$ 4,997,230 | \$ 3,215,029 | \$ 5,025,742 | \$ 2,882,047 | \$ 4,542,982 | \$ 2,777,214 |
| Plan Fiduciary Net Position | | | | | | |
| Contributions - employer | \$ 470,332 | \$ 240,026 | \$ 470,000 | \$ 296,762 | \$ 400,000 | \$ 200,000 |
| Contributions - member | - | - | - | - | - | - |
| Net investment income | 223,091 | 221,928 | 88,056 | 155,075 | 185,597 | 207,963 |
| Benefit payments | (366,252) | (40,026) | (265,878) | (37,488) | (266,052) | (6,041) |
| Administrative expenses | (14,252) | (18,574) | (13,331) | (16,807) | (5,627) | (8,102) |
| Net change in Plan Fiduciary Net Position | 312,919 | 403,354 | 278,847 | 397,542 | 313,918 | 393,820 |
| Plan Fiduciary Net Position at beginning of year | 3,046,980 | 3,044,740 | 2,768,133 | 2,647,198 | 2,454,215 | 2,253,378 |
| Plan Fiduciary Net Position at end of year | \$ 3,359,899 | \$ 3,448,094 | \$ 3,046,980 | \$ 3,044,740 | \$ 2,768,133 | \$ 2,647,198 |
| Authority's Net OPEB Liability (Asset) at end of year | \$ 1,637,331 | \$ (233,065) | \$ 1,978,762 | \$ (162,693) | \$ 1,774,849 | \$ 130,016 |
| Plan's Fiduciary Net Position as percentage of Total OPEB Liability | 67.2% | 107.2% | 60.6% | 105.6% | 60.9% | 95.3% |
| Covered-employee payroll | \$943,329 | \$31,827,961 | \$1,183,755 | \$26,020,439 | \$1,495,962 | \$27,743,749 |
| Net OPEB Liability as percentage of covered-employee payroll | 173.57% | -0.73% | 167.16% | -0.63% | 118.64% | 0.47% |

Notes:

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

CITY OF ELK GROVE

Schedule of City Contributions
Last Ten Fiscal Years (1)

| For the Fiscal Year Ended June 30 | 2019 | | 2018 | | 2017 | |
|---|---------------------|---------------------|--------------|-------------------|--------------------|-------------------|
| | HRA Plan | Rate Subsidy Plan | HRA Plan | Rate Subsidy Plan | HRA Plan | Rate Subsidy Plan |
| Contractually Required Contributions | \$ 366,252 | \$ 40,026 | \$ 470,000 | \$ 296,762 | \$ 344,299 | \$ 194,712 |
| Employer Contributions | 470,332 | 240,026 | 470,000 | 296,762 | 400,000 | 200,000 |
| Contribution Deficiency (Excess) | <u>\$ (104,080)</u> | <u>\$ (200,000)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (55,701)</u> | <u>\$ (5,288)</u> |
| Covered-Employee Payroll | \$ 943,329 | \$ 31,827,961 | \$ 1,183,755 | \$ 26,020,439 | \$ 1,495,962 | \$ 27,743,749 |
| Contributions as percentage of covered-employee payroll | 49.86% | 0.75% | 39.70% | 1.14% | 26.74% | 0.72% |

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

| | | |
|-----------------------------|---|---|
| Valuation date | June 30, 2018 | June 30, 2018 |
| Actuarial cost method | Entry age normal | Entry age normal |
| Inflation | 2.75% | 2.75% |
| Salary Increases | 2.75% | 2.75% |
| Investment Rate of Return | 5.8%, net of OPEB plan investment expenses | 6.0%, net of OPEB plan investment expenses |
| Healthcare Cost Trend Rates | 4.00% | 4.00% |
| Mortality Tables | 2014 CalPERS Mortality for Active Safety Employees and Active Miscellaneous Employees | 2014 CalPERS Mortality for Active Safety Employees and Active Miscellaneous Employees |

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

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

| For the Fiscal Year Ended June 30 | 2019 | | 2018 | | 2017 | |
|--|---|--------------------------|-----------------|--------------------------|-----------------|--------------------------|
| | HRA Plan | Rate Subsidy Plan | HRA Plan | Rate Subsidy Plan | HRA Plan | Rate Subsidy Plan |
| | Annual money-weighted rate of return, net of investment expense | 7.05% | 3.65% | 4.90% | 2.80% | 5.64% |

Notes:

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

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 | 6/30/2018 | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |
|---|------------------|------------------|------------------|------------------|------------------|
| City's Proportion of the Net Pension Liability | 0.14518% | 0.16676% | 0.16786% | 0.16807% | 0.17173% |
| City's Proportionate Share of the Net Pension Liability/(Asset) | \$ 13,990,216 | \$ 16,537,686 | \$ 14,525,447 | \$ 11,536,416 | \$ 10,686,132 |
| City's Covered Payroll | \$ 29,962,680 | \$ 27,840,009 | \$ 33,456,412 | \$ 34,404,915 | \$ 31,212,147 |
| City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll | 46.69% | 59.40% | 43.42% | 33.53% | 34.24% |
| Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability | 75.26% | 73.31% | 74.06% | 78.40% | 79.82% |

Notes to Schedule:

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

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, 2019
LAST 10 YEARS**

| For the year Ended June 30 | 2019 | 2018 | 2017 | 2016 | 2015 |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|
| Actuarially determined contribution | \$ 4,539,174 | \$ 4,283,503 | \$ 3,518,175 | \$ 3,181,199 | \$ 5,006,117 |
| Contributions in relation to the actuarially determined contributions | (4,539,174) | (4,283,503) | (3,518,175) | (3,181,199) | (5,006,117) |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Covered payroll | <u>\$ 31,747,871</u> | <u>\$ 29,962,680</u> | <u>\$ 27,840,009</u> | <u>\$ 33,456,412</u> | <u>\$ 34,404,915</u> |
| Contributions as a percentage of covered payroll | 14.30% | 14.30% | 12.64% | 9.51% | 14.55% |

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2019

**COMBINING AND INDIVIDUAL
FUND STATEMENTS
AND SCHEDULES**



CITY OF ELK GROVE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2019

| | Special Revenue Funds | Capital Projects Funds | Total |
|---|-----------------------------|------------------------------|-----------------------|
| <u>ASSETS</u> | | | |
| Cash and investments | \$ 49,972,654 | \$ 43,043,984 | \$ 93,016,638 |
| Restricted cash and investments | 21,261 | - | 21,261 |
| Cash with fiscal agent | - | 4,385,597 | 4,385,597 |
| Accounts receivable | 1,933,391 | 25,433 | 1,958,824 |
| Interest receivable | 190,086 | 41,390 | 231,476 |
| Taxes Receivable | 74,216 | - | 74,216 |
| Due from other government agencies | 1,119,969 | 162,294 | 1,282,263 |
| Advances to other funds | 3,500,000 | 1,500,000 | 5,000,000 |
| Long-term loans receivable | 554,008 | - | 554,008 |
| Long-term development fees receivable | - | 445,760 | 445,760 |
| | <u>\$ 57,365,585</u> | <u>\$ 49,604,458</u> | <u>\$ 106,970,043</u> |
| <u>LIABILITIES</u> | | | |
| Accounts payable | \$ 5,797,631 | \$ 2,470,332 | \$ 8,267,963 |
| Accrued salaries and benefits | 84,999 | 1,463 | 86,462 |
| Due to other funds | 165,029 | 101,727 | 266,756 |
| Retention payable | 24,613 | 625,756 | 650,369 |
| Advances from other funds | 2,372,795 | 614 | 2,373,409 |
| Refundable deposits | 1,419,545 | - | 1,419,545 |
| Unearned revenue | 102,773 | - | 102,773 |
| | <u>9,967,385</u> | <u>3,199,892</u> | <u>13,167,277</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | |
| Unavailable revenue | 1,829,539 | 596,653 | 2,426,192 |
| <u>FUND BALANCES</u> | | | |
| Restricted | 47,699,621 | 45,948,944 | 93,648,565 |
| Unassigned | (2,130,960) | (141,031) | (2,271,991) |
| | <u>45,568,661</u> | <u>45,807,913</u> | <u>91,376,574</u> |
| Total Fund Balances | <u>45,568,661</u> | <u>45,807,913</u> | <u>91,376,574</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 57,365,585</u> | <u>\$ 49,604,458</u> | <u>\$ 106,970,043</u> |

CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and
Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2019

| | Special Revenue Funds | Capital Projects Funds | Total |
|--|-----------------------------|------------------------------|----------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 9,799,178 | \$ 6,241,474 | \$ 16,040,652 |
| Intergovernmental | 23,814,960 | 8,086,261 | 31,901,221 |
| Charges for services | 1,934,058 | - | 1,934,058 |
| Use of money and property | 2,610,619 | 1,394,614 | 4,005,233 |
| Bond Proceeds | - | - | - |
| Total Revenues | <u>38,158,815</u> | <u>15,722,349</u> | <u>53,881,164</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 1,113,934 | - | 1,113,934 |
| Public ways and facilities | 17,739,418 | 21,835,043 | 39,574,461 |
| Community development | 9,236,351 | - | 9,236,351 |
| Debt Service: | | | |
| Tax administration | 57,303 | - | 57,303 |
| Total Expenditures | <u>28,147,006</u> | <u>21,835,043</u> | <u>49,982,049</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>10,011,809</u> | <u>(6,112,694)</u> | <u>3,899,115</u> |
| Other Financing Sources (Uses): | | | |
| Transfers in | 3,978,853 | 144,136 | 4,122,989 |
| Transfers out | (5,267,561) | (1,261,113) | (6,528,674) |
| Total Other Financing Sources (Uses) | <u>(1,288,708)</u> | <u>(1,116,977)</u> | <u>(2,405,685)</u> |
| Net Change in Fund Balances | 8,723,101 | (7,229,671) | 1,493,430 |
| Fund Balances, Beginning, as restated | <u>36,845,560</u> | <u>53,037,584</u> | <u>89,883,144</u> |
| Fund Balances, End of Year | <u>\$ 45,568,661</u> | <u>\$ 45,807,913</u> | <u>\$ 91,376,574</u> |

SPECIAL REVENUE FUNDS

DEFINITION

Special Revenue Funds are used to account for specific revenues that are legally restricted 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.

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.

Public Works Fund – Established to record revenue and expenditures directly related to the administrative costs of the Public Works department including its Divisions of Administration, Capital Improvement Program, and Engineering Support. Expenditures in this fund are supported by overhead allocation revenue from the General Fund, Special Revenue Funds, and Capital Funds.

CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2019

| | Recycling Grant Fund | Used Oil Grant Fund | Tire Collection & Disposal Grant | BSCCLocal Police Grant |
|---|----------------------------|---------------------------|---|------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 55,189 | \$44,768 | \$ - | \$ 140,164 |
| Restricted Cash and Investments | - | - | - | - |
| Accounts receivable | - | - | - | - |
| Interest receivable | 135 | 54 | - | - |
| Taxes Receivable | - | - | - | - |
| Due from other government agencies | - | - | 21,011 | - |
| Advance to other funds | - | - | - | - |
| Long term loans receivable | - | - | - | - |
| Total Assets | <u>\$ 55,324</u> | <u>\$44,822</u> | <u>\$ 21,011</u> | <u>\$ 140,164</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 3,383 | \$ 85 | \$ 2,700 | \$ - |
| Accrued salaries and benefits | - | - | - | - |
| Due to other funds | - | - | 20,111 | - |
| Retention payable | - | - | - | - |
| Refundable deposits | - | - | - | - |
| Advance from other funds | - | - | - | - |
| Unearned revenue | 42,222 | 39,290 | - | - |
| Total Liabilities | <u>45,605</u> | <u>39,375</u> | <u>22,811</u> | <u>-</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | - | - | 21,011 | - |
| <u>FUND BALANCES</u> | | | | |
| Restricted | 9,719 | 5,447 | - | 140,164 |
| Unassigned | - | - | (22,811) | - |
| Total Fund Balances | <u>9,719</u> | <u>5,447</u> | <u>(22,811)</u> | <u>140,164</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 55,324</u> | <u>\$44,822</u> | <u>\$ 21,011</u> | <u>\$ 140,164</u> |

| OTS Grants Fund | Local Police Grants Fund | CA Law Enforcement Equipment Fund | Gas Tax Fund | SB1 Streets and Roads Fund | Agricultural Preservation Fund | Swainson's Hawk Fund |
|-----------------------|-----------------------------------|--|--------------------|----------------------------------|--------------------------------------|----------------------------|
| \$ - | \$ - | \$ 236,621 | \$4,016,499 | \$ 3,224,136 | \$ 2,041,094 | \$ 3,168,698 |
| - | - | - | - | - | - | - |
| - | - | - | 6,584 | - | - | 1,469,206 |
| - | - | 243 | 3,915 | 3,780 | 2,160 | 3,375 |
| - | - | - | - | - | - | - |
| 133,358 | 105,336 | 146,352 | - | 618,903 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>\$ 133,358</u> | <u>\$ 105,336</u> | <u>\$ 383,216</u> | <u>\$4,026,998</u> | <u>\$ 3,846,819</u> | <u>\$ 2,043,254</u> | <u>\$ 4,641,279</u> |
| \$ 9,136 | \$ - | \$ 2,632 | \$1,501,457 | \$ 250 | \$ - | \$ 359 |
| 7,222 | 5,061 | 3,898 | 1,136 | - | - | 231 |
| 21,455 | 94,553 | - | - | - | - | - |
| - | - | - | 14,603 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | - | - | - |
| <u>37,813</u> | <u>99,614</u> | <u>6,530</u> | <u>1,517,196</u> | <u>250</u> | <u>-</u> | <u>590</u> |
| 4,796 | 50,736 | 146,352 | - | - | - | 1,469,206 |
| 90,749 | - | 230,334 | 2,509,802 | 3,846,569 | 2,043,254 | 3,171,483 |
| - | (45,014) | - | - | - | - | - |
| <u>90,749</u> | <u>(45,014)</u> | <u>230,334</u> | <u>2,509,802</u> | <u>3,846,569</u> | <u>2,043,254</u> | <u>3,171,483</u> |
| <u>\$ 133,358</u> | <u>\$ 105,336</u> | <u>\$ 383,216</u> | <u>\$4,026,998</u> | <u>\$ 3,846,819</u> | <u>\$ 2,043,254</u> | <u>\$ 4,641,279</u> |

continued

CITY OF ELK GROVE

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2019

| | Tree Mitigation Fund | Street Trench Cut Fee Fund | Community Development Block Grant Fund | State Homeless Appropriations Fund |
|---|----------------------------|-------------------------------------|---|---|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 1,021,016 | \$ 413,375 | \$ - | \$ 4,574,785 |
| Restricted Cash and Investments | - | - | 21,261 | - |
| Accounts receivable | - | - | - | - |
| Interest receivable | 1,080 | 432 | 38,026 | 4,860 |
| Taxes Receivable | - | - | - | - |
| Due from other government agencies | - | - | 95,009 | - |
| Advance to other funds | - | - | - | - |
| Long term loans receivable | - | - | 180,220 | - |
| Total Assets | \$ 1,022,096 | \$ 413,807 | \$ 334,516 | \$ 4,579,645 |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 35,000 | \$ - | \$ 35,024 | \$ 10,587 |
| Accrued salaries and benefits | - | - | 1,278 | 1,402 |
| Due to other funds | - | - | 28,910 | - |
| Retention payable | - | - | - | - |
| Refundable deposits | - | - | - | - |
| Advance from other funds | - | - | - | - |
| Unearned revenue | - | - | 21,261 | - |
| Total Liabilities | 35,000 | - | 86,473 | 11,989 |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | - | - | 38,026 | - |
| <u>FUND BALANCES</u> | | | | |
| Restricted | 987,096 | 413,807 | 210,017 | 4,567,656 |
| Unassigned | - | - | - | - |
| Total Fund Balances | 987,096 | 413,807 | 210,017 | 4,567,656 |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | \$ 1,022,096 | \$ 413,807 | \$ 334,516 | \$ 4,579,645 |

| Police Services CFD Funds | Maintenance Services CFD Funds | Street Maintenance District Funds | Street Lighting Maintenance District Funds | Asset Seizure State and Federal Funds | Library Ownership Fund | HUD Home Grant |
|---------------------------|--------------------------------|-----------------------------------|--|---------------------------------------|------------------------|------------------|
| \$ 1,657,755 | \$ 11,870,707 | \$ 3,635,759 | \$ 347,032 | \$ 1,538,501 | \$1,043,106 | \$ - |
| - | - | - | - | - | - | - |
| - | 24,191 | 8,138 | - | - | - | - |
| 1,782 | 12,635 | 3,861 | 378 | - | 1,107 | 6,933 |
| 40,020 | 11,637 | 9,693 | 12,866 | - | - | - |
| - | - | - | - | - | - | - |
| - | - | 3,500,000 | - | - | - | - |
| - | - | - | - | - | - | 40,000 |
| <u>\$ 1,699,557</u> | <u>\$ 11,919,170</u> | <u>\$ 7,157,451</u> | <u>\$ 360,276</u> | <u>\$ 1,538,501</u> | <u>\$1,044,213</u> | <u>\$ 46,933</u> |
| \$ - | \$ 512,546 | \$ 77,817 | \$ 50,616 | \$ 291,609 | \$ 7,740 | \$ - |
| 448 | 7,038 | - | - | - | - | - |
| - | - | - | - | - | - | - |
| - | - | - | - | 2,006 | - | - |
| - | - | - | - | - | - | - |
| - | - | - | 2,372,795 | - | - | - |
| - | - | - | - | - | - | - |
| <u>448</u> | <u>519,584</u> | <u>77,817</u> | <u>2,423,411</u> | <u>293,615</u> | <u>7,740</u> | <u>-</u> |
| - | - | - | - | - | - | 6,933 |
| 1,699,109 | 11,399,586 | 7,079,634 | - | 1,244,886 | 1,036,473 | 40,000 |
| - | - | - | (2,063,135) | - | - | - |
| <u>1,699,109</u> | <u>11,399,586</u> | <u>7,079,634</u> | <u>(2,063,135)</u> | <u>1,244,886</u> | <u>1,036,473</u> | <u>40,000</u> |
| <u>\$ 1,699,557</u> | <u>\$ 11,919,170</u> | <u>\$ 7,157,451</u> | <u>\$ 360,276</u> | <u>\$ 1,538,501</u> | <u>\$1,044,213</u> | <u>\$ 46,933</u> |

continued

CITY OF ELK GROVE

Combining Balance Sheet (continued) Nonmajor Special Revenue Funds June 30, 2019

| | Neighborhood | | | | Total |
|---|----------------------------------|----------------------------------|---------------------------------|-------------------------|----------------------|
| | Stabilization Program Fund | Measure A Maintenance Fund | Development Services Fund | Public Works Fund | |
| | Fund | Fund | Fund | Fund | |
| <u>ASSETS</u> | | | | | |
| Cash and investments | \$ 427,014 | \$ 5,821,699 | \$ 3,079,880 | \$ 1,614,856 | \$ 49,972,654 |
| Restricted Cash and Investments | - | - | - | - | 21,261 |
| Accounts receivable | - | 43,579 | 178,727 | 202,966 | 1,933,391 |
| Interest receivable | 92,938 | 9,125 | 3,267 | - | 190,086 |
| Taxes Receivable | - | - | - | - | 74,216 |
| Due from other government agencies | - | - | - | - | 1,119,969 |
| Advance to other funds | - | - | - | - | 3,500,000 |
| Long term loans receivable | 333,788 | - | - | - | 554,008 |
| | <hr/> | | | | |
| Total Assets | <u>\$ 853,740</u> | <u>\$ 5,874,403</u> | <u>\$ 3,261,874</u> | <u>\$ 1,817,822</u> | <u>\$ 57,365,585</u> |
| <u>LIABILITIES</u> | | | | | |
| Accounts payable | \$ - | \$ 1,624,256 | \$ 1,312,260 | \$ 320,174 | \$ 5,797,631 |
| Accrued salaries and benefits | - | 1,420 | 26,281 | 29,584 | 84,999 |
| Due to other funds | - | - | - | - | 165,029 |
| Retention payable | - | - | 8,004 | - | 24,613 |
| Refundable deposits | - | - | 1,310,709 | 108,836 | 1,419,545 |
| Advance from other funds | - | - | - | - | 2,372,795 |
| Unearned revenue | - | - | - | - | 102,773 |
| | <hr/> | | | | |
| Total Liabilities | <u>-</u> | <u>1,625,676</u> | <u>2,657,254</u> | <u>458,594</u> | <u>9,967,385</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | | |
| Unavailable revenue | 92,479 | - | - | - | 1,829,539 |
| <u>FUND BALANCES</u> | | | | | |
| Restricted | 761,261 | 4,248,727 | 604,620 | 1,359,228 | 47,699,621 |
| Unassigned | - | - | - | - | (2,130,960) |
| | <hr/> | | | | |
| Total Fund Balances | <u>761,261</u> | <u>4,248,727</u> | <u>604,620</u> | <u>1,359,228</u> | <u>45,568,661</u> |
| | <hr/> | | | | |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 853,740</u> | <u>\$ 5,874,403</u> | <u>\$ 3,261,874</u> | <u>\$ 1,817,822</u> | <u>\$ 57,365,585</u> |

