

CITY OF  
ELK GROVE  
CALIFORNIA



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2021





CITY OF ELK GROVE, CALIFORNIA  
Incorporated July 1, 2000

---

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

PREPARED BY THE FINANCE DEPARTMENT-  
ACCOUNTING DIVISION

Fiscal Year Ended June 30, 2021



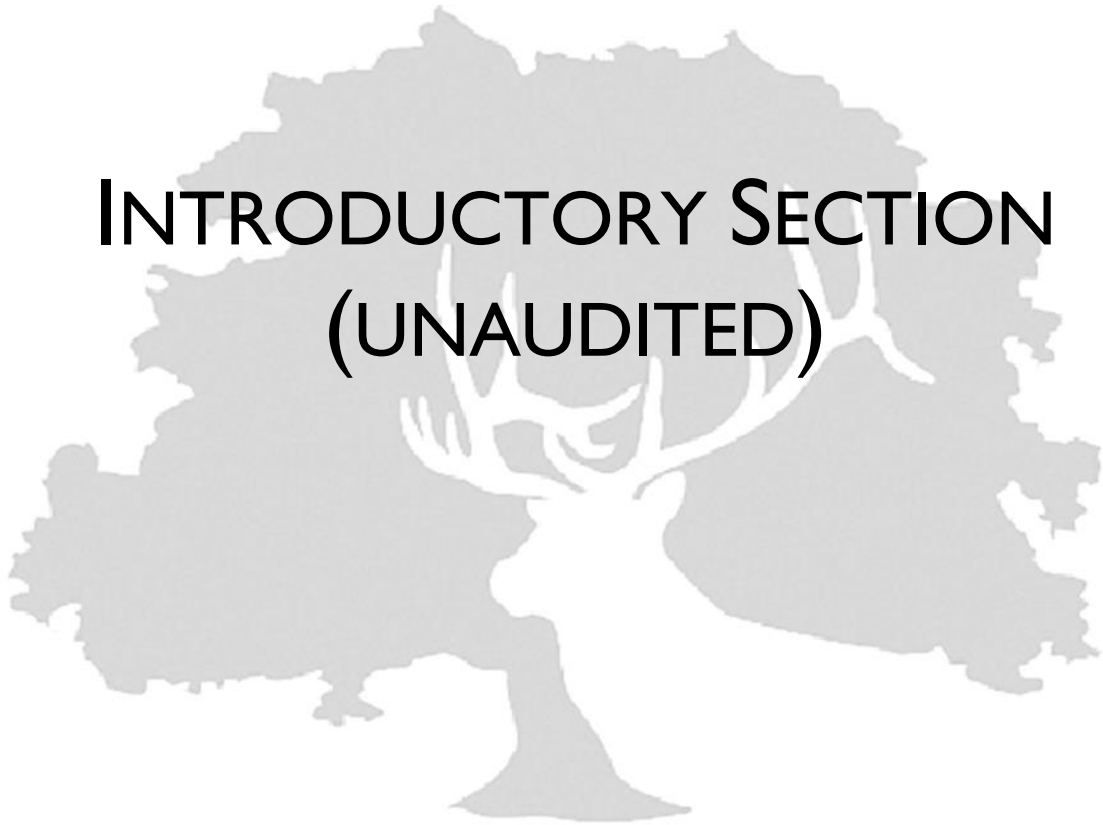


# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2021

---

### INTRODUCTORY SECTION (UNAUDITED)





**CITY OF ELK GROVE, CALIFORNIA**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
<b>INTRODUCTORY SECTION</b> (unaudited)	
Letter of Transmittal .....	I
Certificate of Achievement for Excellence in Financial Reporting - Government Finance Officers Association .....	VII
Organizational Chart.....	VIII
City Council.....	IX
Executive Team .....	X
Location Map.....	XI
Acknowledgement .....	XII
 <b>FINANCIAL SECTION</b>	
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis (unaudited).....	4
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	19
Statement of Activities.....	20
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	22
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position – Governmental Activities .....	25
Statement of Revenues, Expenditures and Changes in Fund Balances.....	26
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities – Governmental Activities.....	29
Proprietary Funds:	
Statement of Fund Net Position.....	30
Statement of Revenues, Expenses and Changes in Fund Net Position .....	31
Statement of Cash Flows.....	32
Fiduciary Funds:	
Statement of Fiduciary Net Position .....	33
Statement of Changes in Fiduciary Net Position.....	34
Notes to Financial Statements .....	35
Required Supplementary Information (unaudited):	
Budgetary Comparison Schedules:	
General Fund.....	93
Affordable Housing Special Revenue Fund .....	94
Disaster Recovery Fund.....	95
Wilton Rancheria MOU Fund.....	96
Notes to Budgetary Comparison Schedules .....	97
Schedule of Changes in the City’s Net OPEB Liabilities and Related Ratio.....	98
Schedule of City’s OPEB Contributions .....	100

CITY OF ELK GROVE, CALIFORNIA

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Schedule of Investment Returns.....	102
Schedule of the City’s Proportionate Share of the Net Pension Liability .....	104
Schedule of the City’s Contributions .....	106
Supplementary Information (unaudited)	
Combining and Individual Fund Statements and Schedules:	
Nonmajor Governmental Funds:	
Combining Balance Sheet.....	109
Combining Statement of Revenues, Expenditures and Changes in Fund Balances .....	110
Special Revenue Funds:	
Definition .....	111
Nonmajor Special Revenue Funds:	
Combining Balance Sheet .....	114
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	120
Budgetary Comparison Schedules:	
Recycling Grant Fund.....	125
Used Oil Grant Fund.....	126
Tire Collection Disposal Grant .....	127
BSCC Local Police Grant .....	128
OTS Grants Fund .....	129
Local Police Grants Fund.....	130
CA Law Enforcement Equipment Fund .....	131
Gas Tax Fund.....	132
SB1 Streets and Roads Fund.....	133
Agricultural Preservation Fund.....	134
Swainson’s Hawk Fund .....	135
Tree Mitigation Fund .....	136
Street Trench Cut Fees Fund.....	137
Community Development Block Grants Fund .....	138
State Homeless Appropriations Fund .....	139
Police Services CFD Funds .....	140
Maintenance Services CFD Funds.....	141
Street Maintenance District Funds.....	143
Asset Seizure – State and Federal Funds .....	144
Library Ownership Fund .....	145
HUD Home Grant .....	146
Neighborhood Stabilization Program Fund .....	147
Measure A Maintenance Fund .....	148
Development Services Fund .....	149
Performance Bond Fund .....	150
Donations and Community Programs Fund.....	151
Capital Projects Funds:	
Definition .....	153
Major Capital Projects Funds:	



**CITY OF ELK GROVE, CALIFORNIA**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
Supplemental Budgetary Comparison Schedules:	
Federal Capital Grants Fund .....	155
State Grants Fund.....	156
Roadway Fees Fund.....	157
Mitigation and Fee Funds .....	158
Laguna Ridge CFD 2005-1 Fund.....	159
Nonmajor Capital Project Funds:	
Combining Balance Sheet .....	160
Combining Statement of Revenues, Expenditures and Changes in Fund Balances.....	164
Budgetary Comparison Schedules:	
Measure A Construction Funds .....	167
LTF Bike & Pedestrians Fund .....	168
Capital Facilities Funds.....	169
Laguna West Service Area Fund .....	170
Lakeside Service Area Fund .....	171
In Lieu Funds .....	172
East Franklin CFD 2002-1 Fund.....	173
Poppy Ridge CFD 2003-1 Fund .....	174
District56 & OT Plaza Fund .....	175
Animal Shelter Fund.....	176
Laguna CFD Fund.....	177
Laguna West CFD Fund .....	178
Lakeside CFD Fund .....	179
SEPA Mitigation Funds .....	180
Debt Service Funds:	
Definition .....	181
Major Debt Service Funds:	
Elk Grove Finance Authority Debt Service Fund .....	182
Elk Grove Finance Authority 2018 Debt Service Fund .....	183
Elk Grove Finance Authority 2020 Debt Service Fund .....	184
Permanent Fund:	
Definition.....	185
Combining Balance Sheet .....	186
Combining Statement of Revenues, Expenditures and Changes in Fund Balance .....	187
Internal Service Funds:	
Definition .....	188
Balance Sheet.....	189
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	190
Combining Statement of Cash Flows .....	191
Custodial Funds:	
Definition .....	193
Combining Statement of Net Position .....	194
Combining Statement of Changes in Net Position .....	196

**CITY OF ELK GROVE, CALIFORNIA**

Annual Comprehensive Financial Report  
For the Fiscal Year Ended June 30, 2021

TABLE OF CONTENTS

	<u>Page</u>
<b>STATISTICAL SECTION (unaudited)</b>	
Table of Contents .....	199
Net Position by Component .....	200
Changes in Net Position.....	202
Fund Balances, Governmental Funds .....	204
Changes in Fund Balances, Governmental Funds .....	206
Assessed Value and Estimated Actual Value of Taxable Property .....	208
Direct and Overlapping Property Tax Rates .....	209
Principal Property Taxpayers.....	210
Property Tax Levies and Collections .....	211
Taxable Sales by Category.....	212
Direct and Overlapping Sales Tax Rates .....	214
Ratios of Outstanding Debt by Type. ....	215
Direct and Overlapping Governmental Activities Debt.....	216
Legal Debt Margin.....	218
Demographic and Economic Statistics .....	220
Principal Employers.....	221
Government Employment Information.....	222
Operating Indicators by Function/Program .....	224
Capital Asset and Infrastructure Statistics by Function/Program .....	226

Phone: 916.683.7111  
Fax: 916.691.3182

Web: [www.elkgrovecity.org](http://www.elkgrovecity.org)

8401 Laguna Palms Way  
Elk Grove, California 95758



December 27, 2021

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

The Annual Comprehensive Financial Report (ACFR) of the City of Elk Grove (City) for the fiscal year ended June 30, 2021, is hereby submitted in compliance with California Government Code. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based on a comprehensive framework of internal control it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Maze and Associates, Certified Public Accountants has issued an unmodified opinion of the City's financial statements for the fiscal year ended June 30, 2021. The independent auditor's report is located in the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

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

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

The City's ACFR includes all City funds and reports all activities considered to be a part of, controlled by, and dependent on the City. 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 2020-21. There were no discretely presented component units.

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

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

## **THE LOCAL ECONOMY**

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

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

The City is approximately 42 square miles with 178,124 residents as of January 2021, an increase of approximately 1.2% over the previous year. The City is the second-largest incorporated city within Sacramento County and the 26<sup>th</sup> largest in California.

The City, State, and Nation had experienced over ten years of consecutive economic growth until the COVID-19 pandemic disrupted the world economy in early 2020. However, the recovery from the associated downturn has been just as dramatic as the abrupt shutdown of many sectors of the economy, which was greatly assisted by the unprecedented fiscal relief and assistance provided by the Federal government via the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act.

According to the Bureau of Economic Analysis, the Nation's Gross Domestic Product (GDP) decreased by an extraordinary 31.2% for the second quarter of the 2020 calendar year (4th quarter of the fiscal year) but immediately rebounded in the following quarter by 33.8%. In the subsequent 4 quarters, GDP has averaged a robust 4.9%. According to the Bureau of Labor Statistics, the Nation's unemployment rate has also largely rebounded from the depths of the recession but is still higher than the pre-COVID rate. Before COVID, March's unemployment rate was 4.4% but ballooned to 14.8% (14.4% in the Sacramento metro area) in April 2020. Since then, unemployment rates have generally stabilized and gradually improved (see tables below).

However, many employers are facing labor shortages and have had to increase compensation to retain and attract employees while many members of the workforce have shifted industries in response to the pandemic.

United States

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2021	6.3	6.2	6.0	6.1	5.8	5.9	5.4	5.2	4.8	4.6

Sacramento-Roseville-Arden-Arcade MSA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2021	7.6	7.1	6.8	6.6	6.2	6.9	6.7	6.4	5.5	5.3

The price of goods and services has substantially increased as the Bureau of Labor Statistics indicates the 12-month percentage change in the Consumer Price Index in urban areas in October was 6.2%, which is historically high. Global supply chains are experiencing bottlenecks as these deeply interconnected systems cannot recover fast enough to meet increased consumer demands. The Federal Reserve’s long-term inflationary target is 2%, but the Fed believes these price increases are largely temporary and is planning to gradually adjust interest rates beginning sometime in 2022. The Fed is also transitioning out of its bond-purchasing program (“quantitative easing”), which was put into place to support the economy during the pandemic.

Similar to the rest of the United States, Elk Grove experienced substantial home value increases in 2021. Zillow indicates the median home price in Elk Grove is \$621,269, which is a 26.9% increase over the past year. Home prices are expected to continue to increase in 2022.

**FINANCIAL CONDITION HIGHLIGHTS**

As a reflection of the rapid recovery from the COVID recession, the City’s General Fund discretionary revenues performed above expectations in 2020-21. General Fund Expenditures were \$1.3 million below expectations. Absent the timing of the receipt of COVID reimbursements from the State of California, General Fund revenues were 8% over budget and 12% over the prior year. Sales tax receipts, which are the City’s largest revenue source, increased 17% over the prior fiscal year and outpaced budgeted expectations in fiscal year 2020-21 by \$4.5 million.

Property valuations increased during fiscal year 2021-22 by 5.19% in Sacramento County, with expectations that the City will continue to experience increases of around 5% into the future. Construction permits have increased after slowing down during the pandemic:

	Residential Permits	Commercial Permits
2021-22 (est.)	720	9
2020-21	751	8
2019-20	606	9
2018-19	819	18
2017-18	546	32

*The City’s General Fund Reserve Policy*

On April 24, 2019, Council adopted the City’s Fund Balance Reserve Policy that states the City Council will set an annual General Fund Reserve for Economic Uncertainty target level amount to 20% and 25% of

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

In fiscal year 2020-21, the Reserve for Economic Uncertainty is \$19.1 million, which is 25% of the adjusted expenditures of \$76.3 million. The Opportunity Reserve is \$3.8 million, which is 5% of adjusted expenditures, and the policy transfers to the Capital Reserve and Economic Development Funds are each \$3.3 million or 4.3% each of adjusted General Fund Expenditures.

The City made additional payments during fiscal year 2020-21 of over \$1.6 million to CalPERS to continue to pay down the City's unfunded pension liability. The City also pays its entire unfunded accrued liability invoice when it is due in July to avoid paying interest on that amount. These approaches reduce the City's overall pension liability and its required unfunded liability payments. As of June 30, 2020, the City's funded status was approximately 87.1%. Elk Grove's funding status is well within the top 10% of all local governments in California. The average funded status in the CalPERS system is 70.6%.

The Statement of Net Position (revenues and sources of funds less expenses and uses of funds) for the City is approximately \$1.5 billion. The City's net position is roughly \$26 million higher, or 2.0%, than the prior fiscal year.

#### *The City's 5-Year General Fund Forecast*

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

#### *Access to Financial Markets*

The City has 3 long-term bonds backed by the General Fund that funded the construction of the City Hall complex, the Animal Shelter, the District56 Nature Area, and the Old Town Plaza. In July 2021, the City paid off its 2010 bonds related to the construction of the Special Waste Collection Center, which saved approximately \$4.2 million in interest. The last rating action on the City's General Fund-backed debt was a Standard & Poor's rating of "AA", with a stable outlook in March 2018. The City will likely access the financial markets in 2021 to expand and improve its City Hall campus and to support a new library facility. The City will also likely need to issue land-based debt to support residential and industrial/commercial development.

### **DEBT POLICY AND ANNUAL CONTINUING DISCLOSURES**

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

[http://www.elkgrovecity.org/city\\_hall/departments\\_divisions/finance/annual\\_budget](http://www.elkgrovecity.org/city_hall/departments_divisions/finance/annual_budget)

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

## **INVESTMENT POLICY**

The City adopts an investment policy annually that provides guidelines for the City's cash balances' prudent investment. The City contracts with Chandler Asset Management for the day-to-day management of the City's long-term investment portfolio. The Finance Department oversees both the City's long-term investment portfolio management and liquid cash requirements. The City's investment policy is summarized in the Annual Budget document and in the June 9, 2021, staff report that presented the 2021-22 Budget to Council for approval:

[http://www.elkgrovecity.org/city\\_hall/departments\\_divisions/finance/annual\\_budget](http://www.elkgrovecity.org/city_hall/departments_divisions/finance/annual_budget)

## **CASH AND INVESTMENTS**

The California Government Code and the City's investment policy adopted in compliance with that Code define how the City can invest its cash. The City's policy also outlines the principles for maximizing the City's cash management operations' efficiency while meeting the daily cash flow demands of the City. The average overall return rate on funds not held by fiscal agents for the fiscal year ending June 30, 2021, was approximately 0.32%. This amount includes both realized and unrealized gains distributed to funds. Absent unrealized Fair Market Value losses and Accrued Interest amounts distributed on June 30, 2021, distributed returns would have been approximately 1.7%. Additional information on the City's cash and investment management can be found in Notes 1 and 2 in the notes to the financial statements.

## **OTHER INFORMATION**

### *Independent Audit*

State statutes require an annual audit of the City's financial statements by an independent certified public accountant. The accounting firm of Maze and Associates, Certified Public Accountants, performed the 2020-21 fiscal year annual audit.

### *Awards*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Elk Grove for its comprehensive annual financial report for the fiscal year ended June 30, 2020. This was the 19th consecutive year the City achieved this prestigious award.

To be awarded, the City 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 City received the GFOA's Distinguished Budget Presentation Award for its annual budget document that was adopted and published on June 12, 2020. To qualify for the award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The City received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2020. To qualify for the award a government must publish a report whose contents conform to program standards of creativity, presentation, understandability, and reader appeal.

*Acknowledgments*

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

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

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

Respectfully Submitted,

A handwritten signature in black ink, appearing to read 'Matt Paulin', with a stylized flourish at the end.

Matt Paulin  
Director of Finance





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

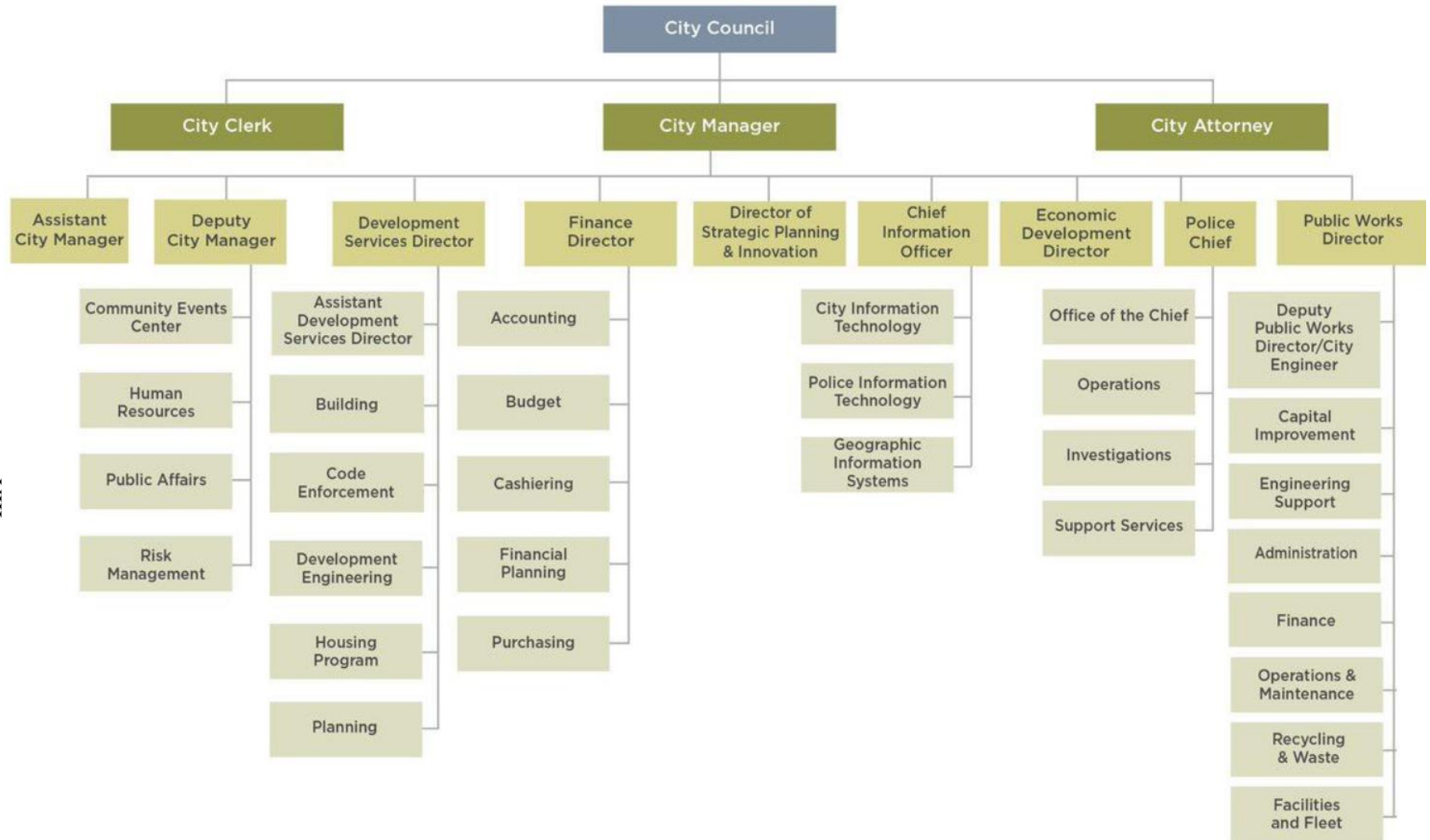
**City of Elk Grove  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2020

*Christopher P. Morill*

Executive Director/CEO



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2021

---

### CITY COUNCIL



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



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2021

---

### EXECUTIVE TEAM

Jason Behrmann, City Manager

Kara Reddig, Deputy City Manager

Matthew Paulin, Finance Director

Tim Albright, Chief of Police

Jonathan Hobbs, City Attorney

Jason Lindgren, City Clerk

Nicole Guttridge, Chief Information Officer

Darren Wilson, Development Services Director

Jeff Werner, Public Works Director

Darrel Doan, Economic Development Director

Christopher Jordan, Director of Strategic Planning  
and Innovation



# LOCATION MAP



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2021

---

### ACKNOWLEDGEMENT

Prepared by the City of Elk Grove Finance Department  
Accounting Division

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



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2021

---

### 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, 2021, 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, 2021, 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.

## ***Change in Accounting Principles***

Management adopted the provisions of Governmental Accounting Standards Board Statement No. 84 – *Fiduciary Activities*, which became effective during the year ended June 30, 2021 and required the restatement of net position as discussed in Note 17 to the financial statements. In addition, the Statement established the new fund type, Custodial Funds, and eliminated the fund type of Agency Funds.

Management also early-adopted the provisions of Governmental Accounting Standards Board Statement No. 98 - *The Annual Comprehensive Financial Report* for the year ended June 30, 2021, which establishes the term annual comprehensive financial report and its acronym ACFR. That new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments.

The emphasis of these matters 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 27, 2021 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

*Mane & Associates*

Pleasant Hill, California  
December 27, 2021

## Management's Discussion and Analysis (unaudited)

This section of the City of Elk Grove's (City) Annual Comprehensive Financial Report presents a discussion and analysis of the City's financial performance during the year ended June 30, 2021. Please read it in conjunction with the City's basic financial statements following this section.

### FISCAL YEAR 2021 FINANCIAL HIGHLIGHTS

- City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2020-21 fiscal year by \$1.5 billion (Net Position). Of this amount, \$292 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, 2021, the governmental funds reported combined fund balances of \$299 million, of which is all available to meet the City's current and future needs (Restricted, Committed, Assigned, and Unassigned balances).

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

#### Government-wide Financial Statements

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

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

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

Both of these government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business-type activities). The City's governmental activities include general government, public safety, public ways and facilities, and community development. The City's business-type activities include Recycling and Waste, Transit, and Drainage. **The government-wide financial statements can be found on pages 19-21 of this report.**

#### Fund Financial Statements

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other governmental entities, uses fund

accounting to ensure and demonstrate finance-related legal compliance. All City funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

- **Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements. The City considers revenue to be available if collected within 60 days after the fiscal year-end. Because the information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statement. **The governmental funds financial statements can be found on pages 22-29 of this report.**
- **Proprietary funds** are maintained two ways: Enterprise Funds and Internal Service Funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. 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 30-32 of this report.**
- **Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's programs. The accounting used for fiduciary funds is much like that used for proprietary funds. **The fiduciary fund financial statements can be found on pages 33-34 of this report.**

### **Notes to the Basic Financial Statements**

Notes to the Basic Financial Statements provide additional information that is essential to comprehend the data provided in the government-wide and fund financial statements. **The notes can be found on pages 35-92 of this report.**

### **Required Supplementary Information**

Required Supplementary Information is presented on the General Fund and major Special Revenue Fund budgetary schedules. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. **The required supplementary information can be found on pages 93-107 of this report.**

### **Supplementary Information**

The combining and individual fund statements and schedules information for non-major governmental funds, enterprise, and internal service funds are presented immediately following the required supplementary information. **Combining and individual fund statements and the supplementary budgetary comparison schedule for the major capital projects fund can be found on pages 109-197 of this report.**

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

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

### City of Elk Grove Net Position

	Governmental activities		Business-type activities		Total	
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 372,534,374	\$ 328,402,180	\$ 43,543,098	\$ 45,242,952	\$ 416,077,472	\$ 373,645,132
Capital assets	1,077,148,588	1,081,316,703	48,926,319	43,499,354	1,126,074,907	1,124,816,057
Total Assets	1,449,682,962	1,409,718,883	92,469,417	88,742,306	1,542,152,379	1,498,461,189
Deferred outflows of resources related to pensions	13,580,926	13,848,295	-	-	13,580,926	13,848,295
Deferred outflows of resources related to OPEB	10,241,353	8,620,342	-	-	10,241,353	8,620,342
Total Deferred Outflows of Resources	23,822,279	22,468,637	-	-	23,822,279	22,468,637
Current and other liabilities	34,399,382	18,344,233	4,665,376	4,609,662	39,064,758	22,953,895
Long-term liabilities	64,186,757	62,213,258	8,549,957	8,751,763	72,736,714	70,965,021
Total Liabilities	98,586,139	80,557,491	13,215,333	13,361,425	111,801,472	93,918,916
Deferred inflows of resources related to pensions	1,426,508	1,274,591	-	-	1,426,508	1,274,591
Deferred inflows of resources related to OPEB	1,095,535	349,898	-	-	1,095,535	349,898
	2,522,043	1,624,489	-	-	2,522,043	1,624,489
Net Position:						
Net investment in Capital						
Assets	1,047,211,028	1,060,332,753	40,541,319	34,844,354	1,087,752,347	1,095,177,107
Restricted Net Position	292,185,610	284,980,049	-	-	292,185,610	284,980,049
Unrestricted Net Position	33,000,422	4,692,738	38,712,765	40,536,527	71,713,187	45,229,265
Total Net Position	\$ 1,372,397,060	\$ 1,350,005,540	\$ 79,254,084	\$ 75,380,881	\$ 1,451,651,144	\$ 1,425,386,421

The City's Net Position totaled \$1.45 billion as of June 30, 2021, an increase of \$26 million as compared to the fiscal year ended 2020.

The 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, 2021, was comprised of the following elements:

- Cash and investments comprised \$299 million in the City's treasury and \$12.3 million of restricted cash held by fiscal agents. Substantially all the City treasury amounts were held in relatively short- and medium-term investments in securities to support operating activities, as detailed in Note 2 on pages 47-52 to the financial statements.
- Governmental receivables comprised \$33.8 million of current receivables and long-term receivables of \$67.5 million, which are over one year or longer periods. Long-term receivables remained flat from the 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 52-54.
- Net capital assets of over \$1 billion include the City's entire infrastructure in addition to all other City assets.
- Deferred outflows of resources related to OPEB increased due to the changes in the actuarial assumption. Refer to Note 11 on pages 66-73.
- City's current liabilities, totaling nearly \$39 million, include accounts payable, refundable deposits, unearned revenue, and other miscellaneous amounts.
- Restricted Net Position, totaling \$292 million; \$80 million to construct specified capital projects, and \$212 million may be spent on other projects specified by funding source restrictions.

## Governmental Activities

### Government Activities – Net Position

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

#### Statement of Net Position Governmental Activities

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current and other assets	\$ 372,534,374	\$ 328,402,180	\$ 44,132,194
Capital assets	1,077,148,588	1,081,316,703	(4,168,115)
Total Assets	<u>1,449,682,962</u>	<u>1,409,718,883</u>	<u>39,964,079</u>
Deferred outflows of resources related to pensions	13,580,926	13,848,295	(267,369)
Deferred outflows of resources related to OPEB	10,241,353	8,620,342	1,621,011
Total Deferred Outflows of Resources	<u>23,822,279</u>	<u>22,468,637</u>	<u>1,353,642</u>
Current and other liabilities	34,399,382	18,344,233	16,055,149
Long-term liabilities	64,186,757	62,213,258	1,973,499
Total Liabilities	<u>98,586,139</u>	<u>80,557,491</u>	<u>18,028,648</u>
Deferred inflows of resources related to pensions	1,426,508	1,274,591	151,917
Deferred inflows of resources related to OPEB	1,095,535	349,898	745,637
	<u>2,522,043</u>	<u>1,624,489</u>	<u>897,554</u>
Net Position:			
Net investment in Capital			
Assets	1,047,211,028	1,060,332,753	(13,121,725)
Restricted Net Position	292,185,610	284,980,049	7,205,561
Unrestricted Net Position	<u>33,000,422</u>	<u>4,692,738</u>	<u>28,307,684</u>
Total Net Position	<u>\$ 1,372,397,060</u>	<u>\$ 1,350,005,540</u>	<u>\$ 22,391,520</u>

Governmental Activities Cash and investments increased by \$26 million primarily due to the receipt of COVID-19 related grant programs such as American Rescue Plan stimulus funds of \$10.9 million and Cares Act funding of over \$2 million. Other factors that contributed to the cash and investment increase were unanticipated increased tax revenue, affordable housing loans repayments, and Wilton Rancheria revenues.

Current Governmental receivables increased by \$17 million in comparison to the prior year. The increase was partially due to the sewer and water fee credits receivables associated with New Growth Area Infrastructure projects. Additionally, the increase was due to the Great Plates Delivered program’s outstanding reimbursement claim and several Public Works project expenditures that are pending Federal and State reimbursement.

In fiscal year 2019-20 the actuarial assumptions changed to include the implied rate subsidy into the total Net OPEB liability. The implicit rate subsidy drastically increased the total Rate Subsidy plan Net OPEB Liability since the City has a high proportion of Safety employees/retirees to miscellaneous employees/retirees. Safety employees tend to retire earlier, which means more time spent retired as a pre-65 retiree during which the implied subsidy applies. The average annual premium for a retired pre-Medicare police officer should be around \$33,000, while the active employees’ premium is \$16,000 per year, the difference between the retiree actual premium rate and the active employees’ rate of \$17,000 creates the implied subsidy. There is no expectation that the trust would ever need or be required to fund the implicit subsidy amount. Refer to the OPEB footnote for a more detailed discussion.

Governmental current and other liabilities are comprised of accounts payable, retention payable, salaries and benefits accruals, refundable deposits, and unearned revenues. The increase in current and other liabilities was primarily due to the increase of \$6.9 million in accounts payable and almost \$8 million in unearned revenues. The accounts payable increase was due to the increased project activity (District56 Nature Area, Alternative Transportation Mode projects, and Pavement Management Program projects) in comparison to the prior year: The unearned revenues increase was primarily due to the American Rescue Plan stimulus funds that were received during fiscal year 2021.

Governmental long-term liabilities consist of bonds payables, compensated absences, net pension liability, and net OPEB liability. The long-term liabilities remained relatively steady in comparison to the prior year.

**Changes in Net Position  
Governmental Activities**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<i>Revenues:</i>			
<i>Program revenues:</i>			
Fees, fines and charges for services	\$ 42,516,700	\$ 35,262,027	\$ 7,254,673
Operating grants and contributions	32,590,579	23,446,687	9,143,892
Capital grants and contributions	35,594,106	9,617,430	25,976,676
	<u>110,701,385</u>	<u>68,326,144</u>	<u>42,375,241</u>
<i>General Revenues:</i>			
Property taxes	29,511,750	27,773,836	1,737,914
Sales and use taxes	34,975,729	29,768,093	5,207,636
Other taxes	11,305,394	10,785,744	519,650
Other revenue	3,664,095	12,631,488	(8,967,393)
	<u>79,456,968</u>	<u>80,959,161</u>	<u>(1,502,193)</u>
<b>Total Revenues</b>	<b><u>190,158,352</u></b>	<b><u>149,285,305</u></b>	<b><u>40,873,047</u></b>
<i>Expenses:</i>			
General government	33,790,534	26,290,186	7,500,348
Public safety	52,721,661	45,928,962	6,792,699
Public ways and facilities	68,792,816	66,498,261	2,294,555
Community development	13,712,896	10,607,681	3,105,215
Interest on long-term debt	1,038,694	1,003,870	34,824
	<u>170,056,601</u>	<u>150,328,960</u>	<u>19,727,641</u>
<b>Total Expenses</b>	<b><u>170,056,601</u></b>	<b><u>150,328,960</u></b>	<b><u>19,727,641</u></b>
<b>Excess (deficiency) before transfers</b>	<b><u>20,101,752</u></b>	<b><u>(1,043,655)</u></b>	<b><u>21,145,407</u></b>
Transfers	2,172,721	703,470	1,469,251
Change in Net Position	22,274,473	(340,185)	22,614,658
Net Position - Beginning	1,350,122,587 <sup>(A)</sup>	1,350,345,725	(223,138)
Net Position - Ending	<b><u>\$ 1,372,397,060</u></b>	<b><u>\$ 1,350,005,540</u></b>	<b><u>\$ 22,391,520</u></b>

(A) Restated as discussed in Note 17. Amounts prior to July 1, 2020 have not been restated.

*Program Revenues:*

Fees, fines, and charges for services increased by approximately \$7.3 million over the prior year primarily due to increases in private development activity even amidst the pandemic. Overall permit issuance activity increased about 14% in comparison to the prior year. General Commercial, as well as Single Family permit issuance, increased during fiscal year 2021. The Southeast Policy Area experienced over one hundred new single-family housing units stemming from new residential development projects such as Bruceville Meadows.



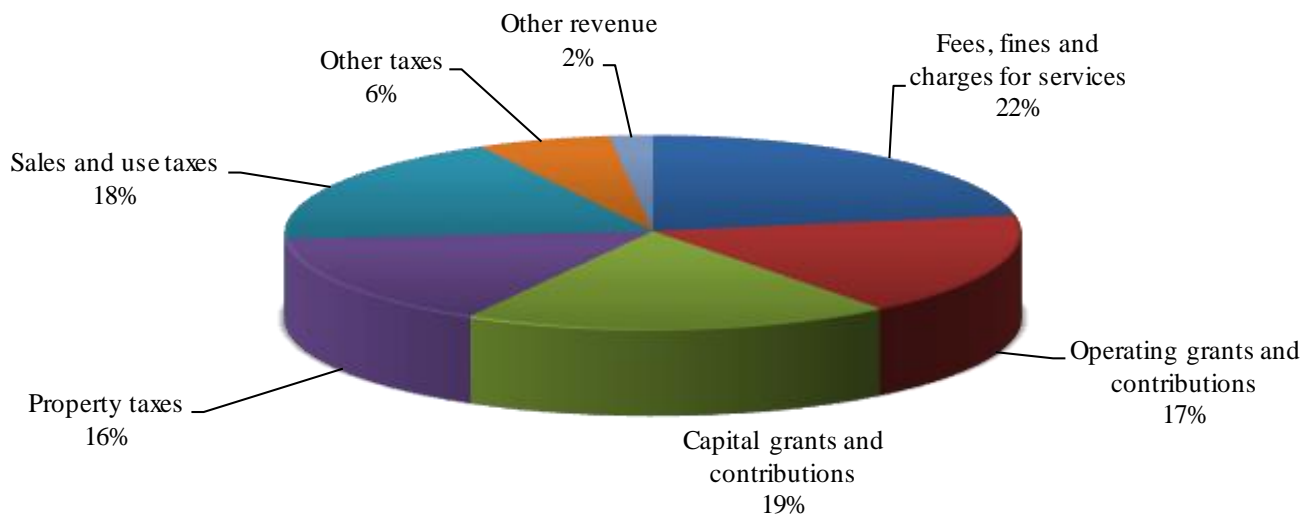
Operating grants and contributions are revenues that are derived from the transactions with other governments/organizations and restricted for use in a particular program. The increase of approximately \$9.1 million was due to Great Plates Delivered Program and CARES Act Funding. Additionally, fiscal year 2021 was the first year when revenue was collected from the Wilton Rancheria tribe. Per the MOU entered between the City and the Wilton Rancheria Tribe, the Tribe agrees to make financial contributions and community investments to fund the mitigation of various off-property impacts that are a direct result of building the Casino. In addition, the Tribe agrees to provide contributions toward law enforcement, civic projects, roadway and infrastructure improvements, and community services that also serve the off-reservation needs of City residents. Capital grants and contributions category includes federal, state, local grants, and contributions from the Community Facility District (CFD). Grants and CFD contributions are received for capital purposes. There is a significant increase in capital grants and contributions category in the current year due to increased capital projects activity in fiscal year 2021 in comparison to the prior year including District 56 Nature Area, Kammerer Road Reconstruction, Grant Line Road Widening, Sheldon Road Bike Lanes and Oasis Park.

*General Revenue:*

General revenues are primarily comprised of property and sales taxes totaling \$65 million. In fiscal year 2021 property assessed valuations increased by 5.19%. Other taxes are comprised of utility user taxes, transient occupancy taxes, and utility franchise fees. Other taxes increased by \$520,000 in comparison to the prior year even amidst the pandemic. Although some of the revenue sources listed above were impacted by the pandemic, the effects were mild enough to result in an overall increase over the prior year.

Other revenues decreased by \$9 million from fiscal year 2020. The decrease is under the “use of money and property” category and the decrease was caused by market value adjustments which are primarily unrealized investment losses that will be reversed over time. If the market value adjustment is not taken into consideration the decrease would be insignificant.

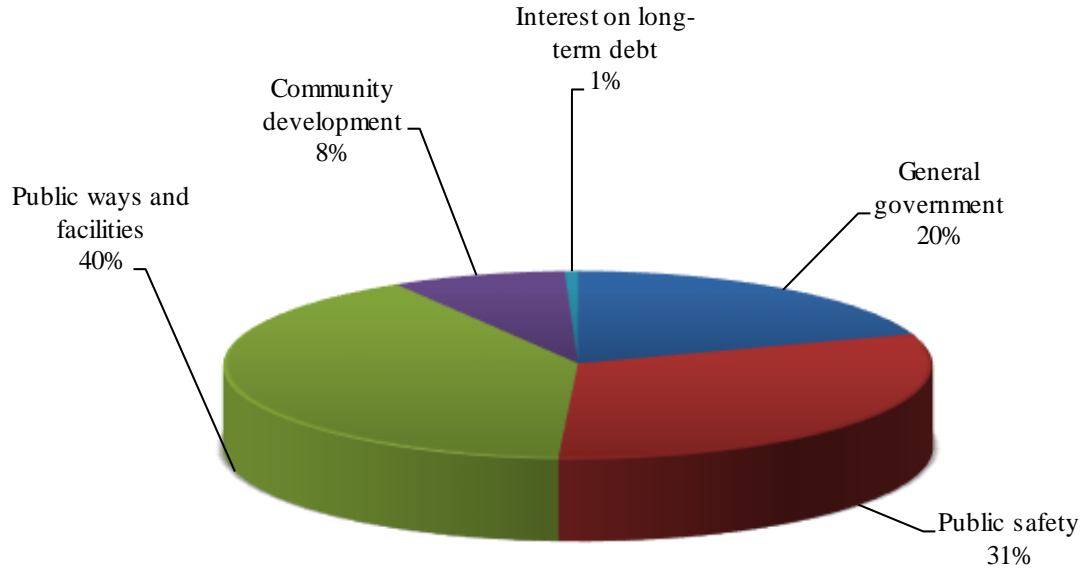
**Revenue by Source - Governmental Activities**



*Functional expenses governmental activities:*

General Governmental Expenses increased by \$7.5 million primarily due to the Great Plates Delivered program and several Community Grants through CARES Act funding the City offered to the public in response to the COVID-19 pandemic.

**Functional Expenses - Governmental Activities**



**Business-type Activities**

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

**Statement of Net Position  
Business-type activities**

	<u>2021</u>	<u>2020</u>	<u>Change</u>
Current and other assets	\$ 43,543,098	\$ 45,242,952	\$ (1,699,854)
Capital assets	48,926,319	43,499,354	5,426,965
Total Assets	<u>92,469,417</u>	<u>88,742,306</u>	<u>3,727,111</u>
Current and other liabilities	4,665,376	4,609,662	55,714
Long-term liabilities	8,549,957	8,751,763	(201,806)
Total Liabilities	<u>13,215,333</u>	<u>13,361,425</u>	<u>(146,092)</u>
Net Position:			
Net investment in Capital Assets	40,541,319	34,844,354	5,696,965
Restricted Net Position	-	-	-
Unrestricted Net Position	<u>38,712,765</u>	<u>40,536,527</u>	<u>(1,823,762)</u>
Total Net Position	<u>\$ 79,254,084</u>	<u>\$ 75,380,881</u>	<u>\$ 3,873,203</u>

Business type activity capital assets increased by \$5.4 million mostly due to the addition of eight new compressed natural gas buses.

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

	<u>2021</u>	<u>2020</u>	<u>Change</u>
<i>Revenues:</i>			
Program revenues:			
Fees, fines and charges for services	\$ 10,257,687	\$ 10,807,374	\$ (549,687)
Operating grants and contributions	13,402,350	11,327,506	2,074,844
	<u>23,660,037</u>	<u>22,134,880</u>	<u>1,525,157</u>
<i>General Revenues:</i>			
Property taxes	1,685,060	1,607,522	\$ 77,538
Other revenue	(55,350)	1,508,654	(1,564,004)
	<u>1,629,710</u>	<u>3,116,176</u>	<u>(1,486,466)</u>
<b>Total Revenues</b>	<b><u>25,289,747</u></b>	<b><u>25,251,056</u></b>	<b><u>38,691</u></b>
<i>Expenses:</i>			
Recycling & Waste	3,046,795	2,999,283	47,512
Transit	10,027,298	10,509,143	(481,845)
Drainage	6,169,730	4,742,055	1,427,675
	<u>19,243,823</u>	<u>18,250,481</u>	<u>993,342</u>
<b>Total Expenses</b>	<b><u>19,243,823</u></b>	<b><u>18,250,481</u></b>	<b><u>993,342</u></b>
<b>Excess (deficiency) before transfers</b>	<b><u>6,045,924</u></b>	<b><u>7,000,575</u></b>	<b><u>(954,651)</u></b>
Transfers	(2,172,721)	(703,470)	(1,469,251)
Change in Net Position	3,873,203	6,297,105	(2,423,902)
Net Position - Beginning	<u>75,380,881</u>	<u>69,083,776</u>	<u>6,297,105</u>
Net Position - Ending	<b><u>\$ 79,254,084</u></b>	<b><u>\$ 75,380,881</u></b>	<b><u>\$ 3,873,203</u></b>

*Program and General Revenues:*

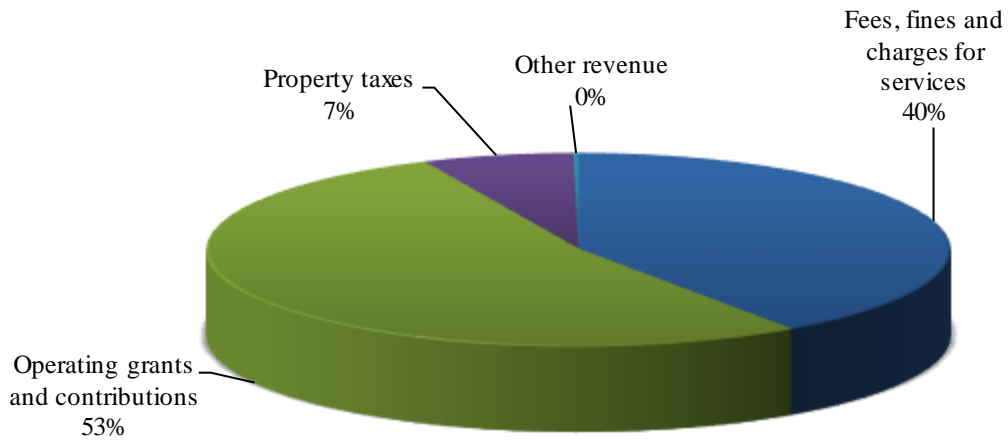
Business-type Activity program revenues in general increased by \$1.5 million, operating grants and contributions increased due to the FTA grants which funded the bus purchases.

Business-type Activity General Revenues decreased by approximately \$1.5 million under the other revenue category. Other revenue decreased due to interest and market value adjustments.

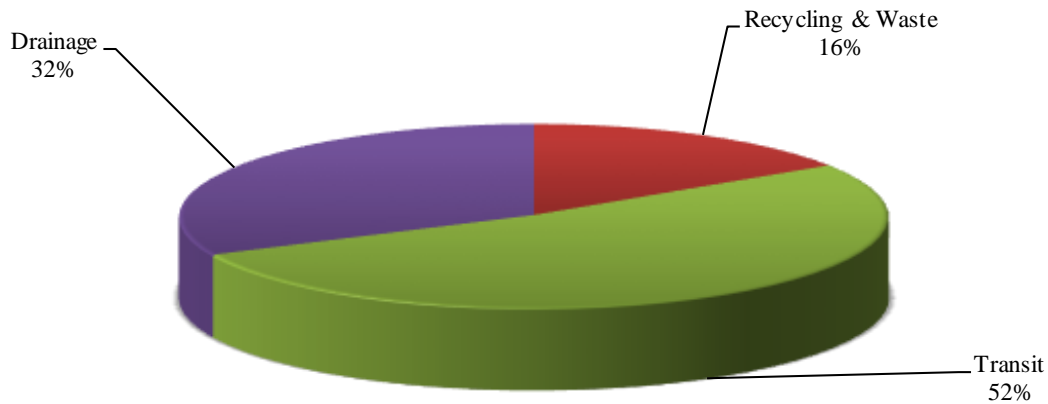
*Expenses:*

Recycling and Waste, as well as Transit expenses, remained relatively steady in comparison to the prior year. Drainage expenses increased by \$1.4 million. There was a land purchase related to the Elk Grove-Florin Road and Elk Grove Park Sidewalk Infill projects, as well as increased activity for the Laguna West Flood Protection Improvements Study.

### Revenue by Source - Business-type Activities



### Functional Expenses - Business Type Activities



## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental funds. The City's governmental funds provide information on near-term inflows, outflows, and balances of spendable resources. Twelve major funds (three special revenue, five capital project, and three debt service funds) and the General Fund were included in the City's governmental fund statements in the 2020-21 fiscal year. An analysis of significant balances and transactions are as follows:

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$299 million, an increase of \$12 million in comparison with the prior year. The fund balances are intended, and in some cases restricted, committed, or assigned, for specific purposes.

The General Fund is the City's chief operating fund. The net change in the General Fund balance is \$8 million, and the following revenue factors contributed to the net change in the fund balance. Total actual revenues increased by \$10 million or 12% in comparison with the prior year. Taxes increased by approximately \$7.5 million, primarily due to increases in sales taxes of \$5.2 million and property taxes of \$1.7 million. The approximate 6% year-over-year growth in property taxes is close to historical averages and is also close to the projected growth rates shown in the fiscal year 2021-22 Budget. The impact from COVID on property taxes within Elk Grove was mild at best since construction and real estate activities were allowed to continue throughout most of the pandemic.

The 17.5% growth in Sales Tax is largely due to the significant growth experienced in the fourth quarter of the fiscal year (April through June) when compared to the same quarter in the prior year. This growth is not surprising given the shelter-in-place orders during the spring of 2020 when many businesses were temporarily closed or had capacity restrictions. Many business types, such as new motor vehicle sales, grocery stores, and restaurants, have already exceeded their pre-pandemic sales tax revenues. These upward trends in sales tax revenues are indicative of continued economic recovery amidst the pandemic. Intergovernmental revenue increased by \$2.5 million, due to the receipt of the Coronavirus Relief Funds and Great Plates Grant.

General Fund Other Financing Sources increased by \$3.6 million, which consists of a \$1.7 million increase in the overhead allocation to the Public Works Administration division, a nearly \$1 million increase in the overhead allocation to the Public Works CIP division, an over \$540,000 increase in the general overhead allocation and a \$320,000 increase in the transfer-in from the Police Services CFD 2003-1 and 2003-2 funds.

General Fund expenditures increased by \$8 million. Under the General Government category, the increase was primarily caused by the special programs the City offered to the public in response to the COVID-19 pandemic. Expenditures under the Public Safety category slightly increased due to the new personnel hired during the current fiscal year. Capital Outlay Expenditures increased due to the increased activity in the Railroad Street Improvement Project.

The City imposes a fee on residential development to provide financing assistance for adequate low-income housing in the City and deposits those proceeds in the Affordable Housing Fund. Loans are granted and repaid with varied interest rates and payment terms. In fiscal year 2021 Affordable Housing revenues decreased by \$1.1 million. In fiscal year 2020, the Agave Apartment Project, a 188-unit low-income apartment complex, repaid its loan to the City which resulted in \$1.2 million in interest income, which did not occur in fiscal year 2021. Affordable Housing expenses decreased by \$1.8 million. The City purchased land for \$2.9 million in the prior year and \$1 million in the current year to develop future affordable housing projects.

The Disaster Recovery Special Revenue Fund was established to account for disaster relief funding from Federal, State, and Local agencies. In fiscal year 2021 The City received American Rescue Plan stimulus funds that were received and recorded in the Disaster Recovery Fund.

The Wilton Rancheria MOU Special Revenue Fund was established to account for the tracking and spending of the cumulative payments between the Tribe and the City over 20 years. The fund has about \$9.8 million in accounts receivable. Per the MOU entered between the City and the Wilton Rancheria Tribe, the Tribe agreed to make financial contributions and community investments to mitigate off-property impacts that are a direct result of building the Casino. In addition, the Tribe agreed to provide contributions toward law enforcement, civic projects, roadway and infrastructure improvements, and community services.

The City imposes a citywide fee on development to fund center lanes and medians of major roadways, intersections, interchanges, and bridges that are deposited in the Roadway Fee Fund. The Roadway Fee Fund net change in the fund balance was \$2.6 million. Fiscal year 2021 total revenue was \$12.4 million, expenses and

transfers out \$9.8 million. Total revenues increased by \$977,000 and total expenditures increased by \$4.9 million in comparison to the prior year. The licenses, fees, and permits revenue category primarily increased due to increased development projects in comparison to the prior year. There was increased activity in Single Family Residential, Commercial and Office Space permits. Roadway Fee Fund expenditures increased due to increased activity in the following projects: Sheldon Road Bike Lanes and Turn Lanes, Kammerer Road Reconstruction, Big Horn Blvd to Lotz Parkway, and Bond Road Median Improvements and Resurfacing projects.

The Federal Capital Grant Funds were established to account for grants received from the federal government to fund capital projects. Intergovernmental revenues increased by \$1.3 million in comparison to the prior year, primarily due to the Intelligent Transportation System Grant reimbursement.

The State Grants Fund was established to account for grants received from the state government to fund capital projects. In the prior year, the state grants fund was reported under non-major governmental funds.

Mitigation and fee funds were established by the City to supplement various fees in specific areas, which are paid directly to the City via developer fees. Overall fund revenues decreased by \$1.2 million and expenditures decreased by \$4.4 million in comparison to the prior year. The expenditure decrease was under the public ways and facilities category. Capital project activities declined in fiscal year 2021. During the prior fiscal year, the fund had some expenditures related to Civic Center and Senior Center.

The Laguna Ridge CFD Fund was established to account for special taxes to fund the cost of infrastructure and a portion of police protection operational costs within the boundaries of this finance district. In the prior year, the fund was reported under the non-major governmental funds. The largest project of fiscal year 2021 was the District56 Nature Area project.

The Elk Grove Finance Authority funds were established to account for the Authority's debt service activity which includes any debt financed through that entity. Elk Grove Finance Authority 2017 fund balance did not fluctuate much from prior year to current year. Elk Grove Finance Authority 2018 fund balance increased due to the fact that the Animal Shelter was completed in fiscal year 2019-20 and in fiscal year 2020-21 there were not significant costs to the Animal Shelter project. Elk Grove Finance Authority 2020 had a bond issuance of Lease Revenue Bonds in 2020 and in fiscal year 2020-21. The fund balance decreased due to the funds being moved to a capital project fund for the District56 and Old Town Plaza projects.

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

## **GENERAL FUND BUDGETARY TO ACTUAL HIGHLIGHTS**

Actual revenues exceeded the final amended budget by \$1.9 million.

- Sales and Use Tax revenues were \$4.5 million over revenue projections. Significant growth was experienced when compared to the prior year which is not surprising given the shelter-in-place orders during the spring of 2020 when many businesses were temporarily closed or had capacity restrictions. Many business types, such as new motor vehicle sales, grocery stores, and restaurants, have already exceeded their pre-pandemic sales tax revenues. These upward trends in sales tax revenues are indicative of continued economic recovery amidst the pandemic.
- Property Taxes actual amount exceeded the budget projection by \$1.7 million. The impact from COVID was minor since construction and real estate activities continued throughout most of the pandemic. Elk Grove experienced increases in property assessment values, increases in the number of assessed properties, and continued real estate sales during fiscal year 2020-21.
- Intergovernmental Revenue budget projections exceeded actual revenues by \$5.6 million. Staff anticipated that at least \$5.5 million of the \$6 million budgeted for reimbursement revenue associated

with the Great Plates Delivered program would be received in fiscal year 2020-21. Given the large number of COVID-related claims being that were being processed by the State, the City did not receive the funds in 2020-21. FEMA’s process of reviewing the Great Plates expenses and formal obligation of the funds for reimbursement was extremely delayed and did not occur until after the fiscal year-end. However, the City has received approximately \$5.3 million thus far in fiscal year 2021-22.

General Fund actual expenditures were \$6.6 million below budget expectations. The main components of the difference between final budget and actuals include:

- Economic Development expenditures were \$2.7 million below budget, mostly in incentive programs, professional services, public relations, and special project spending. Some large incentive projects planned for fiscal year 2020-21 did not occur and initiatives such as the incentive program analysis, real estate analysis, and consulting on Project Elevate were delayed partially due to concerns regarding potential COVID impacts on economic development.
- Law enforcement expenditures were \$1.4 million below budget primarily due to vacancies and delayed projects.
- City Manager Department actuals were around \$820,000 below budget projections, primarily due to reduced professional services costs. Savings of over \$300,000 was also experienced in public affairs, economic development, real estate services, and other special projects.
- Public Works Department actuals were nearly \$718,000 below budget projections. The primary areas of budget savings were in professional services, encroachment permit services, and general department operational spending.

## CAPITAL ASSETS AND DEBT ADMINISTRATION

### Capital Assets

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

#### Capital Assets at End of Year

City of Elk Grove  
Capital Assets, Net of Depreciation  
At June 30, 2021

	Governmental		Business-type		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 214,762,605	\$ 209,560,084	\$ 8,025,155	\$ 7,175,448	\$ 222,787,760	\$ 216,735,532
Construction in progress	83,245,919	71,214,048	5,937,666	5,601,528	89,183,585	76,815,576
Other capital assets	727,194	602,590	-	-	727,194	602,590
Infrastructure	1,528,499,400	1,519,784,067	13,543,641	11,482,781	1,542,043,041	1,531,266,848
Land improvements	892,265	892,265	485,021	485,021	1,377,286	1,377,286
Building and improvements	121,966,040	102,796,358	11,869,051	11,869,051	133,835,091	114,665,409
Vehicles and equipment	15,612,624	17,212,980	30,849,335	26,065,043	46,461,959	43,278,023
Parks and park improvements	6,230,310	6,230,310	-	-	6,230,310	6,230,310
Other capital assets, depreciable	109,752	109,752	-	-	109,752	109,752
Accumulated depreciation	(894,897,521)	(847,085,751)	(21,783,550)	(19,179,518)	(916,681,071)	(866,265,269)
<b>Total</b>	<b>\$ 1,077,148,588</b>	<b>\$ 1,081,316,703</b>	<b>\$ 48,926,319</b>	<b>\$ 43,499,354</b>	<b>\$ 1,126,074,907</b>	<b>\$ 1,124,816,057</b>

The City’s investment in capital assets as of June 30, 2021 totaled \$1.13 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 before accumulated depreciation for the current year totals \$52 million (\$44 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 55-56.

## 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
	2021	2020	2021	2020	2021	2020	
Lease revenue bond debt	\$ 29,937,560	\$ 31,655,000	\$ 8,385,000	\$ 8,655,000	\$ 38,322,560	\$ 40,310,000	-5%
<b>Total Governmental Activities</b>	<b>\$ 29,937,560</b>	<b>\$ 31,655,000</b>	<b>\$ 8,385,000</b>	<b>\$ 8,655,000</b>	<b>\$ 38,322,560</b>	<b>\$ 40,310,000</b>	<b>-5%</b>

The City did not issue any new City-related debt in fiscal year 2021. The information on the City's long-term debt, including the City's Net Pension and OPEB Liabilities, can be found in Note 6 to the financial statements on pages 57-61.

### Economic Factors and Next Year's Budget

- The City, State, and Nation had experienced over ten years of consecutive economic growth until the COVID-19 pandemic disrupted the world economy in early 2020. However, the recovery from the associated downturn has been just as dramatic as the abrupt shutdown of many sectors of the economy, which was greatly assisted by the unprecedented fiscal relief and assistance provided by the Federal government via the Coronavirus Aid, Relief, and Economic Security Act and the American Rescue Plan Act.
- According to the Bureau of Economic Analysis, the Nation's Gross Domestic Product (GDP) decreased by an extraordinary 31.2% for the second quarter of the 2020 calendar year (4th quarter of the fiscal year) but immediately rebounded in the following quarter by 33.8%. In the subsequent 4 quarters, GDP has averaged a robust 4.9%.
- According to the Bureau of Labor Statistics, the Nation's unemployment rate has also largely rebounded from the depths of the recession but is still higher than the pre-COVID rate. Before COVID, March's unemployment rate was 4.4% but ballooned to 14.8% (14.4% in the Sacramento metro area) in April 2020. Since then, unemployment rates have generally stabilized and gradually improved to 5.3% in the Sacramento area. However, many employers are facing labor shortages and have had to increase compensation to retain and attract employees while many members of the workforce have shifted industries in response to the pandemic.
- The price of goods and services has substantially increased as the Bureau of Labor Statistics indicates the 12-month percentage change in the Consumer Price Index in urban areas in October was 6.2%, which is historically high. Global supply chains are experiencing bottlenecks as these deeply interconnected systems cannot recover fast enough to meet increased consumer demands. The Federal Reserve's long-term inflationary target is 2%, but the Fed believes these price increases are largely temporary and is planning to gradually adjust interest rates beginning sometime in 2022. The Fed is also transitioning out of its bond-purchasing program ("quantitative easing"), which was put into place to support the economy during the pandemic.
- The Fiscal Year 2021-22 Budget reflects the rapid rebound from the COVID-induced recession. The City's General Fund (discretionary) budget is \$78.7 million, which is \$4.4 million (6%) more than the fiscal year 2020-21 Adopted Budget of \$74.4 million, reflecting recovery from COVID-19 related budget



cuts in fiscal year 2020-21. The City has and will continue to construct several noteworthy capital projects that are reflected in both the prior and current Capital Improvement Program budgets. The total Proposed Budget (including CIP) for fiscal year 2021-22, net of transfers and internal service costs, is \$273 million, which is \$31 million (10.2%) less than the fiscal year 2020-21 Budget of \$304 million. A primary reason for the decrease is the annexation of the City's Transit system into the Sacramento Regional Transit District, effective July 1st, 2021.

Other Subsequent Events and Economic Factors are:

- To mitigate the financial impact of the pandemic, many economic stimulus measures have been passed at both the State and Federal levels to assist small businesses, non-profits, homeowners, renters, and families. The City distributed funding it received through Community Development Block Grant funds and the CARES Act during fiscal year 2020-21 to businesses and non-profits and initiated programs such as Great Plates Delivered. During fiscal year 2020-21, the Federal Government passed the American Rescue Plan Act aimed at providing additional stimulus funds for businesses and non-profits and also to provide the first assistance directly to local governments to compensate for lost revenue and costs associated with the pandemic. Through this program, the City received approximately \$11 million in 2021, with another \$11 million anticipated in 2022.
- On March 9, 2021, the Wilton Rancheria Tribe hosted a groundbreaking ceremony for the Sky River Casino, which is now under construction. To mitigate the potential impacts of the Project, the City and the Tribe 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 the loss of tax revenue. The total cumulative payment from the Tribe to the community over 20 years is approximately \$132 million. Although the construction of the project has started, the timing of the facilities opening to the public is still unknown at this time.
- In fiscal year 2021-22, the City will receive 60% of its property tax share (the remainder goes to Sacramento County) per the Revenue Neutrality agreement between the City and Sacramento County. Beginning in fiscal year 2020-21, and in each subsequent year through fiscal year 2025-26, the City receives an additional 10% of the City's share. In fiscal year 2025-26 and beyond, the City will receive 100% of its share of property tax revenue, which equals 5.8% of the total property tax allocation.
- The City has been developing a 56-acre site formerly called the Civic Center in Laguna Ridge for a variety of years. This 56-acre site, now known as District56, includes the Aquatics Center and Civic Center Commons Civic Center - Community & Senior Center Civic Center - Veteran's Hall and Veteran's Grove, dancing fountain, public art, and future home of the Library and Cultural Arts Center. The remaining 30 acres on the south side of the property has been designated for the nature area, known as The Preserve, a passive recreational site with expansion of the west and east parking lots. The Preserve was completed in the fall of 2021 with an additional 12 months of plant establishment planned throughout fiscal year 2021-22.
- The Kammerer Road Extension Project is a divided two-lane extension of Kammerer Road from Lent Ranch Parkway to Interstate 5. This initial work is the first phase of a larger four-lane project currently in the environmental phase with the California Environmental Quality Act work complete and the National Environmental Policy Act work still in progress. The City completed the divided two-lane road from Lent Ranch Road to Bruceville Road by the end 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 Interstate 5, which will leave the City with a shovel-ready \$42 million construction project.
- The City continues to focus on improvements in the Old Town Elk Grove Area that will revitalize the existing plaza. The City completed the Old Town Plaza Phase 2 and 3 Project and the Railroad Street Improvements Project in the summer of 2021. The combined project creates a gathering space that

celebrates Old Town's rich heritage and railroad history. The plaza improvements include an entrance plaza, walkways, bike parking, seat wall, lawn/landscaping areas, and a pavilion structure, two new public parking lots, as well as new street improvements.

- In August 2021, the City paid off the 2010 Lease Revenue Bonds associated with the acquisition and construction of the Special Waste Collection Center. The outstanding bonds were approximately \$8.4 million, and the present value of the net interest savings was estimated to be approximately \$4.2 million.
- On September 23, 2021, the City and the Sacramento Zoological Society announced they would spend the next six months exploring the feasibility of relocating and expanding the Sacramento Zoo in Elk Grove. Under the terms of an Exclusive Negotiating Agreement, both organizations have committed to negotiating an agreement that could provide for the construction of a new zoo on undeveloped land in southern Elk Grove. If discussions are successful and an agreement is reached, the new zoo would be located in the Kammerer Urban Design Study Area, part of the City's Southeast Policy Area. The planned site is an approximately 60-acre northern portion of a 98-acre parcel located at the northwest intersection of Kammerer Road and Lotz Parkway.
- In September 2021, Elk Grove announced it had approved the sale of approximately 45 acres of City-owned property to Kubota Tractor Corporation, which will construct a 630,000 square foot Western Distribution Center planned to open in spring 2022. The \$60 million project will generate more than 125 permanent jobs in addition to over 400 temporary construction jobs. The project will kick start the development of roughly 4 to 6 million square feet of construction in the City's newly annexed 380-acre industrial park south of Grant Line and Waterman Roads.
- Effective July 1, 2021, Elk Grove Transit Services is part of the SacRT district. Under the annexation agreement, SacRT will provide fixed-route local, commuter, and paratransit services, and maintenance operations for Elk Grove. As part of the agreement, service levels will be maintained or improved and there are no short-term plans to make changes to the existing bus service, or fares. Upon finalizing and confirming fiscal year 2021 revenues and expenditures, the City will release any remaining transit funds to SacRT.
- The City is projecting over its Five-Year Forecast to maintain a Reserve for Economic Uncertainty of 25% and 5% in the Opportunity Reserve. The forecast also anticipates excess reserves over these amounts in all years of the forecast. Any excess reserves over the combined 30% are deposited in equal shares into the City's Capital Reserve Fund and 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 City's operations. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to:

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

Or you may visit our website at [www.elkgrovecity.org](http://www.elkgrovecity.org) for contact information.