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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, 2019

| | Recycling Grant Fund | Used Oil Grant Fund | Tire Collection & Disposal Grant | BSCC Local Police Grant |
|--|----------------------------|---------------------------|---|-------------------------------|
| Revenues: | | | | |
| Licenses, fees and permits | \$ - | \$ - | \$ - | \$ - |
| Intergovernmental | 42,452 | 7,500 | - | - |
| Charges for services | - | - | - | - |
| Use of money and property | 4,096 | 2,226 | - | - |
| Total Revenues | <u>46,548</u> | <u>9,726</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public Safety | - | - | - | 61,700 |
| Public ways and facilities | - | - | - | - |
| Community development | 42,451 | 53,597 | 12,845 | - |
| Debt Service: | | | | |
| Tax administration | - | - | - | - |
| Total Expenditures | <u>42,451</u> | <u>53,597</u> | <u>12,845</u> | <u>61,700</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>4,097</u> | <u>(43,871)</u> | <u>(12,845)</u> | <u>(61,700)</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (62,655) | (7,738) | - | - |
| Total Other Financing Sources (Uses) | <u>(62,655)</u> | <u>(7,738)</u> | <u>-</u> | <u>-</u> |
| Net Change in Fund Balance | (58,558) | (51,609) | (12,845) | (61,700) |
| Fund Balances, Beginning | <u>68,277</u> | <u>57,056</u> | <u>(9,966)</u> | <u>201,864</u> |
| Fund Balances, End of Year | <u>\$ 9,719</u> | <u>\$ 5,447</u> | <u>\$ (22,811)</u> | <u>\$ 140,164</u> |

| OTS Grants Fund | Local Police Grants Fund | CA Law Enforcement Equipment Fund | Gas Tax Fund | SB1 Streets and Roads Fund | Agricultural Preservation Fund | Swainson's Hawk Fund |
|-----------------------|-----------------------------------|--|--------------------|----------------------------------|--------------------------------------|----------------------------|
| \$ - | \$ - | \$ - | \$ 84,857 | \$ - | \$ - | \$ 1,666,987 |
| 407,236 | 139,797 | 389,167 | 3,179,455 | 3,716,702 | - | - |
| - | - | - | - | - | - | - |
| - | - | 10,864 | 359,826 | 67,189 | 85,252 | 119,049 |
| 407,236 | 139,797 | 400,031 | 3,624,138 | 3,783,891 | 85,252 | 1,786,036 |
| 419,168 | 190,533 | 412,984 | - | - | - | - |
| - | - | - | 4,317,520 | 686,119 | 749 | - |
| - | - | - | - | - | - | 1,035,542 |
| - | - | - | - | - | - | - |
| 419,168 | 190,533 | 412,984 | 4,317,520 | 686,119 | 749 | 1,035,542 |
| (11,932) | (50,736) | (12,953) | (693,382) | 3,097,772 | 84,503 | 750,494 |
| - | - | - | - | - | - | - |
| - | - | - | (261,094) | - | - | - |
| - | - | - | (261,094) | - | - | - |
| (11,932) | (50,736) | (12,953) | (954,476) | 3,097,772 | 84,503 | 750,494 |
| 102,681 | 5,722 | 243,287 | 3,464,278 | 748,797 | 1,958,751 | 2,420,989 |
| \$ 90,749 | \$ (45,014) | \$ 230,334 | \$ 2,509,802 | \$ 3,846,569 | \$ 2,043,254 | \$ 3,171,483 |

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, 2019

| | Tree Mitigation Fund | Street Trench Cut Fees Fund | Community Development Block Grant Fund | State Homeless Appropriations Fund |
|--|----------------------------|--------------------------------------|---|---|
| Revenues: | | | | |
| Licenses, fees and permits | \$ 413,900 | \$ 48,563 | \$ - | \$ - |
| Intergovernmental | - | - | 655,246 | - |
| Charges for services | - | - | - | - |
| Use of money and property | 49,601 | 16,014 | 28,014 | 126,666 |
| Total Revenues | <u>463,501</u> | <u>64,577</u> | <u>683,260</u> | <u>126,666</u> |
| Expenditures: | | | | |
| Current: | | | | |
| Public safety | - | - | - | - |
| Public ways and facilities | - | 140 | - | - |
| Community development | 700,355 | - | 564,019 | 125,392 |
| Debt Service: | | | | |
| Tax administration | - | - | - | - |
| Total Expenditures | <u>700,355</u> | <u>140</u> | <u>564,019</u> | <u>125,392</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(236,854)</u> | <u>64,437</u> | <u>119,241</u> | <u>1,274</u> |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | 45 | - |
| Transfers out | - | (4,401) | - | - |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(4,401)</u> | <u>45</u> | <u>-</u> |
| Net Change in Fund Balance | (236,854) | 60,036 | 119,286 | 1,274 |
| Fund Balances, Beginning | <u>1,223,950</u> | <u>353,771</u> | <u>90,731</u> | <u>4,566,382</u> |
| Fund Balances, End of Year | <u>\$ 987,096</u> | <u>\$ 413,807</u> | <u>\$ 210,017</u> | <u>\$ 4,567,656</u> |

| Police Services CFD Funds | Maintenance Services CFD Funds | Street Maintenance District Funds | Street Lighting Maintenance District Funds | Asset Seizure State and Federal Funds | Library Ownership Fund | HUD Home Grant |
|---------------------------|--------------------------------|-----------------------------------|--|---------------------------------------|------------------------|------------------|
| \$ 14,800 | \$ 23,955 | \$ 14,000 | \$ - | \$ - | \$ - | \$ - |
| 3,664,223 | 4,027,272 | 1,772,086 | 1,072,959 | 332,388 | 129,579 | - |
| - | 42,234 | - | - | - | - | - |
| 46,980 | 440,380 | 236,898 | 17,055 | - | 38,036 | - |
| <u>3,726,003</u> | <u>4,533,841</u> | <u>2,022,984</u> | <u>1,090,014</u> | <u>332,388</u> | <u>167,615</u> | <u>-</u> |
| 29,549 | - | - | - | - | - | - |
| - | 2,755,295 | 680,196 | 425,938 | 676,590 | 38,380 | - |
| - | - | - | - | - | - | - |
| 7,137 | 4,103 | 7,110 | 38,953 | - | - | - |
| <u>36,686</u> | <u>2,759,398</u> | <u>687,306</u> | <u>464,891</u> | <u>676,590</u> | <u>38,380</u> | <u>-</u> |
| 3,689,317 | 1,774,443 | 1,335,678 | 625,123 | (344,202) | 129,235 | - |
| - | - | - | - | - | - | - |
| (3,262,510) | (95,212) | (111,897) | (72,450) | - | (2,646) | - |
| <u>(3,262,510)</u> | <u>(95,212)</u> | <u>(111,897)</u> | <u>(72,450)</u> | <u>-</u> | <u>(2,646)</u> | <u>-</u> |
| 426,807 | 1,679,231 | 1,223,781 | 552,673 | (344,202) | 126,589 | - |
| 1,272,302 | 9,720,355 | 5,855,853 | (2,615,808) | 1,589,088 | 909,884 | 40,000 |
| <u>\$ 1,699,109</u> | <u>\$ 11,399,586</u> | <u>\$ 7,079,634</u> | <u>\$ (2,063,135)</u> | <u>\$ 1,244,886</u> | <u>\$ 1,036,473</u> | <u>\$ 40,000</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, 2019

| | Neighborhood | | | | Total |
|--|----------------------------------|----------------------------------|---------------------------------|-------------------------|----------------------|
| | Stabilization Program Fund | Measure A Maintenance Fund | Development Services Fund | Public Works Fund | |
| Revenues: | | | | | |
| Licenses, fees and permits | \$ - | \$ - | \$ 6,949,218 | \$ 582,898 | \$ 9,799,178 |
| Intergovernmental | - | 4,278,898 | - | - | 23,814,960 |
| Charges for services | - | - | 1,891,824 | - | 1,934,058 |
| Use of money and property | 17,656 | 404,953 | 75,457 | 464,407 | 2,610,619 |
| Total Revenues | 17,656 | 4,683,851 | 8,916,499 | 1,047,305 | 38,158,815 |
| Expenditures: | | | | | |
| Current: | | | | | |
| Public Safety | - | - | - | - | 1,113,934 |
| Public ways and facilities | 1,011 | 3,651,402 | 174,141 | 4,331,937 | 17,739,418 |
| Community development | - | - | 6,702,150 | - | 9,236,351 |
| Debt Service: | | | | | |
| Tax administration | - | - | - | - | 57,303 |
| Total Expenditures | 1,011 | 3,651,402 | 6,876,291 | 4,331,937 | 28,147,006 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 16,645 | 1,032,449 | 2,040,208 | (3,284,632) | 10,011,809 |
| Other Financing Sources (Uses): | | | | | |
| Transfers in | 8,917 | - | - | 3,969,891 | 3,978,853 |
| Transfers out | - | (171,529) | (1,072,628) | (142,801) | (5,267,561) |
| Total Other Financing Sources (Uses) | 8,917 | (171,529) | (1,072,628) | 3,827,090 | (1,288,708) |
| Net Change in Fund Balance | 25,562 | 860,920 | 967,580 | 542,458 | 8,723,101 |
| Fund Balances, Beginning | 735,699 | 3,387,807 | (362,960) | 816,770 | 36,845,560 |
| Fund Balances, End of Year | \$ 761,261 | \$ 4,248,727 | \$ 604,620 | \$ 1,359,228 | \$ 45,568,661 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Recycling Grant Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|---------------|-----------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 42,452 | \$ 42,452 | \$ - |
| Use of money and property | 1,620 | 4,096 | 2,476 |
| Total Revenues | 44,072 | 46,548 | 2,476 |
| Expenditures: | | | |
| Current: | | | |
| Community development | 42,452 | 42,451 | 1 |
| Total Expenditures | 42,452 | 42,451 | 1 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 1,620 | 4,097 | 2,477 |
| Net Change in Fund Balance | 1,620 | (58,558) | (60,178) |
| Fund Balance, Beginning | 68,277 | 68,277 | - |
| Fund Balance, Ending | \$ 69,897 | \$ 9,719 | \$ (60,178) |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Used Oil Grant Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|------------------|-----------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 7,500 | \$ 7,500 | \$ - |
| Use of money and property | 730 | 2,226 | 1,496 |
| Total Revenues | <u>8,230</u> | <u>9,726</u> | <u>1,496</u> |
| Expenditures: | | | |
| Current: | | | |
| Community development | 53,597 | 53,597 | - |
| Total Expenditures | <u>53,597</u> | <u>53,597</u> | <u>-</u> |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | <u>(45,367)</u> | <u>(43,871)</u> | <u>1,496</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | - | (7,738) | 7,738 |
| Total Other Financing Sources (Uses) | <u>-</u> | <u>(7,738)</u> | <u>(7,738)</u> |
| Net Change in Fund Balance | (45,367) | (51,609) | (6,242) |
| Fund Balance, Beginning | <u>57,056</u> | <u>57,056</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 11,689</u> | <u>\$ 5,447</u> | <u>\$ (6,242)</u> |

Special Revenue Fund
 Budgetary Comparison Schedule
 Tire Collection & Disposal Grant
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|-------------|-------------|------------------------------------|
| Expenditures: | | | |
| Current: | | | |
| Community development | \$ 12,845 | \$ 12,845 | \$ - |
| Total Expenditures | 12,845 | 12,845 | - |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (12,845) | (12,845) | - |
| Net Change in Fund Balance | (12,845) | (12,845) | - |
| Fund Balance, Beginning | (9,966) | (9,966) | - |
| Fund Balance, Ending | \$ (22,811) | \$ (22,811) | \$ - |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 BSCC Local Police Grant
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|---------------------------------------|------------|------------|------------------------------------|
| | | | |
| Expenditures: | | | |
| Current: | | | |
| Public safety | \$ 61,700 | \$ 61,700 | \$ - |
| Total Expenditures | 61,700 | 61,700 | - |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (61,700) | (61,700) | - |
| Net Change in Fund Balance | (61,700) | (61,700) | - |
| Fund Balance, Beginning | 201,864 | 201,864 | - |
| Fund Balance, Ending | \$ 140,164 | \$ 140,164 | \$ - |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 OTS Grants Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|------------|------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 407,236 | \$ 407,236 | \$ - |
| Total Revenues | 407,236 | 407,236 | - |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 419,168 | 419,168 | - |
| Total Expenditures | 419,168 | 419,168 | - |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (11,932) | (11,932) | - |
| Net Change in Fund Balance | | | |
| | (11,932) | (11,932) | - |
| Fund Balance, Beginning | | | |
| | 102,681 | 102,681 | - |
| Fund Balance, Ending | | | |
| | \$ 90,749 | \$ 90,749 | \$ - |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Local Police Grants Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|---------------------------|---------------------------|------------------------------------|
| Revenues: | | | |
| Current: | | | |
| Intergovernmental | \$ 139,777 | \$ 139,797 | \$ 20 |
| Use of money and property | 20 | - | (20) |
| Total Revenues | <u>139,797</u> | <u>139,797</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 190,533 | 190,533 | - |
| Total Expenditures | <u>190,533</u> | <u>190,533</u> | <u>-</u> |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | <u>(50,736)</u> | <u>(50,736)</u> | <u>-</u> |
| Net Change in Fund Balance | (50,736) | (50,736) | - |
| Fund Balance, Beginning | <u>5,722</u> | <u>5,722</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ (45,014)</u></u> | <u><u>\$ (45,014)</u></u> | <u><u>\$ -</u></u> |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 CA Law Enforcement Equipment Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|------------|------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 389,167 | \$ 389,167 | \$ - |
| Use of money and property | - | 10,864 | 10,864 |
| Total Revenues | 389,167 | 400,031 | 10,864 |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 412,984 | 412,984 | - |
| Total Expenditures | 412,984 | 412,984 | - |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (23,817) | (12,953) | 10,864 |
| Net Change in Fund Balance | (23,817) | (12,953) | 10,864 |
| Fund Balance, Beginning | 243,287 | 243,287 | - |
| Fund Balance, Ending | \$ 219,470 | \$ 230,334 | \$ 10,864 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Gas Tax Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|--------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ - | \$ 84,857 | \$ 84,857 |
| Intergovernmental | 3,574,945 | 3,179,455 | (395,490) |
| Use of money and property | 344,164 | 359,826 | 15,662 |
| Total Revenues | 3,919,109 | 3,624,138 | (294,971) |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 4,895,350 | 4,317,520 | 577,830 |
| Total Expenditures | 4,895,350 | 4,317,520 | 577,830 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (976,241) | (693,382) | 282,859 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (261,095) | (261,094) | (1) |
| Total Other Financing Sources (Uses) | (261,095) | (261,094) | 1 |
| Net Change in Fund Balance | (1,237,336) | (954,476) | 282,860 |
| Fund Balance, Beginning | 3,464,278 | 3,464,278 | - |
| Fund Balance, Ending | \$ 2,226,942 | \$ 2,509,802 | \$ 282,860 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 SB1 Streets and Roads Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|--------------|--------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 3,454,614 | \$ 3,716,702 | \$ 262,088 |
| Use of money and property | - | 67,189 | 67,189 |
| Total Revenues | 3,454,614 | 3,783,891 | 329,277 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 686,119 | 686,119 | - |
| Total Expenditures | 686,119 | 686,119 | - |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 2,768,495 | 3,097,772 | 329,277 |
| Net Change in Fund Balance | 2,768,495 | 3,097,772 | 329,277 |
| Fund Balance, Beginning | 748,797 | 748,797 | - |
| Fund Balance, Ending | \$ 3,517,292 | \$ 3,846,569 | \$ 329,277 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Agricultural Preservation Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|-------------|--------------|------------------------------------|
| Revenues: | | | |
| Use of money and property | \$ 29,580 | \$ 85,252 | \$ 55,672 |
| Total Revenues | 29,580 | 85,252 | 55,672 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 1,901,700 | 749 | 1,900,951 |
| Total Expenditures | 1,901,700 | 749 | 1,900,951 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (1,872,120) | 84,503 | 1,956,623 |
| Net Change in Fund Balance | (1,872,120) | 84,503 | 1,956,623 |
| Fund Balance, Beginning | 1,958,751 | 1,958,751 | - |
| Fund Balance, Ending | \$ 86,631 | \$ 2,043,254 | \$ 1,956,623 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Swainson's Hawk Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|----------------------------|----------------------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 211,000 | \$ 1,666,987 | \$ 1,455,987 |
| Use of money and property | 25,000 | 119,049 | 94,049 |
| Total Revenues | <u>236,000</u> | <u>1,786,036</u> | <u>1,550,036</u> |
| Expenditures: | | | |
| Current: | | | |
| Community development | 1,289,816 | 1,035,542 | 254,274 |
| Total Expenditures | <u>1,289,816</u> | <u>1,035,542</u> | <u>254,274</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(1,053,816)</u> | <u>750,494</u> | <u>1,804,310</u> |
| Net Change in Fund Balance | (1,053,816) | 750,494 | 1,804,310 |
| Fund Balance, Beginning | <u>2,420,989</u> | <u>2,420,989</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ 1,367,173</u></u> | <u><u>\$ 3,171,483</u></u> | <u><u>\$ 1,804,310</u></u> |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Tree Mitigation Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|------------|------------|------------------------------------|
| | | | |
| Revenues: | | | |
| Licenses, fees and permits | \$ 100,000 | \$ 413,900 | \$ 313,900 |
| Use of money and property | 14,610 | 49,601 | 34,991 |
| Total Revenues | 114,610 | 463,501 | 348,891 |
| Expenditures: | | | |
| Current: | | | |
| Community development | 701,140 | 700,355 | 785 |
| Total Expenditures | 701,140 | 700,355 | 785 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (586,530) | (236,854) | 349,676 |
| Net Change in Fund Balance | (586,530) | (236,854) | 349,676 |
| Fund Balance, Beginning | 1,223,950 | 1,223,950 | - |
| Fund Balance, Ending | \$ 637,420 | \$ 987,096 | \$ 349,676 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Trench Cut Fee Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|---|----------------|----------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 90,000 | \$ 48,563 | \$ (41,437) |
| Use of money and property | 7,080 | 16,014 | 8,934 |
| Total Revenues | 97,080 | 64,577 | (32,503) |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 400 | 140 | 260 |
| Community development | 100,000 | - | 100,000 |
| Total Expenditures | 100,400 | 140 | 100,260 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (3,320) | 64,437 | 67,757 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (4,401) | (4,401) | - |
| Total Other Financing Sources (Uses) | (4,401) | (4,401) | - |
| Net Change in Fund Balance | (7,721) | 60,036 | 67,757 |
| Fund Balance, Beginning | 353,771 | 353,771 | - |
| Fund Balance, Ending | \$ 346,050 | \$ 413,807 | \$ 67,757 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Community Development Block Grants Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 1,679,570 | \$ 655,246 | \$ (1,024,324) |
| Use of money and property | 100 | 28,014 | 27,914 |
| Total Revenues | 1,679,670 | 683,260 | (996,410) |
| Expenditures: | | | |
| Current: | | | |
| Community development | 1,024,024 | 564,019 | 460,005 |
| Total Expenditures | 1,024,024 | 564,019 | 460,005 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 655,646 | 119,241 | (536,405) |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | 45 | 45 |
| Total Other Financing Sources (Uses) | - | 45 | 45 |
| Net Change in Fund Balance | 655,646 | 119,286 | (536,360) |
| Fund Balance, Beginning | 90,731 | 90,731 | - |
| Fund Balance, Ending | \$ 746,377 | \$ 210,017 | \$ (536,360) |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 State Homeless Appropriations Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|--------------|------------------------------------|
| | | | |
| Revenues: | | | |
| Use of money and property | \$ - | \$ 126,666 | \$ 126,666 |
| Total Revenues | - | 126,666 | 126,666 |
| Expenditures: | | | |
| Current: | | | |
| Community development | 2,494,812 | 125,392 | 2,369,420 |
| Total Expenditures | 2,494,812 | 125,392 | 2,369,420 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (2,494,812) | 1,274 | 2,496,086 |
| Net Change in Fund Balance | (2,494,812) | 1,274 | 2,496,086 |
| Fund Balance, Beginning | 4,566,382 | 4,566,382 | - |
| Fund Balance, Ending | \$ 2,071,570 | \$ 4,567,656 | \$ 2,496,086 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Police Services CFD Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 10,000 | \$ 14,800 | \$ 4,800 |
| Intergovernmental | 3,630,000 | 3,664,223 | 34,223 |
| Use of money and property | 8,430 | 46,980 | 38,550 |
| Total Revenues | <u>3,648,430</u> | <u>3,726,003</u> | <u>77,573</u> |
| Expenditures: | | | |
| Current: | | | |
| Public safety | 34,054 | 29,549 | 4,505 |
| Debt Service: | | | |
| Tax administration | 7,500 | 7,137 | 363 |
| Total Expenditures | <u>41,554</u> | <u>36,686</u> | <u>4,868</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>3,606,876</u> | <u>3,689,317</u> | <u>82,441</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | (3,262,510) | (3,262,510) | - |
| Total Other Financing Sources (Uses) | <u>(3,262,510)</u> | <u>(3,262,510)</u> | <u>-</u> |
| Net Change in Fund Balance | 344,366 | 426,807 | 82,441 |
| Fund Balance, Beginning | <u>1,272,302</u> | <u>1,272,302</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 1,616,668</u> | <u>\$ 1,699,109</u> | <u>\$ 82,441</u> |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Maintenance Services CFD Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------|---------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 10,000 | \$ 23,955 | \$ 13,955 |
| Intergovernmental | 4,030,000 | 4,027,272 | (2,728) |
| Charges for services | 64,616 | 42,234 | (22,382) |
| Use of money and property | 125,520 | 440,380 | 314,860 |
| Total Revenues | 4,230,136 | 4,533,841 | 303,705 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 3,491,604 | 2,755,295 | 736,309 |
| Debt Service: | | | |
| Tax administration | 6,000 | 4,103 | 1,897 |
| Total Expenditures | 3,497,604 | 2,759,398 | 738,206 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 732,532 | 1,774,443 | 1,041,911 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (95,213) | (95,212) | 1 |
| Total Other Financing Sources (Uses) | (95,213) | (95,212) | 1 |
| Net Change in Fund Balance | 637,319 | 1,679,231 | 1,041,912 |
| Fund Balance, Beginning | 9,720,355 | 9,720,355 | - |
| Fund Balance, Ending | \$ 10,357,674 | \$ 11,399,586 | \$ 1,041,912 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Maintenance District Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 15,000 | \$ 14,000 | \$ (1,000) |
| Intergovernmental | 1,773,000 | 1,772,086 | (914) |
| Use of money and property | 83,500 | 236,898 | 153,398 |
| Total Revenues | <u>1,871,500</u> | <u>2,022,984</u> | <u>151,484</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 719,297 | 680,196 | 39,101 |
| Debt Service: | | | |
| Tax administration | 11,000 | 7,110 | 3,890 |
| Total Expenditures | <u>730,297</u> | <u>687,306</u> | <u>42,991</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,141,203</u> | <u>1,335,678</u> | <u>194,475</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | (111,894) | (111,897) | (3) |
| Total Other Financing Sources (Uses) | <u>(111,894)</u> | <u>(111,897)</u> | <u>(3)</u> |
| Net Change in Fund Balance | 1,029,309 | 1,223,781 | 194,472 |
| Fund Balance, Beginning | <u>5,855,853</u> | <u>5,855,853</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 6,885,162</u> | <u>\$ 7,079,634</u> | <u>\$ 194,472</u> |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Lighting Maintenance District Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|----------------|----------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 1,057,000 | \$ 1,072,959 | \$ 15,959 |
| Use of money and property | 3,240 | 17,055 | 13,815 |
| Total Revenues | 1,060,240 | 1,090,014 | 29,774 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 528,642 | 425,938 | 102,704 |
| Debt Service: | | | |
| Tax administration | 37,500 | 38,953 | (1,453) |
| Total Expenditures | 566,142 | 464,891 | 101,251 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 494,098 | 625,123 | (71,477) |
| Other Financing Sources (Uses): | | | |
| Transfers out | (72,450) | (72,450) | - |
| Total Other Financing Sources (Uses) | (72,450) | (72,450) | - |
| Net Change in Fund Balance | 421,648 | 552,673 | (71,477) |
| Fund Balance, Beginning | (2,615,808) | (2,615,808) | - |
| Fund Balance, Ending | \$ (2,194,160) | \$ (2,063,135) | \$ (71,477) |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Asset Seizure State and Federal Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|----------------------------|----------------------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 332,388 | \$ 332,388 | \$ - |
| Total Revenues | <u>332,388</u> | <u>332,388</u> | <u>-</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 676,590 | 676,590 | - |
| Total Expenditures | <u>676,590</u> | <u>676,590</u> | <u>-</u> |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | <u>(344,202)</u> | <u>(344,202)</u> | <u>-</u> |
| Net Change in Fund Balance | (344,202) | (344,202) | - |
| Fund Balance, Beginning | <u>1,589,088</u> | <u>1,589,088</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ 1,244,886</u></u> | <u><u>\$ 1,244,886</u></u> | <u><u>\$ -</u></u> |

CITY OF ELK GROVE

Special Revenue Fund

Budgetary Comparison Schedule

Library Ownership Fund

For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|-------------------|---------------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 115,000 | \$ 129,579 | \$ 14,579 |
| Use of money and property | 12,240 | 38,036 | 25,796 |
| Total Revenues | <u>127,240</u> | <u>167,615</u> | <u>40,375</u> |
| Expenditures: | | | |
| Current: | | | |
| Public way and facilities | 49,902 | 38,380 | 11,522 |
| Total Expenditures | <u>49,902</u> | <u>38,380</u> | <u>11,522</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>77,338</u> | <u>129,235</u> | <u>51,897</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | (2,646) | (2,646) | - |
| Total Other Financing Sources (Uses) | <u>(2,646)</u> | <u>(2,646)</u> | <u>-</u> |
| Net Change in Fund Balance | 74,692 | 126,589 | 51,897 |
| Fund Balance, Beginning | <u>909,884</u> | <u>909,884</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 984,576</u> | <u>\$ 1,036,473</u> | <u>\$ 51,897</u> |

CITY OF ELK GROVE

Special Revenue Fund

Budgetary Comparison Schedule

HUD Home Grant

For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|-----------|-----------|------------------------------------|
| Revenues: | | | |
| Total Revenues | \$ - | \$ - | \$ - |
| Expenditures: | | | |
| Total Expenditures | - | - | - |
| Net Change in Fund Balance | - | - | - |
| Fund Balance, Beginning | 40,000 | 40,000 | - |
| Fund Balance, Ending | \$ 40,000 | \$ 40,000 | \$ - |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Neighborhood Stabilization Program Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|------------|------------|------------------------------------|
| Revenues: | | | |
| Use of money and property | \$ 60,660 | \$ 17,656 | \$ (43,004) |
| Total Revenues | 60,660 | 17,656 | (43,004) |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 265,330 | 1,011 | 264,319 |
| Total Expenditures | 265,330 | 1,011 | 264,319 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (204,670) | 16,645 | 221,315 |
| Other Financing Sources (Uses): | | | |
| Transfers in | - | 8,917 | 8,917 |
| Total Other Financing Sources (Uses) | - | 8,917 | 8,917 |
| Net Change in Fund Balance | (204,670) | 25,562 | 230,232 |
| Fund Balance, Beginning | 735,699 | 735,699 | - |
| Fund Balance, Ending | \$ 531,029 | \$ 761,261 | \$ 230,232 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Measure A Maintenance Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 4,164,922 | \$ 4,278,898 | \$ 113,976 |
| Use of money and property | 48,590 | 404,953 | 356,363 |
| Total Revenues | <u>4,213,512</u> | <u>4,683,851</u> | <u>470,339</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 3,857,432 | 3,651,402 | 206,030 |
| Total Expenditures | <u>3,857,432</u> | <u>3,651,402</u> | <u>206,030</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>356,080</u> | <u>1,032,449</u> | <u>676,369</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | <u>(171,529)</u> | <u>(171,529)</u> | - |
| Total Other Financing Sources (Uses) | <u>(171,529)</u> | <u>(171,529)</u> | - |
| Net Change in Fund Balance | 184,551 | 860,920 | 676,369 |
| Fund Balance, Beginning | <u>3,387,807</u> | <u>3,387,807</u> | - |
| Fund Balance, Ending | <u>\$ 3,572,358</u> | <u>\$ 4,248,727</u> | <u>\$ 676,369</u> |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Development Services Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|--------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 6,693,300 | \$ 6,949,218 | \$ 255,918 |
| Charges for services | 2,786,900 | 1,891,824 | (895,076) |
| Use of money and property | - | 75,457 | 75,457 |
| Total Revenues | 9,480,200 | 8,916,499 | (563,701) |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 422,003 | 174,141 | 247,862 |
| Community development | 7,685,967 | 6,702,150 | 983,817 |
| Total Expenditures | 8,107,970 | 6,876,291 | 1,231,679 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 1,372,230 | 2,040,208 | 667,978 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (1,072,628) | (1,072,628) | - |
| Total Other Financing Sources (Uses) | (1,072,628) | (1,072,628) | - |
| Net Change in Fund Balance | 299,602 | 967,580 | 667,978 |
| Fund Balance, Beginning | (362,960) | (362,960) | - |
| Fund Balance, Ending | \$ (63,358) | \$ 604,620 | \$ 667,978 |

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Public Works Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 476,000 | \$ 582,898 | \$ 106,898 |
| Use of money and property | 442,500 | 464,407 | 21,907 |
| Total Revenues | <u>918,500</u> | <u>1,047,305</u> | <u>128,805</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 4,173,481 | 4,331,937 | (158,456) |
| Total Expenditures | <u>4,173,481</u> | <u>4,331,937</u> | <u>(158,456)</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(3,254,981)</u> | <u>(3,284,632)</u> | <u>(29,651)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers in | 3,875,670 | 3,969,891 | 94,221 |
| Transfers out | (142,983) | (142,801) | 182 |
| Total Other Financing Sources (Uses) | <u>3,732,687</u> | <u>3,827,090</u> | <u>94,403</u> |
| Net Change in Fund Balance | 477,706 | 542,458 | 64,752 |
| Fund Balance, Beginning | <u>816,770</u> | <u>816,770</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 1,294,476</u> | <u>\$ 1,359,228</u> | <u>\$ 64,752</u> |

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

State Grant Funds – Established to account for money from the State of California to fund capital projects.

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.

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 Fund – Established to account for development impact fees.

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Federal Capital Grants Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|----------------|----------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 3,738,425 | \$ 3,738,425 | \$ - |
| Use of money and property | - | 22,213 | 22,213 |
| Total Revenues | 3,738,425 | 3,760,638 | 22,213 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 3,986,937 | 3,986,937 | - |
| Total Expenditures | 3,986,937 | 3,986,937 | - |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (248,512) | (226,299) | 22,213 |
| Other Financing Sources (Uses): | | | |
| Transfers In | 300,000 | 300,000 | - |
| Transfers out | - | (144,136) | (144,136) |
| Total Other Financing Sources (Uses) | 300,000 | 155,864 | (144,136) |
| Net Change in Fund Balance | 51,488 | (70,435) | (121,923) |
| Fund Balance, Beginning, as restated | (3,670,874) | (3,670,874) | - |
| Fund Balance, Ending | \$ (3,619,386) | \$ (3,741,309) | \$ (121,923) |

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Roadway Fee Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|-----------------------------|-----------------------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 7,682,311 | \$ 8,919,834 | \$ 1,237,523 |
| Intergovernmental | - | 3,422,919 | 3,422,919 |
| Use of money and property | 450,000 | 1,686,323 | 1,236,323 |
| Total Revenues | <u>8,132,311</u> | <u>14,029,076</u> | <u>5,896,765</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 12,923,339 | 11,322,552 | 1,600,787 |
| Total Expenditures | <u>12,923,339</u> | <u>11,322,552</u> | <u>1,600,787</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(4,791,028)</u> | <u>2,706,524</u> | <u>7,497,552</u> |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | 60,814 | 60,814 |
| Transfers out | (1,139,135) | (1,139,135) | - |
| Total Other Financing Sources (Uses) | <u>(1,139,135)</u> | <u>(1,078,321)</u> | <u>60,814</u> |
| Net Change in Fund Balance | (5,930,163) | 1,628,203 | 7,558,366 |
| Fund Balance, Beginning, as restated | <u>30,391,195</u> | <u>30,391,195</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ 24,461,032</u></u> | <u><u>\$ 32,019,398</u></u> | <u><u>\$ 7,558,366</u></u> |

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Mitigation and Fee Fund
 For the Year Ended June 30, 2019

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|----------------------|----------------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 6,802,107 | \$ 2,857,835 | \$ (3,944,272) |
| Use of money and property | 277,900 | 1,110,379 | 832,479 |
| Total Revenues | <u>7,080,007</u> | <u>3,968,214</u> | <u>(3,111,793)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 17,345,684 | 17,239,349 | 106,335 |
| Total Expenditures | <u>17,345,684</u> | <u>17,239,349</u> | <u>106,335</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(10,265,677)</u> | <u>(13,271,135)</u> | <u>(3,005,458)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | (534,511) | (305,515) | 228,996 |
| Total Other Financing Sources (Uses) | <u>(534,511)</u> | <u>(305,515)</u> | <u>228,996</u> |
| Net Change in Fund Balance | (10,800,188) | (13,576,650) | (2,776,462) |
| Fund Balance, Beginning | <u>26,355,773</u> | <u>26,355,773</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 15,555,585</u> | <u>\$ 12,779,123</u> | <u>\$ (2,776,462)</u> |

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Laguna Ridge CFD 2005-1 Fund
 For the Year Ended June 30, 2019

| | <u>Budget</u> | <u>Actual</u> | Variance Positive (Negative) |
|--|---------------------|---------------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ - | \$ 1,936,458 | \$ 1,936,458 |
| Bond Proceeds | 23,280,000 | 16,030,000 | (7,250,000) |
| Use of money and property | 2,500 | 169,643 | 167,143 |
| Total Revenues | <u>23,282,500</u> | <u>18,136,101</u> | <u>(5,146,399)</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 33,529,616 | 28,637,680 | 4,891,936 |
| Total Expenditures | <u>33,529,616</u> | <u>28,637,680</u> | <u>4,891,936</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(10,247,116)</u> | <u>(10,501,579)</u> | <u>(254,463)</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | (847,652) | (847,651) | 1 |
| Total Other Financing Sources (Uses) | <u>(847,652)</u> | <u>(847,651)</u> | <u>1</u> |
| Net Change in Fund Balance | (11,094,768) | (11,349,230) | (254,462) |
| Fund Balance, Beginning | <u>19,974,389</u> | <u>19,974,389</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 8,879,621</u> | <u>\$ 8,625,159</u> | <u>\$ (254,462)</u> |

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CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2019

| | State Grants Fund | Measure A Construction Funds | LTF Bikes & Pedestrian Fund | Capital Facilities Funds |
|---|-------------------------|------------------------------------|--------------------------------------|--------------------------------|
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ - | \$ 2,622,120 | \$ 571,211 | \$ 12,550,973 |
| Cash with fiscal agent | - | - | - | - |
| Accounts receivable | 22,235 | - | - | 3,198 |
| Interest receivable | - | 2,700 | 621 | 13,365 |
| Due from other government agencies | 150,893 | - | 5,137 | - |
| Advances to other funds | - | - | - | 1,500,000 |
| Long-term development fees receivable | - | - | - | 445,760 |
| Total Assets | <u>\$ 173,128</u> | <u>\$ 2,624,820</u> | <u>\$ 576,969</u> | <u>\$ 14,513,296</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 56,057 | \$ 295,828 | \$ 11,788 | \$ 49,281 |
| Accrued salaries and benefits | - | - | - | 789 |
| Due to other funds | 101,727 | - | - | - |
| Retention payable | 4,868 | 16,833 | - | - |
| Advances from other funds | - | - | - | - |
| Total Liabilities | <u>162,652</u> | <u>312,661</u> | <u>11,788</u> | <u>50,070</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | 150,893 | - | - | 445,760 |
| <u>FUND BALANCES</u> | | | | |
| Restricted | - | 2,312,159 | 565,181 | 14,017,466 |
| Unassigned | (140,417) | - | - | - |
| Total Fund Balances | <u>(140,417)</u> | <u>2,312,159</u> | <u>565,181</u> | <u>14,017,466</u> |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 173,128</u> | <u>\$ 2,624,820</u> | <u>\$ 576,969</u> | <u>\$ 14,513,296</u> |

continued

CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Capital Projects Funds (continued)
 June 30, 2019

| | Laguna | | | East Franklin |
|---|-------------------|------------------|---------------------|----------------------|
| | West | Lakeside | | CFD 2002-1 |
| | Service Area | Service Area | In Lieu | |
| | Fund | Fund | Funds | Fund |
| <u>ASSETS</u> | | | | |
| Cash and investments | \$ 518,526 | \$ 83,434 | \$ 3,077,107 | \$ 20,462,497 |
| Cash with fiscal agent | - | - | - | - |
| Accounts receivable | - | - | - | - |
| Interest receivable | 540 | 81 | - | 21,761 |
| Due from other government agencies | 617 | - | - | 2,920 |
| Advances to other funds | - | - | - | - |
| Long-term development fees receivable | - | - | - | - |
| | | | | |
| Total Assets | <u>\$ 519,683</u> | <u>\$ 83,515</u> | <u>\$ 3,077,107</u> | <u>\$ 20,487,178</u> |
| <u>LIABILITIES</u> | | | | |
| Accounts payable | \$ 552 | \$ - | \$ 37,151 | \$ 301,276 |
| Accrued salaries and benefits | - | - | - | 337 |
| Due to other funds | - | - | - | - |
| Retention payable | - | - | - | 4,505 |
| Advances from other funds | - | - | - | - |
| | | | | |
| Total Liabilities | <u>552</u> | <u>-</u> | <u>37,151</u> | <u>306,118</u> |
| <u>DEFERRED INFLOWS OF RESOURCES</u> | | | | |
| Unavailable revenue | - | - | - | - |
| <u>FUND BALANCES</u> | | | | |
| Restricted | 519,131 | 83,515 | 3,039,956 | 20,181,060 |
| Unassigned | - | - | - | - |
| | | | | |
| Total Fund Balances | <u>519,131</u> | <u>83,515</u> | <u>3,039,956</u> | <u>20,181,060</u> |
| | | | | |
| Total Liabilities, Deferred Inflows of Resources and Fund Balances | <u>\$ 519,683</u> | <u>\$ 83,515</u> | <u>\$ 3,077,107</u> | <u>\$ 20,487,178</u> |

| Poppy Ridge CFD 2003-1 Fund | Animal Shelter Fund | Laguna CFD Fund | Laguna West CFD Fund | Lakeside CFD Fund | SEPA Mitigation Funds | Total |
|-----------------------------------|---------------------------|-----------------------|----------------------------|-------------------------|-----------------------------|----------------------|
| \$ 782,102 | \$ 524,102 | \$ 731,837 | \$ 136,714 | \$ - | \$ 983,361 | \$ 43,043,984 |
| 211 | 4,385,386 | - | - | - | - | 4,385,597 |
| - | - | - | - | - | - | 25,433 |
| 837 | 567 | 783 | 135 | - | - | 41,390 |
| 2,727 | - | - | - | - | - | 162,294 |
| - | - | - | - | - | - | 1,500,000 |
| - | - | - | - | - | - | 445,760 |
| <u>\$ 785,877</u> | <u>\$ 4,910,055</u> | <u>\$ 732,620</u> | <u>\$ 136,849</u> | <u>\$ -</u> | <u>\$ 983,361</u> | <u>\$ 49,604,458</u> |
| \$ 34,845 | \$ 1,683,554 | \$ - | \$ - | \$ - | \$ - | \$ 2,470,332 |
| 337 | - | - | - | - | - | 1,463 |
| - | - | - | - | - | - | 101,727 |
| - | 599,550 | - | - | - | - | 625,756 |
| - | - | - | - | 614 | - | 614 |
| <u>35,182</u> | <u>2,283,104</u> | <u>-</u> | <u>-</u> | <u>614</u> | <u>-</u> | <u>3,199,892</u> |
| - | - | - | - | - | - | 596,653 |
| 750,695 | 2,626,951 | 732,620 | 136,849 | - | 983,361 | 45,948,944 |
| - | - | - | - | (614) | - | (141,031) |
| <u>750,695</u> | <u>2,626,951</u> | <u>732,620</u> | <u>136,849</u> | <u>(614)</u> | <u>983,361</u> | <u>45,807,913</u> |
| <u>\$ 785,877</u> | <u>\$ 4,910,055</u> | <u>\$ 732,620</u> | <u>\$ 136,849</u> | <u>\$ -</u> | <u>\$ 983,361</u> | <u>\$ 49,604,458</u> |