**CITY OF ELK GROVE**

Statement of Net Position

June 30, 2021

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<b><u>ASSETS</u></b>			
Cash and investments	\$ 260,760,167	\$ 38,517,480	\$ 299,277,647
Cash and investments with fiscal agent	10,487,702	1,010,839	11,498,541
Restricted cash	-	774,707	774,707
Accounts receivable, net	12,012,886	1,878,690	13,891,576
Taxes receivable	7,896,623	-	7,896,623
Interest receivable	486,046	6,464	492,510
Due from other government agencies	13,386,781	1,354,918	14,741,699
Long-term loans receivable	62,646,156	-	62,646,156
Affordable housing subsidies receivable	2,214,645	-	2,214,645
Long-term development fees receivable	2,643,366	-	2,643,366
Capital Assets:			
Nondepreciable	298,735,718	13,962,821	312,698,539
Depreciable, net	778,412,870	34,963,498	813,376,368
Total Assets	<u>1,449,682,962</u>	<u>92,469,417</u>	<u>1,542,152,379</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows of resources related to pensions	13,580,926	-	13,580,926
Deferred outflows of resources related to OPEB	10,241,353	-	10,241,353
Total Deferred Outflows of Resources	<u>23,822,279</u>	<u>-</u>	<u>23,822,279</u>
<b><u>LIABILITIES</u></b>			
Accounts and retention payable	16,126,919	3,712,505	19,839,424
Accrued salaries and benefits	1,909,178	56,038	1,965,216
Interest payable	236,933	-	236,933
Refundable deposits	2,261,410	83,969	2,345,379
Unearned revenue	13,864,942	812,864	14,677,806
Long-Term Liabilities:			
Portion due or payable within one year:			
Bonds payable	1,710,998	285,000	1,995,998
Compensated absences	478,577	14,846	493,423
Portion due or payable after one year:			
Bonds payable	28,226,562	8,100,000	36,326,562
Compensated absences	4,838,944	150,111	4,989,055
Claims payable	572,000	-	572,000
Net pension liability	16,197,858	-	16,197,858
Net OPEB liability	12,161,818	-	12,161,818
Total Liabilities	<u>98,586,139</u>	<u>13,215,333</u>	<u>111,801,472</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows of resources related to pensions	1,426,508	-	1,426,508
Deferred inflows of resources related to OPEB	1,095,535	-	1,095,535
Total Deferred Inflows of Resources	<u>2,522,043</u>	<u>-</u>	<u>2,522,043</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	1,047,211,028	40,541,319	1,087,752,347
Restricted for:			
Capital projects	80,423,606	-	80,423,606
Affordable housing projects	153,229,827	-	153,229,827
Special revenue projects	58,532,177	-	58,532,177
Unrestricted	33,000,422	38,712,765	71,713,187
Total Net Position	<u>\$ 1,372,397,060</u>	<u>\$ 79,254,084</u>	<u>\$ 1,451,651,144</u>

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

**CITY OF ELK GROVE**

Statement of Activities  
For the Year Ended June 30, 2021

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
<b>Primary Government:</b>				
General Government	\$ 33,790,534	\$ 3,001,983	\$ 6,618,807	\$ -
Public Safety	52,721,661	10,200	5,954,247	324,239
Public Ways and Facilities	68,792,816	33,889,089	10,469,265	32,674,210
Community Development	13,712,896	5,615,428	9,548,260	2,595,657
Debt Service - Interest	1,038,694	-	-	-
<b>Total Governmental Activities</b>	<b>170,056,601</b>	<b>42,516,700</b>	<b>32,590,579</b>	<b>35,594,106</b>
<b>Business-Type Activities:</b>				
Solid Waste	3,046,795	3,897,190	637,897	-
Transit	10,027,298	240,620	12,764,000	-
Drainage	6,169,730	6,119,877	453	-
<b>Total Business-Type Activities</b>	<b>19,243,823</b>	<b>10,257,687</b>	<b>13,402,350</b>	<b>-</b>
<b>Total Primary Government</b>	<b>\$ 189,300,424</b>	<b>\$ 52,774,387</b>	<b>\$ 45,992,929</b>	<b>\$ 35,594,106</b>

**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

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
\$ (24,169,745)	\$ -	\$ (24,169,745)
(46,432,975)	-	(46,432,975)
8,239,748	-	8,239,748
4,046,449	-	4,046,449
(1,038,694)	-	(1,038,694)
(59,355,216)	-	(59,355,216)
-	1,488,292	1,488,292
-	2,977,322	2,977,322
-	(49,400)	(49,400)
-	4,416,214	4,416,214
(59,355,216)	4,416,214	(54,939,002)
29,511,750	1,685,060	31,196,810
34,975,729	-	34,975,729
6,168,692	-	6,168,692
1,433,720	-	1,433,720
1,046,614	-	1,046,614
2,656,368	-	2,656,368
3,664,095	(55,350)	3,608,745
2,172,721	(2,172,721)	-
81,629,689	(543,011)	81,086,678
22,274,473	3,873,203	26,147,676
1,350,122,587	75,380,881	1,425,503,468
\$ 1,372,397,060	\$ 79,254,084	\$ 1,451,651,144

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

# CITY OF ELK GROVE

## Governmental Funds

### Balance Sheet

June 30, 2021

	General Fund	Affordable Housing Fund	Disaster Recovery Fund	Wilton Rancheria MOU Fund
<b><u>ASSETS</u></b>				
Cash and investments	\$ 46,827,755	\$ 24,237,169	\$ 10,983,957	\$ 2,456,414
Cash and investments with fiscal agent	-	-	-	-
Accounts receivable, net	1,219,984	2,157	-	9,815,697
Taxes receivable	7,739,922	-	-	-
Interest receivable, net	5,945	333,764	1,791	401
Due from other government agencies	5,144,196	19,298	-	-
Due from other funds	120,019	-	-	-
Advances to other funds	1,544,352	-	-	-
Fee credits receivable	5,093,375	-	-	-
Long-term loans receivable	281,365	61,939,306	-	-
Affordable housing subsidies receivable	-	2,214,645	-	-
Long-term development fees receivable	-	330,818	-	-
<b>Total Assets</b>	<b>\$ 67,976,913</b>	<b>\$ 89,077,157</b>	<b>\$ 10,985,748</b>	<b>\$ 12,272,512</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 1,974,982	\$ 1,390	\$ -	\$ -
Accrued salaries and benefits	1,724,796	3,780	-	-
Due to other funds	-	-	-	-
Interest payable	-	-	-	-
Retention payable	107,808	-	-	-
Refundable deposits	289,382	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	10,972,303	-
<b>Total Liabilities</b>	<b>4,096,968</b>	<b>5,170</b>	<b>10,972,303</b>	<b>-</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	9,742,276	662,850	-	9,815,697
<b><u>FUND BALANCES</u></b>				
Nonspendable	1,544,352	-	-	-
Restricted	-	88,409,137	-	2,456,815
Committed	45,856,905	-	-	-
Assigned	634,036	-	13,445	-
Unassigned	6,102,376	-	-	-
<b>Total Fund Balances</b>	<b>54,137,669</b>	<b>88,409,137</b>	<b>13,445</b>	<b>2,456,815</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 67,976,913</b>	<b>\$ 89,077,157</b>	<b>\$ 10,985,748</b>	<b>\$ 12,272,512</b>

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

Federal Capital Grants Fund	State Grants Fund	Roadway Fee Fund	Mitigation and Fee Funds	Laguna Ridge CFD 2005-1 Fund	Elk Grove Finance Authority Debt Service Fund	Elk Grove Finance Authority 2018 Debt Service Fund
\$ -	\$ -	\$ 37,679,021	\$ 10,554,785	\$ -	\$ 327,662	\$ 222,170
-	-	1,301,956	-	9,128,701	-	43,002
-	-	29,308	-	-	53	-
-	-	-	-	-	-	-
-	-	3,057	1,679	-	-	-
1,079,747	5,718,974	-	-	-	-	-
-	-	4,987,106	-	-	-	-
-	-	614	-	-	-	-
-	-	-	-	10,016,618	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	1,919,849	-	-	-	-
<u>\$ 1,079,747</u>	<u>\$ 5,718,974</u>	<u>\$ 45,920,911</u>	<u>\$ 10,556,464</u>	<u>\$ 19,145,319</u>	<u>\$ 327,715</u>	<u>\$ 265,172</u>
\$ 301,661	\$ 2,122,334	\$ 1,484,664	\$ 91,396	\$ 344,575	\$ -	\$ 438
-	-	635	2,222	706	-	-
705,925	3,300,495	-	-	980,686	-	-
-	-	-	-	-	-	-
51,153	285,670	62,099	-	33,827	-	-
-	-	-	-	-	-	-
-	-	-	5,000,000	-	-	-
-	-	1,301,956	-	-	-	-
<u>1,058,739</u>	<u>5,708,499</u>	<u>2,849,354</u>	<u>5,093,618</u>	<u>1,359,794</u>	<u>-</u>	<u>438</u>
<u>1,079,747</u>	<u>5,718,974</u>	<u>1,950,411</u>	<u>-</u>	<u>10,016,618</u>	<u>-</u>	<u>-</u>
-	-	-	-	-	-	-
-	-	41,121,146	5,462,846	7,768,907	327,715	264,734
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>(1,058,739)</u>	<u>(5,708,499)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(1,058,739)</u>	<u>(5,708,499)</u>	<u>41,121,146</u>	<u>5,462,846</u>	<u>7,768,907</u>	<u>327,715</u>	<u>264,734</u>
<u>\$ 1,079,747</u>	<u>\$ 5,718,974</u>	<u>\$ 45,920,911</u>	<u>\$ 10,556,464</u>	<u>\$ 19,145,319</u>	<u>\$ 327,715</u>	<u>\$ 265,172</u>

continued

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

**CITY OF ELK GROVE**

Governmental Funds  
Balance Sheet(continued)

June 30, 2021

	Elk Grove Finance Authority 2020 Debt Service Fund	Total Nonmajor Funds	Total
<b><u>ASSETS</u></b>			
Cash and investments	\$ 699,083	\$ 111,964,944	\$ 245,952,960
Cash and investments with fiscal agent	-	14,043	10,487,702
Accounts receivable, net	-	3,098,902	14,166,101
Taxes receivable	-	156,701	7,896,623
Interest receivable, net	-	137,073	483,710
Due from other government agencies	-	1,424,566	13,386,781
Due from other funds	-	-	5,107,125
Advances to other funds	-	5,000,000	6,544,966
Fee credits receivable	-	-	15,109,993
Long-term loans receivable	-	425,485	62,646,156
Affordable housing subsidies receivable	-	-	2,214,645
Long-term development fees receivable	-	392,699	2,643,366
	<u>\$ 699,083</u>	<u>\$ 122,614,413</u>	<u>\$ 386,640,128</u>
<b><u>LIABILITIES</u></b>			
Accounts payable	\$ -	\$ 8,115,554	\$ 14,436,994
Accrued salaries and benefits	-	123,021	1,855,160
Due to other funds	-	120,019	5,107,125
Interest payable	-	10,612	10,612
Retention payable	-	804,487	1,345,044
Refundable deposits	-	1,972,028	2,261,410
Advances from other funds	-	1,544,966	6,544,966
Unearned revenue	-	1,590,683	13,864,942
	<u>-</u>	<u>14,281,370</u>	<u>45,426,253</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Unavailable revenue	-	3,541,998	42,528,571
<b><u>FUND BALANCES</u></b>			
Nonspendable	-	-	1,544,352
Restricted	699,083	105,706,369	252,216,752
Committed	-	-	45,856,905
Assigned	-	-	647,481
Unassigned	-	(915,324)	(1,580,186)
	<u>699,083</u>	<u>104,791,045</u>	<u>298,685,304</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 699,083</u>	<u>\$ 122,614,413</u>	<u>\$ 386,640,128</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, 2021

---

Fund Balance - total governmental funds	\$ 298,685,304
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.	1,077,148,588
Certain other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	25,084,418
Interest on long-term debt is recognized as it accrues, regardless of when it is due in the government-wide statements.	(226,321)
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:	13,805,641
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	13,580,926
Deferred inflows of resources related to pensions	(1,426,508)
Deferred outflows of resources related to OPEB	10,241,353
Deferred inflows of resources related to OPEB	(1,095,535)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(29,937,560)
Net pension liability	(16,197,858)
Net OPEB liability	(12,161,818)
Compensated absences (excluding amount recorded in the internal service funds)	(5,103,571)
Net Position of governmental activities	<u>\$ 1,372,397,060</u>

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, 2021

	General Fund	Affordable Housing Fund	Disaster Recovery Fund	Wilton Rancheria MOU Fund
<b><u>REVENUES</u></b>				
Taxes	\$ 75,792,873	\$ -	\$ -	\$ -
Licenses, fees and permits	2,125,717	3,986,369	-	-
Intergovernmental	2,856,355	19,298	-	2,453,925
Fines and forfeitures	909,033	-	-	-
Charges for services	73,295	-	-	-
Use of money and property	1,626,041	347,713	13,445	3,007
Contribution from Community Facility District	-	-	-	-
Other revenue	1,263,996	-	-	-
Total Revenues	<u>84,647,310</u>	<u>4,353,380</u>	<u>13,445</u>	<u>2,456,932</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	32,229,265	-	-	-
Public safety	48,169,370	-	-	-
Public ways and facilities	-	-	-	117
Community development	1,851,724	1,228,595	-	-
Capital outlay	6,594,030	-	-	-
Debt service:				
Tax administration	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>88,844,389</u>	<u>1,228,595</u>	<u>-</u>	<u>117</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,197,079)</u>	<u>3,124,785</u>	<u>13,445</u>	<u>2,456,815</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Transfers in	14,032,585	-	-	-
Transfers out	<u>(1,819,239)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>12,213,346</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	8,016,267	3,124,785	13,445	2,456,815
Fund Balances, Beginning, as restated	<u>46,121,402</u>	<u>85,284,352</u>	<u>-</u>	<u>-</u>
Fund Balances, Ending	<u>\$ 54,137,669</u>	<u>\$ 88,409,137</u>	<u>\$ 13,445</u>	<u>\$ 2,456,815</u>

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

Federal Capital Grants Fund	State Grants Fund	Roadway Fee Fund	Mitigation and Fee Funds	Laguna Ridge CFD 2005-1 Fund	Elk Grove Finance Authority Debt Service Fund	Elk Grove Finance Authority 2018 Debt Service Fund
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	12,037,203	2,851,598	196,922	-	-
2,619,730	529,087	-	-	5,143,325	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	318,703	(32,948)	(21,775)	(719)	4
-	-	-	-	7,452,238	-	-
-	-	-	-	-	-	-
<u>2,619,730</u>	<u>529,087</u>	<u>12,355,906</u>	<u>2,818,650</u>	<u>12,770,710</u>	<u>(719)</u>	<u>4</u>
-	-	-	-	-	-	-
-	-	-	-	-	-	-
1,131,118	5,878,249	9,187,925	4,749,564	6,921,378	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	966	6,103
-	-	-	-	-	495,000	620,000
-	-	-	-	-	89,652	684,856
<u>1,131,118</u>	<u>5,878,249</u>	<u>9,187,925</u>	<u>4,749,564</u>	<u>6,921,378</u>	<u>585,618</u>	<u>1,310,959</u>
<u>1,488,612</u>	<u>(5,349,162)</u>	<u>3,167,981</u>	<u>(1,930,914)</u>	<u>5,849,332</u>	<u>(586,337)</u>	<u>(1,310,955)</u>
-	-	-	-	-	584,652	1,536,178
-	-	(587,438)	(222,240)	(3,196,362)	-	-
-	-	(587,438)	(222,240)	(3,196,362)	584,652	1,536,178
1,488,612	(5,349,162)	2,580,543	(2,153,154)	2,652,970	(1,685)	225,223
(2,547,351)	(359,337)	38,540,603	7,616,000	5,115,937	329,400	39,511
<u>\$ (1,058,739)</u>	<u>\$ (5,708,499)</u>	<u>\$ 41,121,146</u>	<u>\$ 5,462,846</u>	<u>\$ 7,768,907</u>	<u>\$ 327,715</u>	<u>\$ 264,734</u>

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, 2021

	Elk Grove Finance Authority 2020 Debt Service Fund	Total NonMajor Funds	Total Governmental Funds
<b><u>REVENUES</u></b>			
Taxes	\$ -	\$ -	\$ 75,792,873
Licenses, fees and permits	-	18,647,199	39,845,008
Intergovernmental	-	29,565,647	43,187,367
Fines and forfeitures	-	-	909,033
Charges for services	-	2,753,404	2,826,699
Use of money and property	131,546	651,672	3,036,689
Contribution from Community Facility District	-	-	7,452,238
Other revenue	-	66,831	1,330,827
Total Revenues	131,546	51,684,753	174,380,734
<b><u>EXPENDITURES</u></b>			
Current:			
General government	-	-	32,229,265
Public safety	-	1,947,777	50,117,147
Public ways and facilities	-	34,378,375	62,246,726
Community development	-	8,786,095	11,866,414
Capital outlay	-	-	6,594,030
Debt service:			
Tax administration	499	57,344	64,912
Principal	602,440	-	1,717,440
Interest	214,677	-	989,185
Total Expenditures	817,616	45,169,591	165,825,119
Excess (Deficiency) of Revenues Over (Under) Expenditures	(686,070)	6,515,162	8,555,615
<b><u>OTHER FINANCING SOURCES (USES)</u></b>			
Transfers in	510,000	9,774,822	26,438,237
Transfers out	(9,732,078)	(8,025,837)	(23,583,194)
Total Other Financing Sources (Uses)	(9,222,078)	1,748,985	2,855,043
Net Change in Fund Balances	(9,908,148)	8,264,147	11,410,658
Fund Balances, Beginning , as restated	10,607,231	96,526,898	287,274,646
Fund Balances, Ending	\$ 699,083	\$ 104,791,045	\$ 298,685,304

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, 2021

Net change to fund balances - total governmental funds \$ 11,410,658

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

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.

The change in governmental activities capital assets consists of:

Capital outlay expenditures	\$ 50,148,856	
Retirement of capital assets	(3,917,979)	
Less: current year depreciation	<u>(50,398,992)</u>	(4,168,115)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 15,667,054

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.

Issuance of Revenue Bonds, including premium	-	
Principal payments on debt	<u>1,717,440</u>	1,717,440

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.

Change in accrued interest on debt	(49,509)	
Change in compensated absences (excluding amount reported in the internal service funds)	<u>139,879</u>	90,370

Long term net OPEB asset (liability) change not paid out of current period resources (1,091,771)

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: (1,887,881)

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. 536,717

Change in net position of governmental activities \$ 22,274,473

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

**CITY OF ELK GROVE**  
**Proprietary Funds**  
**Statement of Fund Net Position**  
**June 30, 2021**

	Business-Type Activities				Governmental
	Recycling & Waste Funds	Transit Funds	Drainage Funds	Total Enterprise Funds	Internal Service Funds
<b><u>ASSETS</u></b>					
Current Assets:					
Cash and investments	\$ 16,115,801	\$ 381,251	\$ 22,020,428	\$ 38,517,480	\$ 14,807,207
Cash and investments with fiscal agents	1,010,839	-	-	1,010,839	-
Restricted cash and investments - capital	-	774,707	-	774,707	-
Accounts receivable, net	637,056	8,356	1,233,278	1,878,690	180,947
Interest receivable	2,585	352	3,527	6,464	2,336
Due from other government agencies	18,012	1,296,041	40,865	1,354,918	-
Total Current Assets	<u>17,784,293</u>	<u>2,460,707</u>	<u>23,298,098</u>	<u>43,543,098</u>	<u>14,990,490</u>
Noncurrent Assets:					
Capital assets, nondepreciable	4,059,299	-	9,903,522	13,962,821	-
Capital assets, depreciable, net	8,309,114	14,499,337	12,155,047	34,963,498	-
Total Noncurrent Assets	<u>12,368,413</u>	<u>14,499,337</u>	<u>22,058,569</u>	<u>48,926,319</u>	<u>-</u>
Total Assets	<u>30,152,706</u>	<u>16,960,044</u>	<u>45,356,667</u>	<u>92,469,417</u>	<u>14,990,490</u>
<b><u>LIABILITIES</u></b>					
Current Liabilities:					
Accounts payable	105,479	1,654,455	1,952,571	3,712,505	344,881
Accrued salaries and benefits	22,834	7,287	25,917	56,038	54,018
Recovery zone bonds payable	285,000	-	-	285,000	-
Customer deposits	83,969	-	-	83,969	-
Unearned revenue	-	812,864	-	812,864	-
Compensated absences	6,335	3,470	5,041	14,846	19,256
Total Current Liabilities	<u>503,617</u>	<u>2,478,076</u>	<u>1,983,529</u>	<u>4,965,222</u>	<u>418,155</u>
Noncurrent Liabilities:					
Recovery zone bonds payable	8,100,000	-	-	8,100,000	-
Compensated absences	64,056	35,085	50,970	150,111	194,694
Claims payable	-	-	-	-	572,000
Total Noncurrent Liabilities	<u>8,164,056</u>	<u>35,085</u>	<u>50,970</u>	<u>8,250,111</u>	<u>766,694</u>
Total Liabilities	<u>8,667,673</u>	<u>2,513,161</u>	<u>2,034,499</u>	<u>13,215,333</u>	<u>1,184,849</u>
<b><u>NET POSITION</u></b>					
Net investment in capital assets	3,983,413	14,499,337	22,058,569	40,541,319	-
Unrestricted	17,501,620	(52,454)	21,263,599	38,712,765	13,805,641
Total Net Position	<u>\$ 21,485,033</u>	<u>\$ 14,446,883</u>	<u>\$ 43,322,168</u>	<u>\$ 79,254,084</u>	<u>\$ 13,805,641</u>

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

Proprietary Funds  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Year Ended June 30, 2021

	Business-Type Activities			Total	Governmental
	Recycling & Waste Funds	Transit Funds	Drainage Funds		Internal Service Funds
<b><u>OPERATING REVENUES</u></b>					
Charges for services	\$ 3,897,190	\$ 240,620	\$ 6,119,877	\$ 10,257,687	\$ 11,971,382
Insurance recoveries	-	-	-	-	7,754
Total Operating Revenues	<u>3,897,190</u>	<u>240,620</u>	<u>6,119,877</u>	<u>10,257,687</u>	<u>11,979,136</u>
<b><u>OPERATING EXPENSES</u></b>					
Salaries and benefits	814,771	234,142	886,908	1,935,821	2,091,704
Services and supplies	1,230,272	7,599,716	4,872,425	13,702,413	7,990,250
Other expenses	-	-	-	-	-
Claims expense	-	-	-	-	788,707
Depreciation	261,008	2,193,440	410,397	2,864,845	-
Total Operating Expenses	<u>2,306,051</u>	<u>10,027,298</u>	<u>6,169,730</u>	<u>18,503,079</u>	<u>10,870,661</u>
Operating Income (Loss)	<u>1,591,139</u>	<u>(9,786,678)</u>	<u>(49,853)</u>	<u>(8,245,392)</u>	<u>1,108,475</u>
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>					
Taxes	-	-	1,685,060	1,685,060	-
Intergovernmental	637,897	12,507,251	453	13,145,601	28,135
Intergovernmental - SB1 State of Good Repair	-	256,749	-	256,749	-
Investment income	56,064	58,497	149,969	264,530	82,429
Gain/(loss) on disposal of capital assets	-	(290,363)	(29,517)	(319,880)	-
Interest expense	(740,744)	-	-	(740,744)	-
Total Non-Operating Revenues (Expenses)	<u>(46,783)</u>	<u>12,532,134</u>	<u>1,805,965</u>	<u>14,291,316</u>	<u>110,564</u>
Income Before Contributions and Transfers	<u>1,544,356</u>	<u>2,745,456</u>	<u>1,756,112</u>	<u>6,045,924</u>	<u>1,219,039</u>
Transfers in	50,000	-	-	50,000	-
Transfers out	(561,489)	(1,136,564)	(524,668)	(2,222,721)	(682,322)
Net Contributions and Transfers	<u>(511,489)</u>	<u>(1,136,564)</u>	<u>(524,668)</u>	<u>(2,172,721)</u>	<u>(682,322)</u>
Change in Net Position	1,032,867	1,608,892	1,231,444	3,873,203	536,717
Net Position - Beginning	<u>20,452,166</u>	<u>12,837,991</u>	<u>42,090,724</u>	<u>75,380,881</u>	<u>13,268,924</u>
Net Position, Ending	<u>\$ 21,485,033</u>	<u>\$ 14,446,883</u>	<u>\$ 43,322,168</u>	<u>\$ 79,254,084</u>	<u>\$ 13,805,641</u>

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, 2021

	Business-Type Activities				Governmental
	Recycling	Transit	Drainage	Total	Internal
	& Waste Funds				Funds
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Cash receipts from customers/other funds	\$ 3,912,209	\$ 238,626	\$ 6,110,661	\$ 10,261,496	\$ 11,869,999
Cash receipts from insurance recoveries	-	-	-	-	7,754
Cash paid to suppliers for good and services	(1,372,868)	(8,049,452)	(4,459,468)	(13,881,788)	(8,385,112)
Cash paid to employees for services	(785,415)	(232,176)	(846,542)	(1,864,133)	(2,022,454)
Intergovernmental grants received	-	-	-	-	-
Net Cash Provided (Used) by Operating Activities	<u>1,753,926</u>	<u>(8,043,002)</u>	<u>804,651</u>	<u>(5,484,425)</u>	<u>1,470,187</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>					
Taxes	-	-	1,685,060	1,685,060	-
Intergovernmental revenue received	636,857	18,000,690	8,465	18,646,012	-
Proceeds from grants	-	1,531,241	-	1,531,241	28,135
Transfers in	50,000	-	-	50,000	-
Transfers out	(561,489)	(1,136,564)	(524,668)	(2,222,721)	(682,322)
Interfund loans - receipts	-	-	2,312,000	2,312,000	-
Interfund loans - payments	-	(5,229,791)	-	(5,229,791)	-
Net Cash Provided (Used) by Noncapital Financing Activities	<u>125,368</u>	<u>13,165,576</u>	<u>3,480,857</u>	<u>16,771,801</u>	<u>(654,187)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>					
Interest paid on Capital debt	(740,744)	-	-	(740,744)	-
Repayment of recovery zone bonds	(270,000)	-	-	(270,000)	-
Proceeds from grants	-	439,077	-	439,077	-
Acquisition of capital assets	-	(5,045,107)	(3,276,221)	(8,321,328)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(1,010,744)</u>	<u>(4,606,030)</u>	<u>(3,276,221)</u>	<u>(8,892,995)</u>	<u>-</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Investment income (loss)	64,070	58,562	161,037	283,669	89,668
Net Cash Provided by Investing Activities	<u>64,070</u>	<u>58,562</u>	<u>161,037</u>	<u>283,669</u>	<u>89,668</u>
Net Increase (Decrease) in Cash and Cash Equivalents	932,620	575,106	1,170,324	2,678,050	905,668
Cash and Cash Equivalents, Beginning of Year	16,194,020	580,852	20,850,104	37,624,976	13,901,539
Cash and Cash Equivalents, End of Year	<u>\$ 17,126,640</u>	<u>\$ 1,155,958</u>	<u>\$ 22,020,428</u>	<u>\$ 40,303,026</u>	<u>\$ 14,807,207</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>					
Operating income (loss)	\$ 1,591,139	\$ (9,786,678)	\$ (49,853)	\$ (8,245,392)	\$ 1,108,475
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	261,008	2,193,440	410,397	2,864,845	-
Changes in assets and liabilities (Increase) decrease in:					
(Increase) decrease in:					
Accounts receivable	15,020	(1,993)	(9,216)	3,811	(101,384)
Increase (decrease) in:					
Accounts payable	(142,596)	(449,736)	412,957	(179,375)	61,187
Accrued salaries and benefits	788	451	2,255	3,494	6,831
Compensated absences	28,568	1,515	38,111	68,194	62,419
Claims payable	-	-	-	-	332,659
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,753,927</u>	<u>\$ (8,043,001)</u>	<u>\$ 804,651</u>	<u>\$ (5,484,423)</u>	<u>\$ 1,470,187</u>
<b><u>SUPPLEMENTAL DISCLOSURE OF Cash and Cash Equivalents</u></b>					
Cash and investments	\$ 16,115,801	\$ 381,251	\$ 22,020,428	\$ 38,517,480	\$ 14,807,207
Cash and investments with fiscal agents	1,010,839	-	-	1,010,839	-
Restricted cash and investments - capital	-	774,707	-	774,707	-
Cash and Cash Equivalents, End of Year	<u>\$ 17,126,640</u>	<u>\$ 1,155,958</u>	<u>\$ 22,020,428</u>	<u>\$ 40,303,026</u>	<u>\$ 14,807,207</u>
<b><u>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</u></b>					
Retirement of Capital Assets	-	\$ -	-	-	-
Nonreciprocal transfer of capital assets to governmental activities					\$ (447,434)

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



**CITY OF ELK GROVE**

Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2021

---

	Retirement Health Trust Fund	Custodial Funds
<b><u>ASSETS</u></b>		
Cash and Cash equivalents	\$ -	\$ 8,894,075
Mutual funds - Equity	4,528,995	-
Cash with fiscal agent	-	17,152,621
Accounts receivable	-	123,943
Taxes receivable	-	726,142
Interest receivable	-	375
Prepays and Other assets	14,659	-
Total Assets	4,543,654	\$ 26,897,156
<b><u>LIABILITIES</u></b>		
Accounts payable	-	2,363,976
Due to bondholders and others	-	-
Interest payable	-	3,107
Refundable deposits	-	71,231
Total Liabilities	-	2,438,314
<b><u>NET POSITION</u></b>		
Restricted for individuals and organizations	4,543,654	24,458,842
Total net position	\$ 4,543,654	\$ 24,458,842

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

**CITY OF ELK GROVE**

Fiduciary Funds  
Statement of Changes in Fiduciary Net Position  
For the Year Ended June 30, 2021

	Retirement Health Trust Fund	Custodial Funds
	<u>                    </u>	<u>                    </u>
<b><u>ADDITIONS</u></b>		
Employer contributions	\$ 600,000	\$ -
Net investment income:		
Net (decrease) increase in fair value of investments	-	(96,392)
Interest, dividends, and other	582,507	26,069
Investment management fees	(18,986)	-
Fees, taxes and special assesments for other governements	-	23,587,516
Issuance of debt	-	12,265,472
Activity fees	-	19,557
Miscellaneous	-	993
Total additions	<u>1,163,521</u>	<u>35,803,215</u>
<b><u>DEDUCTIONS</u></b>		
Benefits paid to participants or beneficiaries	394,720	-
Administrative expense	-	80,665
Payment of fees, taxes and special assesments to other governements	-	5,976,531
Development and construction expense	-	11,881,138
Activities and events	-	12,061
Debt issuance costs	-	259,854
Debt service	-	14,223,190
Total deductions	<u>394,720</u>	<u>32,433,439</u>
Change in plan net position	768,801	3,369,776
<b><u>NET POSITION</u></b>		
Restricted for individuals and organizations:		
Beginning of year (Restated)	<u>3,774,853</u>	<u>21,089,066</u>
End of year	<u>\$ 4,543,654</u>	<u>\$ 24,458,842</u>

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

# **CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

---

## **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, 2021

---

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

**A. The Financial Reporting Entity**

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

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

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

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

***Elk Grove Finance Authority***

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

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

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

***Parking Authority of the City of Elk Grove***

Formed in 2005 pursuant to the provisions of California statutes for the purpose of financing

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

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

### **Other Agencies:**

#### ***Elk Grove Tourism Marketing District***

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

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

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

### **B. Basis of Presentation**

#### ***Government-Wide Financial Statements***

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

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

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

#### *Fund Financial Statements*

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

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

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

The City reports the following major governmental funds:

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

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

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

The 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

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

Development Bonds and the activity revolving around the operations of the Household Hazardous Waste Facility.

- The *Transit Funds* were established to account for the transit allocation of Transportation Development Act (TDA) and other funding, which is used for public transportation planning, public transportation services, transit capital costs and community transit purposes.
- The *Drainage Funds* were established to account for the cost to manage and deliver drainage and flood control services.

The City reports the following additional fund types:

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



## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2021

---

- **Special Assessment/Community Facility District (CFDs)** – Established to account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.
- **Property & Evidence Fund** – Established to account for the collection for confiscated funds which may become evidence or asset seizures.

### C. Basis of Accounting

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

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

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Property and sales taxes, interest, certain state and federal grants and charges for services are accrued when their receipt occurs within 60 days after the end of the accounting period to be measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, 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

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

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

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. The City implemented the provisions of the Statement in fiscal year 2021, which required the restatement of net position as discussed in Note 17.

In October 2021, the GASB approved Statement No. 98, *The Annual Comprehensive Financial Report*. This Statement establishes the term *annual comprehensive financial report* and its acronym *ACFR*. That new term and acronym replace instances of *comprehensive annual financial report* and its acronym in generally accepted accounting principles for state and local governments. This Statement was developed in response to concerns raised by stakeholders that the common pronunciation of the acronym for comprehensive annual financial report sounds like a profoundly objectionable racial slur. This Statement's introduction of the new term is founded on a commitment to promoting inclusiveness. The City early-implemented the provisions of the Statement in fiscal year 2021.

### **E. Property Tax**

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

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

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

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

#### **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 \$22,841,794 is offset by an allowance for potential forgiveness of \$22,511,919. 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 \$2,334,162 at June 30, 2021.

#### **H. Unearned Revenue**

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

#### **I. Prepaid Items**

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

#### **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.

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

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 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 10 and 11 for further details related to these pensions deferred outflows and inflows.

Under the modified accrual basis of accounting, unavailable revenue is reported as a deferred inflow of resources. Unavailable revenue is reported in the governmental funds balance

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

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>Annual Years of Service</u>	<u>Maximum Accrual</u>	<u>Accrual</u>
1 through 4	176 hours	352 hours
5 through 9	216 hours	432 hours
10 through 14	232 hours	464 hours
15 through 19	256 hours	512 hours
20 or more	272 hours	544 Hours

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

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

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

The City offers to exempt employees either 40 or 80 administrative leave hours annually, depending on their level of management. Administrative leave is recorded on July 1<sup>st</sup> and is prorated for new employees starting after July 1<sup>st</sup>. 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.

## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2021

---

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

### 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.

### 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.

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

Note 2: **Cash and Investments**

The City's deposit and investment balances as of June 30, 2021, consist of the following:

	<u>Cash and Investments</u>	<u>Restricted and Held by Fiscal Agent</u>	<u>Total Cash and Investments</u>
Cash and deposits	\$ 31,609,702	\$ 1,302,364	\$ 32,912,066
Investments	<u>277,322,069</u>	<u>31,892,451</u>	<u>\$ 309,214,520</u>
Total Cash and Investments	<u>\$ 308,931,771</u>	<u>\$ 33,194,815</u>	<u>\$ 342,126,586</u>

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

	<u>Cash and Investments</u>	<u>Restricted and Held by Fiscal Agent</u>	<u>Total Cash and Investments</u>
Governmental activities	\$ 260,760,167	\$ 10,487,702	\$ 271,247,869
Business-type activities	38,517,480	1,785,546	40,303,026
Fiduciary funds	<u>8,894,075</u>	<u>21,681,616</u>	<u>30,575,691</u>
Total Cash and Investments	<u>\$ 308,171,722</u>	<u>\$ 33,954,864</u>	<u>\$ 342,126,586</u>

### **Fair Value Measurements**

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

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

The City's Investment Pool has the following recurring fair value measurements as of June 30, 2021:

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

	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)	\$ 1,250,000	\$ -	\$ 1,250,000	\$ -
Certificates of Deposit (Negotiable Time Deposits)	14,598,402	-	14,598,402	-
Federal Farm Credit Bank	8,526,355	-	8,526,355	-
Federal Home Loan Bank	10,781,875	-	10,781,875	-
Federal Home Loan Mortgage Corporation	6,594,562	-	6,594,562	-
Federal Agriculture Mortgage Corporation	1,549,840	-	1,549,840	-
Federal National Mortgage Association	14,791,358	-	14,791,358	-
Supranational Securities	20,656,603	-	20,656,603	-
US Treasury Notes	59,883,570	59,883,570	-	-
Municipal Securities (CA State and local agencies)	19,981,741	-	19,981,741	-
Medium Term Corporate Notes	45,762,431	-	45,762,431	-
Total investments measured at fair value	<u>\$ 204,376,737</u>	<u>\$ 59,883,570</u>	<u>\$ 144,493,167</u>	<u>\$ -</u>

### 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, 2021

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	5 years	None	None
Federal 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% (A)
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	30%	15% (A)
Supranational Securities	5 years	30%	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	\$75m per account
Investment Trust of California (CalTRUST)	N/A	30%	15%
Municipal Securities - 50 States or California Local Agencies	5 years	20%	5%
State Municipal Securities (CA and Others)	5 years	20%	None

(A) The City may invest a maximum of 15% of its total investment cash in commercial paper and medium term corporate notes combined.

### *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 Corporation Notes	5 years	30%	None
Money Market Mutual Funds	N/A	None	None
Municipal Obligations	None	None	None
Investment Agreements	30 years	None	None
LAIF	None	None	None
Federal Securities	None	None	None
Time Deposits	None	None	None
Corporate Obligations	None	None	None

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

*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>
<b>Investments in Investment Pool:</b>		
Federal National Mortgage Association	\$ 14,791,358	2.23
Federal Agriculture Mortgage Corp	1,549,840	1.16
Federal Farm Credit Banks	8,526,355	1.37
Federal Home Loan Banks	10,781,875	2.29
Federal Home Loan Mortgage Corp Medium Term Notes (FHLMC MTN)	6,594,562	2.75
Supranational Securities	20,656,603	3.52
US Treasury Notes	59,883,570	2.60
Municipal Securities (CA Local Agencies and State of CA)	19,981,741	1.81
Certificates of Deposit (Non-Negotiable Time Deposits)	1,250,000	0.29
Certificates of Deposit (Negotiable Time Deposits)	14,598,402	2.25
Medium Term Corporate Notes	45,762,431	2.79
LAIF	72,945,332	0.80
Total Investments in Investment Pool	277,322,069	2.07
<b>Investments outside Investment Pool:</b>		
Money Market Mutual Funds	27,348,797	
Mutual Funds	4,543,654	
Total Investments	\$ 309,214,520	

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, 2021

Investment Type	Amount	Minimum Legal Rating	Ratings as of Year End (Standard and Poors)				
			AAA/AAAm	AA+/AA/AA-	A+/A	BBB+	Not Rated
<b>Investments in Investment Pool:</b>							
Certificates of Deposit (Non-Negotiable Time Deposits)	\$ 1,250,000	N/A	\$ -	\$ -	\$ -	\$ -	\$ 1,250,000
Certificates of Deposit (Negotiable Time Deposits)	14,598,402	N/A	-	-	-	-	14,598,402
Federal Farm Credit Banks	8,526,355	N/A	-	8,526,355	-	-	-
Federal Home Loan Banks	10,781,875	N/A	-	10,781,875	-	-	-
Federal Home Loan Mortgage Corporation				-			-
Medium Term Notes	6,594,562	N/A	-	5,597,574	-	-	996,988
Federal Agriculture Mortgage Corporation	1,549,840	N/A	-	-	-	-	1,549,840
Federal National Mortgage Association	14,791,358	N/A	-	14,791,358	-	-	-
Supranational Securities	20,656,603	AA	18,857,727	-	-	-	1,798,876
US Treasury Notes	59,883,570	N/A	-	-	-	-	59,883,570
Municipal Securities (CA State and local agencies)	19,981,741	A	-	19,462,927	-	-	518,814
Medium Term Corporate Notes	45,762,431	A	4,918,707	15,087,912	23,093,480	2,662,332	-
CalTRUST	-	N/A	-	-	-	-	-
LAIF	72,945,332	N/A	-	-	-	-	72,945,332
<b>Investments outside Investment Pool:</b>							
Mutual Funds	4,543,654		-	-	-	-	4,543,654
Money Market Funds	27,348,797		-	-	-	-	27,348,797
Total Investments	<u>\$ 309,214,520</u>		<u>\$ 23,776,434</u>	<u>\$ 74,248,001</u>	<u>\$ 23,093,480</u>	<u>\$ 2,662,332</u>	<u>\$ 185,434,273</u>

### *Custodial Credit Risk*

The custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer), to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of an outside party.

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

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

At June 30, 2021, the recorded amount of the City's petty cash and demand deposits was \$8,450 and \$30,016,522, respectively, and the recorded amount of mutual funds classified as cash and deposits was \$2,887,094. Out of the \$33,137,188 that was deposited in financial institutions \$1,250,000 was insured by the Federal Depository Insurance Corporation (FDIC) and the

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

remaining bank balance at June 30, 2021 was \$31,887,188 and was covered by a financial institution collateral pool that insures public deposits. The City's remaining investments were held by US Bank Trust in the City's name and were not subject to custodial credit risk or invested in LAIF.

#### *Investment in California Local Agency Investment Fund and CalTRUST*

The City is a voluntary participant in the California Local Agency Investment Fund that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$75 million and at least 24 hours advance notice for withdrawals of \$10 million or more. Bond proceeds accounts are subject to a one-time deposit with no cap and are set up with a monthly draw down schedule. The fair value of the City's investment in this pool is reported in the accompanying financial statements at amounts based upon the City's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio. At June 30, 2021, the City's investment position in LAIF was \$72,945,332.

The City is also a voluntary participant in the CalTRUST which is a Joint Powers Authority governed by a Board of Trustees made up of local treasurers and investment officers. The Board of Trustees sets overall policy for CalTRUST and selects and supervises the activities of the Investment Manager and other agents. CalTRUST does not have limits on transactions per month or dollar amount of transactions. As of June 30, 2021, the City's investment in CalTRUST is \$0.

#### 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 \$61,290,706 at June 30, 2021. The loans carry interest rates ranging from 0% to 4% and principal and interest are deferred for up to 30 years, subject to various conditions specified in the loan agreements.

In December of 2019, the City approved a \$5 million Loan to Elk Grove Pacific Associates IV (Gardens at Quail Run Affordable Housing Project) for the development of a 96 unit rent-restricted housing project. This is an additional loan to the City's CDGB projects. Of the Regulated Units, ten shall be restricted at rents affordable to extremely low-income households, fifty-three shall be restricted at rents affordable to very low-income households, and thirty-two shall be restricted at rents affordable to low-income households, and one unit shall be dedicated for the use of the Property Manager and shall not be rent-restricted. As of June 30, 2021, there have been no draw downs on the loan.

The City is a participant in the State of California's Department of Housing and Community Development's Home Investment Partnerships Program (HOME) program. 30 year-term loans are awarded to individuals based on the HOME programs income and purchase conditions. All

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

loans accrue 3% annual interest for the first 10 years. 1/10<sup>th</sup> 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, 2021, 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, 2021, the total outstanding principal for the down payment assistance program loans is \$223,416.

The City began a Homebuyers Assistance Program through California's Department of Housing and Community Development CalHome program in fiscal year 2015. This program is designed to enable low and very-low income households to become or remain homeowners. Similar to the City's down payment assistance program, interest accrues at 3% for the first ten years and then the interest rate drops to 0% and during years 11 through 20, the accrued interest is forgiven at a rate of 10% of the total accrued interest per year until all interest is forgiven at the end of year 20. No principal or interest payments are required until the end of the loans term at which time all outstanding principal is due. The CalHome loans totaled \$588,950 at June 30, 2021. The City also funded the Homebuyers Assistance Program using Affordable Housing funds in Fiscal year 20-2021 under the same conditions. The Affordable Housing loans totaled \$59,650 at June 30, 2021.

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, 2021 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 \$54,464 at June 30, 2021, are interest free and may be forgiven if the borrower continuously resides in the subject property for ten years.

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

In October of 2020, the City sold three parcels of land and part of another parcel as part of the City's efforts to revitalize Old Town Elk Grove. As part of this sale, the City secured a promissory note in the amount of \$281,365. Interest will accrue at rate of 2.75% on the unpaid

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

principal balance until the full amount of the note has been paid. The Note term is 10 years with 36 interest only monthly payments followed by 84 monthly principal and interest payments with a final balloon payment of any outstanding Note balance. As of June 30, 2021, the outstanding balance of this note is \$281,365.

Activity in loans receivable for the year ended June 30, 2021, was as follows:

	<b>Balance at July 1, 2020</b>	<b>Additions</b>	<b>Repayments</b>	<b>Adjustments</b>	<b>Balance at June 30, 2021</b>
<b>Major Governmental Funds</b>					
General Fund	\$ -	\$ 281,365	\$ -	\$ -	\$ 281,365
Affordable Housing Special Revenue	63,134,956	1,000,000	(2,195,650)	-	61,939,306
<b>Other Governmental Funds</b>					
HUD Home Grant	40,000	-	-	-	40,000
Neighborhood Stabilization	296,988	-	(73,572)	-	223,416
Community Development Block Grant	175,395	-	(13,326)	-	162,069
<b>Totals</b>	<b>\$ 63,647,339</b>	<b>\$ 1,281,365</b>	<b>\$(2,282,548)</b>	<b>\$ -</b>	<b>\$ 62,646,156</b>

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, 2021, the City had subsidies valued at \$2,214,645.

Note 4: **Capital Assets**

Capital asset activity for the year ended June 30, 2021, was as follows:

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

	<u>Balance 7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Balance 6/30/2021</u>
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 209,560,084	\$ 3,308,429	\$ (415,970)	\$ 2,310,062	\$ 214,762,605
Construction in progress	71,214,048	41,116,891	(2,475,100)	(26,609,920)	83,245,919
Other capital assets	602,590	124,604	-	-	727,194
Total capital assets, not being depreciated	<u>281,376,722</u>	<u>44,549,924</u>	<u>(2,891,070)</u>	<u>(24,299,858)</u>	<u>298,735,718</u>
Capital assets, being depreciated:					
Infrastructure	1,519,784,067	3,825,119	-	4,890,214	1,528,499,400
Land Improvements	892,265	-	-	-	892,265
Building and improvements	102,796,358	535,038	-	18,634,644	121,966,040
Vehicles and equipment	17,212,980	1,238,775	(3,614,131)	775,000	15,612,624
Parks and park improvements	6,230,310	-	-	-	6,230,310
Other capital assets, depreciable	109,752	-	-	-	109,752
Total capital assets, being depreciated	<u>1,647,025,732</u>	<u>5,598,932</u>	<u>(3,614,131)</u>	<u>24,299,858</u>	<u>1,673,310,391</u>
Less accumulated depreciation for:					
Infrastructure	(820,032,903)	(45,260,763)	-	-	(865,293,666)
Buildings and improvements	(13,121,166)	(3,059,684)	-	-	(16,180,850)
Vehicles and equipment	(11,563,792)	(1,445,024)	2,587,222	-	(10,421,594)
Parks and park improvements	(2,356,915)	(622,546)	-	-	(2,979,461)
Other capital assets, depreciable	(10,975)	(10,975)	-	-	(21,950)
Total accumulated depreciation	<u>(847,085,751)</u>	<u>(50,398,992)</u>	<u>2,587,222</u>	<u>-</u>	<u>(894,897,521)</u>
Total capital assets, being depreciated, net	<u>799,939,981</u>	<u>(44,800,060)</u>	<u>(1,026,909)</u>	<u>24,299,858</u>	<u>778,412,870</u>
Governmental activities capital assets, net	<u>\$ 1,081,316,703</u>	<u>\$ (250,136)</u>	<u>\$(3,917,979)</u>	<u>\$ -</u>	<u>\$ 1,077,148,588</u>

	<u>Balance 7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Balance 6/30/2021</u>
<b>Business-type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 7,175,448	\$ 849,707	\$ -	\$ -	\$ 8,025,155
Construction in progress	5,601,528	2,387,790	(29,518)	(2,022,134)	5,937,666
Total capital assets, not being depreciated	<u>12,776,976</u>	<u>3,237,497</u>	<u>(29,518)</u>	<u>(2,022,134)</u>	<u>13,962,821</u>
Capital assets, being depreciated:					
Infrastructure	11,482,781	38,726	-	2,022,134	13,543,641
Land Improvements	485,021	-	-	-	485,021
Buildings and improvements	11,869,051	-	-	-	11,869,051
Vehicles and equipment	26,065,043	5,349,437	(565,145)	-	30,849,335
Total capital assets, being depreciated	<u>49,901,896</u>	<u>5,388,163</u>	<u>(565,145)</u>	<u>2,022,134</u>	<u>56,747,048</u>
Less accumulated depreciation for:					
Infrastructure	(956,348)	(408,123)	-	-	(1,364,471)
Buildings and improvements	(1,791,783)	(302,049)	-	-	(2,093,832)
Vehicles and equipment	(16,431,387)	(2,154,673)	260,813	-	(18,325,247)
Total accumulated depreciation	<u>(19,179,518)</u>	<u>(2,864,845)</u>	<u>260,813</u>	<u>-</u>	<u>(21,783,550)</u>
Total capital assets, being depreciated, net	<u>30,722,378</u>	<u>2,523,318</u>	<u>(304,332)</u>	<u>2,022,134</u>	<u>34,963,498</u>
Business-type activities capital assets, net	<u>\$ 43,499,354</u>	<u>\$ 5,760,815</u>	<u>\$ (333,850)</u>	<u>\$ -</u>	<u>\$ 48,926,319</u>

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

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

Governmental activities:	
General government	\$ 766,091
Public safety	1,311,626
Public ways and facilities	45,894,820
Community development	2,426,455
Total depreciation expense - governmental activities	\$ 50,398,992
Business-type activities:	
Transit	\$ 2,193,440
Drainage	410,397
Recycling and Waste	261,008
Total depreciation expense - business-type activities	\$ 2,864,845

**Note 5: 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, 2021, the various components of unavailable revenue in the governmental funds are detailed as follows:

Government Activities :		
General Fund:	Intergovernmental receivables	\$ 3,994,908
	Development impact interest Receivable	158,193
	Utility User's Tax Receivable	214,435
	SASD Sewer Fee Credits	5,093,375
	Rail Road Loan Receivable	281,365
Affordable Housing Fund :	Housing project loan interest receivable	329,875
	Development Impact Fees Receivable	332,975
Wilton Rancheria MOU Fund :	Wilton Rancheria Receivable	9,815,697
Roadway Fees:	Development impact fees receivable	1,950,411
Laguna Ridge CFD 2005-1 Fund:	SASD Sewer Fee Credits	8,050,523
	SCWA Water Fee Credit	1,966,095
Federal Grant Fund:	Intergovernmental receivables	1,079,747
State Grants Fund:	Intergovernmental receivables	5,718,974
Other Governmental Funds:	Intergovernmental receivables	511,129
	Housing project loan interest receivable	235,051
	Development impact fees receivable	392,699
	Special Assessment Taxes Receivable	68,957
	Swainson's Hawk Fund LT mitigation fees receivable	2,334,162
		\$ 42,528,571



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

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, 2021:

	<u>Balance at 6/30/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/2021</u>	<u>Amount Due Within One year</u>
<b>Governmental Activities:</b>					
Lease revenue bond debt-Series 2017	\$ 3,720,000	\$ -	\$ (495,000)	\$ 3,225,000	\$ 510,000
Lease revenue bond debt-Series 2018	17,935,000	-	(620,000)	17,315,000	645,000
Lease revenue bond debt-Series 2020	10,000,000	-	(602,440)	9,397,560	555,998
Total Bonds Payable	<u>31,655,000</u>	<u>-</u>	<u>(1,717,440)</u>	<u>29,937,560</u>	<u>1,710,998</u>
Net Pension Liability	14,729,263	9,399,347	(7,930,752)	16,197,858	-
Net OPEB Liability	10,194,673	3,702,182	(1,735,037)	12,161,818	-
Compensated absences	5,394,981	3,795,193	(3,872,653)	5,317,521	478,577
Claims payable	239,341	332,659	-	572,000	-
<b>Totals</b>	<u>\$ 62,213,258</u>	<u>\$ 17,229,381</u>	<u>\$ (15,255,882)</u>	<u>\$ 64,186,757</u>	<u>\$ 2,189,575</u>

	<u>Balance at 7/1/2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at 6/30/2021</u>	<u>Amount Due Within One year</u>
<b>Business-type activities:</b>					
Lease revenue bond debt - Series 2010	\$ 8,655,000	\$ -	\$ (270,000)	\$ 8,385,000	\$ 285,000
Compensated absences	96,763	176,436	(108,242)	164,957	14,846
<b>Totals</b>	<u>\$ 8,751,763</u>	<u>\$ 176,436</u>	<u>\$ (378,242)</u>	<u>\$ 8,549,957</u>	<u>\$ 299,846</u>

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

As of June 30, 2021, 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
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	545,000	40,127	2025	750,000	551,706
2026	555,000	26,992	2026	790,000	513,206
2027	565,000	13,617	2027-2031	4,570,000	1,941,381
			2032-2036	5,445,000	1,064,916
Total	<u>\$ 3,225,000</u>	<u>\$ 276,791</u>	2037-2039	3,720,000	190,275
			<b>Total</b>	<u>\$ 17,315,000</u>	<u>\$ 6,129,352</u>

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

Governmental Activities  
Lease Revenue Debt - Series 2020

Year Ending June 30:	Principal	Interest
2022	\$ 555,998	\$ 261,119
2023	571,788	245,329
2024	588,026	229,091
2025	604,725	212,392
2026	621,899	195,218
2027-2031	3,384,659	700,927
2032-2035	3,070,465	198,003
Total	<u>\$ 9,397,560</u>	<u>\$ 2,042,079</u>

Individual issues of bonds at June 30, 2021, 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 6/30/2021</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>\$ 3,225,000</u>
Elk Grove Financing Authority Lease Revenue Bonds ( Series 2018)	2038	3.0 - 5.0%	\$595,000 - \$1,280,000	<u>\$ 18,530,000</u>	<u>\$ 17,315,000</u>
Elk Grove Financing Authority Lease Revenue Debt ( Series 2020)	2035	2.82%	\$272,215 - \$402,878	<u>\$ 10,000,000</u>	<u>\$ 9,397,560</u>

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

**Revenue Bonds**

*EGFA Series 2017 Lease Revenue Bonds (Capital Facility)*

On June 20, 2007, the Elk Grove Financing Authority issued Lease Revenue Bonds in the principal amount of \$18,585,000, which were subsequently refinanced in the amount of

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

\$4,940,000 on June 8, 2017 via private placement transaction with BBVA Compass Bank. The bonds will mature on March 1, 2027. Interest payments are due semi-annually, on March 1 and September 1 of each year, at an annual rate of 2.41%. Principal payments are due annually on March 1. The refinanced debt does not provide for any optional redemption or acceleration provision. The Bonds are collateralized by revenue received from the City by the Authority under the Lease Agreement for the Elk Grove Corporation Yard, dated June 1, 2017. Proceeds from the Bonds were used to finance the design and construction of the Laguna Palms Campus, which is leased by the City from the Authority.

#### *EGFA Series 2018 Lease Revenue Bonds (Capital Facility)*

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

#### **Lease Obligation**

#### *Elk Grove Finance Authority Series 2020 Lease Revenue Debt*

On May 21, 2020, the Elk Grove Financing Authority issued a Lease Revenue debt in the principal amount of \$10,000,000, which will mature on March 1, 2035. The debt was financed as a private placement transaction with F&M Bank. Interest payments are due semi-annually, on March 1 and September 1 of each year, at a fixed rate of 2.82%. Principal payments are due semi-annually on March 1 and September 1 of each year. The debt provides for optional prepayment at 103% to 100% of par depending on the date of prepayment. They are collateralized by revenue received from the City by the Authority under the Lease Agreement for a City-owned property, dated May 1, 2020. The property is located at 8401 Laguna Palms Way. Proceeds from the debt will be used to finance the acquisition and construction of the District 56 Property and the Old Town Plaza Property.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

**Business Type Activities**

As of June 30, 2021, annual debt service requirements of business-type activities to maturity are as follows:

Business-type Activities		
<u>Recovery Zone Economic Development Bond Debt</u>		
Year Ending		
June 30:	Principal	Interest
2022	\$ 285,000	\$ 718,741
2023	295,000	695,517
2024	310,000	671,477
2025	325,000	646,215
2026	340,000	619,731
2027-2031	1,945,000	2,638,106
2032-2036	2,460,000	1,711,063
2037-2040	2,425,000	537,849
Total	<u>\$ 8,385,000</u>	<u>\$ 8,238,699</u>

<b>Recovery Zone Economic Development Bond Debt</b>	<b>Maturity Date</b>	<b>Interest Rates</b>	<b>Annual Principal Installments</b>	<b>Original Issue Amount</b>	<b>Outstanding at 6/30/2021</b>
<b>Lease Revenue Bond Debt</b>					
Elk Grove Finance Authority Series					
2010 Lease Revenue Bonds	2040	3.4 -8.7%	\$205,000 - \$650,000	<u>\$ 10,715,000</u>	<u>\$ 8,385,000</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 IRS reimbursed \$321,081 to the City in fiscal year 2020. 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.

**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

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

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, 2021 is:

<b>Special Assessment Debt with no Governmental Commitment</b>	<b>Issue Fiscal Year</b>	<b>Maturity Fiscal Year</b>	<b>Outstanding at 6/30/2021</b>
E. Franklin Community Facilities District No. 2002-1, Series 2015	2015	2038	\$ 42,340,000
Poppy Ridge Community Facilities District No. 2003-1, Series 2015	2015	2038	\$ 37,510,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2016	2017	2046	\$ 109,665,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2018	2018	2049	\$ 19,055,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2020	2021	2051	\$ 11,495,000

**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’s stabilization arrangement, as set forth in the Fund Balance Reserve Policy approved by the City Council in April 2019 by Resolution No. 2019-083 which states that the City Council will set an annual General Fund Reserve for Economic Uncertainty target level amount to 20% and 25% to assist with economic uncertainty, emergencies and cash flow needs and Opportunity

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

Reserve fund with a target level of 0% to 5% to assist in providing funding for projects, acquisitions, or unforeseen events or need. The Fund Balance Reserve Policy is intended to provide a framework for establishing annual reserve levels during the budget process that will provide the City with flexibility to adapt to local, regional and statewide economic changes and to stabilize the delivery of City services during periods of operational budget deficits while continuing to maintain sufficient balance for emergency spending. The reserve balance as a percentage of adjusted appropriations shall be no less than 20% of general fund adjusted appropriations. The City Council will approve any fund balance between 20% and 25% of adjusted appropriations as part of the annual budget resolution, provided that the level of reserves is not reduced below 20%. These reserves will be reported as part of the Committed Reserve Balance in the City's Annual Comprehensive Financial Report. Any appropriation of the REU below the 20% minimum shall be accompanied by findings articulating the need for the use of the REU and a plan for the replenishment of the REU within a reasonable period not to exceed three (3) budget years. All use of the REU must be approved by a majority (three votes) of the City Council. The exception is the event that a disaster situation is declared. In the event of a declared emergency, the City Manager may expend REU without prior City Council approval. After the emergency, the City Council shall evaluate the current REU level, and if necessary, publish, as an amendment to the current Budget Resolution, findings for the replenishment of the reserves within a reasonable period not to exceed three budget years. When the City successfully retains a REU amount beyond 25% and an Opportunity Reserve beyond 5% of Adjusted Appropriations for a given budget year the close out of the fiscal year will include the reallocation of reserves over the 30% to two purposes: one half to Capital Reserves and one half to economic development programs. Maintaining the target level funding for the projected fund balance amounts in the next fiscal year will be considered before a transfer of reserves is initiated. The City wants to retain a Stabilization Reserve level between 10% to 25% of revenues in other operating funds for any given budget year. Stabilization Reserves will be set aside each budget year to provide budget stabilization or to fund unanticipated projects deemed necessary. The City Council will approve any fund balance between 10% and 20% of other on-going operating revenues as part of the Annual Budget Resolution. If the level of Stabilization Reserves falls below 10%, the City may over several Fiscal Years restore the level of Reserve to the desirable level of over 10%. These reserves are reported as part of the committed fund balance.

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

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

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

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

As of June 30, 2021, the fund balance details by classification are as follows:

	General Fund	Affordable Housing Special Revenue Fund	Disaster Recovery Fund	Wilton Rancheria MOU Fund	Federal Capital Grant Fund	State Grants Fund	Roadway Fee Capital Projects Fund	Mitigation and Fee Funds	Laguna Ridge CFD 2005-1 Fund	Elk Grove Finance Authority	Elk Grove Finance Authority 2018	Elk Grove Finance Authority 2020	Other Governmental Funds	Total
<b>Fund Balance:</b>														
<b>Nonspendable</b>														
Advance to other funds	\$ 1,544,352	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,544,352
<b>Restricted:</b>														
Affordable housing projects	-	88,409,137	-	-	-	-	-	-	-	-	-	-	847,557	89,256,694
Disaster Recovery	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Wilton Rancheria	-	-	-	2,456,815	-	-	-	-	-	-	-	-	-	2,456,815
CDBG	-	-	-	-	-	-	-	-	-	-	-	-	25,230	25,230
Development services fund	-	-	-	-	-	-	-	-	-	-	-	-	1,818,281	1,818,281
State homeless appropriations	-	-	-	-	-	-	-	-	-	-	-	-	4,296,613	4,296,613
State grants	-	-	-	-	-	-	-	-	-	-	-	-	22,793	22,793
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	4,805,632	4,805,632
Public works maintenance	-	-	-	-	-	-	-	-	-	-	-	-	36,349,791	36,349,791
Agricultural preservation	-	-	-	-	-	-	-	-	-	-	-	-	1,057,172	1,057,172
Swainson's Hawk	-	-	-	-	-	-	-	-	-	-	-	-	4,195,415	4,195,415
Tree mitigation	-	-	-	-	-	-	-	-	-	-	-	-	1,150,991	1,150,991
Library	-	-	-	-	-	-	-	-	-	-	-	-	1,081,807	1,081,807
Donation and Community Programs	-	-	-	-	-	-	-	-	-	-	-	-	29,751	29,751
Performance Bond	-	-	-	-	-	-	-	-	-	-	-	-	1,834	1,834
Capital projects	-	-	-	-	-	-	41,121,146	5,462,846	7,768,907	-	-	-	49,909,691	104,262,590
Debt service	-	-	-	-	-	-	-	-	-	327,715	264,734	699,083	-	1,291,532
Permanent Fund	-	-	-	-	-	-	-	-	-	-	-	-	113,811	113,811
<b>Committed:</b>														
Reserve for economic uncertainty	19,078,595	-	-	-	-	-	-	-	-	-	-	-	-	19,078,595
Opportunity reserves	3,815,719	-	-	-	-	-	-	-	-	-	-	-	-	3,815,719
Capital reserve	15,075,592	-	-	-	-	-	-	-	-	-	-	-	-	15,075,592
Economic development programs	7,886,999	-	-	-	-	-	-	-	-	-	-	-	-	7,886,999
<b>Assigned:</b>														
Appropriation of fund balance	634,036	-	13,445	-	-	-	-	-	-	-	-	-	-	647,481
<b>Unassigned:</b>														
	6,102,376	-	-	-	(1,058,739)	(5,708,499)	-	-	-	-	-	-	(915,324)	(1,580,186)
<b>Total Fund Balances</b>	<b>\$54,137,669</b>	<b>\$88,409,137</b>	<b>\$ 13,445</b>	<b>\$2,456,815</b>	<b>\$(1,058,739)</b>	<b>\$(5,708,499)</b>	<b>\$41,121,146</b>	<b>\$ 5,462,846</b>	<b>\$7,768,907</b>	<b>\$327,715</b>	<b>\$264,734</b>	<b>\$699,083</b>	<b>\$104,791,045</b>	<b>\$ 298,685,304</b>

Note 8: **Interfund Transactions**

Interfund balances as of June 30, 2021, consisted of the following:

**Due From/To Other Funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 120,019
Roadway Fee Fund	State Grant Funds	3,300,495
Roadway Fee Fund	Laguna Ridge CFD 2005-1 Fund	980,686
Roadway Fee Fund	Federal Capital Grant Funds	705,925
		<u>\$ 5,107,125</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.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

**Advances From/To Other Funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 1,544,352
Other Governmental Funds	Mitigation and Fee Fund	5,000,000
Roadway Fee Fund	Other Governmental Funds	614
		\$ 6,544,966

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 \$1,544,352 is reflected as an advance from other funds in the Street Lighting Maintenance District Funds Zones. There are 5 years remaining with variable interest rate, tied to the Local Agency Investment Fund (LAIF) investment earning. The advance is due August 28, 2025.

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

Interfund transfers as of June 30, 2021, consisted of the following:

Transfer From	Transfer To	Amount	Purpose
General Fund	EG Finance Authority Debt Service fund	\$ 439,971	Debt Service
	EG Finance Authority 2018 Debt Service Fund	1,126,524	Debt Service
	EG Finance Authority 2020 Debt Service Fund	160,000	Debt Service
	Recycling and Waste Funds	50,000	Cost Recovery
	Other Governmental Funds	42,744	Adjustment
		1,819,239	
Laguna Ridge CFD 2005-1 Fund	General Fund	3,021,362	Cost Recovery
	EG Finance Authority 2020 Debt Service Fund	175,000	Debt Service
		3,196,362	
Roadway Fee Fund	General Fund	587,438	Cost Recovery
Mitigation and Fee Fund	General Fund	222,240	Cost Recovery
EG Finance Authority 2020 Debt	Other Governmental Funds	9,732,078	Cost Recovery
Other Governmental Funds	General Fund	3,696,241	Cost Recovery
	General Fund	3,660,000	Police Funding
	EG Finance Authority Debt Service Fund	84,942	Debt Service
	EG Finance Authority 2020 Debt Service Fund	175,000	Debt Service
	EG Finance Authority 2018 Debt Service Fund	409,654	Debt Service
		8,025,837	



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Recycling and Waste Fund	General Fund	548,877	Cost Recovery
	EGFinance Authority Debt Service Fund	12,612	Debt Service
		<u>561,489</u>	
Transit Fund	General Fund	1,116,204	Cost Recovery
	EGFinance Authority Debt Service Fund	20,360	Debt Service
		<u>1,136,564</u>	
Drainage Fund	General Fund	517,517	Cost Recovery
	EGFinance Authority Debt Service Fund	7,151	Debt Service
		<u>524,668</u>	
Internal Service Funds	General Fund	662,706	Cost Recovery
	EGFinance Authority Debt Service Fund	19,616	Debt Service
		<u>682,322</u>	
		<u>\$ 26,488,237</u>	

**Note 9: Excess Expenditures Over Appropriations**

For the year ended June 30, 2021, the following budgetary units had expenditures that exceeded appropriations:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Over</u>
<b>Special Revenue Fund:</b>			
BSCC Local Police Grant Fund	\$ 43,126	\$ 75,954	\$ (32,828)
CA Law Enforcement Equipment Fund	252,431	311,668	(59,237)
SB1 Streets and Roads Fund	3,660,967	3,670,952	(9,985)
Performance Bond Fund	-	2,149	(2,149)
Wilton Rancheria MOU Fund	-	117	(117)
<b>Capital Project Fund:</b>			
Lakeside Service Area Fund	\$ 50	\$ 64	\$ (14)

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

**Note 10: Deficit Fund Balances**

As of June 30, 2021, the following funds had deficit fund balances. The deficits occurred because expenditures exceeded revenues. The City expects that future funding will reduce the deficits.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

<u>Fund</u>	<u>Deficit</u>	
<b>Special Revenue:</b>		
Tire Collection & Disposal Grant Fund	\$ 18,900	Result of timing difference between expenditures and the receipt of Grant funding.
Local Police Grants Fund	8,937	Result of timing difference between expenditures and the receipt of Grant funding.
Street Lighting Maintenance District Funds	837,016	Result of interfund loan for LED street light replacement
<b>Capital Projects:</b>		
Federal Capital Grants Fund	1,058,739	Result of timing difference between expenditures and the receipt of Grant funding.
State Grants Fund	5,708,499	Result of timing difference between expenditures and the receipt of Grant funding.
LTF Bike and Pedestrian Fund	49,857	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 an agent-multiple employer defined benefit plan providing a health insurance premium rate subsidy administered by California Public Employees Retirement System (CalPERS) on behalf of the City (the Health Insurance Rate Subsidy Plan).

**Eligibility and Benefit Information of the HRA Plan**

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

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

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

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.

<b>Employee Age</b>	<b>Employee Contribution</b>	<b>Employer Contribution</b>
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 \$360,953. Employer contributions of \$857,280 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 with Public Agency Retirement Services (PARS), an agent multiple-employer trust, for the City's Health Insurance Rate Subsidy Plan. The fiscal year 20-2021 Budget programmed \$27.50 per employee per pay period as planned funding for the existing plan's liability. The current rate subsidy is \$143 per eligible retiree per month. PARS issues a financial report that includes

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

financial statements and required supplementary information. That report may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

### Funding Policies

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

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

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

*Plan Membership* – As of the June 30, 2021 actuarial valuation date, membership in the Plans consisted of the following;

	HRA Plan	Rate Subsidy Plan
Retirees and beneficiaries receiving benefits	46	29
Terminated plan members entitled to, but not yet receiving benefits	-	-
Active plan members	10	375
Total Number of Participants	<u>56</u>	<u>404</u>

*Investment Policy* – PARS and MissionSquare offer different investment portfolios as part of the investment vehicle. The investments held as of June 30, 2021 for the ICMA Trust are included in Note 2.