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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, 2019

| | State Grants Fund | Measure A Construction Funds | Bike & Pedestrians Fund | Capital Facilities Funds |
|--|-------------------------|------------------------------------|-------------------------------|--------------------------------|
| Revenues: | | | | |
| Licenses, fees and permits | \$ - | \$ - | \$ - | \$ 3,929,296 |
| Intergovernmental | 141,541 | 1,020,083 | 146,910 | - |
| Bond Proceeds | | | | |
| Use of money and property | - | 112,952 | 20,746 | 638,574 |
| Total Revenues | 141,541 | 1,133,035 | 167,656 | 4,567,870 |
| Expenditures: | | | | |
| Current: | | | | |
| Public ways and facilities | 216,319 | 1,358,698 | 49,489 | 1,599,588 |
| Total Expenditures | 216,319 | 1,358,698 | 49,489 | 1,599,588 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (74,778) | (225,663) | 118,167 | 2,968,282 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | 144,136 | - | - |
| Transfers out | - | (102,132) | (8,145) | (243,595) |
| Total Other Financing Sources (Uses) | - | 42,004 | (8,145) | (243,595) |
| Net Change in Fund Balances | (74,778) | (183,659) | 110,022 | 2,724,687 |
| Fund Balances, Beginning, as restated | (65,639) | 2,495,818 | 455,159 | 11,292,779 |
| Fund Balances, End of Year | <u>\$ (140,417)</u> | <u>\$ 2,312,159</u> | <u>\$ 565,181</u> | <u>\$ 14,017,466</u> |

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, 2019

| | Laguna West Service Area Fund | Lakeside Service Area Fund | In Lieu Funds | East Franklin CFD 2002-1 Fund |
|--|-------------------------------------|----------------------------------|---------------------|-------------------------------------|
| Revenues: | | | | |
| Licenses, fees and permits | \$ - | \$ - | \$ 1,335,560 | \$ - |
| Intergovernmental | 61,242 | - | - | 1,592,918 |
| Bond Proceeds | | | | - |
| Use of money and property | 20,845 | 3,491 | 21,101 | 528,203 |
| Total Revenues | 82,087 | 3,491 | 1,356,661 | 2,121,121 |
| Expenditures: | | | | |
| Current: | | | | |
| Public ways and facilities | 7,626 | 31 | 3,247,053 | 924,100 |
| Total Expenditures | 7,626 | 31 | 3,247,053 | 924,100 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | 74,461 | 3,460 | (1,890,392) | 1,197,021 |
| Other Financing Sources (Uses): | | | | |
| Transfers in | - | - | - | - |
| Transfers out | (2,843) | (570) | (13,767) | (172,779) |
| Total Other Financing Sources (Uses) | (2,843) | (570) | (13,767) | (172,779) |
| Net Change in Fund Balances | 71,618 | 2,890 | (1,904,159) | 1,024,242 |
| Fund Balances, Beginning, as restated | 447,513 | 80,625 | 4,944,115 | 19,156,818 |
| Fund Balances, End of Year | <u>\$ 519,131</u> | <u>\$ 83,515</u> | <u>\$ 3,039,956</u> | <u>\$ 20,181,060</u> |

| Poppy Ridge CFD 2003-1 Fund | Animal Shelter Fund | Laguna CFD Fund | Laguna West CFD Fund | Lakeside CFD Fund | SEPA Mitigation Funds | Total |
|-----------------------------------|---------------------------|-----------------------|----------------------------|-------------------------|-----------------------------|---------------|
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ 976,618 | \$ 6,241,474 |
| 5,092,998 | - | 30,569 | - | - | - | 8,086,261 |
| - | - | - | - | - | - | - |
| 29,246 | 7,012 | - | 5,701 | - | 6,743 | 1,394,614 |
| 5,122,244 | 7,012 | 30,569 | 5,701 | - | 983,361 | 15,722,349 |
| 2,580,651 | 11,851,380 | - | 50 | 58 | - | 21,835,043 |
| 2,580,651 | 11,851,380 | - | 50 | 58 | - | 21,835,043 |
| 2,541,593 | (11,844,368) | 30,569 | 5,651 | (58) | 983,361 | (6,112,694) |
| - | - | - | - | - | - | 144,136 |
| (716,726) | - | - | - | (556) | - | (1,261,113) |
| (716,726) | - | - | - | (556) | - | (1,116,977) |
| 1,824,867 | (11,844,368) | 30,569 | 5,651 | (614) | 983,361 | (7,229,671) |
| (1,074,172) | 14,471,319 | 702,051 | 131,198 | - | - | 53,037,584 |
| \$ 750,695 | \$ 2,626,951 | \$ 732,620 | \$ 136,849 | \$ (614) | \$ 983,361 | \$ 45,807,913 |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 State Grants Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|--------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 141,671 | \$ 141,541 | \$ (130) |
| Total Revenues | 141,671 | 141,541 | (130) |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 216,320 | 216,319 | 1 |
| Total Expenditures | 216,320 | 216,319 | 1 |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | (74,649) | (74,778) | 129 |
| Net Change in Fund Balance | (74,649) | (74,778) | 129 |
| Fund Balance, Beginning | (65,639) | (65,639) | - |
| Fund Balance, Ending | \$ (140,288) | \$ (140,417) | \$ (129) |

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Measure A Construction Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|--------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 999,254 | \$ 1,020,083 | \$ 20,829 |
| Use of money and property | 24,720 | 112,952 | 88,232 |
| Total Revenues | 1,023,974 | 1,133,035 | 109,061 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 1,366,419 | 1,358,698 | 7,721 |
| Total Expenditures | 1,366,419 | 1,358,698 | 7,721 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (342,445) | (225,663) | 116,782 |
| Other Financing Sources (Uses): | | | |
| Transfers In | - | 144,136 | 144,136 |
| Transfers out | (105,173) | (102,132) | 3,041 |
| Total Other Financing Sources (Uses) | (105,173) | 42,004 | 147,177 |
| Net Change in Fund Balance | (447,618) | (183,659) | 263,959 |
| Fund Balance, Beginning | 2,495,818 | 2,495,818 | - |
| Fund Balance, Ending | \$ 2,048,200 | \$ 2,312,159 | \$ 263,959 |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 LTF Bike & Pedestrians Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|------------|------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 145,000 | \$ 146,910 | \$ 1,910 |
| Use of money and property | 5,910 | 20,746 | 14,836 |
| Total Revenues | 150,910 | 167,656 | 16,746 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 49,489 | 49,489 | - |
| Total Expenditures | 49,489 | 49,489 | - |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 101,421 | 118,167 | 16,746 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (8,145) | (8,145) | - |
| Total Other Financing Sources (Uses) | (8,145) | (8,145) | - |
| Net Change in Fund Balance | 93,276 | 110,022 | 16,746 |
| Fund Balance, Beginning | 455,159 | 455,159 | - |
| Fund Balance, Ending | \$ 548,435 | \$ 565,181 | \$ 16,746 |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Capital Facilities Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------|---------------|------------------------------------|
| | | | |
| Revenues: | | | |
| Licenses, fees and permits | \$ 2,694,435 | \$ 3,929,296 | \$ 1,234,861 |
| Use of money and property | 171,460 | 638,574 | 467,114 |
| Total Revenues | 2,865,895 | 4,567,870 | 1,701,975 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 1,715,489 | 1,599,588 | 115,901 |
| Total Expenditures | 1,715,489 | 1,599,588 | 115,901 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 1,150,406 | 2,968,282 | 1,817,876 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (243,595) | (243,595) | - |
| Total Other Financing Sources (Uses) | (243,595) | (243,595) | - |
| Net Change in Fund Balance | 906,811 | 2,724,687 | 1,817,876 |
| Fund Balance, Beginning, as restated | 11,292,779 | 11,292,779 | - |
| Fund Balance, Ending | \$ 12,199,590 | \$ 14,017,466 | \$ 1,817,876 |

CITY OF ELK GROVE
Capital Projects Fund
Budgetary Comparison Schedule
Laguna West Service Area Fund
For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|------------|------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ 61,000 | \$ 61,242 | \$ 242 |
| Use of money and property | 7,120 | 20,845 | 13,725 |
| Total Revenues | 68,120 | 82,087 | 13,967 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 81,410 | 7,626 | 73,784 |
| Total Expenditures | 81,410 | 7,626 | 73,784 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (13,290) | 74,461 | 87,751 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (2,842) | (2,843) | (1) |
| Total Other Financing Sources (Uses) | (2,842) | (2,843) | (1) |
| Net Change in Fund Balance | (16,132) | 71,618 | 87,750 |
| Fund Balance, Beginning | 447,513 | 447,513 | - |
| Fund Balance, Ending | \$ 431,381 | \$ 519,131 | \$ 87,750 |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Lakeside Service Area Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|------------------|------------------|------------------------------------|
| Revenues: | | | |
| Use of money and property | \$ 1,230 | \$ 3,491 | \$ 2,261 |
| Total Revenues | <u>1,230</u> | <u>3,491</u> | <u>2,261</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 80 | 31 | 49 |
| Total Expenditures | <u>80</u> | <u>31</u> | <u>49</u> |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | <u>1,150</u> | <u>3,460</u> | <u>2,310</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | (584) | (570) | 14 |
| Total Other Financing Sources (Uses) | <u>(584)</u> | <u>(570)</u> | <u>14</u> |
| Net Change in Fund Balance | 566 | 2,890 | 2,324 |
| Fund Balance, Beginning | <u>80,625</u> | <u>80,625</u> | <u>-</u> |
| Fund Balance, Ending | <u>\$ 81,191</u> | <u>\$ 83,515</u> | <u>\$ 2,324</u> |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 In Lieu Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------|--------------|------------------------------------|
| Revenues: | | | |
| Licenses, fees and permits | \$ 60,000 | \$ 1,335,560 | \$ 1,275,560 |
| Use of money and property | 479,802 | 21,101 | (458,701) |
| Total Revenues | 539,802 | 1,356,661 | 816,859 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 3,252,052 | 3,247,053 | 4,999 |
| Total Expenditures | 3,252,052 | 3,247,053 | 4,999 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (2,712,250) | (1,890,392) | 821,858 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (13,783) | (13,767) | (16) |
| Total Other Financing Sources (Uses) | (13,783) | (13,767) | 16 |
| Net Change in Fund Balance | (2,726,033) | (1,904,159) | 821,874 |
| Fund Balance, Beginning | 4,944,115 | 4,944,115 | - |
| Fund Balance, Ending | \$ 2,218,082 | \$ 3,039,956 | \$ 821,874 |

CITY OF ELK GROVE
Capital Project Fund
Budgetary Comparison Schedule
East Franklin CFD 2002-1 Fund
For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|---------------|---------------|------------------------------------|
| | | | |
| Revenues: | | | |
| Intergovernmental | \$ - | \$ 1,592,918 | \$ 1,592,918 |
| Use of money and property | 75,000 | 528,203 | 453,203 |
| Bond Proceeds | 1,400,000 | - | (1,400,000) |
| Total Revenues | 1,475,000 | 2,121,121 | 646,121 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 935,232 | 924,100 | 11,132 |
| Total Expenditures | 935,232 | 924,100 | 11,132 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 539,768 | 1,197,021 | 657,253 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (304,520) | (172,779) | (131,741) |
| Total Other Financing Sources (Uses) | (304,520) | (172,779) | 131,741 |
| Net Change in Fund Balance | 235,248 | 1,024,242 | 788,994 |
| Fund Balance, Beginning | 19,156,818 | 19,156,818 | - |
| Fund Balance, Ending | \$ 19,392,066 | \$ 20,181,060 | \$ 788,994 |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Poppy Ridge CFD 2003-1 Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|---|------------------|------------------|------------------------------------|
| Revenues: | | | |
| Intergovernmental | \$ - | \$ 5,092,998 | \$ 5,092,998 |
| Use of money and property | 42,460 | 29,246 | (13,214) |
| Bond Proceeds | 4,850,000 | - | (4,850,000) |
| Total Revenues | 4,892,460 | 5,122,244 | 229,784 |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 2,588,266 | 2,580,651 | 7,615 |
| Total Expenditures | 2,588,266 | 2,580,651 | 7,615 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 2,304,194 | 2,541,593 | 237,399 |
| Other Financing Sources (Uses): | | | |
| Transfers out | (716,726) | (716,726) | - |
| Total Other Financing Sources (Uses) | (716,726) | (716,726) | - |
| Net Change in Fund Balance | 1,587,468 | 1,824,867 | 237,399 |
| Fund Balance, Beginning | (1,074,172) | (1,074,172) | - |
| Fund Balance, Ending | \$ 513,296 | \$ 750,695 | \$ 237,399 |

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Animal Shelter Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|-----------------------------------|----------------------------|----------------------------|------------------------------------|
| Revenues: | | | |
| Use of money and property | \$ - | \$ 7,012 | \$ 7,012 |
| Total Revenues | <u>-</u> | <u>7,012</u> | <u>7,012</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 11,851,321 | 11,851,380 | (59) |
| Total Expenditures | <u>11,851,321</u> | <u>11,851,380</u> | <u>(59)</u> |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | <u>(11,851,321)</u> | <u>(11,844,368)</u> | <u>6,953</u> |
| Net Change in Fund Balance | (11,851,321) | (11,844,368) | 6,953 |
| Fund Balance, Beginning | <u>14,471,319</u> | <u>14,471,319</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ 2,619,998</u></u> | <u><u>\$ 2,626,951</u></u> | <u><u>\$ 6,953</u></u> |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Laguna CFD Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|---------------------------------------|------------|------------|------------------------------------|
| | | | |
| Revenues: | | | |
| Intergovernmental | \$ - | \$ 30,569 | \$ 30,569 |
| Use of money and property | 10,630 | - | (10,630) |
| Total Revenues | 10,630 | 30,569 | 19,939 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | 10,630 | 30,569 | 19,939 |
| Net Change in Fund Balance | 10,630 | 30,569 | 19,939 |
| Fund Balance, Beginning | 702,051 | 702,051 | - |
| Fund Balance, Ending | \$ 712,681 | \$ 732,620 | \$ 19,939 |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Laguna West CFD Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|--------------------------|--------------------------|------------------------------------|
| Revenues: | | | |
| Use of money and property | \$ 1,980 | \$ 5,701 | \$ 3,721 |
| Total Revenues | <u>1,980</u> | <u>5,701</u> | <u>3,721</u> |
| Expenditures: | | | |
| Current: | | | |
| Public ways and facilities | 120 | 50 | 70 |
| Total Expenditures | <u>120</u> | <u>50</u> | <u>70</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>1,860</u> | <u>5,651</u> | <u>3,791</u> |
| Net Change in Fund Balance | 1,860 | 5,651 | 3,791 |
| Fund Balance, Beginning | <u>131,198</u> | <u>131,198</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ 133,058</u></u> | <u><u>\$ 136,849</u></u> | <u><u>\$ 3,791</u></u> |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Lakeside CFD Fund
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|--|------------------------|------------------------|------------------------------------|
| Expenditures: | | | |
| Public ways and facilities | \$ 58 | \$ 58 | \$ - |
| Total Expenditures | <u>58</u> | <u>58</u> | <u>-</u> |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | <u>(58)</u> | <u>(58)</u> | <u>-</u> |
| Other Financing Sources (Uses): | | | |
| Transfers out | <u>(556)</u> | <u>(556)</u> | <u>-</u> |
| Total Other Financing Sources (Uses) | <u>(556)</u> | <u>(556)</u> | <u>-</u> |
| Net Change in Fund Balance | (614) | (614) | - |
| Fund Balance, Beginning | <u>-</u> | <u>-</u> | <u>-</u> |
| Fund Balance, Ending | <u><u>\$ (614)</u></u> | <u><u>\$ (614)</u></u> | <u><u>\$ -</u></u> |

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 SEPA Mitigation Funds
 For the Year Ended June 30, 2019

| | Budget | Actual | Variance Positive (Negative) |
|---------------------------------------|--------|------------|------------------------------------|
| | | | |
| Revenues: | | | |
| Licenses, fees and permits | \$ - | \$ 976,618 | \$ 976,618 |
| Use of money and property | - | 6,743 | 6,743 |
| Total Revenues | - | 983,361 | 983,361 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | - | 983,361 | 983,361 |
| Net Change in Fund Balance | - | 983,361 | 983,361 |
| Fund Balance, Beginning | - | - | - |
| Fund Balance, Ending | \$ - | \$ 983,361 | \$ 983,361 |

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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.