*Rate of Return* - For the year ended June 30, 2021, the annual money-weighted rate of return on investments, net of investment expense, was 14.75% for the HRA Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Changes in Net OPEB Liability (Asset)* – The components of the changes in the net OPEB liability (asset) for each plan for the year ended at June 30, 2021, were as follows:

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

<b>HRA Plan</b>	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balance at June 30, 2020	\$ 5,244,107	\$ 3,774,853	\$ 1,469,254
Changes Recognized for the Measurement Period:			
Service Cost	51,906	-	51,906
Interest on the total OPEB liability	294,610	-	294,610
Changes in benefit terms	-	-	-
Differences between expected and actual experience	13,576	-	13,576
Changes of assumptions	122,144	-	122,144
Employer Contributions	-	600,000	(600,000)
Actual Investment Income	-	224,344	(224,344)
Investment Gains/Losses	-	358,163	(358,163)
Administrative expenses	-	(18,986)	18,986
Benefit payments	(394,720)	(394,720)	-
Net changes	87,516	768,801	(681,285)
Balance at June 30, 2021	\$ 5,331,623	\$ 4,543,654	\$ 787,969

<b>Rate Subsidy Plan</b>	<b>Increase (Decrease)</b>		
	<b>Total OPEB Liability</b>	<b>Plan Fiduciary Net Position</b>	<b>Net OPEB Liability/(Asset)</b>
	<b>(a)</b>	<b>(b)</b>	<b>(a) - (b)</b>
Balance at June 30, 2020	\$ 12,548,478	\$ 3,823,060	\$ 8,725,419
Changes Recognized for the Measurement Period:			
Service Cost	921,273	-	921,273
Interest on the total OPEB liability	768,086	-	768,086
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(20,384)	-	(20,384)
Changes of assumptions	2,340,668	-	2,340,668
Employer Contributions	-	594,978	(594,978)
Actual Investment Income	-	234,619	(234,619)
Investment Gains/Losses	-	557,100	(557,100)
Administrative expenses	-	(25,484)	25,484
Benefit payments	(394,978)	(394,978)	-
Net changes	3,614,665	966,235	2,648,430
Balance at June 30, 2021	\$ 16,163,143	\$ 4,789,295	\$ 11,373,849

*Actuarial Assumptions* - The total OPEB liabilities for the HRA Plan and Rate Subsidy Plan were measured as of June 30, 2021, using actuarial valuations as of June 30, 2020, rolled forward to June 30, 2021 using standard update procedures. The valuations used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

	HRA Plan	Rate Subsidy Plan
Inflation	2.50%	2.50%
Salary Increases	2.75%	2.75%
Investment Rate of Return	5.55%, net of OPEB plan investment expenses	4.65%, net of OPEB plan investment expenses
Healthcare Cost Trend Rates	4.00%	4.00%
Mortality Tables	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous Employees	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous Employees

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2021 are summarized in the following table:

Asset Class	HRA Plan		Rate Subsidy Plan	
	Percentage of Portfolio	Assumed Gross Rate of Return	Percentage of Portfolio	Assumed Gross Rate of Return
Equities	40%	7.250%		
Fixed income	60%	4.250%		
All US Domestic Stock			50%	7.250%
Long-Term Corporate Bonds			50%	4.250%

*Discount rate* - The discount rates used to measure the total OPEB liabilities as of June 30, 2021 were 5.55% and 4.65% 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:

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

	<b>HRA Plan</b>		
	1% Decrease	Discount Rate	1% Increase
	4.55%	5.55%	6.55%
Net OPEB Liability (Asset)	\$ 1,296,820	\$ 787,969	\$ 343,530

	<b>Rate Subsidy Plan</b>		
	1% Decrease	Discount Rate	1% Increase
	3.65%	4.65%	5.65%
Net OPEB Liability (Asset)	\$ 13,352,752	\$ 11,373,849	\$ 9,574,846

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

	<b>HRA Plan</b>		
	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ 787,969	\$ 787,969	\$ 787,969

	<b>Rate Subsidy Plan</b>		
	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ 9,019,516	\$ 11,373,849	\$ 14,632,334

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* - For the year ended June 30, 2021, the City recognized OPEB expense of \$208,253 for the HRA Plan and \$2,078,496 for the Rate Subsidy Plan. At June 30, 2021, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

<b>HRA Plan</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on plan investments	2,875	(305,626)
Total	<u>\$ 2,875</u>	<u>\$ (305,626)</u>

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

<b>Rate Subsidy Plan</b>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between actual and expected experience	\$ -	\$ (330,709)
Changes of assumptions	10,211,251	-
Net differences between projected and actual earnings on plan investments	27,227	(459,200)
Total	<u>\$ 10,238,478</u>	<u>\$ (789,909)</u>
 <b>Total Both Plans</b>	 <b><u>\$ 10,241,353</u></b>	 <b><u>\$ (1,095,535)</u></b>

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	<u>Annual Amortization</u>		
	<u>HRA Plan</u>	<u>Rate Subsidy Plan</u>	<u>Total</u>
2022	\$ (78,042)	\$ 584,831	\$ 506,789
2023	(80,917)	582,777	501,860
2024	(72,161)	589,537	517,376
2025	(71,631)	581,146	509,515
2026	-	692,566	692,566
Thereafter	-	6,417,712	6,417,712

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

The implicit rate subsidy drastically increased the total Rate Subsidy plan Net OPEB Liability since the City has a high proportion of safety employees/retirees to miscellaneous employees/retirees. Safety employees tend to retire earlier, which means more time spent retired as a pre-65 retiree during which the implied subsidy applies. The average annual premium for a retired pre-Medicare police officer should be around \$33,000, while the active employees' premium is \$16,000 per year, the difference between the retiree actual premium rate and the active employees' rate of \$17,000 creates the implied subsidy. There is no expectation that the trust would ever need or be required to fund the implicit subsidy amount.



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

The City’s OPEB Trust account with PARS is not designed and would not fund the implied subsidy for a retiree. Therefore, the City is presenting comparison tables to demonstrate the balances if the implied subsidy was not included in the Net OPEB Liability calculation and balances after considering the implied rate subsidy.

**Including Implied Rate Subsidy**

	<b>TOL</b>	<b>FNP</b>	<b>NOL</b>
<b>Balance at June 30, 2020 Measurement Date</b>	<b>\$ 12,548,479</b>	<b>\$ 3,823,060</b>	<b>\$ 8,725,419</b>
Service cost	921,273	-	921,273
Interest on TOL/Return on FNP	768,086	557,100	210,986
Employer Contributions	-	594,978	(594,978)
Benefit Payments	(394,978)	(394,978)	-
Administrative Expenses	-	(25,484)	25,484
Experience (Gains)/Losses	(20,384)	-	(20,384)
Actual Investment Income	-	234,619	(234,619)
Changes in Assumptions	2,340,668	-	2,340,668
Net Changes during 2020-21	3,614,665	966,235	2,648,430
<b>Actual Balance at June 30, 2021 Measurement Date</b>	<b>\$ 16,163,144</b>	<b>\$ 4,789,295</b>	<b>\$ 11,373,849</b>

Funded Status 30%

**Without Implied Rate Subsidy**

	<b>TOL</b>	<b>FNP</b>	<b>NOL</b>
<b>Balance at June 30, 2020 Measurement Date</b>	<b>\$ 3,386,335</b>	<b>\$ 3,823,060</b>	<b>\$ (436,725)</b>
Service cost	921,273	-	921,273
Interest on TOL/Return on FNP	768,086	557,100	210,986
Employer Contributions	-	594,978	(594,978)
Benefit Payments	(394,978)	(394,978)	-
Administrative Expenses	-	(25,484)	25,484
Experience (Gains)/Losses	(20,384)	-	(20,384)
Actual Investment Income	-	234,619	(234,619)
Changes in Assumptions	-	-	-
Net Changes during 2020-21	1,273,997	966,235	307,762
<b>Actual Balance at June 30, 2021 Measurement Date</b>	<b>\$ 4,660,332</b>	<b>\$ 4,789,295</b>	<b>\$ (128,963)</b>

Funded Status 103%

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

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

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 PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

Employer rate plan	<b>Employer Rate Plans in the Miscellaneous Risk Pool</b>		
	<b>Classic Miscellaneous</b>	<b>Miscellaneous Second Tier</b>	<b>PEPRA Miscellaneous</b>
Hire date	Prior to August 12, 2012	On or after August 12, 2012*	On or after January 1, 2013*
Benefit formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as of % of eligible compensation	2.0% to 2.7%	1.426% - 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	14.194%	11.031%	7.732%
Requires UAL contribution	\$ 489,953	\$ 22,322	\$ 12,039

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

	<b>Employer Rate Plans in the Safety Risk Pool</b>		
	<b>Safety Police Classic</b>	<b>Safety Police Second Tier</b>	<b>PEPRA Safety Police</b>
	Prior to	On or after	On or after
Hire date	August 12, 2012	August 12, 2012*	January 1, 2013*
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as of % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	13.00%
Required employer contribution rates	23.674%	21.746%	13.044%
Required UAL contribution	\$ 792,402	\$ 12,057	\$ 12,219

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

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded accrued liability (UAL). The dollar amount can be paid in a lump sum at a discounted amount or is billed on a monthly basis. The City’s required contribution for the unfunded liability was \$1,340,992 in fiscal year 2021, as shown in the table above.

**Contributions**

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS’ annual 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, 2021 were:

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

---

	<b>Contributions</b>
Legally required	\$ 6,271,938
Additional contributions	<u>1,735,712</u>
Total contributions	<u><u>\$ 8,007,650</u></u>

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

As of June 30, 2021, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$16,197,858.

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, 2020, 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, 2019 rolled forward to June 30, 2020 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, 2019 and 2020 was as follows:

	<u><b>Plan</b></u>
Proportion - June 30, 2019	0.14374%
Proportion - June 30, 2020	<u>0.14887%</u>
Change - increase (decrease)	<u><u>0.00513%</u></u>

For the year ended June 30, 2021, the City recognized pension expense of \$10,358,969. At June 30, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 8,007,650	\$ -
Changes in assumptions	-	(61,625)
Differences between expected and actual experience	1,203,577	-
Changes in proportion and differences between the City's contributions and the City's proportionate share of contributions	4,001,566	(1,364,883)
Net differences between projected and actual earnings on plan investments	368,133	-
Total	<u>\$ 13,580,926</u>	<u>\$ (1,426,508)</u>

\$8,007,650 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2022	\$ 1,942,180
2023	1,271,521
2024	749,895
2025	183,172
Total	<u>\$ 4,146,768</u>

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	<b>Miscellaneous</b>	<b>Safety</b>
Valuation Date	June 30, 2019	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2020
Actuarial Cost Method	Entry-Age Normal	Entry-Age Normal
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1)	7.15% (1)
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (2)	Derived using CalPERS' Membership Data for all Funds (2)
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

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

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 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.

**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

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

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

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

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

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

<u>Asset Class (a)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10<sup>(b)</sup></u>	<u>Real Return Years 11+<sup>(c)</sup></u>
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	<u>100%</u>		

(a) In the CalPERS Comprehensive Annual Financial Report, Fixed income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt 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, 2021

**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:

	<b>Discount Rate –1% (6.15%)</b>	<b>Current Discount Rate (7.15%)</b>	<b>Discount Rate +1% (8.15%)</b>
City’s proportionate share of the net pension liability	\$ 36,535,830	\$ 16,197,858	\$ (536,824)
<b>Pension Plan Fiduciary Net Position</b>			

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%, 5% or 6% of the covered payroll as a benefit under Internal Revenue Code Section 401(a). For fiscal year 2020-21 the City’s matching contribution was \$1,087,535.

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, 2021

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

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

Complete financial information for PRISM is available on their website [www.prismrisk.gov](http://www.prismrisk.gov) and at the following address:

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

The City’s deductibles and maximum coverage follows:

	Self- Insured Retention	Limit Per Occurrence	Aggregate
General Liability Coverage	\$ 50,000	\$ 50,000,000	\$ 50,000,000
Property Coverage			
All Risk	5,000	600,000,000	600,000,000
Auto	10,000	25,000,000	600,000,000
Buses	100,000	25,000,000	600,000,000
Crime Coverage	2,500	5,000,000	5,000,000
Pollution Coverage	75,000	10,000,000	50,000,000
Cyber Liability Coverage	50,000	12,000,000	12,000,000
Fiduciary Liability	25,000	2,000,000	2,000,000

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

Changes in the reported liability resulted from the following:

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

	<u>General Liability</u>
Liability at June 30, 2019	\$ 397,000
Claims and changes in estimates	<u>(157,659)</u>
Liability at June 30, 2020	\$ 239,341
Claims and changes in estimates	<u>332,659</u>
Liability at June 30, 2021	<u>\$ 572,000</u>

### Crime Coverage

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

### Fiduciary Coverage

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

### 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

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2021

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

Activity for the City's banking layer administered by NCCSIF for the year ended June 30, 2021 is as follows:

	<u>Balance</u>	<u>Deposits &amp;</u>	<u>Investment</u>	<u>Claims</u>	<u>Claims</u>	<u>Balance</u>
	<u>6/30/2020</u>	<u>other Income</u>	<u>Income &amp;</u>	<u>Paid Net of</u>	<u>Admin. &amp;</u>	<u>6/30/2021</u>
			<u>FMV Change</u>	<u>Refunds</u>	<u>Other Exp</u>	
Worker's Compensation	\$ 567,889	\$ 978,030	\$ 4,269	\$ (699,110)	\$ (65,706)	\$ 785,372

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, 2021. The balances owed on the existing construction and acquisition commitments were \$38,965,220 at June 30, 2021.

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, 2022 through June 30, 2026:

<u>Year</u>	<u>Fiscal Year</u>	<u>County</u>	<u>City</u>
		<u>Share</u>	<u>Share</u>
22	2021/2022	40%	60%
23	2022/2023	30%	70%

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

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 \$5,648,413 during the fiscal year ended June 30, 2021.

### **The Ridge EG East, LP Tax Incentive**

On April 12, 2017 City Council adopted a resolution authorizing the City Manager to execute an Economic Development Incentive Agreement with a developer. The total amount of the incentive relating to the construction of Costco is \$8,000,000 at a present value with a 6% annual discount rate. As of June 30, 2021, the City has paid \$1,427,471 with a present value of \$1,322,054. 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, 2021, the City has paid a total of \$1,427,471 of this incentive.

### **Fee Credits**

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

#### Elk Grove Roadway Fee Program (Fund 328)

- \$11,488,167 in earned fee credits
- \$486,165 in unearned fee credits

#### LRSP Supplemental Park Fee – Land Acquisition (Fund 331)

- \$320,501 in earned fee credits
- \$236,817 in unearned fee credits

#### SEPA Drainage North Sub-Shed (Fund 373)

- \$428,365 in earned fee credits

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

#### SEPA Drainage Sub-Shed Basin S6 (Fund 376)

- \$559,693 in earned fee credits

#### SEPA Channel Facilities Fee (Fund 371)

- \$1,313,826 in earned fee credits

#### SEPA Park Facilities Fee (Fund 356)

- \$332,071 in earned fee credits

#### SEPA Trail Facilities Fee (Fund 357)

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

#### SEPA Trail Land Fee (Fund 358)

- \$390,963 in earned fee credits

### **Sterling Meadows**

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

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

The project, as currently approved, allows for the development of up to 1,033 residential dwelling units, including 833 lots proposed for single-family development and one 10.8-acre lot intended to accommodate up to 200 multi-family units. As of June 30, 2020, 526 single-family building permits have been issued. In addition, the currently approved project allows for two park sites totaling approximately 18.5 acres, a detention basin of approximately 13.3 acres, and approximately 4.8 acres of parkways.

Site improvements and residential construction are on-going.

## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2021

---

### **The Preserve at District56 and Pedestrian Trails**

The City has been developing a 56-acre site formerly called the Civic Center in Laguna Ridge for a variety of years. This 56-acre site includes the Aquatics Center and Commons, Community & Senior Center, Veteran's Hall and Veteran's Grove, dancing fountain, public art, and future home of the District56 Library and Cultural Arts Center. The remaining 30 acres on the south side of the property has been designated for the Preserve at District56 as a passive recreational site with expansion of the west and east parking lots. The Preserve will include a beautiful pond which will serve as a focal point of the space. Boardwalks and meandering walkways which will entice visitors to explore the space and lead to a new fitness court, group picnic area, and children's play area. The project will enhance the great lawn just south of the Aquatics Center and add a kinetic sculpture to the public art sprinkled throughout District56. This project started construction in summer 2020 and the grand opening was held on November 6, 2021.

### **Wilton Rancheria**

On March 9, 2021, the Wilton Rancheria Tribe hosted a groundbreaking ceremony for Sky River Casino. This project started construction in early April of 2021. The casino will open in late 2022.

The 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.

### **American Rescue Plan Act of 2021 (Rescue Plan)**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (Rescue Plan) into law. The \$1.9 trillion package is intended to combat the COVID-19 pandemic, including public health and economic impacts. The Rescue Plan provides \$350 billion (of the \$1.9 trillion) in emergency funding for state, local, territorial, and tribal governments to address the impact of the pandemic on government services. Of the \$350 billion, \$130 billion is specifically for local governments. This is the first and only direct allocation provided to local governments to address the impact on government services, including revenue loss. Eligible uses for the funding are established and described in the Interim Final Rule issued by the U.S. Department of Treasury the City of Elk Grove is scheduled to receive a total of \$21,944,605 over two years. The City received the first tranche of \$10,972,303 in June 2021.

At the July 28, 2021, City Council meeting, staff presented a recommended funding allocation plan for the total of the two Rescue Plan funding installments. Council approved the first year's allocations as proposed, but postponed direction on the second year to give staff more time to determine how a portion of those funds should be allocated.

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2021

---

## **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**

### **Annexation Agreement with the Sacramento Regional Transit District**

On April 14, 2021, the City Council approved the Annexation Agreement with the Sacramento Regional Transit District (SacRT) to annex the City's transit services and all operational, maintenance and administrative functions into SacRT and also a License Agreement with SacRT authorizing SacRT's use of the City's Corporation Yard for a period of eight years following the effective date of annexation in order for SacRT to fully implement and maintain transit services in Elk Grove following annexation. The effective date of annexation commenced on July 1, 2021. SacRT will be solely responsible for the administrative oversight and implementation of all fixed-route transit and ADA paratransit service (e-tran and e-van) operations, transit asset maintenance and replacement, route/schedule planning, customer service, operating and capital funding acquisition, and required financial management duties provided for the City of Elk Grove. The City's local and administrative control over transit service planning and funding will cease with some exceptions, as defined by the terms of the Annexation Agreement.

SacRT will retain all fares collected on the e-tran and e-van services. SacRT cannot modify the fare structure for the City's routes/services within the first six months following annexation. After this six-month period, SacRT may modify the fare structure and media pursuant to the terms established in the Annexation Agreement.

All City-owned transit buses, support vehicles, equipment, tools/spare parts, bus stop signage and bus shelter assets will transition to SacRT's ownership/liability and SacRT will be responsible for all maintenance, replacement, and cleaning duties associated with those assets. Additionally, SacRT will be responsible for the oversight and costs associated with branding the City's buses, bus stop signage, and shelter assets in order to bring them into conformity with SacRT's existing transit network and vehicle assets.

### **Purchase and Sale Agreement with Kubota North America Corporation**

In September 2021, the City sold approximately 45 acres of city-owned property at 10251 Grant Line Road to Grapevine, Texas-based Kubota Tractor Corporation, a subsidiary of Japan-based Kubota Corporation. On September 8, 2021, the City Council unanimously approved a purchase and sale agreement that paves the way for Kubota to start construction on a 630,000 square foot Western Distribution Center. Kubota, a publicly traded multinational manufacturer of tractors and heavy equipment for the construction and agricultural industries, will build only its fifth such US facility in Elk Grove. The project will be Kubota's hub for western states distribution of its products as well as home to the company's western division offices and "Kubota University," a training and education facility. The \$60 million project will generate more than 125 permanent

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2021

---

jobs and approximately 400 temporary construction jobs. The company is targeting a spring 2022 opening.

#### **Elk Grove Finance Authority Series 2010 Lease Revenue Bonds Payoff**

On December 8, 2010, the City Council adopted Resolution No. 2010-278 and the Elk Grove Finance Authority adopted Resolution No. FA2010-3 authorizing the issuance and sale of lease revenue bonds to acquire property and construct the Elk Grove Special Waste Collection Center (SWCC). On December 15, 2010, the Elk Grove Finance Authority issued the Elk Grove Finance Authority Series 2010 Lease Revenue Bonds (the “Bonds”) in the original principal amount of \$10,715,000, which are federally taxable as Recovery Zone Economic Development Bonds. In connection with the bonds, the City entered a lease-leaseback transaction with the Elk Grove Finance Authority. The bonds were amortized with semi-annual debt service payments beginning September 1, 2011 and ending March 1, 2040. Principal payments have been paid on March 1st of each year, while interest payments have been paid semi-annually on March 1st and September 1st. The opportunity to pay off the outstanding bonds was available because call protections expired on March 1, 2020. Additionally, City Council adopted Resolution No. 2021-147 on May 26, 2021, which did not utilize the fund balance in the Special Waste Collection Center Fund (Fund 506) to meet SB 1383’s new organic waste collection and processing requirements. The current balance in Fund 506 was sufficient to pay off the bonds in full, resulting in substantial interest savings over the remaining term of the outstanding bonds. The Fund still retains a sufficient reserve to cover additional demand/capacity needs, unanticipated repairs/maintenance, or other unknown circumstances. The current outstanding bonds totaled approximately \$8.4 million. The final subsidy, reserve fund, prior bond fund, interest account, and principal account was used to offset the outstanding debt, at which time the lease/leaseback arrangement expired. In total, these sources offset approximately \$1.1 million of the outstanding debt, with the remaining \$7.3 million paid from the Special Waste Collection Center Fund, which is a component of the Recycling and Waste Enterprise Fund. The Bonds were repaid August 26, 2021.

#### **Sacramento Zoological Society and City of Elk Grove Enter into Exclusive Negotiating Agreement to evaluate relocating Sacramento Zoo to Elk Grove**

In September 2021, the Sacramento Zoological Society and the City of Elk Grove entered into an Exclusive Negotiating Agreement today to evaluate relocating the Sacramento Zoo to Elk Grove. Over the next six months, the City and the Zoological Society will explore the feasibility of the zoo’s relocation and expansion and negotiate an agreement providing for construction of the new zoo on undeveloped land in south Elk Grove. The Zoological Society and Elk Grove officials say that if discussions are successful and an agreement is reached, the new zoo would be located in South Elk Grove in the Kammerer Urban Design Study Area, part of the city’s Southeast Policy Area. The site is an approximately 60-acre northern portion of a 98-acre parcel located at the northwest intersection of Kammerer Road and Lotz Parkway. The site’s current zoning allows for a zoological park with approval by the city of a use permit. The City of Elk Grove recently secured an option to purchase the property from developer Kamilos Companies, which it would exercise if discussions with the Zoological Society result in an agreement.



## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2021

---

### **Reduction of CalPERS Discount Rate**

In July 2021, CalPERS reported a preliminary 21.3% net return on investments for the 12-month period that ended June 30, 2021. Under the Funding Risk Mitigation Policy, approved by the CalPERS Board of Administration in 2015, the 21.3% net return will trigger a reduction in the discount rate used to calculate employer and Public Employees' Pension Reform Act (PEPRA) member contributions. The Funding Risk Mitigation Policy seeks to reduce CalPERS funding risk over time, in which CalPERS investment performance that significantly outperforms the discount rate will trigger adjustments to the discount rate, expected investment return, and strategic asset allocation targets. This is the first time it has been triggered. The discount rate, or assumed rate of return, will drop to 6.8%, from its current level of 7%.

Based on these preliminary fiscal year returns, the CalPERS has announced the funded status of the overall Public Employees Retirement Fund (PERF) is an estimated 82%. This estimate is based on a 7% discount rate. Under the new 6.8% discount rate, however, CalPERS indicated the funded status of the overall PERF drops to 80%. This is because existing assets are assumed to grow at a slightly slower rate annually into the future. As intended under the Funding Risk Mitigation Policy, the lower discount rate increases the likelihood that CalPERS can reach its target over the longer term. The CalPERS Board of Administration will continue to review the discount rate through its Asset Liability Management process during the rest of the calendar year.

CalPERS' final fiscal year 2021 investment performance will be calculated based on audited figures and will be reflected in contribution levels for contracting cities, counties, and special districts in fiscal year 2024.

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

In January 2017 the Governmental Accounting Standards Board's (GASB) issued Statement 84, which changed the characteristics that should be considered in determining whether an activity is a fiduciary activity. As a result, the City determined that the activities of the HRA OPEB Plan should no longer be reported in the Retirement health Trust Fund, since the City does not have control of the assets of the PARS OPEB Plan as a whole. Therefore, the beginning net position of the Retirement Health Trust Fund was reduced and restated in the amount of \$3,823,060, as of July 1, 2020.

Under the provisions of Statement 84, the City converted the Trust and Agency and Donations (Community Programs) funds, previously reported as Agency Funds, to the Special Revenue Funds category. Therefore, beginning net position of those funds has been increased and restated in the amounts of \$3,190 and \$17,458, respectively, for a total restatement of \$20,648, as of July 1, 2020.

The Unclaimed Payments Fund previously reported as an Agency Fund was moved to the General Fund, therefore beginning fund balance was increased and restated in the amount of \$4,670.

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

Additionally, the City converted the Community Services District and Sacramento County, Elk Grove Employee Sunshine, CFD 205-1 Laguna Ridge, CFD 2002-1 East Franklin, CFD 2003-1 Poppy Ridge, and Elk Grove PD Property and Evidence funds previously reported as Agency Funds to Custodial Funds. Therefore, beginning net position of those funds has been increased and restated in the amounts of \$27,523, \$48,421, \$15,978,934, \$3,418,406, \$1,615,782, and \$0, respectively, for a total restatement of \$21,089,066, as of July 1, 2020.

Finally, the City converted the Laguna Springs Open Space Preserve Fund to a Permanent fund and increased and restated the beginning fund balance in the amount of \$91,729, as of July 1, 2020.

### Note 18: **Future GASB Pronouncements**

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 June 15, 2021.

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

In January 2020 the GASB approved Statement No. 92 *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics and includes specific provisions about the effective date of Statement No. 87, *Leases*, and Implementation Guide No. 2019-3, *Leases*, for interim financial report. Reporting of intra-entity transfers of assets between a primary government employer and a component unit defined benefit pension plan or defined benefit other postemployment benefit

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

(OPEB) plan. The applicability of Statements No. 73, Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68, as amended, and No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, as amended, to reporting assets accumulated for postemployment benefits. The applicability of certain requirements of Statement No. 84, Fiduciary Activities, to postemployment benefit arrangements. Measurement of liabilities (and assets, if any) related to asset retirement obligations (AROs) in a government acquisition. Reporting by public entity risk pools for amounts that are recoverable from reinsurers or excess insurers. Reference to nonrecurring fair value measurements of assets or liabilities in authoritative literature. Terminology used to refer to derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

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

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

In June 2020 the GASB approved Statement No. 97 *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in

# CITY OF ELK GROVE

## Notes to Financial Statements June 30, 2021

---

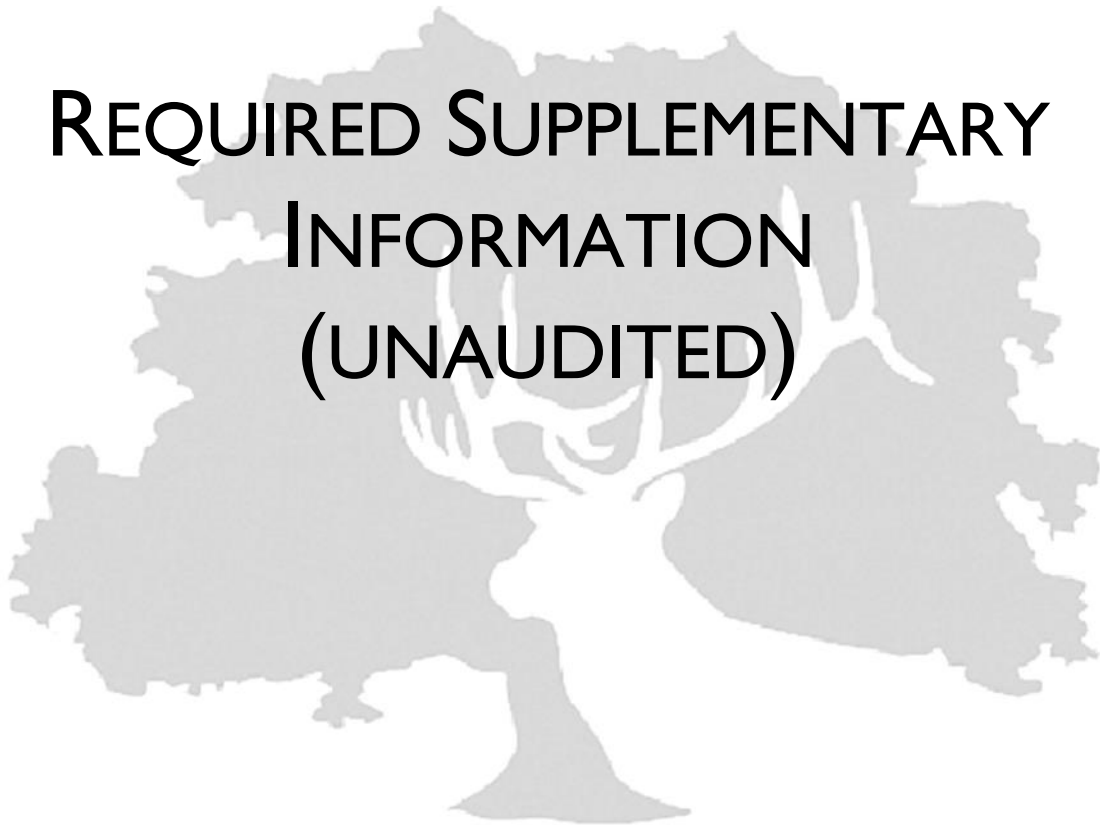
circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. Certain provisions of the Statement are effective upon issuance in June 2020, but did not have a material effect on the City's financial statements and application of the remaining provisions of Statement No. 97 are effective for periods beginning after June 15, 2021.