CITY OF ELK GROVE

Major Debt Service Fund
 Budgetary Comparison Schedule
 Elk Grove Finance Authority Debt Service Fund
 For the Year Ended June 30, 2019

| | Budgeted Amounts | Actual Amounts | Variance with Final Budget Positive (Negative) |
|--|---------------------|----------------|---|
| | Final | | |
| Revenues: | | | |
| Use of money and property | \$ 4,190 | \$ 13,270 | \$ 9,080 |
| Total Revenues | 4,190 | 13,270 | 9,080 |
| Expenditures: | | | |
| Debt Service: | | | |
| Tax administration | 4,170 | 638 | 3,532 |
| Principal | 470,000 | 470,000 | - |
| Interest | 112,668 | 112,668 | - |
| Total Expenditures | 586,838 | 583,306 | 3,532 |
| Excess (Deficiency) of Revenues | | | |
| Over (Under) Expenditures | (582,648) | (570,036) | 12,612 |
| Other Financing Sources (Uses): | | | |
| Transfers in | 600,000 | 600,000 | - |
| Total Other Financing Sources (Uses) | 600,000 | 600,000 | - |
| Net Change in Fund Balance | 17,352 | 29,964 | 12,612 |
| Fund Balance, Beginning | 266,850 | 266,850 | - |
| Fund Balance, End | \$ 284,202 | \$ 296,814 | \$ 12,612 |

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, 2019

| | Budgeted Amounts | | Variance with Final Budget Positive (Negative) |
|--|---------------------|-------------------|---|
| | Final | Actual Amounts | |
| Revenues: | | | |
| Use of money and property | \$ - | \$ 34,796 | \$ 34,796 |
| Total Revenues | <u>-</u> | <u>34,796</u> | <u>34,796</u> |
| Expenditures: | | | |
| Debt Service: | | | |
| Tax administration | 20,000 | 2,774 | 17,226 |
| Interest | 766,753 | 766,753 | - |
| Total Expenditures | <u>786,753</u> | <u>769,527</u> | <u>17,226</u> |
| Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(786,753)</u> | <u>(734,731)</u> | <u>52,022</u> |
| Other Financing Sources (Uses): | | | |
| Transfers in | 790,000 | 790,000 | - |
| Total Other Financing Sources (Uses) | <u>790,000</u> | <u>790,000</u> | <u>-</u> |
| Net Change in Fund Balance | 3,247 | 55,269 | 52,022 |
| Fund Balance, Beginning | <u>206,416</u> | <u>206,416</u> | <u>-</u> |
| Fund Balance, End | <u>\$ 209,663</u> | <u>\$ 261,685</u> | <u>\$ 52,022</u> |

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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, 2019

| | Self-Insurance Fund | Facilities and Fleet Fund | IT and GIS Fund | State Unemployment Insurance Fund | Totals |
|------------------------------------|------------------------|---------------------------------|---------------------|--|----------------------|
| <u>ASSETS</u> | | | | | |
| Current Assets: | | | | | |
| Cash and Investments | \$ 5,472,207 | \$ 3,847,605 | \$ 2,234,855 | \$ 227,847 | \$ 11,782,514 |
| Accounts Receivable | 39,013 | - | - | 330 | 39,343 |
| Interest Receivable | 5,832 | 4,104 | 2,376 | - | 12,312 |
| | <hr/> | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | <u>\$ 5,517,052</u> | <u>\$ 3,851,709</u> | <u>\$ 2,237,231</u> | <u>\$ 228,177</u> | <u>\$ 11,834,169</u> |
| <u>LIABILITIES</u> | | | | | |
| Current Liabilities: | | | | | |
| Accounts payable | \$ 276,889 | \$ 171,282 | \$ 46,136 | \$ - | \$ 494,307 |
| Accrued salaries and benefits | - | 10,222 | 16,686 | - | 26,908 |
| Compensated absences - current | 2,833 | 2,842 | 4,982 | - | 10,657 |
| Total Current Liabilities | <hr/> 279,722 | <hr/> 184,346 | <hr/> 67,804 | <hr/> - | <hr/> 531,872 |
| Noncurrent Liabilities: | | | | | |
| Compensated absences - long term | 26,680 | 26,761 | 46,911 | - | 100,352 |
| Claims payable - long term | 397,000 | - | - | - | 397,000 |
| Total Noncurrent Liabilities | <hr/> 423,680 | <hr/> 26,761 | <hr/> 46,911 | <hr/> - | <hr/> 497,352 |
| Total Liabilities | <hr/> 703,402 | <hr/> 211,107 | <hr/> 114,715 | <hr/> - | <hr/> 1,029,224 |
| <u>Net Position</u> | | | | | |
| Unrestricted | <hr/> 4,813,650 | <hr/> 3,640,602 | <hr/> 2,122,516 | <hr/> 228,177 | <hr/> 10,804,945 |
| Total Net Position | <hr/> 4,813,650 | <hr/> 3,640,602 | <hr/> 2,122,516 | <hr/> 228,177 | <hr/> 10,804,945 |
| Total Liabilities and Net Position | <u>\$ 5,517,052</u> | <u>\$ 3,851,709</u> | <u>\$ 2,237,231</u> | <u>\$ 228,177</u> | <u>\$ 11,834,169</u> |

CITY OF ELK GROVE

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

Internal Service Funds

For the Year Ended June 30, 2019

| | Self-Insurance Fund | Facilities and Fleet Fund | IT and GIS Fund | State Unemployment Insurance Fund | Totals |
|--|------------------------|---------------------------------|---------------------|--|----------------------|
| Operating Revenues: | | | | | |
| Charges for services | \$ 3,816,741 | \$ 4,702,629 | \$ 3,166,223 | \$ 38,101 | \$ 11,723,694 |
| Total Operating Revenues | <u>3,816,741</u> | <u>4,702,629</u> | <u>3,166,223</u> | <u>38,101</u> | <u>11,723,694</u> |
| Operating Expenses: | | | | | |
| Salaries and benefits | 244,502 | 535,957 | 967,016 | - | 1,747,475 |
| Services and supplies | 2,331,739 | 2,377,272 | 1,841,059 | - | 6,550,070 |
| Claims expense | 542,668 | - | - | 13,279 | 555,947 |
| Total Operating Expenses | <u>3,118,909</u> | <u>2,913,229</u> | <u>2,808,075</u> | <u>13,279</u> | <u>8,853,492</u> |
| Operating Income | <u>697,832</u> | <u>1,789,400</u> | <u>358,148</u> | <u>24,822</u> | <u>2,870,202</u> |
| Non-Operating Revenues (Expenses): | | | | | |
| Interest income | 207,047 | 144,031 | 78,912 | 1,562 | 431,552 |
| Total Non-Operating Revenues (Expenses) | <u>207,047</u> | <u>144,031</u> | <u>78,912</u> | <u>1,562</u> | <u>431,552</u> |
| Net Income Before Transfers | 904,879 | 1,933,431 | 437,060 | 26,384 | 3,301,754 |
| Transfers Out | (196,063) | (212,651) | (167,781) | - | (576,495) |
| Total Other Financing Sources (Uses) | <u>(196,063)</u> | <u>(212,651)</u> | <u>(167,781)</u> | <u>-</u> | <u>(576,495)</u> |
| Change in Net Position | 708,816 | 1,720,780 | 269,279 | 26,384 | 2,725,259 |
| Net Position - Beginning of Year | <u>4,104,834</u> | <u>1,919,822</u> | <u>1,853,237</u> | <u>201,793</u> | <u>8,079,686</u> |
| Net Position - End of Year | <u>\$ 4,813,650</u> | <u>\$ 3,640,602</u> | <u>\$ 2,122,516</u> | <u>\$ 228,177</u> | <u>\$ 10,804,945</u> |

CITY OF ELK GROVE

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

| | 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 | \$ 3,810,031 | \$ 4,702,629 | \$ 3,211,223 | \$ 37,877 | \$ 11,761,760 |
| Cash paid to suppliers for goods and services | (2,864,422) | (2,374,495) | (1,855,677) | (13,279) | (7,107,873) |
| Cash paid to employees for services | (236,704) | (532,984) | (966,432) | - | (1,736,120) |
| Net Cash Provided (Used) by Operating Activities | 708,905 | 1,795,150 | 389,114 | 24,598 | 2,917,767 |
| <u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u> | | | | | |
| Transfers In (Out) | (196,063) | (212,651) | (167,781) | - | (576,495) |
| Net Cash (Used) by Noncapital Financing Activities | (196,063) | (212,651) | (167,781) | - | (576,495) |
| <u>CASH FLOWS FROM INVESTING ACTIVITIES</u> | | | | | |
| Investment income (loss) | 204,289 | 141,303 | 77,787 | 1,562 | 424,941 |
| Net Cash Provided by Investing Activities | 204,289 | 141,303 | 77,787 | 1,562 | 424,941 |
| Net Increase (Decrease) in Cash and Cash Equivalents | 717,131 | 1,723,802 | 299,120 | 26,160 | 2,766,213 |
| Cash and Cash Equivalents, Beginning of Year | 4,755,076 | 2,123,803 | 1,935,735 | 201,687 | 9,016,301 |
| Cash and Cash Equivalents, End of Year | \$ 5,472,207 | \$ 3,847,605 | \$ 2,234,855 | \$ 227,847 | \$ 11,782,514 |
| <u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u> | | | | | |
| Operating income (loss) | \$ 697,832 | \$ 1,789,400 | \$ 358,148 | \$ 24,822 | \$ 2,870,202 |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | | | | |
| Changes in assets and liabilities: | | | | | |
| (Increase) decrease in: | | | | | |
| Accounts receivable | (6,710) | - | 45,000 | (224) | 38,066 |
| Increase (decrease) in: | | | | | |
| Accounts payable | 227,540 | 2,777 | (14,618) | - | 215,699 |
| Accrued salaries and benefits payable | - | 1,359 | (2,077) | - | (718) |
| Compensated absences | 7,798 | 1,614 | 2,661 | - | 12,073 |
| Claims payable | (217,555) | - | - | - | (217,555) |
| Net Cash Provided (Used) by Operating Activities | \$ 708,905 | \$ 1,795,150 | \$ 389,114 | \$ 24,598 | \$ 2,917,767 |

AGENCY FUNDS

DEFINITION

Agency funds are used to account for assets held by the City as an agent for individuals, other governments and other organizations.

Agency Funds

Performance Bonds Fund – Established to account for Developer deposits intended as payment for future permits and fees.

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

Laguna Springs Open Space Preserve – Established to maintain the wetlands.

Laguna Ridge/Poppy Ridge Reclaimed Water Fund – Established to account for the collection of fees for reclaimed water.

East Elk Grove Specific Plan Fund – Established to account for developer impact fees which are collected for the East Elk Grove Specific Plan.

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.

Donation Community Programs – Established to account for the donations by citizens for various City programs.

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

Utility Billing Refund Fund – Established to account for the Utility bill refund checks which have remained unclaimed by the property owner and have become stale dated. The City publishes an itemized listing of these funds on the website which is kept current.

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

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CITY OF ELK GROVE

Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2019

| | Special Assessment/Community Facility Districts (CFD's) | | | |
|-------------------------------|--|---|---|--|
| | Performance Bonds Fund | Community Service District & Sac County Funds | Laguna Springs Open Space Preserve | Elk Grove Employee Sunshine Funds |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 345,350 | \$ 2,600,469 | \$ 87,976 | \$ 36,713 |
| Investments | - | - | - | - |
| Accounts receivable | - | 196,897 | - | - |
| Interest receivable | 378 | 1,970 | 81 | 376 |
| | <u>\$ 345,728</u> | <u>\$ 2,799,336</u> | <u>\$ 88,057</u> | <u>\$ 37,089</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ - | \$ 2,580,247 | \$ - | \$ 4 |
| Interest payable | 2,284 | 8,630 | 6,884 | - |
| Due to member agencies | - | 210,459 | - | - |
| Due to bondholders and others | - | - | 81,173 | - |
| Deposits | 343,444 | - | - | 37,085 |
| | <u>\$ 345,728</u> | <u>\$ 2,799,336</u> | <u>\$ 88,057</u> | <u>\$ 37,089</u> |

(continued)

CITY OF ELK GROVE

Combining Statement of Assets and Liabilities
Agency Funds (continued)
June 30, 2019

| | Donation Community Programs | Laguna Ridge CFD 2005-1 Fund | CFD 2002-1 E Franklin | CFD 2003-1 Poppy Ridge |
|-------------------------------|-----------------------------------|------------------------------------|--------------------------|---------------------------|
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 10,128 | \$ 3,198,143 | \$ 3,824,598 | \$ 1,545,638 |
| Investments | - | 12,578,062 | 60 | 60 |
| Accounts receivable | - | 109,649 | 151,609 | 358,160 |
| Interest receivable | - | 3,402 | - | - |
| Total Assets | \$ 10,128 | \$ 15,889,256 | \$ 3,976,267 | \$ 1,903,858 |
| LIABILITIES: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ - |
| Interest payable | 69 | - | 26,227 | 10,599 |
| Due to member agencies | - | - | - | - |
| Due to bondholders and others | - | 15,889,256 | 3,950,040 | 1,893,259 |
| Deposits | 10,059 | - | - | - |
| Total Liabilities | \$ 10,128 | \$ 15,889,256 | \$ 3,976,267 | \$ 1,903,858 |

| Unclaimed Payments Fund | EGPD Property & Evidence Fund | Total |
|-------------------------------|--|----------------------|
| \$ 210,442 | \$ 46,562 | \$ 11,906,019 |
| - | - | 12,578,182 |
| - | - | 816,315 |
| - | - | 6,207 |
| <u>\$ 210,442</u> | <u>\$ 46,562</u> | <u>\$ 25,306,723</u> |
| \$ 187 | \$ - | \$ 2,580,438 |
| 1,443 | 126 | 56,262 |
| - | - | 210,459 |
| - | - | 21,813,728 |
| <u>208,812</u> | <u>46,436</u> | <u>645,836</u> |
| <u>\$ 210,442</u> | <u>\$ 46,562</u> | <u>\$ 25,306,723</u> |

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities

Agency Funds

For the Year Ended June 30, 2019

| | Balance | | | Balance at |
|-------------------------------|--------------|--------------|--------------|---------------|
| | July 1, 2018 | Additions | Deductions | June 30, 2019 |
| PERFORMANCE BONDS FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 3,487,050 | \$ 120,016 | \$ 3,261,716 | \$ 345,350 |
| Interest receivable | 2,235 | 378 | 2,235 | 378 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 3,489,285 | \$ 120,394 | \$ 3,263,951 | \$ 345,728 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES: | | | | |
| Accounts payable | - | \$ 2,590,167 | \$ 2,590,167 | \$ - |
| Interest payable | 177,382 | 116,997 | 292,095 | 2,284 |
| Deposits | 3,311,903 | 54,410 | 3,022,869 | 343,444 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | \$ 3,489,285 | \$ 2,761,574 | \$ 5,905,131 | \$ 345,728 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

Community Service District & Sac County Funds

EAST ELK GROVE PARK FEE FUND

| | | | | |
|---------------------------|-------------|--------------|--------------|-------------|
| Cash and cash equivalents | \$ 548,652 | \$ 1,157,993 | \$ 1,300,663 | \$ 405,982 |
| Interest receivable | 355 | 432 | 355 | 432 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 549,007 | \$ 1,158,425 | \$ 1,301,018 | \$ 406,414 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |
| LIABILITIES: | | | | |
| Accounts Payable | \$ (1) | \$ 1,703,303 | \$ 1,300,489 | \$ 402,813 |
| Interest payable | (5,896) | 13,918 | 4,422 | 3,600 |
| Due to member agencies | 554,904 | 1,143,800 | 1,698,703 | 1 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | \$ 549,007 | \$ 2,861,021 | \$ 3,003,614 | \$ 406,414 |
| | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> | <hr/> <hr/> |

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

| | Balance July 1, 2018 | Additions | Deductions | Balance at June 30, 2019 |
|------------------------------------|-------------------------|---------------------|---------------------|-----------------------------|
| EAST FRANKLIN PARK FEE FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 369,245 | \$ 1,249,373 | \$ 1,181,266 | \$ 437,352 |
| Interest receivable | 238 | 459 | 239 | 458 |
| Total Assets | \$ 369,483 | \$ 1,249,832 | \$ 1,181,505 | \$ 437,810 |
| LIABILITIES: | | | | |
| Accounts payable | \$ 2 | \$ 1,614,960 | \$ 1,181,026 | \$ 433,936 |
| Due to member agencies | 369,481 | 1,249,833 | 1,615,440 | 3,874 |
| Total Liabilities | \$ 369,483 | \$ 2,864,793 | \$ 2,796,466 | \$ 437,810 |
| ELK GROVE FIRE FEE | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 737,722 | \$ 2,289,018 | \$ 1,999,277 | \$ 1,027,463 |
| Accounts receivable | 181,213 | 139,158 | 123,474 | 196,897 |
| Interest receivable | 487 | 1,079 | 486 | 1,080 |
| Total Assets | \$ 919,422 | \$ 2,429,255 | \$ 2,123,237 | \$ 1,225,440 |
| LIABILITIES: | | | | |
| Accounts payable | \$ - | \$ 3,018,076 | \$ 1,998,635 | \$ 1,019,441 |
| Due to member agencies | 919,422 | 2,365,812 | 3,079,235 | 205,999 |
| Total Liabilities | \$ 919,422 | \$ 5,383,888 | \$ 5,077,870 | \$ 1,225,440 |

continued

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended June 30, 2019

| | Balance July 1, 2018 | Additions | Deductions | Balance at June 30, 2019 |
|---|-------------------------|----------------------|----------------------|-----------------------------|
| STA TRANSPORTATION FEE FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 683,883 | \$ 1,355,781 | \$ 1,310,608 | \$ 729,056 |
| Interest receivable | 488 | 2 | 490 | - |
| Total Assets | <u>\$ 684,371</u> | <u>\$ 1,355,783</u> | <u>\$ 1,311,098</u> | <u>\$ 729,056</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 670,314 | \$ 2,647,449 | \$ 2,593,706 | \$ 724,057 |
| Interest payable | 14,057 | 18,268 | 27,326 | 4,999 |
| Total Liabilities | <u>\$ 684,371</u> | <u>\$ 2,665,717</u> | <u>\$ 2,621,032</u> | <u>\$ 729,056</u> |
| LAGUNA WEST PARK FEE FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 590 | \$ 27 | \$ 1 | \$ 616 |
| Total Assets | <u>\$ 590</u> | <u>\$ 27</u> | <u>\$ 1</u> | <u>\$ 616</u> |
| LIABILITIES: | | | | |
| Interest payable | \$ 5 | \$ 27 | \$ 1 | \$ 31 |
| Due to member agencies | 585 | - | - | 585 |
| Total Liabilities | <u>\$ 590</u> | <u>\$ 27</u> | <u>\$ 1</u> | <u>\$ 616</u> |
| <u>Total Community Service District & Sac County Funds</u> | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 2,340,092 | \$ 6,052,192 | \$ 5,791,815 | \$ 2,600,469 |
| Accounts receivable | 181,213 | 139,158 | 123,474 | 196,897 |
| Interest receivable | 1,568 | 1,972 | 1,570 | 1,970 |
| Total Assets | <u>\$ 2,522,873</u> | <u>\$ 6,193,322</u> | <u>\$ 5,916,859</u> | <u>\$ 2,799,336</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 670,315 | \$ 8,983,788 | \$ 7,073,856 | \$ 2,580,247 |
| Interest payable | 8,166 | 32,213 | 31,749 | 8,630 |
| Due to member agencies | 1,844,392 | 4,759,445 | 6,393,378 | 210,459 |
| Total Liabilities | <u>\$ 2,522,873</u> | <u>\$ 13,775,446</u> | <u>\$ 13,498,983</u> | <u>\$ 2,799,336</u> |