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2021

---

### REQUIRED SUPPLEMENTARY INFORMATION (UNAUDITED)





**CITY OF ELK GROVE**

Budgetary Comparison Schedule  
General Fund

For the Year Ended June 30, 2021

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 27,860,759	\$ 27,860,759	\$ 29,511,750	\$ 1,650,991
Sales and use tax	24,855,446	30,496,510	34,975,729	4,479,219
Utility users' tax	6,343,000	6,343,000	6,168,692	(174,308)
Transient occupancy tax	1,713,939	1,713,939	1,433,720	(280,219)
Property transfer tax	986,000	986,000	1,046,614	60,614
Franchise tax	2,379,500	2,379,500	2,656,368	276,868
Licenses, fees and permits	1,153,887	1,739,887	2,125,717	385,830
Intergovernmental	523,000	8,459,498	2,856,355	(5,603,143)
Fines and forfeitures	766,096	766,096	909,033	142,937
Charges for services	95,000	95,000	73,295	(21,705)
Use of money and property	857,516	857,516	1,626,041	768,525
Other revenue	746,038	1,032,428	1,263,996	231,568
Total Revenues	<u>68,280,181</u>	<u>82,730,133</u>	<u>84,647,310</u>	<u>1,917,177</u>
<b>EXPENDITURES</b>				
General Government:				
City Council	505,391	505,391	413,427	91,964
Planning Commission	9,883	9,883	6,539	3,344
Planning	157,139	157,139	157,695	(556)
Economic Development	4,060,710	4,510,770	1,841,997	2,668,773
City Manager	4,485,386	4,675,185	3,857,327	817,858
City Attorney	1,658,266	1,710,366	1,597,452	112,914
City Clerk	845,530	845,530	809,003	36,527
Finance	3,396,502	3,398,267	3,227,344	170,923
Human Resources	1,272,618	1,272,618	1,201,602	71,016
Public Works	5,654,089	6,258,916	5,540,644	718,272
Other - Non-Departmental	1,321,504	8,059,247	7,927,822	131,425
Revenue Neutrality	5,508,958	5,508,958	5,648,413	(139,455)
Total General Government	<u>28,875,976</u>	<u>36,912,270</u>	<u>32,229,265</u>	<u>4,683,005</u>
Public Safety:				
Law Enforcement	49,546,621	49,593,291	48,169,370	1,423,921
Total Public Safety	<u>49,546,621</u>	<u>49,593,291</u>	<u>48,169,370</u>	<u>1,423,921</u>
Community Development				
Code Enforcement	1,431,129	1,433,407	1,284,707	148,700
Community Grants	391,467	641,619	567,017	74,602
Total Community Development	<u>1,822,596</u>	<u>2,075,026</u>	<u>1,851,724</u>	<u>223,302</u>
Capital Outlay	6,713,950	6,848,323	6,594,030	254,293
Total Expenditures	<u>86,959,143</u>	<u>95,428,910</u>	<u>88,844,389</u>	<u>6,584,521</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(18,678,962)</u>	<u>(12,698,777)</u>	<u>(4,197,079)</u>	<u>8,501,698</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	14,890,573	14,032,585	14,032,585	(0)
Transfers out	(3,421,661)	(1,819,239)	(1,819,239)	0
Total Other Financing Sources (Uses)	<u>11,468,912</u>	<u>12,213,346</u>	<u>12,213,346</u>	<u>(0)</u>
<b>Net Change in Fund Balance</b>	<u>(7,210,050)</u>	<u>(485,431)</u>	<u>8,016,267</u>	<u>8,501,698</u>
Fund Balance, Beginning, as restated	<u>46,121,402</u>	<u>46,121,402</u>	<u>46,121,402</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 38,911,352</u>	<u>\$ 45,635,971</u>	<u>\$ 54,137,669</u>	<u>\$ 8,501,698</u>

**CITY OF ELK GROVE**

Major Special Revenue Fund  
 Budgetary Comparison Schedule  
 Affordable Housing Fund  
 For the Year Ended June 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses, fees and permits	\$ 3,302,238	\$ 3,302,238	\$ 3,986,369	\$ 684,131
Intergovernmental	-	-	19,298	19,298
Use of money and property	305,122	305,122	347,713	42,591
<b>Total Revenues</b>	<u>3,607,360</u>	<u>3,607,360</u>	<u>4,353,380</u>	<u>746,020</u>
<b>Expenditures:</b>				
Current:				
Community development	12,651,962	12,651,962	1,228,595	11,423,367
<b>Total Expenditures</b>	<u>12,651,962</u>	<u>12,651,962</u>	<u>1,228,595</u>	<u>11,423,367</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,044,602)</u>	<u>(9,044,602)</u>	<u>3,124,785</u>	<u>12,169,387</u>
<b>Net Change in Fund Balance</b>	(9,044,602)	(9,044,602)	3,124,785	12,169,387
Fund Balance, Beginning	85,284,352	85,284,352	85,284,352	-
Fund Balance, Ending	<u>\$ 76,239,750</u>	<u>\$ 76,239,750</u>	<u>\$ 88,409,137</u>	<u>\$ 12,169,387</u>



**CITY OF ELK GROVE**

Major Special Revenue Fund  
 Budgetary Comparison Schedule  
 Disaster Recovery Fund  
 For the Year Ended June 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Use of money and property	\$ -	\$ -	\$ 13,445	\$ 13,445
Total Revenues	<u>-</u>	<u>-</u>	<u>13,445</u>	<u>13,445</u>
<b>Expenditures:</b>				
Total Expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>-</u>	<u>13,445</u>	<u>13,445</u>
<b>Net Change in Fund Balance</b>	<u>-</u>	<u>-</u>	<u>13,445</u>	<u>13,445</u>
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 13,445</u></u>	<u><u>\$ 13,445</u></u>

## CITY OF ELK GROVE

Major Special Revenue Fund  
 Budgetary Comparison Schedule  
 Wilton Rancheria MOU Fund  
 For the Year Ended June 30, 2021

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ -	\$ 2,453,925	\$ 2,453,925
Use of money and property	-	-	3,007	3,007
Total Revenues	-	-	2,456,932	2,456,932
<b>Expenditures:</b>				
Current:				
Public ways and facilities	400	-	117	(117)
Total Expenditures	400	-	117	(117)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(400)	-	2,456,815	2,456,815
<b>Net Change in Fund Balance</b>	(400)	-	2,456,815	2,456,815
Fund Balance, Beginning	-	-	-	-
Fund Balance, Ending	\$ (400)	\$ -	\$ 2,456,815	\$ 2,456,815

## **CITY OF ELK GROVE**

Notes to Budgetary Comparison Statements  
For the Year Ended June 30, 2020

### **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	2021		2020	
	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
<b>Total OPEB Liability</b>				
Service Cost	\$ 51,906	\$ 921,273	\$ 15,004	\$ 200,797
Interest	294,610	768,086	280,706	197,602
Differences between expected and actual experience	-	(20,384)	417,875	(182,962)
Changes of assumptions	122,144	2,340,668	(92,788)	9,162,143
Benefit Payments	(381,144)	(394,978)	(373,920)	(44,130)
Net change in Total OPEB Liability	87,516	3,614,665	246,877	9,333,450
Total OPEB Liability at beginning of year	5,244,107	12,548,479	4,997,230	3,215,029
<b>Total OPEB Liability at end of year</b>	<b>\$ 5,331,623</b>	<b>\$ 16,163,144</b>	<b>\$ 5,244,107</b>	<b>\$ 12,548,479</b>
<b>Plan Fiduciary Net Position</b>				
Contributions - employer	\$ 600,000	\$ 594,978	\$ 600,000	\$ 269,130
Net investment income	582,507	791,719	203,658	171,048
Benefit payments	(394,720)	(394,978)	(373,920)	(44,130)
Administrative expenses	(18,986)	(25,484)	(14,784)	(21,082)
Net change in Plan Fiduciary Net Position	768,801	966,235	414,954	374,966
Plan Fiduciary Net Position at beginning of year	3,774,853	3,823,060	3,359,899	3,448,094
<b>Plan Fiduciary Net Position at end of year</b>	<b>\$ 4,543,654</b>	<b>\$ 4,789,295</b>	<b>\$ 3,774,853</b>	<b>\$ 3,823,060</b>
<b>Authority's Net OPEB Liability (Asset) at end of year</b>	<b>\$ 787,969</b>	<b>\$ 11,373,849</b>	<b>\$ 1,469,254</b>	<b>\$ 8,725,419</b>
<b>Plan's Fiduciary Net Position as percentage of Total OPEB Liability</b>	85.2%	29.6%	72.0%	30.5%
<b>Covered-employee payroll</b>	\$ 444,332	\$ 44,412,428	\$ 743,816	\$ 42,730,280
<b>Net OPEB Liability as percentage of covered-employee payroll</b>	177.34%	25.61%	197.53%	20.42%

*Notes:*

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

2019		2018		2017	
HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
\$ 14,602	\$ 195,422	\$ 75,799	\$ 177,595	\$ 73,770	\$ 172,842
282,474	177,586	244,637	170,836	241,901	152,480
40,664	-	428,202	(206,110)	-	-
-	-	-	-	-	-
(366,252)	(40,026)	(265,878)	(37,488)	(266,052)	(6,041)
(28,512)	332,982	482,760	104,833	49,619	319,281
5,025,742	2,882,047	4,542,982	2,777,214	4,493,363	2,457,933
<u>\$ 4,997,230</u>	<u>\$ 3,215,029</u>	<u>\$ 5,025,742</u>	<u>\$ 2,882,047</u>	<u>\$ 4,542,982</u>	<u>\$ 2,777,214</u>
\$ 470,332	\$ 240,026	\$ 470,000	\$ 296,762	\$ 400,000	\$ 200,000
223,091	221,928	88,056	155,075	185,597	207,963
(366,252)	(40,026)	(265,878)	(37,488)	(266,052)	(6,041)
(14,252)	(18,574)	(13,331)	(16,807)	(5,627)	(8,102)
312,919	403,354	278,847	397,542	313,918	393,820
3,046,980	3,044,740	2,768,133	2,647,198	2,454,215	2,253,378
<u>\$ 3,359,899</u>	<u>\$ 3,448,094</u>	<u>\$ 3,046,980</u>	<u>\$ 3,044,740</u>	<u>\$ 2,768,133</u>	<u>\$ 2,647,198</u>
<u>\$ 1,637,331</u>	<u>\$ (233,065)</u>	<u>\$ 1,978,762</u>	<u>\$ (162,693)</u>	<u>\$ 1,774,849</u>	<u>\$ 130,016</u>
67.2%	107.2%	60.6%	105.6%	60.9%	95.3%
\$ 943,329	\$ 31,827,961	\$ 1,183,755	\$ 26,020,439	\$ 1,495,962	\$ 27,743,749
173.57%	-0.73%	167.16%	-0.63%	118.64%	0.47%

**CITY OF ELK GROVE**

Schedule of City Contributions  
Last Ten Fiscal Years (1)

For the Fiscal Year Ended June 30	2021		2020	
	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
	Contractually Required Contributions	\$ 600,000	\$ 594,978	\$ 600,000
Employer Contributions	600,000	594,978	600,000	269,130
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -
Covered-Employee Payroll	\$ 444,332	\$ 44,412,428	\$ 743,816	\$ 42,730,280
Contributions as percentage of covered-employee payroll	135.03%	1.34%	80.67%	0.63%

**Notes to Schedule:**

Methods and assumptions used to determine contribution rates:

	June 30, 2020	June 30, 2020
Valuation date	Entry age normal	Entry age normal
Actuarial cost method	2.50%	2.50%
Inflation	2.75%	2.75%
Salary Increases	5.55%, net of OPEB plan investment expenses	5.75%, net of OPEB plan investment expenses
Investment Rate of Return	4.00%	4.00%
Healthcare Cost Trend Rates	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous
Mortality Tables	Employees	Employees

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

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

**CITY OF ELK GROVE**

**Schedule of Investment Returns**

**HRA Plan**

**Last Ten Fiscal Years (1)**

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

**Notes:**

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



**This page intentionally left blank**

**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**

<b>Measurement Date</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
City's Proportion of the Net Pension Liability	0.14887%	0.14374%	0.14518%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 16,197,858	\$ 14,729,263	\$ 13,990,216
City's Covered Payroll	\$ 35,222,709	\$ 31,747,871	\$ 29,962,680
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	45.99%	46.39%	46.69%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.10%	75.26%	75.26%

**Notes to Schedule:**

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

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

**CITY OF ELK GROVE**

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

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

<b>For the year Ended June 30</b>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 6,271,938	\$ 5,685,740	\$ 4,539,174
Contributions in relation to the actuarially determined contributions	<u>(6,271,938)</u>	<u>(5,685,740)</u>	<u>(4,539,174)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	<u>\$ 36,735,168</u>	<u>\$ 35,222,709</u>	<u>\$ 31,747,871</u>
Contributions as a percentage of covered payroll	17.07%	16.14%	14.30%

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

<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
\$ 4,283,503	\$ 3,518,175	\$ 3,181,199	\$ 5,006,117
<u>(4,283,503)</u>	<u>(3,518,175)</u>	<u>(3,181,199)</u>	<u>(5,006,117)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<u>\$ 29,962,680</u>	<u>\$ 27,840,009</u>	<u>\$ 33,456,412</u>	<u>\$ 34,404,915</u>
14.30%	12.64%	9.51%	14.55%

**This page intentionally left blank**

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Fiscal Year Ended June 30, 2021

---

**COMBINING AND INDIVIDUAL  
FUND STATEMENTS  
AND SCHEDULES**







## CITY OF ELK GROVE

### Combining Balance Sheet Nonmajor Governmental Funds June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Fund	Total
<b><u>ASSETS</u></b>				
Cash and investments	\$ 58,189,499	\$ 53,661,634	\$ 113,811	\$ 111,964,944
Cash with fiscal agent	-	14,043	-	14,043
Accounts receivable	2,825,398	273,504	-	3,098,902
Interest receivable	125,899	7,325	3,849	137,073
Taxes Receivable	156,701	-	-	156,701
Due from other government agencies	1,123,333	301,233	-	1,424,566
Advances to other funds	3,500,000	1,500,000	-	5,000,000
Long-term loans receivable	425,485	-	-	425,485
Long-term development fees receivable	-	392,699	-	392,699
	\$ 66,346,315	\$ 56,150,438	\$ 117,660	\$ 122,614,413
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 4,605,271	\$ 3,510,283	\$ -	\$ 8,115,554
Accrued salaries and benefits	121,450	1,571	-	123,021
Due to other funds	120,019	-	-	120,019
Interest payable	6,763	-	3,849	10,612
Retention payable	209,295	595,192	-	804,487
Refundable deposits	1,972,028	-	-	1,972,028
Advances from other funds	1,544,352	614	-	1,544,966
Unearned revenue	99,813	1,490,870	-	1,590,683
	8,678,991	5,598,530	3,849	14,281,370
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	2,849,310	692,688	-	3,541,998
<b><u>FUND BALANCES</u></b>				
Restricted	55,682,867	49,909,691	113,811	105,706,369
Unassigned	(864,853)	(50,471)	-	(915,324)
	54,818,014	49,859,220	113,811	104,791,045
Total Fund Balances	54,818,014	49,859,220	113,811	104,791,045
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 66,346,315	\$ 56,150,438	\$ 117,660	\$ 122,614,413

**CITY OF ELK GROVE**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2021

	Special Revenue Funds	Capital Projects Funds	Permanent Fund	Total
<b>Revenues:</b>				
Licenses, fees and permits	\$ 9,169,938	\$ 9,477,261	\$ -	\$ 18,647,199
Intergovernmental	27,994,579	1,571,068	-	29,565,647
Charges for services	2,753,404	-	-	2,753,404
Use of money and property	190,983	438,607	22,082	651,672
Other revenue	51,624	15,207	-	66,831
Total Revenues	<u>40,160,528</u>	<u>11,502,143</u>	<u>22,082</u>	<u>51,684,753</u>
<b>Expenditures:</b>				
Current:				
Public safety	1,947,777	-	-	1,947,777
Public ways and facilities	17,303,449	17,074,926	-	34,378,375
Community development	8,786,095	-	-	8,786,095
Debt Service:				
Tax administration	57,344	-	-	57,344
Total Expenditures	<u>28,094,665</u>	<u>17,074,926</u>	<u>-</u>	<u>45,169,591</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,065,863</u>	<u>(5,572,783)</u>	<u>22,082</u>	<u>6,515,162</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	42,744	9,732,078	-	9,774,822
Transfers out	(6,053,420)	(1,972,417)	-	(8,025,837)
Total Other Financing Sources (Uses)	<u>(6,010,676)</u>	<u>7,759,661</u>	<u>-</u>	<u>1,748,985</u>
Net Change in Fund Balances	6,055,187	2,186,878	22,082	8,264,147
Fund Balances, Beginning (Restated)	<u>48,762,827</u>	<u>47,672,342</u>	<u>91,729</u>	<u>96,526,898</u>
Fund Balances, End of Year	<u>\$ 54,818,014</u>	<u>\$ 49,859,220</u>	<u>\$ 113,811</u>	<u>\$ 104,791,045</u>

# SPECIAL REVENUE FUNDS

## DEFINITION

---

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

### Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Asset Seizure Funds**

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

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

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

**HUD Home Grant** – Established to account for funds received from the US Department of Housing and Urban Development (via the California Department of Housing and Community Development) to promote housing opportunities, including homeownership assistance and rental housing development, for lower-income households.

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

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

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

**Performance Bond Fund** – Established to account for assets held by the City in a trust capacity. Agency funds are used to account for assets held by the City as an agent for individuals, private organizations, and other governments.

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

---

**CITY OF ELK GROVE**

Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2021

	Recycling Grant Fund	Used Oil Grant Fund	Tire Collection & Disposal Grant Fund	BSCC Local Police Grant Fund	OTS Grants Fund
<b><u>ASSETS</u></b>					
Cash and investments	\$ 96,989	\$25,679	\$ -	\$ 32,953	\$ 7,520
Accounts receivable	-	-	-	-	-
Interest receivable	16	4	-	-	-
Taxes Receivable	-	-	-	-	-
Due from other government agencies	-	-	18,900	-	92,392
Advance to other funds	-	-	-	-	-
Long term loans receivable	-	-	-	-	-
Total Assets	<u>\$ 97,005</u>	<u>\$25,683</u>	<u>\$ 18,900</u>	<u>\$ 32,953</u>	<u>\$ 99,912</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ -	\$ 82	\$ -	\$ -	\$ 34
Accrued salaries and benefits	-	-	-	-	4,137
Interest payable	-	-	-	-	-
Due to other funds	-	-	18,900	-	-
Retention payable	-	-	-	-	-
Refundable deposits	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Unearned revenue	80,615	19,198	-	-	-
Total Liabilities	<u>80,615</u>	<u>19,280</u>	<u>18,900</u>	<u>-</u>	<u>4,171</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue	-	-	18,900	-	13,587
<b><u>FUND BALANCES</u></b>					
Restricted	16,390	6,403	-	32,953	82,154
Unassigned	-	-	(18,900)	-	-
Total Fund Balances	<u>16,390</u>	<u>6,403</u>	<u>(18,900)</u>	<u>32,953</u>	<u>82,154</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 97,005</u>	<u>\$25,683</u>	<u>\$ 18,900</u>	<u>\$ 32,953</u>	<u>\$ 99,912</u>

Local Police Grants Fund	CA Law Enforcement Equipment Fund	Gas Tax Fund	SB1 Streets and Roads Fund	Agricultural Preservation Fund	Swainson's Hawk Fund	Tree Mitigation Fund	Street Trench Cut Fee Fund
\$ -	\$ 230,272	\$3,810,929	\$ 3,501,441	\$ 1,057,002	\$ 4,200,131	\$ 1,150,806	\$ 574,859
-	-	66,449	-	-	2,334,162	-	-
-	38	613	564	170	675	185	94
-	-	-	-	-	-	-	-
38,103	163,993	-	595,093	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 38,103</u>	<u>\$ 394,303</u>	<u>\$3,877,991</u>	<u>\$ 4,097,098</u>	<u>\$ 1,057,172</u>	<u>\$ 6,534,968</u>	<u>\$ 1,150,991</u>	<u>\$ 574,953</u>
\$ -	\$ 4,888	\$ 459,360	\$ 879,709	\$ -	\$ 4,963	\$ -	\$ 19,349
-	12,088	20,422	-	-	428	-	-
-	-	-	-	-	-	-	-
32,380	-	-	-	-	-	-	-
-	-	-	134,238	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>32,380</u>	<u>16,976</u>	<u>479,782</u>	<u>1,013,947</u>	<u>-</u>	<u>5,391</u>	<u>-</u>	<u>19,349</u>
14,660	163,993	-	-	-	2,334,162	-	-
-	213,334	3,398,209	3,083,151	1,057,172	4,195,415	1,150,991	555,604
(8,937)	-	-	-	-	-	-	-
<u>(8,937)</u>	<u>213,334</u>	<u>3,398,209</u>	<u>3,083,151</u>	<u>1,057,172</u>	<u>4,195,415</u>	<u>1,150,991</u>	<u>555,604</u>
<u>\$ 38,103</u>	<u>\$ 394,303</u>	<u>\$3,877,991</u>	<u>\$ 4,097,098</u>	<u>\$ 1,057,172</u>	<u>\$ 6,534,968</u>	<u>\$ 1,150,991</u>	<u>\$ 574,953</u>

continued

**CITY OF ELK GROVE**

Combining Balance Sheet (continued)  
 Nonmajor Special Revenue Funds  
 June 30, 2021

	Community Development Block Grant Fund	State Homeless Appropriations Fund	Police Services CFD Funds	Maintenance Services CFD Funds	Street Maintenance District Funds
<b><u>ASSETS</u></b>					
Cash and investments	\$ -	\$ 4,342,343	\$ 3,640,359	\$ 13,869,398	\$ 6,239,413
Accounts receivable	-	-	-	55,790	7,837
Interest receivable	44,483	698	1,174	2,229	1,004
Taxes Receivable	-	-	49,817	13,485	80,461
Due from other government agencies	214,852	-	-	-	-
Advance to other funds	-	-	-	-	3,500,000
Long term loans receivable	162,069	-	-	-	-
Total Assets	<u>\$ 421,404</u>	<u>\$ 4,343,041</u>	<u>\$ 3,691,350</u>	<u>\$ 13,940,902</u>	<u>\$ 9,828,715</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 137,118	\$ 37,920	\$ -	\$ 1,064,313	\$ 9,522
Accrued salaries and benefits	2,238	8,508	442	18,459	3,514
Interest payable	-	-	-	-	-
Due to other funds	68,739	-	-	-	-
Retention payable	23,850	-	-	-	-
Refundable deposits	-	-	-	37,630	-
Advance from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>231,945</u>	<u>46,428</u>	<u>442</u>	<u>1,120,402</u>	<u>13,036</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue	<u>164,229</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>68,957</u>
<b><u>FUND BALANCES</u></b>					
Restricted	25,230	4,296,613	3,690,908	12,820,500	9,746,722
Unassigned	-	-	-	-	-
Total Fund Balances	<u>25,230</u>	<u>4,296,613</u>	<u>3,690,908</u>	<u>12,820,500</u>	<u>9,746,722</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 421,404</u>	<u>\$ 4,343,041</u>	<u>\$ 3,691,350</u>	<u>\$ 13,940,902</u>	<u>\$ 9,828,715</u>



Street Lighting Maintenance District Funds	Asset Seizure State and Federal Funds	Library Ownership Fund	HUD Home Grant Fund	Neighborhood Stabilization Program Fund	Measure A Maintenance Fund	Development Services Fund	Performance Bond Fund
\$ 734,168	\$ 844,240	\$1,130,914	\$ -	\$ 584,046	\$ 7,158,829	\$ 4,799,930	\$ 127,527
-	-	-	-	-	41,800	319,360	-
118	-	182	9,333	61,584	1,932	783	20
12,938	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	40,000	223,416	-	-	-
<u>\$ 747,224</u>	<u>\$ 844,240</u>	<u>\$1,131,096</u>	<u>\$ 49,333</u>	<u>\$ 869,046</u>	<u>\$ 7,202,561</u>	<u>\$ 5,120,073</u>	<u>\$ 127,547</u>
\$ 38,069	\$ 57,957	\$ 46,906	\$ -	\$ -	\$ 410,142	\$ 1,434,939	\$ -
1,819	-	-	-	-	5,994	43,401	-
-	-	-	-	-	-	-	6,763
-	-	-	-	-	-	-	-
-	-	2,383	-	-	40,820	8,004	-
-	-	-	-	-	-	1,815,448	118,950
1,544,352	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,584,240</u>	<u>57,957</u>	<u>49,289</u>	<u>-</u>	<u>-</u>	<u>456,956</u>	<u>3,301,792</u>	<u>125,713</u>
-	-	-	9,333	61,489	-	-	-
-	786,283	1,081,807	40,000	807,557	6,745,605	1,818,281	1,834
(837,016)	-	-	-	-	-	-	-
<u>(837,016)</u>	<u>786,283</u>	<u>1,081,807</u>	<u>40,000</u>	<u>807,557</u>	<u>6,745,605</u>	<u>1,818,281</u>	<u>1,834</u>
<u>\$ 747,224</u>	<u>\$ 844,240</u>	<u>\$1,131,096</u>	<u>\$ 49,333</u>	<u>\$ 869,046</u>	<u>\$ 7,202,561</u>	<u>\$ 5,120,073</u>	<u>\$ 127,547</u>

continued

**CITY OF ELK GROVE**

Combining Balance Sheet  
 Nonmajor Special Revenue Funds (continued)  
 June 30, 2021

	Donations and Community Programs	
	Fund	Total
<b><u>ASSETS</u></b>		
Cash and investments	\$ 29,751	\$ 58,189,499
Accounts receivable	-	2,825,398
Interest receivable	-	125,899
Taxes Receivable	-	156,701
Due from other government agencies	-	1,123,333
Advance to other funds	-	3,500,000
Long term loans receivable	-	425,485
	<hr/>	<hr/>
Total Assets	\$ 29,751	\$ 66,346,315
	<hr/>	<hr/>
<b><u>LIABILITIES</u></b>		
Accounts payable	\$ -	\$ 4,605,271
Accrued salaries and benefits	-	121,450
Interest payable	-	6,763
Due to other funds	-	120,019
Retention payable	-	209,295
Refundable deposits	-	1,972,028
Advance from other funds	-	1,544,352
Unearned revenue	-	99,813
	<hr/>	<hr/>
Total Liabilities	-	8,678,991
	<hr/>	<hr/>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>		
Unavailable revenue	-	2,849,310
	<hr/>	<hr/>
<b><u>FUND BALANCES</u></b>		
Restricted	29,751	55,682,867
Unassigned	-	(864,853)
	<hr/>	<hr/>
Total Fund Balances	29,751	54,818,014
	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 29,751	\$ 66,346,315
	<hr/>	<hr/>

**This page intentionally left blank**

## CITY OF ELK GROVE

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended June 30, 2021

	Recycling Grant Fund	Used Oil Grant Fund	Tire Collection & Disposal Grant Fund	BSCC Local Police Grant Fund	OTS Grants Fund
<b>Revenues:</b>					
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	46,737	-	-	238,207
Charges for services	-	-	-	-	-
Use of money and property	(567)	(1,192)	-	(2,827)	-
Other revenue	-	-	-	-	-
Total Revenues	<u>(567)</u>	<u>45,545</u>	<u>-</u>	<u>(2,827)</u>	<u>238,207</u>
<b>Expenditures:</b>					
Current:					
Public Safety	-	-	-	75,954	237,944
Public ways and facilities	-	-	-	-	-
Community development	37,222	46,737	14,400	-	-
Debt Service:					
Tax administration	-	-	-	-	-
Total Expenditures	<u>37,222</u>	<u>46,737</u>	<u>14,400</u>	<u>75,954</u>	<u>237,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(37,789)</u>	<u>(1,192)</u>	<u>(14,400)</u>	<u>(78,781)</u>	<u>263</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	42,744	-	-	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>42,744</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	4,955	(1,192)	(14,400)	(78,781)	263
Fund Balances, Beginning, as restated	<u>11,435</u>	<u>7,595</u>	<u>(4,500)</u>	<u>111,734</u>	<u>81,891</u>
Fund Balances, End of Year	<u>\$ 16,390</u>	<u>\$ 6,403</u>	<u>\$ (18,900)</u>	<u>\$ 32,953</u>	<u>\$ 82,154</u>

Local Police Grants Fund	CA Law Enforcement Equipment Fund	Gas Tax Fund	SB1 Streets and Roads Fund	Agricultural Preservation Fund	Swainson's Hawk Fund	Tree Mitigation Fund	Street Trench Cut Fees Fund
\$ -	\$ -	\$ 51,278	\$ -	\$ -	\$ 459,987	\$ 810,400	\$ 104,089
78,561	417,203	4,012,874	3,519,638	-	-	-	-
-	-	-	-	-	-	-	49,000
-	(126)	10,360	(14,179)	(24,470)	17,478	19,428	(6,235)
-	-	-	-	-	-	-	-
<u>78,561</u>	<u>417,077</u>	<u>4,074,512</u>	<u>3,505,459</u>	<u>(24,470)</u>	<u>477,465</u>	<u>829,828</u>	<u>146,854</u>
89,466	311,668	-	-	-	-	-	-
-	-	2,696,224	3,670,952	1,045,339	-	-	405
-	-	-	-	-	34,508	619	119,349
-	-	-	-	-	-	-	-
<u>89,466</u>	<u>311,668</u>	<u>2,696,224</u>	<u>3,670,952</u>	<u>1,045,339</u>	<u>34,508</u>	<u>619</u>	<u>119,754</u>
(10,905)	105,409	1,378,288	(165,493)	(1,069,809)	442,957	829,209	27,100
-	-	-	-	-	-	-	-
-	-	(508,061)	(2,454)	-	-	-	(2,331)
-	-	(508,061)	(2,454)	-	-	-	(2,331)
(10,905)	105,409	870,227	(167,947)	(1,069,809)	442,957	829,209	24,769
1,968	107,925	2,527,982	3,251,098	2,126,981	3,752,458	321,782	530,835
<u>\$ (8,937)</u>	<u>\$ 213,334</u>	<u>\$ 3,398,209</u>	<u>\$ 3,083,151</u>	<u>\$ 1,057,172</u>	<u>\$ 4,195,415</u>	<u>\$ 1,150,991</u>	<u>\$ 555,604</u>

## CITY OF ELK GROVE

### Combining Statement of Revenues, Expenditures and Changes in Fund Balances(continued) Nonmajor Special Revenue Funds For the Year Ended June 30, 2021

	Community Development Block Grant Fund	State Homeless Appropriations Fund	Police Services CFD Funds	Maintenance Services CFD Funds	Street Maintenance District Funds
<b>Revenues:</b>					
Licenses, fees and permits	\$ -	\$ -	\$ 10,200	\$ 286,329	\$ 18,675
Intergovernmental	922,826	-	4,710,427	5,180,153	2,121,967
Charges for services	-	-	-	-	-
Use of money and property	(497)	13,206	94,016	59,418	33,165
Other revenue	-	-	-	31,052	-
Total Revenues	<u>922,329</u>	<u>13,206</u>	<u>4,814,643</u>	<u>5,556,952</u>	<u>2,173,807</u>
<b>Expenditures:</b>					
Current:					
Public safety	-	-	24,745	-	-
Public ways and facilities	-	-	-	4,568,372	669,202
Community development	979,455	330,848	-	-	-
Debt Service:					
Tax administration	-	-	7,353	4,934	6,388
Total Expenditures	<u>979,455</u>	<u>330,848</u>	<u>32,098</u>	<u>4,573,306</u>	<u>675,590</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(57,126)</u>	<u>(317,642)</u>	<u>4,782,545</u>	<u>983,646</u>	<u>1,498,217</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	(3,684,254)	(313,761)	(121,013)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,684,254)</u>	<u>(313,761)</u>	<u>(121,013)</u>
Net Change in Fund Balance	(57,126)	(317,642)	1,098,291	669,885	1,377,204
Fund Balances, Beginning, as restated	<u>82,356</u>	<u>4,614,255</u>	<u>2,592,617</u>	<u>12,150,615</u>	<u>8,369,518</u>
Fund Balances, End of Year	<u>\$ 25,230</u>	<u>\$ 4,296,613</u>	<u>\$ 3,690,908</u>	<u>\$ 12,820,500</u>	<u>\$ 9,746,722</u>

Street Lighting Maintenance District Funds	Asset Seizure State and Federal Funds	Library Ownership Fund	HUD Home Grant Fund	Neighborhood Stabilization Program Fund	Measure A Maintenance Fund	Development Services Fund	Performance Bond Fund
\$ -	\$ -	\$ -	\$ -	\$ 36,800	\$ -	\$ 7,392,180	\$ -
1,142,380	564,076	136,885	-	-	4,901,931	714	-
-	-	-	-	-	-	2,704,404	-
3,231	-	4,364	-	(19,897)	14,802	(8,846)	793
-	-	-	-	-	-	-	-
1,145,611	564,076	141,249	-	16,903	4,916,733	10,088,452	793
-	1,208,000	-	-	-	-	-	-
441,711	-	107,601	-	415	3,610,746	490,333	2,149
-	-	-	-	-	-	7,215,120	-
38,669	-	-	-	-	-	-	-
480,380	1,208,000	107,601	-	415	3,610,746	7,705,453	2,149
665,231	(643,924)	33,648	-	16,488	1,305,987	2,382,999	(1,356)
-	-	-	-	-	-	-	-
(65,743)	-	(6,235)	-	-	(408,218)	(941,350)	-
(65,743)	-	(6,235)	-	-	(408,218)	(941,350)	-
599,488	(643,924)	27,413	-	16,488	897,769	1,441,649	(1,356)
(1,436,504)	1,430,207	1,054,394	40,000	791,069	5,847,836	376,632	3,190
\$ (837,016)	\$ 786,283	\$ 1,081,807	\$ 40,000	\$ 807,557	\$ 6,745,605	\$ 1,818,281	\$ 1,834

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, 2021

	Donations and Community Programs	
	Fund	Total
<b>Revenues:</b>		
Licenses, fees and permits	\$ -	\$ 9,169,938
Intergovernmental	-	27,994,579
Charges for services	-	2,753,404
Use of money and property	(442)	190,983
Other revenue	20,572	51,624
Total Revenues	20,130	40,139,605
<b>Expenditures:</b>		
Current:		
Public Safety	-	1,947,777
Public ways and facilities	-	17,303,449
Community development	7,837	8,786,095
Debt Service:		
Tax administration	-	57,344
Total Expenditures	7,837	28,094,665
Excess (Deficiency) of Revenues Over (Under) Expenditures	12,293	12,065,863
<b>Other Financing Sources (Uses):</b>		
Transfers in	-	42,744
Transfers out	-	(6,053,420)
Total Other Financing Sources (Uses)	-	(6,010,676)
Net Change in Fund Balance	12,293	6,055,187
Fund Balances, Beginning, as restated	17,458	48,762,827
Fund Balances, End of Year	\$ 29,751	\$ 54,818,014



**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Recycling Grant Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 37,222	\$ -	\$ (37,222)
Use of money and property	-	(567)	(567)
Total Revenues	<u>37,222</u>	<u>(567)</u>	<u>(37,789)</u>
<b>Expenditures:</b>			
Current:			
Community development	37,222	37,222	-
Total Expenditures	<u>37,222</u>	<u>37,222</u>	<u>-</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(37,789)	(37,789)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	42,744	42,744
Total Other Financing Sources (Uses)	<u>-</u>	<u>42,744</u>	<u>42,744</u>
<b>Net Change in Fund Balance</b>	-	4,955	4,955
Fund Balance, Beginning	<u>11,435</u>	<u>11,435</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 11,435</u>	<u>\$ 16,390</u>	<u>\$ 4,955</u>

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Used Oil Grant Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 65,935	\$ 46,737	\$ (19,198)
Use of money and property	-	(1,192)	(1,192)
Total Revenues	65,935	45,545	(20,390)
<b>Expenditures:</b>			
Current:			
Community development	46,737	46,737	-
Total Expenditures	46,737	46,737	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	19,198	(1,192)	(20,390)
<b>Net Change in Fund Balance</b>	19,198	(1,192)	(20,390)
Fund Balance, Beginning	7,595	7,595	-
Fund Balance, Ending	\$ 26,793	\$ 6,403	\$ (20,390)

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Tire Collection & Disposal Grant  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Current:			
Community development	14,400	14,400	-
Total Expenditures	14,400	14,400	-
<b>Net Change in Fund Balance</b>	(14,400)	(14,400)	-
Fund Balance, Beginning	(4,500)	(4,500)	-
Fund Balance, Ending	\$ (18,900)	\$ (18,900)	\$ -

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 BSCC Local Police Grant  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
Use of money and property	\$ -	\$ (2,827)	\$ (2,827)
Total Revenues	-	(2,827)	(2,827)
<b>Expenditures:</b>			
Current:			
Public safety	43,126	75,954	(32,828)
Total Expenditures	43,126	75,954	(32,828)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(43,126)	(78,781)	(35,655)
<b>Net Change in Fund Balance</b>	(43,126)	(78,781)	(35,655)
Fund Balance, Beginning	111,734	111,734	-
Fund Balance, Ending	\$ 68,608	\$ 32,953	\$ (35,655)

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 OTS Grants Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 270,166	\$ 238,207	\$ (31,959)
Total Revenues	270,166	238,207	(31,959)
<b>Expenditures:</b>			
Current:			
Public safety	269,903	237,944	31,959
Total Expenditures	269,903	237,944	31,959
Excess (Deficiency) of Revenues Over (Under) Expenditures	263	263	-
<b>Net Change in Fund Balance</b>	263	263	-
Fund Balance, Beginning	81,891	81,891	-
Fund Balance, Ending	\$ 82,154	\$ 82,154	\$ -

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Local Police Grants Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Current:			
Intergovernmental	\$ 78,561	\$ 78,561	\$ -
Total Revenues	78,561	78,561	-
<b>Expenditures:</b>			
Current:			
Public safety	89,466	89,466	-
Total Expenditures	89,466	89,466	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(10,905)	(10,905)	-
<b>Net Change in Fund Balance</b>	(10,905)	(10,905)	-
Fund Balance, Beginning	1,968	1,968	-
Fund Balance, Ending	\$ (8,937)	\$ (8,937)	\$ -

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 CA Law Enforcement Equipment Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 417,203	\$ 417,203	\$ -
Use of money and property	-	(126)	(126)
Total Revenues	417,203	417,077	(126)
<b>Expenditures:</b>			
Current:			
Public safety	252,431	311,668	(59,237)
Total Expenditures	252,431	311,668	(59,237)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	164,772	105,409	(59,363)
<b>Net Change in Fund Balance</b>	164,772	105,409	(59,363)
Fund Balance, Beginning	107,925	107,925	-
Fund Balance, Ending	\$ 272,697	\$ 213,334	\$ (59,363)

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Gas Tax Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ -	\$ 51,278	\$ 51,278
Intergovernmental	3,771,812	4,012,874	241,062
Use of money and property	-	10,360	10,360
Total Revenues	3,771,812	4,074,512	302,700
<b>Expenditures:</b>			
Current:			
Public ways and facilities	3,558,571	2,696,224	862,347
Total Expenditures	3,558,571	2,696,224	862,347
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	213,241	1,378,288	1,165,047
<b>Other Financing Sources (Uses):</b>			
Transfers out	(508,061)	(508,061)	-
Total Other Financing Sources (Uses)	(508,061)	(508,061)	-
<b>Net Change in Fund Balance</b>	(294,820)	870,227	1,165,047
Fund Balance, Beginning	2,527,982	2,527,982	-
Fund Balance, Ending	\$ 2,233,162	\$ 3,398,209	\$ 1,165,047



**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 SB1 Streets and Roads Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 2,793,766	\$ 3,519,638	\$ 725,872
Use of money and property	-	(14,179)	(14,179)
Total Revenues	<u>2,793,766</u>	<u>3,505,459</u>	<u>711,693</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	3,660,967	3,670,952	(9,985)
Total Expenditures	<u>3,660,967</u>	<u>3,670,952</u>	<u>(9,985)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(867,201)</u>	<u>(165,493)</u>	<u>701,708</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(2,454)	(2,454)	-
Total Other Financing Sources (Uses)	<u>(2,454)</u>	<u>(2,454)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>(869,655)</b>	<b>(167,947)</b>	<b>701,708</b>
Fund Balance, Beginning	<u>3,251,098</u>	<u>3,251,098</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,381,443</u></u>	<u><u>\$ 3,083,151</u></u>	<u><u>\$ 701,708</u></u>

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Agricultural Preservation Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 17,829	\$ (24,470)	\$ (42,299)
Total Revenues	<u>17,829</u>	<u>(24,470)</u>	<u>(42,299)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	2,001,000	1,045,339	955,661
Total Expenditures	<u>2,001,000</u>	<u>1,045,339</u>	<u>955,661</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(1,983,171)</u>	<u>(1,069,809)</u>	<u>913,362</u>
<b>Net Change in Fund Balance</b>	(1,983,171)	(1,069,809)	913,362
Fund Balance, Beginning	<u>2,126,981</u>	<u>2,126,981</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 143,810</u>	<u>\$ 1,057,172</u>	<u>\$ 913,362</u>

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Swainson's Hawk Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 487,888	\$ 459,987	\$ (27,901)
Use of money and property	20,601	17,478	(3,123)
Total Revenues	<u>508,489</u>	<u>477,465</u>	<u>(31,024)</u>
<b>Expenditures:</b>			
Current:			
Community development	64,519	34,508	30,011
Total Expenditures	<u>64,519</u>	<u>34,508</u>	<u>30,011</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>443,970</u>	<u>442,957</u>	<u>(1,013)</u>
<b>Net Change in Fund Balance</b>	443,970	442,957	(1,013)
Fund Balance, Beginning	<u>3,752,458</u>	<u>3,752,458</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 4,196,428</u>	<u>\$ 4,195,415</u>	<u>\$ (1,013)</u>

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Tree Mitigation Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 139,989	\$ 810,400	\$ 670,411
Use of money and property	8,685	19,428	10,743
Total Revenues	148,674	829,828	681,154
<b>Expenditures:</b>			
Current:			
Community development	1,500	619	881
Total Expenditures	1,500	619	881
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	147,174	829,209	682,035
<b>Net Change in Fund Balance</b>	147,174	829,209	682,035
Fund Balance, Beginning	321,782	321,782	-
Fund Balance, Ending	\$ 468,956	\$ 1,150,991	\$ 682,035

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Street Trench Cut Fee Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 160,000	\$ 104,089	\$ (55,911)
Charges for services	78,400	49,000	(29,400)
Use of money and property	7,270	(6,235)	(13,505)
Total Revenues	245,670	146,854	(98,816)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	400	405	(5)
Community development	150,000	119,349	30,651
Total Expenditures	150,400	119,754	30,646
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	95,270	27,100	(68,170)
<b>Other Financing Sources (Uses):</b>			
Transfers out	(2,331)	(2,331)	-
Total Other Financing Sources (Uses)	(2,331)	(2,331)	-
<b>Net Change in Fund Balance</b>	92,939	24,769	(68,170)
Fund Balance, Beginning	530,835	530,835	-
Fund Balance, Ending	\$ 623,774	\$ 555,604	\$ (68,170)

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Community Development Block Grants Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 2,255,506	\$ 922,826	\$ (1,332,680)
Use of money and property	-	(497)	(497)
Total Revenues	2,255,506	922,329	(1,333,177)
<b>Expenditures:</b>			
Current:			
Community development	2,231,790	979,455	1,252,335
Total Expenditures	2,231,790	979,455	1,252,335
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	23,716	(57,126)	(80,842)
<b>Net Change in Fund Balance</b>	23,716	(57,126)	(80,842)
Fund Balance, Beginning	82,356	82,356	-
Fund Balance, Ending	\$ 106,072	\$ 25,230	\$ (80,842)

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 State Homeless Appropriations Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 43,931	\$ 13,206	\$ (30,725)
Total Revenues	43,931	13,206	(30,725)
<b>Expenditures:</b>			
Current:			
Community development	4,200,425	330,848	3,869,577
Total Expenditures	4,200,425	330,848	3,869,577
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,156,494)	(317,642)	3,838,852
<b>Net Change in Fund Balance</b>	(4,156,494)	(317,642)	3,838,852
Fund Balance, Beginning	4,614,255	4,614,255	-
Fund Balance, Ending	\$ 457,761	\$ 4,296,613	\$ 3,838,852

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Police Services CFD Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 10,000	\$ 10,200	\$ 200
Intergovernmental	4,165,000	4,710,427	545,427
Use of money and property	6,959	94,016	87,057
Total Revenues	<u>4,181,959</u>	<u>4,814,643</u>	<u>632,684</u>
<b>Expenditures:</b>			
Current:			
Public safety	23,274	24,745	(1,471)
Debt Service:			
Tax administration	13,500	7,353	6,147
Total Expenditures	<u>36,774</u>	<u>32,098</u>	<u>4,676</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,145,185</u>	<u>4,782,545</u>	<u>637,360</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(3,684,254)	(3,684,254)	-
Total Other Financing Sources (Uses)	<u>(3,684,254)</u>	<u>(3,684,254)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	460,931	1,098,291	637,360
Fund Balance, Beginning	<u>2,592,617</u>	<u>2,592,617</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,053,548</u>	<u>\$ 3,690,908</u>	<u>\$ 637,360</u>



**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Maintenance Services CFD Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 475,000	\$ 286,329	\$ (188,671)
Intergovernmental	4,351,054	5,180,153	829,099
Use of money and property	153,429	59,418	(94,011)
Other	-	31,052	31,052
Total Revenues	4,979,483	5,556,952	577,469
<b>Expenditures:</b>			
Current:			
Public ways and facilities	6,058,874	4,568,372	1,490,502
Debt Service:			
Tax administration	6,000	4,934	1,066
Total Expenditures	6,064,874	4,573,306	1,491,568
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,085,391)	983,646	2,069,037
<b>Other Financing Sources (Uses):</b>			
Transfers out	(313,761)	(313,761)	-
Total Other Financing Sources (Uses)	(313,761)	(313,761)	-
<b>Net Change in Fund Balance</b>	(1,399,152)	669,885	2,069,037
Fund Balance, Beginning	12,150,615	12,150,615	-
Fund Balance, Ending	\$ 10,751,463	\$ 12,820,500	\$ 2,069,037

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Street Maintenance District Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 11,500	\$ 18,675	\$ 7,175
Intergovernmental	1,868,100	2,121,967	253,867
Use of money and property	450,463	33,165	(417,298)
<b>Total Revenues</b>	<b>2,330,063</b>	<b>2,173,807</b>	<b>(156,256)</b>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	699,181	669,202	29,979
Debt Service:			
Tax administration	9,000	6,388	2,612
<b>Total Expenditures</b>	<b>708,181</b>	<b>675,590</b>	<b>32,591</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,621,882	1,498,217	(123,665)
<b>Other Financing Sources (Uses):</b>			
Transfers out	(121,013)	(121,013)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(121,013)</b>	<b>(121,013)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>1,500,869</b>	<b>1,377,204</b>	<b>(123,665)</b>
Fund Balance, Beginning	8,369,518	8,369,518	-
Fund Balance, Ending	\$ 9,870,387	\$ 9,746,722	\$ (123,665)

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Street Lighting Maintenance District Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 1,086,000	\$ 1,142,380	\$ 56,380
Use of money and property	1,268	3,231	1,963
Total Revenues	1,087,268	1,145,611	58,343
<b>Expenditures:</b>			
Current:			
Public ways and facilities	595,256	441,711	153,545
Debt Service:			
Tax administration	37,500	38,669	(1,169)
Total Expenditures	632,756	480,380	152,376
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	454,512	665,231	210,719
<b>Other Financing Sources (Uses):</b>			
Transfers out	(65,743)	(65,743)	-
Total Other Financing Sources (Uses)	(65,743)	(65,743)	-
<b>Net Change in Fund Balance</b>	388,769	599,488	210,719
Fund Balance, Beginning	(1,436,504)	(1,436,504)	-
Fund Balance, Ending	\$ (1,047,735)	\$ (837,016)	\$ 210,719

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Asset Seizure State and Federal Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 564,076	\$ 564,076	\$ -
Total Revenues	564,076	564,076	-
<b>Expenditures:</b>			
Current:			
Public Safety	1,208,002	1,208,000	2
Total Expenditures	1,208,002	1,208,000	2
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(643,926)	(643,924)	2
<b>Other Financing Sources (Uses):</b>			
Transfers out	(54,811)	-	54,811
Total Other Financing Sources (Uses)	(54,811)	-	54,811
<b>Net Change in Fund Balance</b>	(698,737)	(643,924)	54,813
Fund Balance, Beginning	1,430,207	1,430,207	-
Fund Balance, Ending	\$ 731,470	\$ 786,283	\$ 54,813

**CITY OF ELK GROVE**

Special Revenue Fund

Budgetary Comparison Schedule

Library Ownership Fund

For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
	<u>          </u>	<u>          </u>	<u>          </u>
<b>Revenues:</b>			
Intergovernmental	\$ 125,000	\$ 136,885	\$ 11,885
Use of money and property	8,108	4,364	(3,744)
Total Revenues	<u>133,108</u>	<u>141,249</u>	<u>8,141</u>
 <b>Expenditures:</b>			
Current:			
Public way and facilities	110,021	107,601	2,420
Total Expenditures	<u>110,021</u>	<u>107,601</u>	<u>2,420</u>
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>23,087</u>	<u>33,648</u>	<u>10,561</u>
 <b>Other Financing Sources (Uses):</b>			
Transfers out	(6,235)	(6,235)	-
Total Other Financing Sources (Uses)	<u>(6,235)</u>	<u>(6,235)</u>	<u>-</u>
 <b>Net Change in Fund Balance</b>	16,852	27,413	10,561
 Fund Balance, Beginning	<u>1,054,394</u>	<u>1,054,394</u>	<u>-</u>
 Fund Balance, Ending	<u><u>\$ 1,071,246</u></u>	<u><u>\$ 1,081,807</u></u>	<u><u>\$ 10,561</u></u>

**CITY OF ELK GROVE**

Special Revenue Fund

Budgetary Comparison Schedule

HUD Home Grant

For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Total Expenditures	-	-	-
<b>Net Change in Fund Balance</b>	-	-	-
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, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ -	\$ 36,800	\$ 36,800
Use of money and property	58,683	(19,897)	(78,580)
Total Revenues	58,683	16,903	(41,780)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	335,250	415	334,835
Total Expenditures	335,250	415	334,835
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(276,567)	16,488	293,055
<b>Net Change in Fund Balance</b>			
	(276,567)	16,488	293,055
Fund Balance, Beginning	791,069	791,069	-
Fund Balance, Ending	\$ 514,502	\$ 807,557	\$ 293,055

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Measure A Maintenance Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 4,420,297	\$ 4,901,931	\$ 481,634
Use of money and property	-	14,802	14,802
Total Revenues	<u>4,420,297</u>	<u>4,916,733</u>	<u>496,436</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	5,112,097	3,610,746	1,501,351
Total Expenditures	<u>5,112,097</u>	<u>3,610,746</u>	<u>1,501,351</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(691,800)</u>	<u>1,305,987</u>	<u>1,997,787</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(408,218)</u>	<u>(408,218)</u>	-
Total Other Financing Sources (Uses)	<u>(408,218)</u>	<u>(408,218)</u>	-
<b>Net Change in Fund Balance</b>	(1,100,018)	897,769	1,997,787
Fund Balance, Beginning	<u>5,847,836</u>	<u>5,847,836</u>	-
Fund Balance, Ending	<u>\$ 4,747,818</u>	<u>\$ 6,745,605</u>	<u>\$ 1,997,787</u>



**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Development Services Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 7,531,083	\$ 7,392,180	\$ (138,903)
Intergovernmental	714	714	-
Charges for services	3,001,088	2,704,404	(296,684)
Use of money and property	12,319	(8,846)	(21,165)
Total Revenues	<u>10,545,204</u>	<u>10,088,452</u>	<u>(456,752)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	566,495	490,333	76,162
Community development	7,240,872	7,215,120	25,752
Total Expenditures	<u>7,807,367</u>	<u>7,705,453</u>	<u>101,914</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,737,837</u>	<u>2,382,999</u>	<u>(354,838)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(941,350)	(941,350)	-
Total Other Financing Sources (Uses)	<u>(941,350)</u>	<u>(941,350)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	1,796,487	1,441,649	(354,838)
Fund Balance, Beginning	<u>376,632</u>	<u>376,632</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,173,119</u>	<u>\$ 1,818,281</u>	<u>\$ (354,838)</u>

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Performance Bond Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 793	\$ 793
<b>Total Revenues</b>	-	793	793
 <b>Expenditures:</b>			
Current:			
Public ways and facilities	-	2,149	(2,149)
<b>Total Expenditures</b>	-	2,149	(2,149)
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	(1,356)	(1,356)
 <b>Net Change in Fund Balance</b>	-	(1,356)	(1,356)
 Fund Balance, Beginning, as restated	3,190	3,190	-
 Fund Balance, Ending	\$ 3,190	\$ 1,834	\$ (1,356)

**CITY OF ELK GROVE**

Special Revenue Fund  
 Budgetary Comparison Schedule  
 Donations and Community Programs Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ (442)	\$ (442)
Other	-	20,572	20,572
Total Revenues	-	20,130	20,130
<b>Expenditures:</b>			
Current:			
Community development	16,066	7,837	8,229
Total Expenditures	16,066	7,837	8,229
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(16,066)	12,293	28,359
<b>Net Change in Fund Balance</b>	(16,066)	12,293	28,359
Fund Balance, Beginning, as restated	17,458	17,458	-
Fund Balance, Ending	\$ 1,392	\$ 29,751	\$ 28,359

**This page intentionally left blank**

# CAPITAL PROJECTS FUNDS

## DEFINITION

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

### **Nonmajor Capital Projects Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**CITY OF ELK GROVE**

Major Capital Projects Fund  
 Supplemental Budgetary Comparison Schedule  
 Federal Capital Grants Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 10,032,521	\$ 2,619,730	\$ (7,412,791)
Use of money and property	3,379	-	(3,379)
Total Revenues	10,035,900	2,619,730	(7,416,170)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	1,131,118	1,131,118	-
Total Expenditures	1,131,118	1,131,118	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	8,904,782	1,488,612	(7,416,170)
<b>Net Change in Fund Balance</b>	8,904,782	1,488,612	(7,416,170)
Fund Balance, Beginning	(2,547,351)	(2,547,351)	-
Fund Balance, Ending	\$ 6,357,431	\$ (1,058,739)	\$ (7,416,170)

**CITY OF ELK GROVE**

Major Capital Projects Fund  
 Supplemental Budgetary Comparison Schedule  
 State Grants Fund  
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 3,491,000	\$ 529,087	\$ (2,961,913)
Total Revenues	<u>3,491,000</u>	<u>529,087</u>	<u>(2,961,913)</u>
 <b>Expenditures:</b>			
Current:			
Public ways and facilities	<u>5,888,232</u>	<u>5,878,249</u>	<u>9,983</u>
Total Expenditures	<u>5,888,232</u>	<u>5,878,249</u>	<u>9,983</u>
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(2,397,232)</u>	<u>(5,349,162)</u>	<u>(2,951,930)</u>
 <b>Net Change in Fund Balance</b>	<b>(2,397,232)</b>	<b>(5,349,162)</b>	<b>(2,951,930)</b>
 Fund Balance, Beginning	<u>(359,337)</u>	<u>(359,337)</u>	<u>-</u>
 Fund Balance, Ending	<u><u>\$ (2,756,569)</u></u>	<u><u>\$ (5,708,499)</u></u>	<u><u>\$ (2,951,930)</u></u>



**CITY OF ELK GROVE**

Major Capital Projects Fund  
 Supplemental Budgetary Comparison Schedule  
 Roadway Fee Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 8,564,292	\$ 12,037,203	\$ 3,472,911
Use of money and property	306,576	318,703	12,127
Total Revenues	8,870,868	12,355,906	3,485,038
<b>Expenditures:</b>			
Current:			
Public ways and facilities	9,274,480	9,187,925	86,555
Total Expenditures	9,274,480	9,187,925	86,555
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(403,612)	3,167,981	3,571,593
<b>Other Financing Sources (Uses):</b>			
Transfers out	(587,438)	(587,438)	-
Total Other Financing Sources (Uses)	(587,438)	(587,438)	-
<b>Net Change in Fund Balance</b>	(991,050)	2,580,543	3,571,593
Fund Balance, Beginning	38,540,603	38,540,603	-
Fund Balance, Ending	\$ 37,549,553	\$ 41,121,146	\$ 3,571,593

**CITY OF ELK GROVE**

Major Capital Projects Fund  
 Supplemental Budgetary Comparison Schedule  
 Mitigation and Fee Funds  
 For the Year Ended June 30, 2021

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 4,808,679	\$ 2,851,598	\$ (1,957,081)
Use of money and property	637,605	(32,948)	(670,553)
Total Revenues	<u>5,446,284</u>	<u>2,818,650</u>	<u>(2,627,634)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	5,471,854	4,749,564	722,290
Total Expenditures	<u>5,471,854</u>	<u>4,749,564</u>	<u>722,290</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(25,570)</u>	<u>(1,930,914)</u>	<u>(1,905,344)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(222,240)</u>	<u>(222,240)</u>	-
Total Other Financing Sources (Uses)	<u>(222,240)</u>	<u>(222,240)</u>	-
<b>Net Change in Fund Balance</b>	(247,810)	(2,153,154)	(1,905,344)
Fund Balance, Beginning	<u>7,616,000</u>	<u>7,616,000</u>	-
Fund Balance, Ending	<u>\$ 7,368,190</u>	<u>\$ 5,462,846</u>	<u>\$ (1,905,344)</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, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 10,000	\$ 196,922	\$ 186,922
Intergovernmental	-	5,143,325	5,143,325
Contribution from property owners	12,181,138	7,452,238	(4,728,900)
Use of money and property	25,000	(21,775)	(46,775)
Total Revenues	<u>12,216,138</u>	<u>12,770,710</u>	<u>554,572</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	11,295,700	6,921,378	4,374,322
Total Expenditures	<u>11,295,700</u>	<u>6,921,378</u>	<u>4,374,322</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	920,438	5,849,332	4,928,894
<b>Other Financing Sources (Uses):</b>			
Transfers out	(3,196,362)	(3,196,362)	-
Total Other Financing Sources (Uses)	<u>(3,196,362)</u>	<u>(3,196,362)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(2,275,924)	2,652,970	4,928,894
Fund Balance, Beginning	<u>5,115,937</u>	<u>5,115,937</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,840,013</u>	<u>\$ 7,768,907</u>	<u>\$ 4,928,894</u>

**CITY OF ELK GROVE**

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 June 30, 2021

	Measure A Construction Funds	LTF Bikes & Pedestrian Fund	Capital Facilities Funds	Laguna West Service Area Fund
<b><u>ASSETS</u></b>				
Cash and investments	\$ 3,169,462	\$ 14,525	\$ 16,654,426	\$ 614,383
Cash with fiscal agent	-	-	-	-
Accounts receivable	-	-	-	-
Interest receivable	509	2	2,704	99
Due from other government agencies	-	299,989	-	1,244
Advances to other funds	-	-	1,500,000	-
Long-term development fees receivable	-	-	392,699	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 3,169,971</u>	<u>\$ 314,516</u>	<u>\$ 18,549,829</u>	<u>\$ 615,726</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 322,220	\$ 61,170	\$ 280,832	\$ -
Accrued salaries and benefits	-	-	247	-
Retention payable	5,784	3,214	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>328,004</u>	<u>64,384</u>	<u>281,079</u>	<u>-</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	-	299,989	392,699	-
	<hr/>	<hr/>	<hr/>	<hr/>
<b><u>FUND BALANCES</u></b>				
Restricted	2,841,967	-	17,876,051	615,726
Unassigned	-	(49,857)	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	<u>2,841,967</u>	<u>(49,857)</u>	<u>17,876,051</u>	<u>615,726</u>
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,169,971</u>	<u>\$ 314,516</u>	<u>\$ 18,549,829</u>	<u>\$ 615,726</u>

Lakeside Service Area Fund	In Lieu Funds	East Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund	District56		Laguna CFD Fund
				Nature Area and OT Plaza Fund	Animal Shelter Fund	
\$ 84,371	\$ 4,274,782	\$ 15,766,519	\$ 332,026	\$ 3,214,437	\$ 24,367	\$ 1,028,888
-	-	-	213	-	13,830	-
-	273,504	-	-	-	-	-
14	-	2,534	53	-	4	165
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 84,385</u>	<u>\$ 4,548,286</u>	<u>\$ 15,769,053</u>	<u>\$ 332,292</u>	<u>\$ 3,214,437</u>	<u>\$ 38,201</u>	<u>\$ 1,029,053</u>
\$ -	\$ 496,416	\$ 1,397,769	\$ 5,450	\$ 946,251	\$ -	\$ -
-	-	662	662	-	-	-
-	94,832	61,598	-	393,637	36,127	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	591,248	1,460,029	6,112	1,339,888	36,127	-
-	-	-	-	-	-	-
84,385	3,957,038	14,309,024	326,180	1,874,549	2,074	1,029,053
-	-	-	-	-	-	-
84,385	3,957,038	14,309,024	326,180	1,874,549	2,074	1,029,053
<u>\$ 84,385</u>	<u>\$ 4,548,286</u>	<u>\$ 15,769,053</u>	<u>\$ 332,292</u>	<u>\$ 3,214,437</u>	<u>\$ 38,201</u>	<u>\$ 1,029,053</u>

continued

**CITY OF ELK GROVE**

Combining Balance Sheet  
 Nonmajor Capital Projects Funds (continued)  
 June 30, 2020

	Laguna West CFD Fund	Lakeside CFD Fund	SEPA Mitigation Funds	Total
<b><u>ASSETS</u></b>				
Cash and investments	\$ 140,608	\$ -	\$ 8,342,840	\$ 53,661,634
Cash with fiscal agent	-	-	-	14,043
Accounts receivable	-	-	-	273,504
Interest receivable	23	-	1,218	7,325
Due from other government agencies	-	-	-	301,233
Advances to other funds	-	-	-	1,500,000
Long-term development fees receivable	-	-	-	392,699
<b>Total Assets</b>	<b>\$ 140,631</b>	<b>\$ -</b>	<b>\$ 8,344,058</b>	<b>\$ 56,150,438</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ -	\$ 175	\$ 3,510,283
Accrued salaries and benefits	-	-	-	1,571
Retention payable	-	-	-	595,192
Advances from other funds	-	614	-	614
Unearned revenue	-	-	1,490,870	1,490,870
<b>Total Liabilities</b>	<b>-</b>	<b>614</b>	<b>1,491,045</b>	<b>5,598,530</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	-	-	-	692,688
<b><u>FUND BALANCES</u></b>				
Restricted	140,631	-	6,853,013	49,909,691
Unassigned	-	(614)	-	(50,471)
<b>Total Fund Balances</b>	<b>140,631</b>	<b>(614)</b>	<b>6,853,013</b>	<b>49,859,220</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 140,631</b>	<b>\$ -</b>	<b>\$ 8,344,058</b>	<b>\$ 56,150,438</b>

**This page intentionally left blank**

**CITY OF ELK GROVE**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2021

	Measure A Construction Funds	LTF Bike & Pedestrian Fund	Capital Facilities Funds	Laguna West Service Area Fund
<b>Revenues:</b>				
Licenses, fees and permits	\$ -	\$ -	\$ 4,128,249	\$ -
Intergovernmental	1,184,512	-	-	61,556
Use of money and property	12,637	(1,327)	98,420	1,869
Other Revenue	-	-	-	-
<b>Total Revenues</b>	<b>1,197,149</b>	<b>(1,327)</b>	<b>4,226,669</b>	<b>63,425</b>
<b>Expenditures:</b>				
Current:				
Public ways and facilities	910,709	98,584	789,517	36,572
<b>Total Expenditures</b>	<b>910,709</b>	<b>98,584</b>	<b>789,517</b>	<b>36,572</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	286,440	(99,911)	3,437,152	26,853
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	-
Transfers out	(246,020)	(7,933)	(781,977)	(3,857)
<b>Total Other Financing Sources (Uses)</b>	<b>(246,020)</b>	<b>(7,933)</b>	<b>(781,977)</b>	<b>(3,857)</b>
<b>Net Change in Fund Balances</b>	<b>40,420</b>	<b>(107,844)</b>	<b>2,655,175</b>	<b>22,996</b>
Fund Balances, Beginning	2,801,547	57,987	15,220,876	592,730
Fund Balances, End of Year	\$ 2,841,967	\$ (49,857)	\$ 17,876,051	\$ 615,726



Lakeside Service Area Fund	In Lieu Funds	East Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund	District 56		Laguna CFD Fund
				Nature Area and OT Plaza Fund	Animal Shelter Fund	
\$ -	\$ 1,635,546	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	325,000	-	-	-
170	(54,938)	14,607	(4,743)	-	(4,137)	266,000
-	-	-	-	15,207	-	-
170	1,580,608	14,607	320,257	15,207	(4,137)	266,000
64	2,521,655	4,845,368	53,760	7,804,229	71	-
64	2,521,655	4,845,368	53,760	7,804,229	71	-
106	(941,047)	(4,830,761)	266,497	(7,789,022)	(4,208)	266,000
-	-	-	-	9,732,078	-	-
(1,717)	(331)	(125,030)	(572,545)	-	(233,007)	-
(1,717)	(331)	(125,030)	(572,545)	9,732,078	(233,007)	-
(1,611)	(941,378)	(4,955,791)	(306,048)	1,943,056	(237,215)	266,000
85,996	4,898,416	19,264,815	632,228	(68,507)	239,289	763,053
\$ 84,385	\$ 3,957,038	\$ 14,309,024	\$ 326,180	\$ 1,874,549	\$ 2,074	\$ 1,029,053

continued

**CITY OF ELK GROVE**

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

	Laguna West CFD Fund	Lakeside CFD Fund	SEPA Mitigation Funds	Total
<b>Revenues:</b>				
Licenses, fees and permits	\$ -	\$ -	\$ 3,713,466	\$ 9,477,261
Intergovernmental	-	-	-	1,571,068
Use of money and property	(1,727)	-	111,776	438,607
Other Revenue	-	-	-	15,207
<b>Total Revenues</b>	<b>(1,727)</b>	<b>-</b>	<b>3,825,242</b>	<b>11,502,143</b>
<b>Expenditures:</b>				
Current:				
Public ways and facilities	109	-	14,288	17,074,926
<b>Total Expenditures</b>	<b>109</b>	<b>-</b>	<b>14,288</b>	<b>17,074,926</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,836)	-	3,810,954	(5,572,783)
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	-	9,732,078
Transfers out	-	-	-	(1,972,417)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>7,759,661</b>
<b>Net Change in Fund Balances</b>	<b>(1,836)</b>	<b>-</b>	<b>3,810,954</b>	<b>2,186,878</b>
Fund Balances, Beginning	142,467	(614)	3,042,059	47,672,342
Fund Balances, End of Year	<u>\$ 140,631</u>	<u>\$ (614)</u>	<u>\$ 6,853,013</u>	<u>\$ 49,859,220</u>

**CITY OF ELK GROVE**

Capital Projects Fund  
 Supplemental Budgetary Comparison Schedule  
 Measure A Construction Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 798,052	\$ 1,184,512	\$ 386,460
Use of money and property	-	12,637	12,637
Total Revenues	798,052	1,197,149	399,097
<b>Expenditures:</b>			
Current:			
Public ways and facilities	948,328	910,709	37,619
Total Expenditures	948,328	910,709	37,619
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(150,276)	286,440	436,716
<b>Other Financing Sources (Uses):</b>			
Transfers out	(246,020)	(246,020)	-
Total Other Financing Sources (Uses)	(246,020)	(246,020)	-
<b>Net Change in Fund Balance</b>	(396,296)	40,420	436,716
Fund Balance, Beginning	2,801,547	2,801,547	-
Fund Balance, Ending	\$ 2,405,251	\$ 2,841,967	\$ 436,716

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 LTF Bike & Pedestrian Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 140,000	\$ -	\$ (140,000)
Use of money and property	3,942	(1,327)	(5,269)
Total Revenues	143,942	(1,327)	(145,269)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	98,584	98,584	-
Total Expenditures	98,584	98,584	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	45,358	(99,911)	(145,269)
<b>Other Financing Sources (Uses):</b>			
Transfers out	(7,933)	(7,933)	-
Total Other Financing Sources (Uses)	(7,933)	(7,933)	-
<b>Net Change in Fund Balance</b>	37,425	(107,844)	(145,269)
Fund Balance, Beginning	57,987	57,987	-
Fund Balance, Ending	\$ 95,412	\$ (49,857)	\$ (145,269)

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 Capital Facilities Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 2,398,265	\$ 4,128,249	\$ 1,729,984
Use of money and property	140,730	98,420	(42,310)
Total Revenues	2,538,995	4,226,669	1,687,674
<b>Expenditures:</b>			
Current:			
Public ways and facilities	914,079	789,517	124,562
Total Expenditures	914,079	789,517	124,562
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,624,916	3,437,152	1,812,236
<b>Other Financing Sources (Uses):</b>			
Transfers out	(782,007)	(781,977)	30
Total Other Financing Sources (Uses)	(782,007)	(781,977)	30
<b>Net Change in Fund Balance</b>	842,909	2,655,175	1,812,266
Fund Balance, Beginning	15,220,876	15,220,876	-
Fund Balance, Ending	\$ 16,063,785	\$ 17,876,051	\$ 1,812,266

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 Laguna West Service Area Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 61,000	\$ 61,556	\$ 556
Use of money and property	4,091	1,869	(2,222)
Total Revenues	65,091	63,425	(1,666)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	57,500	36,572	20,928
Total Expenditures	57,500	36,572	20,928
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	7,591	26,853	19,262
<b>Other Financing Sources (Uses):</b>			
Transfers out	(3,857)	(3,857)	-
Total Other Financing Sources (Uses)	(3,857)	(3,857)	-
<b>Net Change in Fund Balance</b>	3,734	22,996	19,262
Fund Balance, Beginning	592,730	592,730	-
Fund Balance, Ending	\$ 596,464	\$ 615,726	\$ 19,262

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 Lakeside Service Area Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Use of money and property	\$ 732	\$ 170	\$ (562)
Total Revenues	<u>732</u>	<u>170</u>	<u>(562)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	<u>50</u>	<u>64</u>	<u>(14)</u>
Total Expenditures	<u>50</u>	<u>64</u>	<u>(14)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>682</u>	<u>106</u>	<u>(576)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(1,717)</u>	<u>(1,717)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(1,717)</u>	<u>(1,717)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>(1,035)</b>	<b>(1,611)</b>	<b>(576)</b>
Fund Balance, Beginning	<u>85,996</u>	<u>85,996</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 84,961</u>	<u>\$ 84,385</u>	<u>\$ (576)</u>