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

| | Balance July 1, 2018 | Additions | Deductions | Balance at June 30, 2019 |
|--|-------------------------|------------------|------------------|-----------------------------|
| LAGUNA SPRINGS OPEN SPACE PRESERVE | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 89,935 | \$ 3,774 | \$ 5,733 | \$ 87,976 |
| Interest receivable | 58 | 81 | 58 | 81 |
| Total Assets | <u>\$ 89,993</u> | <u>\$ 3,855</u> | <u>\$ 5,791</u> | <u>\$ 88,057</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 5,596 | \$ - | \$ 5,596 | \$ - |
| Interest payable | 3,222 | 3,856 | 194 | 6,884 |
| Due to bondholders and others | 81,175 | (2) | - | 81,173 |
| Total Liabilities | <u>\$ 89,993</u> | <u>\$ 3,854</u> | <u>\$ 5,790</u> | <u>\$ 88,057</u> |
| LAGUNA RIDGE/POPPY RIDGE RECLAIMED WATER FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 15,273 | \$ 559 | \$ 15,832 | \$ - |
| Interest receivable | 10 | - | 10 | - |
| Total Assets | <u>\$ 15,283</u> | <u>\$ 559</u> | <u>\$ 15,842</u> | <u>\$ --</u> |
| LIABILITIES: | | | | |
| Interest payable | \$ 1,868 | \$ 558 | \$ 2,426 | \$ - |
| Due to member agencies | 13,415 | 15,787 | 29,202 | - |
| Total Liabilities | <u>\$ 15,283</u> | <u>\$ 16,345</u> | <u>\$ 31,628</u> | <u>\$ -</u> |
| EAST ELK GROVE SPECIFIC PLAN FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 660 | \$ 20 | \$ 680 | \$ - |
| Total Assets | <u>\$ 660</u> | <u>\$ 20</u> | <u>\$ 680</u> | <u>\$ -</u> |
| LIABILITIES: | | | | |
| Interest payable | \$ 660 | \$ 18 | \$ 678 | \$ - |
| Total Liabilities | <u>\$ 660</u> | <u>\$ 18</u> | <u>\$ 678</u> | <u>\$ -</u> |

continued

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
 Agency Funds (continued)
 For the Year Ended June 30, 2019

| | Balance July 1, 2018 | Additions | Deductions | Balance at June 30, 2019 |
|---|-------------------------|-----------|------------|-----------------------------|
| ELK GROVE EMPLOYEE SUNSHINE FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 27,720 | \$ 21,906 | \$ 12,913 | \$ 36,713 |
| Interest receivable | 301 | 376 | 301 | 376 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 28,021 | \$ 22,282 | \$ 13,214 | \$ 37,089 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| LIABILITIES: | | | | |
| Accounts payable | \$ - | \$ 12,869 | \$ 12,865 | \$ 4 |
| Deposits | 28,021 | 22,282 | 13,218 | 37,085 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | \$ 28,021 | \$ 35,151 | \$ 26,083 | \$ 37,089 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| DONATION - COMMUNITY PROGRAMS | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 10,059 | \$ 69 | \$ - | \$ 10,128 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 10,059 | \$ 69 | \$ - | \$ 10,128 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| LIABILITIES: | | | | |
| Interest payable | \$ - | \$ 69 | \$ - | \$ 69 |
| Deposits | 10,059 | - | - | 10,059 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | \$ 10,059 | \$ 69 | \$ - | \$ 10,128 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2019

| | Balance | | | Balance at |
|--|---------------|---------------|---------------|---------------|
| | July 1, 2018 | Additions | Deductions | June 30, 2019 |
| <i>Special Assesment/Community Facility District Funds (CFDs)</i> | | | | |
| LAGUNA RIDGE CFD 2005-1 FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 3,427,404 | \$ 23,238,453 | \$ 23,467,714 | \$ 3,198,143 |
| Investments | 28,673,590 | 112,951 | 16,208,479 | 12,578,062 |
| Accounts receivable | 161,066 | 109,648 | 161,065 | 109,649 |
| Interest receivable | 1,892 | 3,401 | 1,891 | 3,402 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 32,263,952 | \$ 23,464,453 | \$ 39,839,149 | \$ 15,889,256 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| LIABILITIES: | | | | |
| Due to bondholders and others | \$ 32,263,952 | \$ 16,087,833 | \$ 32,462,529 | \$ 15,889,256 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | \$ 32,263,952 | \$ 16,087,833 | \$ 32,462,529 | \$ 15,889,256 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| CFD 2002-1 E FRANKLIN FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 4,732,971 | \$ 4,105,371 | \$ 5,013,744 | \$ 3,824,598 |
| Investments | - | 14,669 | 14,609 | 60 |
| Accounts receivable | 107,315 | 151,610 | 107,316 | 151,609 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Assets | \$ 4,840,286 | \$ 4,271,650 | \$ 5,135,669 | \$ 3,976,267 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| LIABILITIES: | | | | |
| Interest payable | \$ - | \$ 26,227 | \$ - | \$ 26,227 |
| Due to bondholders and others | 4,840,286 | 7,878,494 | 8,768,740 | 3,950,040 |
| | <hr/> | <hr/> | <hr/> | <hr/> |
| Total Liabilities | \$ 4,840,286 | \$ 7,904,721 | \$ 8,768,740 | \$ 3,976,267 |
| | <hr/> | <hr/> | <hr/> | <hr/> |

continued

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities (continued)

Agency Funds

For the Year Ended June 30, 2019

| | Balance | | | Balance at |
|--|-------------------|-------------------|-------------------|-------------------|
| | July 1, 2018 | Additions | Deductions | June 30, 2019 |
| CFD 2003-1 POPPY RIDGE FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 5,915,639 | \$ 3,744,857 | \$ 8,114,858 | \$ 1,545,638 |
| Investments | 74 | 12,428 | 12,442 | 60 |
| Accounts receivable | 239,017 | 358,160 | 239,017 | 358,160 |
| | <u>6,154,730</u> | <u>4,115,445</u> | <u>8,366,317</u> | <u>1,903,858</u> |
| Total Assets | \$ 6,154,730 | \$ 4,115,445 | \$ 8,366,317 | \$ 1,903,858 |
| | | | | |
| LIABILITIES: | | | | |
| Interest payable | \$ - | \$ 10,599 | \$ - | \$ 10,599 |
| Due to bondholders and others | 6,154,730 | 7,432,160 | 11,693,631 | 1,893,259 |
| | <u>6,154,730</u> | <u>7,442,759</u> | <u>11,693,631</u> | <u>1,903,858</u> |
| Total Liabilities | \$ 6,154,730 | \$ 7,442,759 | \$ 11,693,631 | \$ 1,903,858 |
| | | | | |
| <u>Total Special Assesment/Community Facility District Funds (CFDs)</u> | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 14,076,014 | \$ 31,088,681 | \$ 36,596,316 | \$ 8,568,379 |
| Investments | 28,673,664 | 140,048 | 16,235,530 | 12,578,182 |
| Accounts receivable | 507,398 | 619,418 | 507,398 | 619,418 |
| Interest receivable | 1,892 | 3,401 | 1,891 | 3,402 |
| | <u>43,258,968</u> | <u>31,851,548</u> | <u>53,341,135</u> | <u>21,769,381</u> |
| Total Assets | \$ 43,258,968 | \$ 31,851,548 | \$ 53,341,135 | \$ 21,769,381 |
| | | | | |
| LIABILITIES: | | | | |
| Due to bondholders and others | \$ 43,258,968 | \$ 31,398,487 | \$ 52,924,900 | \$ 21,732,555 |
| Interest payable | - | 36,826 | - | 36,826 |
| | <u>43,258,968</u> | <u>31,435,313</u> | <u>52,924,900</u> | <u>21,769,381</u> |
| Total Liabilities | \$ 43,258,968 | \$ 31,435,313 | \$ 52,924,900 | \$ 21,769,381 |

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
 Agency Funds
 For the Year Ended June 30, 2019

| | Balance July 1, 2018 | Additions | Deductions | Balance at June 30, 2019 |
|--|-------------------------|------------------|------------------|-----------------------------|
| UNCLAIMED PAYMENTS FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 226,143 | \$ 11,433 | \$ 27,134 | \$ 210,442 |
| Total Assets | <u>\$ 226,143</u> | <u>\$ 11,433</u> | <u>\$ 27,134</u> | <u>\$ 210,442</u> |
| LIABILITIES: | | | | |
| Accounts payable | \$ 210 | \$ 14,404 | \$ 14,427 | \$ 187 |
| Interest payable | 8,048 | 2,288 | 8,893 | 1,443 |
| Deposits | <u>217,885</u> | <u>6,371</u> | <u>15,444</u> | <u>208,812</u> |
| Total Liabilities | <u>\$ 226,143</u> | <u>\$ 23,063</u> | <u>\$ 38,764</u> | <u>\$ 210,442</u> |
| EGPD PROPERTY & EVIDENCE FUND | | | | |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 46,409 | \$ 7,242 | \$ 7,089 | \$ 46,562 |
| Total Assets | <u>\$ 46,409</u> | <u>\$ 7,242</u> | <u>\$ 7,089</u> | <u>\$ 46,562</u> |
| LIABILITIES: | | | | |
| Interest payable | \$ 126 | \$ - | \$ - | \$ 126 |
| Deposits | <u>46,283</u> | <u>7,089</u> | <u>6,936</u> | <u>46,436</u> |
| Total Liabilities | <u>\$ 46,409</u> | <u>\$ 7,089</u> | <u>\$ 6,936</u> | <u>\$ 46,562</u> |

continued

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
 Agency Funds (continued)
 For the Year Ended June 30, 2019

TOTAL ALL AGENCY FUNDS

| | Balance | | | Balance at |
|---------------------------|----------------------|----------------------|----------------------|----------------------|
| | July 1, 2018 | Additions | Deductions | June 30, 2019 |
| ASSETS: | | | | |
| Cash and cash equivalents | \$ 20,319,355 | \$ 37,305,892 | \$ 45,719,228 | \$ 11,906,019 |
| Investments | 28,673,664 | 140,048 | 16,235,530 | 12,578,182 |
| Accounts receivable | 688,611 | 758,576 | 630,872 | 816,315 |
| Interest receivable | 6,064 | 6,208 | 6,065 | 6,207 |
| | <u>6,064</u> | <u>6,208</u> | <u>6,065</u> | <u>6,207</u> |
| Total Assets | <u>\$ 49,687,694</u> | <u>\$ 38,210,724</u> | <u>\$ 62,591,695</u> | <u>\$ 25,306,723</u> |
| | | | | |
| Accounts payable | \$ 676,121 | \$ 11,601,228 | \$ 9,696,911 | \$ 2,580,438 |
| Interest payable | 199,472 | 192,825 | 336,035 | 56,262 |
| Due to member agencies | 1,857,807 | 4,775,232 | 6,422,580 | 210,459 |
| Due to bondholders | 43,340,143 | 31,398,485 | 52,924,900 | 21,813,728 |
| Deposits | 3,614,151 | 90,152 | 3,058,467 | 645,836 |
| | <u>3,614,151</u> | <u>90,152</u> | <u>3,058,467</u> | <u>645,836</u> |
| Total Liabilities | <u>\$ 49,687,694</u> | <u>\$ 48,057,922</u> | <u>\$ 72,438,893</u> | <u>\$ 25,306,723</u> |

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2019



STATISTICAL SECTION (UNAUDITED)



STATISTICAL SECTION

This part of the City of Elk Grove’s comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City’s overall financial health.

| <u>Contents</u> | <u>Page</u> |
|--|-------------|
| Financial Trends..... | 186 |
| 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 | 194 |
| These schedules contain information to help the reader assess the City’s most significant local revenue sources, sales tax and property tax. | |
| Debt Capacity..... | 200 |
| 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..... | 206 |
| 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 | 210 |
| 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, 2019

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$ 1,158,959,596 | \$ 1,140,771,925 | \$ 1,111,694,296 | \$ 1,078,400,474 |
| Restricted | 174,395,146 | 185,275,736 | 175,800,872 | 180,771,790 |
| Unrestricted | <u>24,989,287</u> | <u>5,023,205</u> | <u>6,493,570</u> | <u>5,047,782</u> |
| Total governmental activities net position | <u>1,358,344,029</u> | <u>1,331,070,866</u> | <u>1,293,988,738</u> | <u>1,264,220,046</u> |
| Business-type activities | | | | |
| Net investment in capital assets | 7,953,478 | 18,645,141 | 18,799,468 | 21,427,305 |
| Restricted | - | - | - | - |
| Unrestricted | <u>14,257,180</u> | <u>8,508,066</u> | <u>15,187,176</u> | <u>17,698,799</u> |
| Total business-type activities net position | <u>22,210,658</u> | <u>27,153,207</u> | <u>33,986,644</u> | <u>39,126,104</u> |
| Primary government | | | | |
| Net investment in capital assets | 1,166,913,074 | 1,159,417,066 | 1,130,493,764 | 1,099,827,779 |
| Restricted | 174,395,146 | 185,275,736 | 175,800,872 | 180,771,790 |
| Unrestricted | <u>39,246,467</u> | <u>13,531,271</u> | <u>21,680,746</u> | <u>22,746,581</u> |
| Total primary government net position | <u>\$ 1,380,554,687</u> | <u>\$ 1,358,224,073</u> | <u>\$ 1,327,975,382</u> | <u>\$ 1,303,346,150</u> |

Source: The City of Elk Grove CAFR

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|-------------------------|
| \$ 1,039,981,256 | \$ 1,022,527,119 | \$ 976,664,371 | \$ 1,053,280,603 | \$ 1,110,618,821 | \$ 1,076,838,610 |
| 186,903,329 | 189,080,327 | 215,829,204 | 257,008,259 | 280,624,842 | 277,972,813 |
| 11,298,487 | 196,869 | 20,295,785 | 22,513,816 | (69,766,957) | (4,465,698) |
| <u>1,238,183,072</u> | <u>1,211,804,315</u> | <u>1,212,789,360</u> | <u>1,332,802,678</u> | <u>1,321,476,706</u> | <u>1,350,345,725</u> |
| 22,023,121 | 22,404,646 | 28,132,236 | 28,608,561 | 32,936,365 | 34,554,021 |
| - | 1,180,453 | 1,398,464 | 272,077 | 187,918 | 1,548,460 |
| <u>22,689,582</u> | <u>24,944,050</u> | <u>27,615,148</u> | <u>29,735,624</u> | <u>30,498,920</u> | <u>32,981,295</u> |
| <u>44,712,703</u> | <u>48,529,149</u> | <u>57,145,848</u> | <u>58,616,262</u> | <u>63,623,203</u> | <u>69,083,776</u> |
| 1,062,004,377 | 1,045,953,748 | 1,004,796,607 | 1,081,889,164 | 1,143,555,186 | 1,111,392,631 |
| 186,903,329 | 190,260,780 | 217,227,668 | 257,280,336 | 280,812,760 | 279,521,273 |
| <u>33,988,069</u> | <u>25,140,918</u> | <u>47,910,933</u> | <u>52,249,440</u> | <u>(39,268,037)</u> | <u>28,515,597</u> |
| <u>\$ 1,282,895,775</u> | <u>\$ 1,261,355,446</u> | <u>\$ 1,269,935,208</u> | <u>\$ 1,391,418,940</u> | <u>\$ 1,385,099,909</u> | <u>\$ 1,419,429,501</u> |

CITY OF ELK GROVE, CALIFORNIA

Changes in Net Position, Last Ten Fiscal Years (accrual basis)
For The Years Ended June 30, 2019

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| Expenses | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| General government | \$ 17,752,747 | \$ 17,209,695 | \$ 16,861,125 | \$ 20,774,018 | \$ 16,175,748 | \$ 14,105,998 | \$ 18,070,372 | \$ 19,975,018 | \$ 25,593,798 | \$ 24,142,627 |
| Public safety | 27,784,118 | 28,802,715 | 30,872,143 | 31,181,737 | 33,121,110 | 34,793,685 | 32,251,277 | 33,957,641 | 38,640,457 | 41,095,844 |
| Public ways and facilities | 52,543,091 | 52,292,021 | 74,520,124 | 52,655,196 | 58,379,175 | 57,464,510 | 60,661,733 | 79,170,655 | 71,142,386 | 81,387,088 |
| Community development | 6,260,318 | 6,944,808 | 6,510,594 | 6,636,749 | 7,810,427 | 7,375,422 | 9,688,271 | 9,373,576 | 9,714,155 | 10,325,402 |
| Interest on long-term debt | 5,792,696 | 5,645,665 | 5,478,761 | 5,285,258 | 4,845,038 | 4,875,918 | 6,364,518 | 501,705 | 565,679 | 819,458 |
| Total governmental activities expenses | 110,132,970 | 110,894,904 | 134,242,747 | 116,532,958 | 120,331,498 | 118,615,533 | 127,036,171 | 142,978,595 | 145,656,475 | 157,770,419 |
| Business-type activities | | | | | | | | | | |
| Solid Waste | 10,655,859 | 10,748,028 | 12,035,454 | 11,881,280 | 13,106,912 | 14,142,088 | 15,688,146 | 16,025,115 | 3,295,078 | 3,170,889 |
| Transit | 8,390,331 | 8,871,403 | 9,175,116 | 9,515,572 | 9,589,073 | 9,030,560 | 10,827,002 | 11,549,568 | 10,985,466 | 11,037,095 |
| Drainage | 3,100,355 | 3,260,816 | 3,170,283 | 3,261,545 | 3,087,492 | 3,374,484 | 3,427,573 | 4,195,296 | 4,534,163 | 4,574,416 |
| Other activities | - | - | - | - | - | - | - | - | - | - |
| Total business-type activities expenses | 22,146,545 | 22,880,247 | 24,380,853 | 24,658,397 | 25,783,477 | 26,547,132 | 29,942,721 | 31,769,979 | 18,814,707 | 18,782,400 |
| Total primary government expenses | 132,279,515 | 133,775,151 | 158,623,600 | 141,191,355 | 146,114,975 | 145,162,665 | 156,978,892 | 174,748,574 | 164,471,182 | 176,552,819 |
| Program Revenues | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| General government | 347,152 | 312,771 | - | - | - | - | - | 1,062,583 | 910,363 | 847,681 |
| Public safety | 3,542,004 | 2,142,992 | 2,650,254 | 2,608,338 | 1,585,802 | 1,203,963 | 1,152,599 | 7,300 | 20,700 | 14,800 |
| Public ways and facilities | 14,717,080 | 4,050,967 | 11,816,787 | 6,162,251 | 8,745,249 | 12,932,599 | 15,141,731 | 13,173,695 | 27,601,261 | 26,637,537 |
| Other activities | 3,532,440 | 3,909,310 | 7,430,163 | 7,954,482 | 9,174,547 | 8,831,340 | 9,963,980 | 2,206,419 | 4,048,193 | 5,772,373 |
| Operating grants, interest, and contributions | 17,378,788 | 29,380,039 | 32,863,969 | 30,507,890 | 34,884,138 | 35,982,947 | 27,881,745 | 15,651,340 | 22,515,041 | 22,117,670 |
| Capital grants, interest and contributions | 13,472,830 | 7,889,875 | 3,420,832 | 2,502,248 | 10,639,110 | 4,724,172 | 16,286,252 | 79,906,262 | 12,679,620 | 36,757,932 |
| Total governmental activities program revenues | 52,990,294 | 47,685,954 | 58,182,005 | 49,735,209 | 65,028,846 | 63,675,021 | 70,426,307 | 112,007,599 | 67,775,178 | 92,147,993 |
| Business-type activities | | | | | | | | | | |
| Charges for services | | | | | | | | | | |
| Solid Waste | 12,432,532 | 12,622,145 | 13,547,383 | 14,586,613 | 15,261,474 | 15,139,025 | 17,080,638 | 16,863,927 | 3,634,335 | 3,791,031 |
| Transit | 1,384,883 | 1,271,734 | 1,567,661 | 1,560,881 | 1,583,621 | 1,618,573 | 1,454,582 | 1,430,071 | 1,319,149 | 1,289,226 |
| Drainage | 4,735,185 | 4,423,385 | 4,992,891 | 5,163,800 | 5,257,252 | 5,359,836 | 5,448,108 | 5,632,309 | 5,706,721 | 5,702,933 |
| Operating grants, interest, and contributions | 6,394,112 | 4,570,588 | 9,705,378 | 6,261,715 | 8,803,329 | 8,737,006 | 12,468,916 | 8,869,845 | 12,576,884 | 11,421,609 |
| Capital grants, interest and contributions | 234,416 | 3,975,118 | 1,080,600 | - | - | - | - | - | - | - |
| Total business-type activities program revenues | 25,181,128 | 26,862,970 | 30,893,913 | 27,573,009 | 30,905,676 | 30,854,440 | 36,452,244 | 32,796,152 | 23,237,089 | 22,204,799 |
| Total primary government program revenues | 78,171,422 | 74,548,924 | 89,075,918 | 77,308,218 | 95,934,522 | 94,529,461 | 106,878,551 | 144,803,751 | 91,012,267 | 114,352,792 |

CITY OF ELK GROVE, CALIFORNIA

Changes in Net Position, Last Ten Fiscal Years (accrual basis)
For The Years Ended June 30, 2019

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| Net (Expense) Revenue | | | | | | | | | | |
| Governmental activities | (57,142,676) | (63,208,950) | (76,060,742) | (66,797,749) | (55,302,652) | (54,940,512) | (56,609,864) | (30,970,996) | (77,881,297) | (65,622,426) |
| Business-type activities | 3,034,583 | 3,982,723 | 6,513,060 | 2,914,612 | 5,122,199 | 4,307,308 | 6,509,523 | 1,026,173 | 4,422,382 | 3,422,399 |
| Total primary government net revenue (expense) | <u>\$ (54,108,093)</u> | <u>\$ (59,226,227)</u> | <u>\$ (69,547,682)</u> | <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> |
| General Revenues and Other Changes in Net Position | | | | | | | | | | |
| Governmental activities | | | | | | | | | | |
| Property taxes | \$ 8,315,364 | \$ 9,242,320 | \$ 9,089,959 | \$ 10,174,450 | \$ 9,680,843 | \$ 10,748,517 | \$ 11,443,260 | \$ 23,670,228 | \$ 25,079,951 | \$ 26,276,570 |
| Sales & Use tax | 10,942,740 | 11,797,182 | 13,169,204 | 13,708,848 | 15,365,390 | 16,567,321 | 20,504,422 | 25,535,498 | 27,320,405 | 29,355,281 |
| In-Lieu sales tax | 2,965,668 | 3,785,803 | 3,955,955 | 4,710,293 | 4,845,534 | 5,583,730 | 4,704,053 | 5,681,559 | - | - |
| Other taxes | 5,883,338 | 7,254,112 | 8,829,483 | 8,591,465 | 8,905,914 | 9,319,299 | 10,174,956 | 4,510,259 | 11,580,750 | 11,756,951 |
| Unrestricted interest income | 3,591,288 | 3,393,386 | 3,098,231 | 3,611,324 | 3,933,612 | 7,107,416 | 4,671,926 | - | - | - |
| Other Revenue | 5,500 | - | - | - | - | - | - | 5,727,764 | 3,946,919 | 11,754,931 |
| Transfers | 1,078,878 | 463,014 | 835,752 | (479,287) | 908,351 | 868,712 | 1,096,291 | 1,098,174 | 1,010,576 | 728,196 |
| Total governmental activities | <u>32,782,776</u> | <u>35,935,817</u> | <u>38,978,584</u> | <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> |
| Business-type activities | | | | | | | | | | |
| Other taxes | 1,177,304 | 1,125,885 | 1,073,091 | 1,014,591 | 1,129,497 | 1,235,074 | 1,301,708 | 1,379,717 | 1,456,673 | 1,532,613 |
| Unrestricted interest income | 341,028 | 196,955 | 83,038 | 165,275 | 243,254 | 164,758 | 879,777 | - | - | - |
| Other | 2,078,699 | 100,000 | - | - | - | - | - | 162,698 | 138,462 | 1,233,757 |
| Transfers | (1,078,878) | (463,014) | (835,752) | 479,287 | (908,351) | (868,712) | (1,096,291) | (1,098,174) | (1,010,576) | (728,196) |
| Total business-type activities | <u>2,518,153</u> | <u>959,826</u> | <u>320,377</u> | <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> |
| Total primary government | <u>35,300,929</u> | <u>36,895,643</u> | <u>39,298,961</u> | <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> |
| Change in governmental activities net position before special item | (24,359,900) | (27,273,133) | (37,082,158) | (26,480,656) | (11,663,008) | (4,745,517) | (4,014,956) | 35,252,486 | (8,942,696) | 14,249,503 |
| Special item: | | | | | | | | | | |
| Loss on sale of Vineyard Property | - | - | - | - | (14,373,966) | - | - | - | - | - |
| Bad debt expense | - | - | - | - | - | (12,141,141) | - | - | - | - |
| Change in Net Position: | | | | | | | | | | |
| Governmental activities | (24,359,900) | (27,273,133) | (37,082,158) | (26,480,656) | (26,036,974) | (16,886,658) | (4,014,956) | 35,252,486 | (8,942,696) | 14,249,503 |
| Business-type activities | 5,552,736 | 4,942,549 | 6,833,437 | 4,573,765 | 5,586,599 | 4,838,428 | 7,594,717 | 1,470,414 | 5,006,941 | 5,460,573 |
| Total primary government | <u>\$ (18,807,164)</u> | <u>\$ (22,330,584)</u> | <u>\$ (30,248,721)</u> | <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> |

Note: Information is available since GASB Statement No. 34 was implemented in 2003.

* 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 CAFR

CITY OF ELK GROVE, CALIFORNIA

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
For The Years Ended June 30, 2019

| | 2010 | 2011 | 2012 | 2013 | 2014 |
|---|-----------------------|-----------------------|----------------------|-----------------------|----------------------|
| General Fund | | | | | |
| Reserved | \$ 67,455 | \$ - | \$ - | \$ - | \$ - |
| Unreserved | 23,525,761 | - | - | - | - |
| Nonspendable | | 13,869 | - | - | - |
| Committed | | 19,363,473 | 19,151,034 | 18,950,057 | 18,604,618 |
| Assigned | | 287,779 | - | - | - |
| Unassigned | | 4,772,737 | 7,369,071 | 4,876,432 | 5,995,555 |
| Total General Fund | <u>\$ 23,593,216</u> | <u>\$ 24,437,858</u> | <u>\$ 26,520,105</u> | <u>\$ 23,826,489</u> | <u>\$ 24,600,173</u> |
| All Other Governmental Funds | | | | | |
| Reserved | \$ 38,554,055 | \$ - ¹ | \$ - | \$ - | \$ - |
| Unreserved reported in, | | | | | |
| Special revenue funds | 19,615,909 | - | - | - | - |
| Capital projects funds | 69,294,665 | - | - | - | - |
| Nonspendable | - | - | - | - | - |
| Restricted | - | 123,223,457 | 107,450,983 | 109,716,431 | 113,819,244 |
| Committed | - | 501,453 | - | - | - |
| Assigned | - | - | - | - | - |
| Unassigned | - | (10,077,779) | (8,379,471) | (5,952,761) | (14,415,146) |
| Total All Other Governmental Funds | <u>\$ 127,464,629</u> | <u>\$ 113,647,131</u> | <u>\$ 99,071,512</u> | <u>\$ 103,763,670</u> | <u>\$ 99,404,098</u> |

Source: The City of Elk Grove CAFR

¹The change in All Other Governmental Funds in 2011 is due to the implementation of GASB No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|----------------------|----------------------|----------------------|----------------------|----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| - | - | 3,510,730 | 2,801,341 | 2,372,795 |
| 19,227,947 | 20,096,678 | 21,000,138 | 22,407,940 | 37,444,232 |
| 1,649,271 | 346,141 | 357,858 | 373,349 | 2,359,382 |
| 1,381,845 | 7,498,226 | 9,447,603 | 11,794,420 | 190,714 |
| <u>\$ 22,259,063</u> | <u>\$ 27,941,045</u> | <u>\$ 34,316,329</u> | <u>\$ 37,377,050</u> | <u>\$ 42,367,123</u> |

| | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| \$ - | \$ - | \$ - | \$ - | \$ - |
| - | - | - | - | - |
| - | - | - | - | - |
| 65,738,124 | 66,458,363 | - | - | - |
| 124,249,316 | 151,376,738 | 242,335,680 | 234,660,067 | 230,471,851 |
| - | 20,096,678 | - | - | - |
| - | 346,141 | - | - | - |
| (14,415,146) | (3,262,256) | (4,644,863) | (7,799,419) | (6,013,300) |
| <u>\$ 175,572,294</u> | <u>\$ 235,015,664</u> | <u>\$ 237,690,817</u> | <u>\$ 226,860,648</u> | <u>\$ 224,458,551</u> |

CITY OF ELK GROVE, CALIFORNIA

Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years Ending June 30, 2018
 (modified accrual basis of accounting)

| | 2010 | 2011 | 2012 | 2013 |
|--|-----------------------|------------------------|------------------------|---------------------|
| REVENUES | | | | |
| Taxes | \$ 28,107,110 | \$ 32,079,417 | \$ 35,044,601 | \$ 37,185,056 |
| Licenses, fees and permits | 7,226,695 | 7,699,245 | 17,066,136 | 12,925,467 |
| Intergovernmental | 27,951,148 | 38,799,953 | 36,944,835 | 33,646,054 |
| Fines and forfeitures | 1,643,163 | 1,709,371 | 1,748,945 | 1,525,078 |
| Charges for services | 15,472,824 | 1,768,835 | 1,920,769 | 2,234,212 |
| Investment earnings | 2,197,050 | 1,687,347 | 2,568,929 | 1,294,280 |
| Contributions from property owners | - | - | - | - |
| Contributions and donations | - | - | - | - |
| Other Revenue | 201,394 | 193,731 | 360,233 | 459,128 |
| Total revenues | <u>82,799,384</u> | <u>83,937,899</u> | <u>95,654,448</u> | <u>89,269,275</u> |
| EXPENDITURES: | | | | |
| General government | 17,438,537 | 16,331,869 | 16,379,380 | 19,017,525 |
| Public safety | 26,501,367 | 27,594,225 | 30,040,279 | 30,592,175 |
| Public ways and facilities | 11,080,202 | 11,101,470 | 31,766,320 | 9,277,761 |
| Community development | 9,567,413 | 16,627,411 | 10,151,471 | 7,868,412 |
| Capital outlay | 23,340,145 | 17,768,992 | 13,179,940 | 12,525,633 |
| Debt service: | | | | |
| Principal retirement | 2,885,000 | 3,000,000 | 3,145,000 | 3,290,000 |
| Interest and fiscal charges | 5,604,871 | 5,512,967 | 5,353,597 | 5,290,067 |
| Bond issue costs | - | - | - | - |
| Total expenditures | <u>96,417,535</u> | <u>97,936,934</u> | <u>110,015,987</u> | <u>87,861,573</u> |
| EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES | <u>(13,618,151)</u> | <u>(13,999,035)</u> | <u>(14,361,539)</u> | <u>1,407,702</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Long-term liabilities issued | - | - | - | - |
| Premium (discount) on debt issued | - | - | - | - |
| Refunding bonds issued | - | - | - | - |
| Payments to refunded bond escrow agent | - | - | - | - |
| Transfers from other funds | 30,529,279 | 13,375,223 | 8,504,158 | 11,008,485 |
| Transfers to other funds | (20,693,884) | (12,349,044) | (6,635,991) | (10,417,645) |
| Total other financing sources (uses) | <u>9,835,395</u> | <u>1,026,179</u> | <u>1,868,167</u> | <u>590,840</u> |
| Net Change in Fund Balances before special item | (3,782,756) | (12,972,856) | (12,493,372) | 1,998,542 |
| Special Item: | | | | |
| Sale of Vineyard Property | - | - | - | - |
| NET CHANGE IN FUND BALANCES | <u>\$ (3,782,756)</u> | <u>\$ (12,972,856)</u> | <u>\$ (12,493,372)</u> | <u>\$ 1,998,542</u> |
| Debt service as a percentage of noncapital expenditures. | 11.62% | 10.62% | 8.78% | 11.39% |

(1) On April 9, 2014, the City sold Vineyard land for \$3,347,156.

Source: The City of Elk Grove CAFR

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|--------------------------|---------------------|----------------------|----------------------|-----------------------|---------------------|
| \$ 38,797,684 | \$ 42,218,867 | \$ 46,826,691 | \$ 59,397,544 | \$ 63,981,106 | \$ 38,797,684 |
| 15,574,986 | 19,444,219 | 23,521,281 | 13,741,076 | 29,558,628 | 15,574,986 |
| 44,698,377 | 40,589,946 | 42,849,356 | 24,099,150 | 30,160,655 | 44,698,377 |
| 1,319,758 | 488,299 | 387,185 | 354,504 | 281,523 | 1,319,758 |
| 3,083,121 | 3,308,827 | 2,481,403 | 1,804,824 | 3,219,568 | 3,083,121 |
| 1,985,204 | 3,122,257 | 4,040,144 | 5,097,917 | 1,882,216 | 1,985,204 |
| - | - | - | 72,700,000 | 1,400,000 | - |
| - | - | - | 30,000 | 1,000,000 | - |
| 356,980 | 1,352,612 | 970,243 | 947,939 | 991,515 | 356,980 |
| <u>105,816,110</u> | <u>110,525,027</u> | <u>121,076,303</u> | <u>178,172,954</u> | <u>132,475,211</u> | <u>105,816,110</u> |
| 18,789,272 | 19,891,965 | 19,971,477 | 23,312,594 | 26,431,508 | 18,789,272 |
| 32,537,512 | 34,796,247 | 35,356,689 | 36,067,903 | 37,703,232 | 32,537,512 |
| 15,306,831 | 15,453,017 | 15,331,077 | 59,011,979 | 80,059,131 | 15,306,831 |
| 8,433,339 | 7,329,328 | 9,444,746 | 9,193,193 | 9,522,145 | 8,433,339 |
| 20,853,268 | 22,636,496 | 19,170,128 | 488,306 | 6,752,813 | 20,853,268 |
| 3,460,000 | 3,620,000 | 1,315,000 | 2,335,000 | 265,000 | 3,460,000 |
| 4,968,805 | 4,803,957 | 5,121,900 | 679,930 | 194,439 | 4,968,805 |
| - | - | 1,356,411 | 104,578 | 275,440 | - |
| <u>104,349,027</u> | <u>108,531,010</u> | <u>107,067,428</u> | <u>131,193,483</u> | <u>161,203,708</u> | <u>104,349,027</u> |
| <u>1,467,083</u> | <u>1,994,017</u> | <u>14,008,875</u> | <u>46,979,471</u> | <u>(28,728,497)</u> | <u>1,467,083</u> |
| - | - | 90,630,000 | - | 18,530,000 | - |
| - | - | 9,594,496 | - | 973,533 | - |
| - | - | - | 4,940,000 | - | - |
| - | - | (89,402,398) | (7,200,000) | - | - |
| 11,695,534 | 17,862,895 | 35,802,601 | 13,408,691 | 29,617,243 | 11,695,534 |
| (9,423,825) | (15,470,054) | (33,280,777) | (10,827,097) | (28,161,727) | (9,423,825) |
| <u>2,271,709</u> | <u>2,392,841</u> | <u>13,343,922</u> | <u>321,594</u> | <u>20,959,049</u> | <u>2,271,709</u> |
| 3,738,792 | 4,386,858 | 27,352,797 | 47,301,065 | (7,769,448) | 3,738,792 |
| 3,347,156 ⁽¹⁾ | - | - | - | - | 3,347,157 |
| <u>\$ 7,085,948</u> | <u>\$ 4,386,858</u> | <u>\$ 27,352,797</u> | <u>\$ 47,301,065</u> | <u>\$ (7,769,448)</u> | <u>\$ 7,085,949</u> |
| 10.09% | 9.81% | 7.32% | 2.31% | 0.30% | 10.09% |

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 |
|------------------------------------|-------------------------|------------------------|------------------------|-------------|--------------------------------|------------------------------------|-----------------------------|
| 2010 | 12,008,553,550 | 1,848,882,546 | 464,328,201 | 846,991,020 | 324,208,752 | 14,844,546,565 | 0.06348 |
| 2011 | 12,094,994,805 | 1,909,454,205 | 439,941,669 | 776,945,046 | 296,152,644 | 14,925,183,081 | 0.06474 |
| 2012 | 11,825,574,057 | 1,692,436,063 | 431,092,987 | 675,131,790 | 333,570,758 | 14,290,664,139 | 0.64360 |
| 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 |

Source: HdL from the Sacramento County Assessor 2009/10-2018/19 Combined Tax Rolls

CITY OF ELK GROVE, CALIFORNIA

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

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|---|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 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 | 0.38220 | 0.38220 | 0.38220 |
| 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 | 0.22140 | 0.22140 | 0.22140 | 0.22141 |
| 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 | 0.00000 | 0.00000 | 0.00000 | 0.03730 | 0.03570 |
| Los Rios College Bond | 0.00000 | 0.00000 | 0.01920 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Los Rios College Gob | 0.01240 | 0.00900 | 0.00000 | 0.01930 | 0.01810 | 0.01130 | 0.00910 | 0.01410 | 0.01300 | 0.01310 |
| Sacramento Unified Gob | 0.09110 | 0.09790 | 0.00000 | 0.09990 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.00000 |
| Sacto City Unified Gob | 0.00000 | 0.00000 | 0.00000 | 0.00000 | 0.12250 | 0.12120 | 0.13350 | 0.12770 | 0.12350 | 0.11640 |
| Total Direct & Overlapping² Tax Rates | <u>1.10350</u> | <u>1.10690</u> | <u>1.11740</u> | <u>1.11920</u> | <u>1.14060</u> | <u>1.13250</u> | <u>1.14260</u> | <u>1.14180</u> | <u>1.17380</u> | <u>1.16520</u> |
| General Obligation Debt Rate | | | | | | | | | | |
| Total Direct Rate⁴ | 0.06348 | 0.06474 | 0.06436 | 0.64530 | 0.64530 | 0.06460 | 0.06451 | 0.06443 | 0.06432 | 0.06421 |

Source: Prepared by HdL, Coren & Cone

Data source: Sacramento County Assessor 2009/10 - 2018/19 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 | 2019 | | | 2010 | | |
|-----------------------------------|------|------------------------|--|------|------------------------|--|
| | Rank | Taxable Assessed Value | Approximate Percentage of Taxable Assessed Valuation | Rank | Taxable Assessed Value | Approximate Percentage of Taxable Assessed Valuation |
| Apple Computer Inc | 1 | \$ 222,568,810 | 1.10% | 2 | \$ 130,273,112 | 0.86% |
| Pappas Laguna 2 LP | 2 | 132,607,338 | 0.66% | 5 | 46,192,482 | 0.30% |
| Laguna Springs Corporation Center | 3 | 94,654,236 | 0.47% | | | |
| Elk Grove Owner LP | 4 | 75,334,856 | 0.37% | | | |
| Oakmont Properties II LP | 5 | 73,432,102 | 0.36% | 4 | 64,882,257 | 0.43% |
| 9130 Nolan Street LLC | 6 | 51,530,104 | 0.26% | 6 | 45,530,354 | 0.30% |
| DS Properties 18 LP | 7 | 48,366,010 | 0.24% | | | |
| Jackson II LLC | 8 | 47,273,510 | 0.23% | | | |
| MG Bella Vista Apartments EKG LLC | 9 | 46,818,000 | 0.23% | | | |
| Norwalk Flallon LLC | 10 | 44,891,281 | 0.22% | | | |
| Donahue Schriber Realty Group LP | | | | 1 | 185,357,423 | 1.22% |
| Elk Grove Town Center | | | | 3 | 119,635,696 | 0.79% |
| JJD HOV Elk Grove LLC Toys R Us | | | | 7 | 40,320,251 | 0.27% |
| Laguna Gateway Phase 2 LP | | | | 8 | 40,162,408 | 0.26% |
| LV Apartments LLC | | | | 9 | 37,427,880 | 0.25% |
| Somerfield North LLC | | | | 10 | 37,283,468 | 0.25% |
| | | <u>\$ 837,476,247</u> | <u>4.14%</u> | | <u>\$ 747,065,331</u> | <u>4.93%</u> |

Source: HDL, Coren & Cone, Sacramento County Assessor 2018-19 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 |
| 2010 | \$ 16,778,257 | \$ 15,878,410 | 94.64% | \$ 899,847 | \$ 16,778,257 | 100.00% |
| 2011 | 16,576,394 | 15,809,653 | 95.37% | 766,741 | 16,576,394 | 100.00% |
| 2012 | 15,904,472 | 15,102,178 | 94.96% | 802,294 | 15,904,472 | 100.00% |
| 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% |

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)

| | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|----------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Apparel Stores | \$ 79,557 | \$ 89,645 | \$ 59,538 | \$ 65,521 | \$ 72,656 | \$ 76,039 |
| General Merchandise | 128,368 | 117,273 | 148,476 | 157,202 | 178,709 | 184,822 |
| Food Stores | 66,056 | 64,494 | 68,344 | 64,032 | 60,816 | 64,028 |
| Eating and Drinking Places | 148,566 | 152,904 | 159,341 | 175,995 | 187,234 | 201,084 |
| Building Materials | 73,912 | 71,202 | 70,740 | 63,726 | 67,783 | 63,315 |
| Auto Dealers and Supplies | 303,211 | 327,681 | 414,609 | 492,184 | 576,870 | 637,312 |
| Service Stations | 145,276 | 161,876 | 184,353 | 201,937 | 202,295 | 202,900 |
| Other Retail Stores | 276,191 | 280,758 | 308,742 | 318,666 | 276,132 | 285,513 |
| All Other Outlets | <u>254,990</u> | <u>259,804</u> | <u>279,687</u> | <u>297,654</u> | <u>377,509</u> | <u>441,461</u> |
| Total | <u>\$ 1,476,127</u> | <u>\$ 1,525,637</u> | <u>\$ 1,693,830</u> | <u>\$ 1,836,917</u> | <u>\$ 2,000,004</u> | <u>\$ 2,156,474</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.

*Per the HdL Companies, decrease in Auto Dealers and Supplies in 2019 due to slowing sales for new motor vehicles.

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------------|---------------------|---------------------|---------------------|
| \$ 79,512 | \$ 80,587 | \$ 80,771 | \$ 79,920 |
| 187,807 | 185,515 | 180,858 | 207,432 |
| 65,466 | 66,083 | 66,359 | 67,259 |
| 228,559 | 250,348 | 265,459 | 273,225 |
| 76,102 | 86,754 | 98,934 | 110,519 |
| 736,551 | 850,020 | 905,658 | 881,314 |
| 175,264 | 165,039 | 191,409 | 216,404 |
| 294,492 | 318,251 | 315,468 | 306,892 |
| <u>474,317</u> | <u>514,399</u> | <u>598,642</u> | <u>613,474</u> |
| <u>\$ 2,318,070</u> | <u>\$ 2,516,996</u> | <u>\$ 2,703,558</u> | <u>\$ 2,756,439</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 |
|----------------|---------------------|----------------------|------------------|------------------------|
| 2010 | 1.00 | 0.25 | 0.50 | 7.00 |
| 2011 | 1.00 | 0.25 | 0.50 | 7.00 |
| 2012 | 1.00 | 0.25 | 0.50 | 6.00 (b) |
| 2013 | 1.00 | 0.25 | 0.50 | 6.25 (c) |
| 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 (d) |
| 2018 | 1.00 | 0.25 | 0.50 | 6.00 |
| 2019 | 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) April 1, 2009 the State increased the State Rate 1%

(b) July 1, 2011 the State decreased the State Rate 1%

(c) January 1, 2013 the State increased the State Rate 0.25%

(d) 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 CAFR 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 | | | |
| 2010 | 116,160,000 | - | 116,160,000 | 2.99% | 807 |
| 2011 | 113,160,000 | 10,715,000 | 123,875,000 | 3.06% | 810 |
| 2012 | 110,015,000 | 10,510,000 | 120,525,000 | 2.93% | 773 |
| 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 ⁽³⁾ | 9,645,000 | 119,256,895 | 2.53% | 710 |
| 2017 | 4,940,000 | 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 |

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 CAFR

⁽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.

CITY OF ELK GROVE

Direct and Overlapping Governmental Activities Debt
June 30, 2019

2018-19 Assessed Valuation: \$20,190,098,062

| | Total Debt | | City's Share of |
|---|-------------------|-------------------------|--------------------------|
| | <u>6/30/2019</u> | <u>% Applicable (1)</u> | <u>Debt 6/30/19</u> |
| <u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u> | | | |
| Los Rios Community College District | \$396,190,000 | 10.322% | \$40,894,732 |
| Elk Grove Unified School District | 193,000,000 | 55.820% | \$107,732,600 |
| Sacramento Unified School District | 470,327,966 | 0.176% | 827,777 |
| City of Elk Grove Community Facilities District No. 2002-1 | 45,245,000 | 100.000% | 45,245,000 |
| City of Elk Grove Community Facilities District No. 2003-1 | 40,220,000 | 100.000% | 40,220,000 |
| City of Elk Grove Community Facilities District No. 2005-1 | 131,065,000 | 100.000% | 131,065,000 |
| Elk Grove Unified School District Community Facilities District No. 1 | 197,766,133 | 55.820% | 110,393,055 |
| Sacramento County Community Facilities Districts | 5,433,665 | 100.000% | 5,433,665 |
| California Statewide Community Development Authority 1915 Act Bonds | 6,203,372 | 100.000% | <u>6,203,372</u> |
| TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT | | | \$488,015,201 |
| <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u> | | | |
| Sacramento County General Fund Obligations | \$174,027,519 | 12.531% | \$21,807,388 |
| Sacramento County Pension Obligation Bonds | 885,670,052 | 12.531% | 110,983,314 |
| Sacramento County Board of Education Certificates of Participation | 3,975,000 | 12.531% | 498,107 |
| Elk Grove Unified School District Certificates of Participation | 12,612,000 | 55.820% | 7,040,018 |
| Sacramento Unified School District Certificates of Participation | 63,120,000 | 0.176% | 111,091 |
| Cosumnes Community Services District Certificates of Participation | 21,870,000 | 87.132% | 19,055,768 |
| City of Elk Grove Lease Revenue Bonds | 22,735,000 | 100.000% | <u>22,735,000</u> |
| TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT | | | \$182,230,686 |
| Less: Sacramento County supported obligations | | | \$2,136,225 |
| TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT | | | \$180,094,461 |
| TOTAL GROSS DIRECT DEBT | | | \$22,735,000 |
| TOTAL OVERLAPPING DEBT | | | \$645,374,662 |
| GROSS COMBINED TOTAL DEBT | | | \$668,109,662 |
| NET COMBINED TOTAL DEBT | | | \$668,109,662 |

- (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 | 2.417% |
| Total Gross Direct Debt (\$22,735,000) | 0.113% |
| Total General Fund Obligated Debt (\$22,735,000) | 0.113% |
| Gross Combined Total Debt | 3.309% |

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CITY OF ELK GROVE, CALIFORNIA

Legal Debt Margin
For the Last Ten Years Ended June 30, 2019

| | <u>2010</u> | <u>2011</u> | <u>2012</u> | <u>2013</u> |
|---|-------------------------|-------------------------|-------------------------|-------------------------|
| Assessed value ⁽¹⁾ | \$ 15,168,755,317 | \$ 15,221,335,725 | \$ 14,624,234,897 | \$ 13,556,088,414 |
| Less: Exemptions ⁽¹⁾ | <u>(324,208,752)</u> | <u>(296,152,644)</u> | <u>(333,570,758)</u> | <u>(346,233,652)</u> |
| | 14,844,546,565 | 14,925,183,081 | 14,290,664,139 | 13,209,854,762 |
| Legal debt margin | | | | |
| Debt Limit (15% of Assessed Value) | 2,226,681,985 | 2,238,777,462 | 2,143,599,621 | 1,981,478,214 |
| Debt applicable to limit: | | | | |
| Total Bonded Debt (including Special Assessment Bonds) | 116,160,000 | 123,875,000 | 120,525,000 | 118,676,624 |
| Less: | | | | |
| Special Assessment Bonds | - | - | - | - |
| Tax Allocation Bonds | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total Amount of Debt Applicable to Debt Limit | <u>116,160,000</u> | <u>123,875,000</u> | <u>120,525,000</u> | <u>118,676,624</u> |
| Legal Debt Margin | <u>\$ 2,110,521,985</u> | <u>\$ 2,114,902,462</u> | <u>\$ 2,023,074,621</u> | <u>\$ 1,862,801,590</u> |
| Total debt applicable to limit as a percentage of debt limit | 5.50% | 5.86% | 5.96% | 6.37% |

Source: ⁽¹⁾ HdL from the Sacramento County Assessor 2009/10-2018/19 Combined Tax Rolls

| 2014 | 2015 | 2016 | 2017 | 2018 | 2019 |
|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
| \$ 14,606,310,971 | \$ 16,119,227,237 | \$ 16,893,165,344 | \$ 18,008,023,600 | \$ 19,462,619,410 | \$ 20,637,300,411 |
| (359,424,853) | (398,318,801) | (430,877,261) | (426,240,108) | (487,229,789) | (451,113,557) |
| 14,246,886,118 | 15,720,908,436 | 16,462,288,083 | 17,581,783,492 | 18,975,389,621 | 20,186,186,854 |
| 2,137,032,918 | 2,358,136,265 | 2,469,343,212 | 2,637,267,524 | 2,846,308,443 | 3,027,928,028 |
| 114,923,363 | 111,000,102 | 119,256,895 | 14,350,000 | 32,370,000 | 31,650,000 |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| 114,923,363 | 111,000,102 | 119,256,895 | 14,350,000 | 32,370,000 | 31,650,000 |
| \$ 2,022,109,555 | \$ 2,247,136,163 | \$ 2,350,086,317 | \$ 2,622,917,524 | \$ 2,813,938,443 | \$ 2,996,278,028 |
| 5.68% | 4.94% | 5.07% | 0.55% | 1.15% | 1.06% |

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⁾ |
|------|---------------------------|-------------------------------------|-----------------|---|--|------------------------------|-------------------------------------|
| 2010 | 143,885 | 1,445,327 | 3,891,082,055 | 27,043 | 62,172 | 32.80 | 10.50% |
| 2011 | 153,015 | 1,428,355 | 4,051,684,185 | 26,479 | 62,483 | 34.50 | 10.40% |
| 2012 | 155,937 | 1,435,153 | 4,117,828,359 | 26,407 | 62,126 | 33.00 | 9.80% |
| 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% |

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 & Eight Years Ago

| Business Name | 2019 | | 2011 | |
|---|---------------------|---------------------------------|---------------------|---------------------------------|
| | Number of Employees | Percent of Total Employment (%) | Number of Employees | Percent of Total Employment (%) |
| Apple Computer Inc. ⁽¹⁾ | 5,000 | 6.03% | 1,800 | 2.42% |
| Elk Grove Unified School District ⁽²⁾ | 4,055 | 4.89% | 5,000 | 6.71% |
| CA Correctional Health Care Services ⁽³⁾ | 1,124 | 1.36% | | |
| Cosumnes Community Services District ⁽⁴⁾ | 779 | 0.62% | | |
| Walmart (3 locations) | 515 | 0.53% | 273 | 0.37% |
| Kaiser Permanente Med Ctr (2 locations) | 443 | 0.48% | 1,468 | 1.97% |
| Raley's/Bel Air Markets (4 locations) | 398 | 0.45% | | |
| Alldata LLC | 376 | 0.42% | 400 | 0.54% |
| City of Elk Grove | 347 | 0.36% | 289 | 0.39% |
| Nissan of Elk Grove ⁽⁵⁾ | 301 | 0.36% | | |
| Methodist Hospital of Sacramento | | | 550 | 0.74% |
| Cosumnes River College | | | 330 | 0.44% |
| Bimbo Bakeries, Inc. | | | 265 | 0.36% |
| Elk Grove Bank of Stockton | | | 237 | 0.32% |
| Total Top 10 Employers | 13,338 | 15.50% | 10,612 | 14.24% |
| Total City Labor Force ⁽⁶⁾ | 82,900 | | 74,500 | |

Source: MuniServices, LLC

Note: Principal employers for fiscal year 2010 are not available, therefore the earliest available information for the fiscal year 2011 has been included.

⁽¹⁾ According to the Sacramento Business Journal, Apple expanded in 2017, and the number of workers topped 5,000, although Apple Computer (corp, distr., store) declined to confirm.

⁽²⁾ Includes Certificated, classified, admin and district offices employees at school sites within the Elk Grove jurisdiction only.

⁽³⁾ State of CA employees

⁽⁴⁾ Includes full and part time, and seasonal employees.

⁽⁵⁾ Includes full and part time

⁽⁶⁾ Total City Labor Force is provided by EDD Labor Force Data and includes all employable adult residents of the City of Elk Grove.

CITY OF ELK GROVE

Government Employment Information Last Ten Fiscal Years

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|------------|------------|------------|------------|------------|
| City Council | 5 | 5 | 5 | 5 | 5 |
| City Manager | 5 | 8 | 8 | 9 | 11 |
| City Attorney | 5 | 5 | 4 | 4 | 4 |
| City Clerk | 4 | 3 | 3 | 3 | 3 |
| Development Services | 5 | 9 | 9 | 10 | 11 |
| Finance | 13 | 13 | 14 | 14 | 14 |
| Code Enforcement - Community Development | 8 | 8 | 8 | 9 | 9 |
| Animal Services | 5 | 6 | 7 | 7 | 7 |
| Human Resources | 4 | 4 | 4 | 4 | 4 |
| Police Department | 195 | 202 | 207 | 200 | 211 |
| Public Works | 1 | 5 | 5 | 5 | 6 |
| Utilities* | 5 | 5 | 4 | 5 | 5 |
| Solid Waste | 4 | 4 | 3 | 4 | 3 |
| Transit | 4 | 4 | 2 | 4 | 4 |
| Risk Management | 1 | 1 | 1 | 1 | 1 |
| Information Technology | 0 | 1 | 1 | 5 | 4 |
| Facilities/Fleet | 4 | 4 | 4 | 4 | 4 |
| Total employees | 268 | 287 | 289 | 293 | 306 |

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.

| <u>2015</u> | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------|-------------|-------------|-------------|-------------|
| 5 | 5 | 5 | 5 | 5 |
| 13 | 13 | 20 | 21 | 20 |
| 4 | 5 | 5 | 6 | 6 |
| 3 | 3 | 3 | 3 | 3 |
| 7 | 9 | 9 | 14 | 13 |
| 16 | 19 | 18 | 18 | 21 |
| 9 | 9 | 8 | 8 | 9 |
| 7 | 7 | 7 | 7 | 23 |
| 3 | 5 | 4 | 5 | 4 |
| 205 | 211 | 221 | 224 | 231 |
| 6 | 10 | 12 | 12 | 12 |
| 5 | 0 | 0 | 0 | 0 |
| 3 | 3 | 4 | 4 | 4 |
| 5 | 5 | 5 | 5 | 4 |
| 1 | 1 | 2 | 1 | 2 |
| 4 | 4 | 6 | 7 | 7 |
| 4 | 5 | 4 | 4 | 5 |
| <u>300</u> | <u>314</u> | <u>333</u> | <u>344</u> | <u>369</u> |

CITY OF ELK GROVE

Operating Indicators by Function/Program Last Ten Fiscal Years

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 |
|--|-----------|-----------|----------|-----------|-----------|
| General Government | | | | | |
| Residential Building Permits Issued | 284 | 247 | 322 | 441 | 378 |
| Commercial Building Permits Issued | 7 | 48 | 77 | 13 | 11 |
| Refuse Collection⁽¹⁾ | | | | | |
| Total Tons Disposed | 83,399 | 83,057 | 82,720 | 80,597 | 82,795 |
| Total Tons Diverted | 89,139 | 92,478 | 61,590 | 72,580 | 73,540 |
| Transit | | | | | |
| Total Route Miles | 1,057,390 | 1,069,648 | 967,546 | 1,009,437 | 1,032,906 |
| Total Passengers | 988,022 | 958,643 | 966,906 | 1,049,584 | 1,043,906 |
| Police | | | | | |
| Calls for service | 94,288 | 95,267 | 96,242 | 96,089 | 95,107 |
| Average Emergency Response Time | 4.9 | 6.4 | 5.8 | 6.0 | 6.1 |
| Clearance Rate of all Part I Crimes | 23% | 24% | 22% | 28% | 35% |
| Utility Billing⁽²⁾ | | | | | |
| Residential Customers | 45,204 | 46,084 | 46,506 | 46,879 | 47,161 |
| Community Enhancement | | | | | |
| Calls for Service | 2,815 | 5,520 | 4,019 | 4,318 | 2,664 |
| Average Emergency Response Time | 24 Hours | 24 Hours | 24 Hours | 24 Hours | 24 Hours |
| Number of Inspectors | 7 | 6 | 5 | 6 | 6 |
| Average Number of Cases Per Inspector | 563 | 1,104 | 804 | 720 | 444 |

Sources: City of Elk Grove, Republic Services

⁽¹⁾Based on calendar year. State switched to per pound/person tracking and no longer track tons diverted. Data is all that was available.

⁽²⁾Utility Billing services were outsourced to the waste and recycling coordinator effective July, 1, 2017. Data provided by Republic Services beginning fiscal year 2018.

| 2015 | 2016 | 2017 | 2018 | 2019 |
|-----------|-----------|-----------|-----------|-----------|
| 568 | 625 | 315 | 546 | 819 |
| 14 | 9 | 9 | 32 | 18 |
| 88,053 | 78,473 | 76,577 | 76,233 | 83,879 |
| 48,305 | 50,151 | 53,182 | 55,528 | 57,309 |
| 1,080,819 | 1,073,588 | 1,085,711 | 1,025,867 | 1,037,044 |
| 1,032,039 | 945,262 | 860,773 | 783,893 | 774,736 |
| 98,098 | 95,677 | 94,677 | 94,776 | 97,528 |
| 5.8 | 5.2 | 4.9 | 5.0 | 5.2 |
| 30% | 28% | 26% | 22% | 21% |
| 47,985 | 49,845 | 50,332 | 50,723 | 50,264 |
| 3,236 | 4,258 | 2,880 | 2,833 | 2,802 |
| 24 Hours | 24 Hours | 24 Hours | 24 Hours | 24 Hours |
| 6 | 6 | 6 | 6 | 5 |
| 539 | 710 | 480 | 472 | 560 |

CITY OF ELK GROVE

Capital Asset and Infrastructure Statistics by Function/Program Last Ten Fiscal Years

| Function/Program | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 |
|---------------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| Public Safety | | | | | | |
| Police: | | | | | | |
| Stations | 1 | 1 | 1 | 1 | 1 | 1 |
| Patrol units ⁽¹⁾ | 98 | 72 | 73 | 75 | 74 | 74 |
| Highways and Streets | | | | | | |
| Streets (miles) ⁽²⁾ | 501 | 502 | 550 | 574 | 555 | 555 |
| Streetlights ⁽³⁾ | 11,122 | 11,133 | 11,706 | 11,706 | 13,830 | 14,082 |
| Traffic signals | 125 | 126 | 128 | 130 | 167 | 161 |
| Traffic signs ⁽⁴⁾ | 9,909 | 9,909 | 9,987 | 10,000 | 10,057 | 10,465 |
| Bridges | 70 | 64 | 65 | 67 | 67 | 81 |
| Sidewalk (miles) ⁽⁵⁾ | 993 | 995 | 996 | 997 | 794 | 800 |
| Drainage | | | | | | |
| Manholes | 7,339 | 7,630 | 8,315 | 8,315 | 8,490 | 8,686 |
| Feet of pipe ⁽⁶⁾ | 2,043,418 | 2,076,428 | 2,336,038 | 2,336,043 | 2,361,500 | 2,404,418 |
| Storm drain inlets | 11,842 | 11,915 | 14,574 | 14,588 | 14,907 | 15,180 |

⁽¹⁾ Previously included detective vehicles and traffic motorcycles, which are now not considered patrol units.

⁽²⁾ Street miles has decreased or maintained current level due to the removal of private streets beginning in 2014.

⁽³⁾ Streetlights GIS data clean up discovered multiple private lights were included in the data. 2019 represents an accurate count.

⁽⁴⁾ Traffic signs represent accurate count previous two years represented an estimate.

⁽⁵⁾ Sidewalks are currently being collected, as the layer contained private sidewalks.

⁽⁶⁾ 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

| <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|-------------|-------------|-------------|-------------|
| 1 | 1 | 1 | 1 |
| 75 | 63 | 60 | 58 |
| 560 | 545 | 545 | 553 |
| 14,195 | 14,195 | 14,195 | 13,435 |
| 168 | 151 | 151 | 151 |
| 10,873 | 25,000 | 25,000 | 23,369 |
| 89 | 89 | 89 | 89 |
| 829 | 829 | 899 | 899 |
| 9,027 | 9,147 | 9,215 | 9,287 |
| 2,063,846 | 2,116,599 | 2,122,948 | 2,144,206 |
| 15,836 | 15,903 | 16,192 | 16,265 |