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 In Lieu Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 100,000	\$ 1,635,546	\$ 1,535,546
Use of money and property	-	(54,938)	(54,938)
Total Revenues	100,000	1,580,608	1,480,608
<b>Expenditures:</b>			
Current:			
Public ways and facilities	2,762,111	2,521,655	240,456
Total Expenditures	2,762,111	2,521,655	240,456
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,662,111)	(941,047)	1,721,064
<b>Other Financing Sources (Uses):</b>			
Transfers out	(331)	(331)	-
Total Other Financing Sources (Uses)	(331)	(331)	-
<b>Net Change in Fund Balance</b>	(2,662,442)	(941,378)	1,721,064
Fund Balance, Beginning	4,898,416	4,898,416	-
Fund Balance, Ending	\$ 2,235,974	\$ 3,957,038	\$ 1,721,064



**CITY OF ELK GROVE**

Capital Project Fund

Budgetary Comparison Schedule

East Franklin CFD 2002-1 Fund

For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Use of money and property	\$ 84,865	\$ 14,607	\$ (70,258)
Contribution from Community Facility District	300,000	-	(300,000)
Total Revenues	<u>384,865</u>	<u>14,607</u>	<u>(370,258)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	4,850,045	4,845,368	4,677
Total Expenditures	<u>4,850,045</u>	<u>4,845,368</u>	<u>4,677</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(4,465,180)</u>	<u>(4,830,761)</u>	<u>(365,581)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(125,030)	(125,030)	-
Total Other Financing Sources (Uses)	<u>(125,030)</u>	<u>(125,030)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<b>(4,590,210)</b>	<b>(4,955,791)</b>	<b>(365,581)</b>
Fund Balance, Beginning	<u>19,264,815</u>	<u>19,264,815</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 14,674,605</u>	<u>\$ 14,309,024</u>	<u>\$ (365,581)</u>

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 Poppy Ridge CFD 2003-1 Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
	<u>Budget</u>	<u>Actual</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ 325,000	\$ 325,000
Use of money and property	13,443	(4,743)	(18,186)
Contribution from Community Facility District	325,000	-	(325,000)
Total Revenues	<u>338,443</u>	<u>320,257</u>	<u>(18,186)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	149,889	53,760	96,129
Total Expenditures	<u>149,889</u>	<u>53,760</u>	<u>96,129</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>188,554</u>	<u>266,497</u>	<u>77,943</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(572,545)</u>	<u>(572,545)</u>	-
Total Other Financing Sources (Uses)	<u>(572,545)</u>	<u>(572,545)</u>	-
<b>Net Change in Fund Balance</b>	(383,991)	(306,048)	77,943
Fund Balance, Beginning	<u>632,228</u>	<u>632,228</u>	-
Fund Balance, Ending	<u>\$ 248,237</u>	<u>\$ 326,180</u>	<u>\$ 77,943</u>

**CITY OF ELK GROVE**

Capital Projects Fund  
 Supplemental Budgetary Comparison Schedule  
 District56 Nature Area and OT Plaza  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Other	\$ -	\$ 15,207	\$ 15,207
Total Revenues	-	15,207	15,207
<b>Expenditures:</b>			
Current:			
Public ways and facilities	\$ 7,804,228	\$ 7,804,229	\$ (1)
Total Expenditures	7,804,228	7,804,229	(1)
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(7,804,228)	(7,789,022)	15,206
<b>Other Financing Sources (Uses):</b>			
Transfers In	9,732,078	9,732,078	-
Total Other Financing Sources (Uses)	9,732,078	9,732,078	-
<b>Net Change in Fund Balance</b>	1,927,850	1,943,056	15,206
Fund Balance, Beginning	(68,507)	(68,507)	-
Fund Balance, Ending	\$ 1,859,343	\$ 1,874,549	\$ 15,206

**CITY OF ELK GROVE**

Capital Projects Fund  
 Supplemental Budgetary Comparison Schedule  
 Animal Shelter Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,000	\$ (4,137)	\$ (5,137)
Total Revenues	1,000	(4,137)	(5,137)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	698	71	627
Total Expenditures	698	71	627
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	302	(4,208)	(4,510)
<b>Other Financing Sources (Uses):</b>			
Transfers out	(233,007)	(233,007)	-
Total Other Financing Sources (Uses)	(233,007)	(233,007)	-
<b>Net Change in Fund Balance</b>	(232,705)	(237,215)	(4,510)
Fund Balance, Beginning	239,289	239,289	-
Fund Balance, Ending	\$ 6,584	\$ 2,074	\$ (4,510)

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 Laguna CFD Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 6,391	\$ 266,000	\$ 259,609
Total Revenues	6,391	266,000	259,609
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	6,391	266,000	259,609
 <b>Net Change in Fund Balance</b>	6,391	266,000	259,609
 Fund Balance, Beginning	763,053	763,053	-
 Fund Balance, Ending	\$ 769,444	\$ 1,029,053	\$ 259,609

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 Laguna West CFD Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 1,194	\$ (1,727)	\$ (2,921)
Total Revenues	1,194	(1,727)	(2,921)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	121	109	12
Total Expenditures	121	109	12
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,073	(1,836)	(2,909)
<b>Net Change in Fund Balance</b>	1,073	(1,836)	(2,909)
Fund Balance, Beginning	142,467	142,467	-
Fund Balance, Ending	\$ 143,540	\$ 140,631	\$ (2,909)

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 Lakeside CFD Fund  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ -	\$ -	\$ -
<b>Expenditures:</b>			
Total Expenditures	\$ -	\$ -	\$ -
<b>Other Financing Sources (Uses):</b>			
Transfers In	-	-	-
Transfers out	(2)	-	(2)
Total Other Financing Sources (Uses)	(2)	-	2
<b>Net Change in Fund Balance</b>	(2)	-	2
Fund Balance, Beginning	(614)	(614)	-
Fund Balance, Ending	\$ (616)	\$ (614)	\$ 2

**CITY OF ELK GROVE**

Capital Projects Fund  
 Budgetary Comparison Schedule  
 SEPA Mitigation Funds  
 For the Year Ended June 30, 2021

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ -	\$ 3,713,466	\$ 3,713,466
Use of money and property	-	111,776	111,776
Total Revenues	-	3,825,242	3,825,242
<b>Expenditures:</b>			
Public ways and facilities	1,224,500	14,288	1,210,212
Total Expenditures	1,224,500	14,288	1,210,212
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,224,500)	3,810,954	5,035,454
<b>Net Change in Fund Balance</b>			
	(1,224,500)	3,810,954	5,035,454
Fund Balance, Beginning			
	3,042,059	3,042,059	-
Fund Balance, Ending			
	\$ 1,817,559	\$ 6,853,013	\$ 5,035,454



# DEBT SERVICE FUNDS

## DEFINITION

---

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

### Major Debt Service Funds

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

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

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

---

**CITY OF ELK GROVE**

Major Debt Service Fund  
 Budgetary Comparison Schedule  
 Elk Grove Finance Authority Debt Service Fund

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual Amounts	
	<u>Final</u>	<u>Actual Amounts</u>	<u>(Negative)</u>
<b>Revenues:</b>			
Use of money and property	\$ 3,444	\$ (719)	\$ (4,163)
Total Revenues	<u>3,444</u>	<u>(719)</u>	<u>(4,163)</u>
<b>Expenditures:</b>			
Debt Service:			
Tax administration	4,170	966	3,204
Principal	495,000	495,000	-
Interest	<u>89,652</u>	<u>89,652</u>	<u>-</u>
Total Expenditures	<u>588,822</u>	<u>585,618</u>	<u>3,204</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(585,378)</u>	<u>(586,337)</u>	<u>(959)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>584,652</u>	<u>584,652</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>584,652</u>	<u>584,652</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(726)	(1,685)	(959)
Fund Balance, Beginning	<u>329,400</u>	<u>329,400</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 328,674</u>	<u>\$ 327,715</u>	<u>\$ (959)</u>

**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, 2021

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
<b>Revenues:</b>			
Use of money and property	\$ 18,600	\$ 4	\$ (18,596)
Total Revenues	18,600	4	(18,596)
<b>Expenditures:</b>			
Debt Service:			
Tax administration	20,000	6,103	13,897
Principal	620,000	620,000	-
Interest	684,857	684,856	1
Total Expenditures	1,324,857	1,310,959	13,898
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,306,257)	(1,310,955)	(4,698)
<b>Other Financing Sources (Uses):</b>			
Transfers in	1,536,178	1,536,178	-
Total Other Financing Sources (Uses)	1,536,178	1,536,178	-
<b>Net Change in Fund Balance</b>	229,921	225,223	(4,698)
Fund Balance, Beginning	39,511	39,511	-
Fund Balance, Ending	\$ 269,432	\$ 264,734	\$ (4,698)

**CITY OF ELK GROVE**

Debt Service Fund  
 Budgetary Comparison Schedule  
 Elk Grove Finance Authority 2020 Debt Service Fund  
 For the Year Ended June 30, 2021

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual Amounts	
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 131,546	\$ 131,546
Total Revenues	-	131,546	131,546
<b>Expenditures:</b>			
Debt Service:			
Tax administration	5,000	499	4,501
Principal	602,440	602,440	-
Interest	214,677	214,677	-
Total Expenditures	822,117	817,616	4,501
Excess (Deficiency) of Revenues Over (Under) Expenditures	(822,117)	(686,070)	136,047
<b>Other Financing Sources (Uses):</b>			
Transfers in	510,000	510,000	-
Transfers out	(9,732,078)	(9,732,078)	-
Total Other Financing Sources (Uses)	(9,222,078)	(9,222,078)	-
<b>Net Change in Fund Balance</b>	(10,044,195)	(9,908,148)	136,047
Fund Balance, Beginning	10,607,231	10,607,231	-
Fund Balance, End	\$ 699,083	\$ 699,083	\$ 136,047

# PERMANENT FUND

## DEFINITION

---

Permanent fund was established to account for and report resources that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

**Laguna Springs Open Space Preserve Fund** – Established to account for 2.9 acres of open/space wetland that was endowed to the City to provide long-term management and protection of the preserve.

**CITY OF ELK GROVE**

Combining Balance Sheet  
Nonmajor Permanent Fund  
June 30, 2021

	Laguna Spring Open Space Preserve Fund
<b><u>ASSETS</u></b>	
Cash and investments	\$ 113,811
Interest receivable	<u>3,849</u>
Total Assets	<u><u>\$ 117,660</u></u>
<b><u>LIABILITIES</u></b>	
Interest payable	<u>\$ 3,849</u>
Total Liabilities	<u>3,849</u>
<b><u>FUND BALANCES</u></b>	
Nonexpendable	99,086
Expendable	<u>14,725</u>
Total Fund Balances	<u>113,811</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 117,660</u></u>

**CITY OF ELK GROVE**

Combining Statement of Revenues, Expenditures and  
Changes in Fund Balance  
Nonmajor Permanent Fund  
For the Year Ended June 30, 2021

	Laguna Springs Open Space Preserve Fund
<b>Revenues:</b>	
Use of money and property	\$ 22,082
Total Revenues	<u>22,082</u>
<b>Expenditures:</b>	
Total Expenditures	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>22,082</u>
<b>Net Change in Fund Balances</b>	22,082
Fund Balances, Beginning (Restated)	<u>91,729</u>
Fund Balances, End of Year	<u>\$ 113,811</u>

# 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, 2021

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
<b><u>ASSETS</u></b>					
Current Assets:					
Cash and Investments	\$ 6,204,847	\$ 4,815,235	\$ 3,569,129	\$ 217,996	\$ 14,807,207
Accounts Receivable	180,829	-	-	118	180,947
Interest Receivable	997	768	571	-	2,336
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	6,386,673	4,816,003	3,569,700	218,114	14,990,490
<b><u>LIABILITIES</u></b>					
Current Liabilities:					
Accounts payable	86,715	184,766	73,400	-	344,881
Accrued salaries and benefits	-	19,643	34,375	-	54,018
Compensated absences - current	3,472	5,295	10,489	-	19,256
Total Current Liabilities	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	90,187	209,704	118,264	-	418,155
Noncurrent Liabilities:					
Compensated absences - long term	35,101	53,539	106,054	-	194,694
Claims payable - long term	572,000	-	-	-	572,000
Total Noncurrent Liabilities	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	607,101	53,539	106,054	-	766,694
Total Liabilities	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	697,288	263,243	224,318	-	1,184,849
<b><u>Net Position</u></b>					
Unrestricted	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	5,689,385	4,552,760	3,345,382	218,114	13,805,641
Total Net Position	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$ 5,689,385	\$ 4,552,760	\$ 3,345,382	\$ 218,114	\$ 13,805,641

**CITY OF ELK GROVE**

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

Internal Service Funds

For the Year Ended June 30, 2021

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
<b>Operating Revenues:</b>					
Charges for services	\$ 4,596,754	\$ 3,966,338	\$ 3,368,561	\$ 39,729	\$ 11,971,382
Insurance recoveries	7,754	-	-	-	7,754
Total Operating Revenues	<u>4,604,508</u>	<u>3,966,338</u>	<u>3,368,561</u>	<u>39,729</u>	<u>11,979,136</u>
<b>Operating Expenses:</b>					
Salaries and benefits	281,047	654,564	1,156,093	-	2,091,704
Services and supplies	3,657,783	2,883,464	1,449,003	-	7,990,250
Claims expense	740,209	-	-	48,498	788,707
Total Operating Expenses	<u>4,679,039</u>	<u>3,538,028</u>	<u>2,605,096</u>	<u>48,498</u>	<u>10,870,661</u>
<b>Operating Income</b>	<u>(74,531)</u>	<u>428,310</u>	<u>763,465</u>	<u>(8,769)</u>	<u>1,108,475</u>
Non-Operating Revenues (Expenses):					
Interest income	962	70,362	13,746	(2,641)	82,429
Intergovernmental	-	10,024	18,111	-	28,135
Total Non-Operating Revenues (Expenses)	<u>962</u>	<u>80,386</u>	<u>31,857</u>	<u>(2,641)</u>	<u>110,564</u>
Net Income Before Transfers	(73,569)	508,696	795,322	(11,410)	1,219,039
Transfers Out	<u>(229,266)</u>	<u>(204,707)</u>	<u>(248,349)</u>	<u>-</u>	<u>(682,322)</u>
Total Other Financing Sources (Uses)	<u>(229,266)</u>	<u>(204,707)</u>	<u>(248,349)</u>	<u>-</u>	<u>(682,322)</u>
<b>Change in Net Position</b>	<u>(302,835)</u>	<u>303,989</u>	<u>546,973</u>	<u>(11,410)</u>	<u>536,717</u>
Net Position - Beginning of Year	<u>5,992,220</u>	<u>4,248,771</u>	<u>2,798,409</u>	<u>229,524</u>	<u>13,268,924</u>
Net Position - End of Year	<u>\$ 5,689,385</u>	<u>\$ 4,552,760</u>	<u>\$ 3,345,382</u>	<u>\$ 218,114</u>	<u>\$ 13,805,641</u>

## CITY OF ELK GROVE

### Combining Statement of Cash Flows Internal Service Funds For the Year Ended June 30, 2021

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>					
Cash receipts from customers/ other funds	\$ 4,471,552	\$ 3,990,036	\$ 3,368,561	\$ 39,850	\$ 11,869,999
Cash receipts from insurance recoveries	7,754	-	-	-	7,754
Cash paid to suppliers for goods and services	(4,013,919)	(2,878,110)	(1,444,584)	(48,499)	(8,385,112)
Cash paid to employees for services	(276,779)	(624,289)	(1,121,386)	-	(2,022,454)
Net Cash Provided (Used) by Operating Activities	<u>188,608</u>	<u>487,637</u>	<u>802,591</u>	<u>(8,649)</u>	<u>1,470,187</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>					
Proceeds from grants	-	10,024	18,111	-	28,135
Transfers (Out)	(229,266)	(204,707)	(248,349)	-	(682,322)
Net Cash (Used) by Noncapital Financing Activities	<u>(229,266)</u>	<u>(194,683)</u>	<u>(230,238)</u>	<u>-</u>	<u>(654,187)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Investment income (loss)	4,335	72,711	15,263	(2,641)	89,668
Net Cash Provided by Investing Activities	<u>4,335</u>	<u>72,711</u>	<u>15,263</u>	<u>(2,641)</u>	<u>89,668</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(36,323)	365,665	587,616	(11,290)	905,668
Cash and Cash Equivalents, Beginning of Year	6,241,170	4,449,570	2,981,513	229,286	13,901,539
Cash and Cash Equivalents, End of Year	<u>\$ 6,204,847</u>	<u>\$ 4,815,235</u>	<u>\$ 3,569,129</u>	<u>\$ 217,996</u>	<u>\$ 14,807,207</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>					
Operating income (loss)	\$ (74,531)	\$ 428,310	\$ 763,465	\$ (8,769)	\$ 1,108,475
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(125,202)	23,698	-	120	(101,384)
Increase (decrease) in:					
Accounts payable	51,414	5,354	4,419	-	61,187
Accrued salaries and benefits payable	-	2,358	4,473	-	6,831
Compensated absences	4,268	27,917	30,234	-	62,419
Claims payable	332,659	-	-	-	332,659
Net Cash Provided (Used) by Operating Activities	<u>\$ 188,608</u>	<u>\$ 487,637</u>	<u>\$ 802,591</u>	<u>\$ (8,649)</u>	<u>\$ 1,470,187</u>
<b><u>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</u></b>					
Nonreciprocal transfer of capital assets to governmental activities	<u>\$ (118,953)</u>	<u>\$ (328,481)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (447,434)</u>

**This page intentionally left blank**

# CUSTODIAL FUNDS

## DEFINITION

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

### **Custodial Funds**

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

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

STA Transportation Fee Fund  
Laguna West Park Fee Fund

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

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

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

East Franklin CFD 2002-1 Fund

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

**CITY OF ELK GROVE**

Combining Statement of Net Position  
Custodial Funds  
June 30, 2021

	<u>Community Services District &amp; Sac County Funds</u>	<u>Elk Grove Employee Sunshine Fund</u>	<u>CFD 2005-1 Laguna Ridge Fund</u>
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,276,405	\$ 57,250	\$ 737,034
Cash with fiscal agent	-	-	17,152,619
Accounts receivable	123,357	586	-
Taxes receivable	-	-	245,717
Interest receivable	253	9	113
	<u>2,400,015</u>	<u>57,845</u>	<u>18,135,483</u>
 <b><u>LIABILITIES</u></b>			
Accounts payable	2,363,388	588	-
Interest payable	2,981	-	-
Refundable deposits	-	-	-
	<u>2,366,369</u>	<u>588</u>	<u>-</u>
 <b><u>NET POSITION</u></b>			
Restricted for individuals and organizations	<u>33,646</u>	<u>57,257</u>	<u>18,135,483</u>
	<u>\$ 33,646</u>	<u>\$ 57,257</u>	<u>\$ 18,135,483</u>

CFD 2002-1 East Franklin Fund	CFD 2003-1 Poppy Ridge Fund	Property & Evidence Fund	Total
\$ 4,100,419	\$ 1,651,610	\$ 71,357	\$ 8,894,075
1	1	-	17,152,621
-	-	-	123,943
126,334	354,091	-	726,142
-	-	-	375
<u>4,226,754</u>	<u>2,005,702</u>	<u>71,357</u>	<u>26,897,156</u>
-	-	-	2,363,976
-	-	126	3,107
-	-	71,231	71,231
<u>-</u>	<u>-</u>	<u>71,357</u>	<u>2,438,314</u>
<u>4,226,754</u>	<u>2,005,702</u>	<u>-</u>	<u>24,458,842</u>
<u>\$ 4,226,754</u>	<u>\$ 2,005,702</u>	<u>-</u>	<u>\$ 24,458,842</u>

## CITY OF ELK GROVE

### Combining Statement of Changes in Net Position Custodial Funds For the Year Ended June 30, 2021

	Community Services District & Sac County Custodial Funds	Elk Grove Employee Sunshine Fund	CFD 2005-1 Laguna Ridge Fund
<b>ADDITIONS</b>			
Investment earnings:			
Net increase in fair value of investments	\$ 6,116	\$ (386)	\$ (70,991)
Interest, dividends, and other	12,961	733	12,369
Total investment earnings	19,077	347	(58,622)
Net investment earnings	19,077	347	(58,622)
Fees, taxes and special assessments for other governments	6,017,963	-	9,149,602
Issuance of debt	-	-	12,265,472
Activity fees	-	19,557	-
Miscellaneous	-	993	-
Total additions	6,037,040	20,897	21,356,452
<b>DEDUCTIONS</b>			
Administrative expense	54,386	-	10,221
Payment of fees, taxes and special assessments to other governments	5,976,531	-	-
Development and construction expense	-	-	11,556,138
Activities and events	-	12,061	-
Debt issuance costs	-	-	259,854
Debt service	-	-	7,373,690
Total deductions	6,030,917	12,061	19,199,903
Net increase (decrease) in fiduciary net position	6,123	8,836	2,156,549
Net Position - Beginning of Year (Restated)	27,523	48,421	15,978,934
Net Position - End of Year	\$ 33,646	\$ 57,257	\$ 18,135,483



CFD 2002-1 East Franklin Fund	CFD 2003-1 Poppy Ridge Fund	Property & Evidence Fund	Total
\$ (23,341)	\$ (7,790)	\$ -	\$ (96,392)
3	3	-	26,069
<u>(23,338)</u>	<u>(7,787)</u>	<u>-</u>	<u>(70,323)</u>
<u>(23,338)</u>	<u>(7,787)</u>	<u>-</u>	<u>(70,323)</u>
4,435,918	3,984,033	-	23,587,516
-	-	-	12,265,472
-	-	-	19,557
-	-	-	993
<u>4,412,580</u>	<u>3,976,246</u>	<u>-</u>	<u>35,803,215</u>
8,682	7,376	-	80,665
-	-	-	5,976,531
-	325,000	-	11,881,138
-	-	-	12,061
-	-	-	259,854
<u>3,595,550</u>	<u>3,253,950</u>	<u>-</u>	<u>14,223,190</u>
<u>3,604,232</u>	<u>3,586,326</u>	<u>-</u>	<u>32,433,439</u>
808,348	389,920	-	3,369,776
3,418,406	1,615,782	-	21,089,066
<u>\$ 4,226,754</u>	<u>\$ 2,005,702</u>	<u>\$ -</u>	<u>\$ 24,458,842</u>

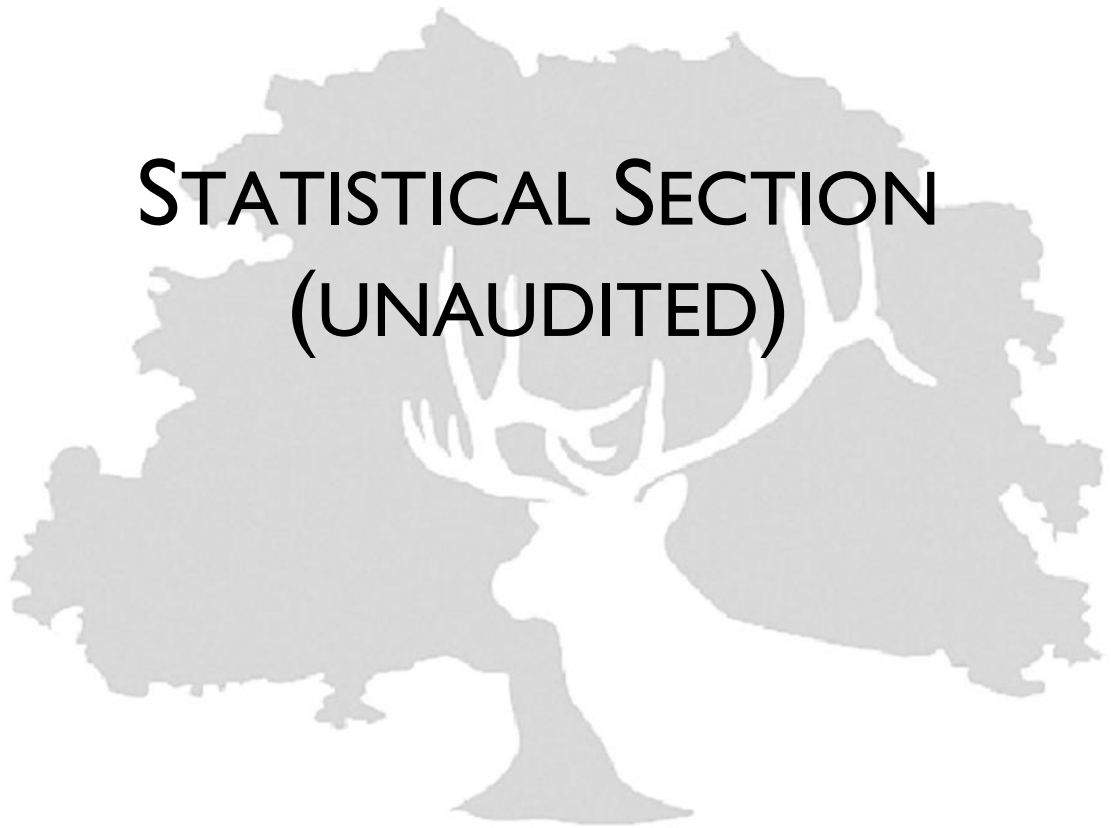
**This page intentionally left blank**

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2021

---

### STATISTICAL SECTION (UNAUDITED)





# STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends.....	200
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 .....	208
These schedules contain information to help the reader assess the City’s most significant local revenue sources, sales tax and property tax.	
Debt Capacity.....	214
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.....	220
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 .....	224
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, 2021

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 1,111,694,296	\$ 1,078,400,474	\$ 1,039,981,256	\$ 1,022,527,119
Restricted	175,800,872	180,771,790	186,903,329	189,080,327
Unrestricted	6,493,570	5,047,782	11,298,487	196,869
Total governmental activities net position	<u>1,293,988,738</u>	<u>1,264,220,046</u>	<u>1,238,183,072</u>	<u>1,211,804,315</u>
<b>Business-type activities</b>				
Net investment in capital assets	18,799,468	21,427,305	22,023,121	22,404,646
Restricted	-	-	-	1,180,453
Unrestricted	15,187,176	17,698,799	22,689,582	24,944,050
Total business-type activities net position	<u>33,986,644</u>	<u>39,126,104</u>	<u>44,712,703</u>	<u>48,529,149</u>
<b>Primary government</b>				
Net investment in capital assets	1,130,493,764	1,099,827,779	1,062,004,377	1,045,953,748
Restricted	175,800,872	180,771,790	186,903,329	190,260,780
Unrestricted	21,680,746	22,746,581	33,988,069	25,140,918
Total primary government net position	<u>\$ 1,327,975,382</u>	<u>\$ 1,303,346,150</u>	<u>\$ 1,282,895,775</u>	<u>\$ 1,261,355,446</u>

Source: The City of Elk Grove ACFR

	2016	2017	2018	2019	2020	2021
\$	976,664,371	\$ 1,053,280,603	\$ 1,110,618,821	\$ 1,076,838,610	\$ 1,060,332,753	\$ 1,047,211,028
	215,829,204	257,008,259	280,624,842	277,972,813	284,980,049	292,185,610
	20,295,785	22,513,816	(69,766,957)	(4,465,698)	4,692,738	33,000,422
	<u>1,212,789,360</u>	<u>1,332,802,678</u>	<u>1,321,476,706</u>	<u>1,350,345,725</u>	<u>1,350,005,540</u>	<u>1,372,397,060</u>
	28,132,236	28,608,561	32,936,365	34,554,021	34,844,354	40,541,319
	1,398,464	272,077	187,918	1,293,918	-	-
	<u>27,615,148</u>	<u>29,735,624</u>	<u>30,498,920</u>	<u>33,235,837</u>	<u>40,536,527</u>	<u>38,712,765</u>
	<u>57,145,848</u>	<u>58,616,262</u>	<u>63,623,203</u>	<u>69,083,776</u>	<u>75,380,881</u>	<u>79,254,084</u>
	1,004,796,607	1,081,889,164	1,143,555,186	1,111,392,631	1,095,177,107	1,087,752,347
	217,227,668	257,280,336	280,812,760	279,266,731	284,980,049	292,185,610
	<u>47,910,933</u>	<u>52,249,440</u>	<u>(39,268,037)</u>	<u>28,770,139</u>	<u>45,229,265</u>	<u>71,713,187</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>	<u>\$ 1,425,386,421</u>	<u>\$ 1,451,651,144</u>

**CITY OF ELK GROVE, CALIFORNIA**

Changes in Net Position, Last Ten Fiscal Years (accrual basis)  
For The Years Ended June 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 16,861,125	\$ 20,774,018	\$ 16,175,748	\$ 14,105,998	\$ 18,070,372	\$ 19,975,018	\$ 25,593,798	\$ 24,142,627	\$ 26,290,186	\$ 33,790,534
Public safety	30,872,143	31,181,737	33,121,110	34,793,685	32,251,277	33,957,641	38,640,457	41,095,844	45,928,962	52,721,661
Public ways and facilities	74,520,124	52,655,196	58,379,175	57,464,510	60,661,733	79,170,655	71,142,386	81,387,088	66,498,261	68,792,816
Community development	6,510,594	6,636,749	7,810,427	7,375,422	9,688,271	9,373,576	9,714,155	10,325,402	10,607,681	13,712,896
Interest on long-term debt	5,478,761	5,285,258	4,845,038	4,875,918	6,364,518	501,705	565,679	819,458	1,003,870	1,038,694
Total governmental activities expenses	<u>134,242,747</u>	<u>116,532,958</u>	<u>120,331,498</u>	<u>118,615,533</u>	<u>127,036,171</u>	<u>142,978,595</u>	<u>145,656,475</u>	<u>157,770,419</u>	<u>150,328,960</u>	<u>170,056,601</u>
<b>Business-type activities</b>										
Solid Waste	12,035,454	11,881,280	13,106,912	14,142,088	15,688,146	16,025,115	3,295,078	3,170,889	2,999,283	3,046,795
Transit	9,175,116	9,515,572	9,589,073	9,030,560	10,827,002	11,549,568	10,985,466	11,037,095	10,509,143	10,027,298
Drainage	3,170,283	3,261,545	3,087,492	3,374,484	3,427,573	4,195,296	4,534,163	4,574,416	4,742,055	6,169,730
Total business-type activities expenses	<u>24,380,853</u>	<u>24,658,397</u>	<u>25,783,477</u>	<u>26,547,132</u>	<u>29,942,721</u>	<u>31,769,979</u>	<u>18,814,707</u>	<u>18,782,400</u>	<u>18,250,481</u>	<u>19,243,823</u>
Total primary government expenses	<u>158,623,600</u>	<u>141,191,355</u>	<u>146,114,975</u>	<u>145,162,665</u>	<u>156,978,892</u>	<u>174,748,574</u>	<u>164,471,182</u>	<u>176,552,819</u>	<u>168,579,441</u>	<u>189,300,424</u>
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for services										
General government	-	-	-	-	-	1,062,583	910,363	847,681	2,310,388	3,001,983
Public safety	2,650,254	2,608,338	1,585,802	1,203,963	1,152,599	7,300	20,700	14,800	6,370	10,200
Public ways and facilities	11,816,787	6,162,251	8,745,249	12,932,599	15,141,731	13,173,695	27,601,261	26,637,537	28,705,240	33,889,089
Other activities	7,430,163	7,954,482	9,174,547	8,831,340	9,963,980	2,206,419	4,048,193	5,772,373	4,240,029	5,615,428
Operating grants, interest, and contributions	32,863,969	30,507,890	34,884,138	35,982,947	27,881,745	15,651,340	22,515,041	22,117,670	23,446,687	32,590,579
Capital grants, interest and contributions	3,420,832	2,502,248	10,639,110	4,724,172	16,286,252	79,906,262	12,679,620	36,757,932	9,617,430	35,594,106
Total governmental activities program revenues	<u>58,182,005</u>	<u>49,735,209</u>	<u>65,028,846</u>	<u>63,675,021</u>	<u>70,426,307</u>	<u>112,007,599</u>	<u>67,775,178</u>	<u>92,147,993</u>	<u>68,326,144</u>	<u>110,701,385</u>
<b>Business-type activities</b>										
Charges for services										
Solid Waste	13,547,383	14,586,613	15,261,474	15,139,025	17,080,638	16,863,927	3,634,335	3,791,031	3,775,643	3,897,190
Transit	1,567,661	1,560,881	1,583,621	1,618,573	1,454,582	1,430,071	1,319,149	1,289,226	1,049,077	240,620
Drainage	4,992,891	5,163,800	5,257,252	5,359,836	5,448,108	5,632,309	5,706,721	5,702,933	5,982,654	6,119,877
Operating grants, interest, and contributions	9,705,378	6,261,715	8,803,329	8,737,006	12,468,916	8,869,845	12,576,884	11,421,609	11,327,506	13,402,350
Capital grants, interest and contributions	1,080,600	-	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>30,893,913</u>	<u>27,573,009</u>	<u>30,905,676</u>	<u>30,854,440</u>	<u>36,452,244</u>	<u>32,796,152</u>	<u>23,237,089</u>	<u>22,204,799</u>	<u>22,134,880</u>	<u>23,660,037</u>
Total primary government program revenues	<u>89,075,918</u>	<u>77,308,218</u>	<u>95,934,522</u>	<u>94,529,461</u>	<u>106,878,551</u>	<u>144,803,751</u>	<u>91,012,267</u>	<u>114,352,792</u>	<u>90,461,024</u>	<u>134,361,422</u>



**CITY OF ELK GROVE, CALIFORNIA**

Changes in Net Position, Last Ten Fiscal Years (accrual basis)  
For The Years Ended June 30, 2021

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>Net (Expense) Revenue</b>										
Governmental activities	(76,060,742)	(66,797,749)	(55,302,652)	(54,940,512)	(56,609,864)	(30,970,996)	(77,881,297)	(65,622,426)	(82,002,816)	(59,355,216)
Business-type activities	6,513,060	2,914,612	5,122,199	4,307,308	6,509,523	1,026,173	4,422,382	3,422,399	3,884,399	4,416,214
Total primary government net revenue (expense)	<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>	<u>\$ (78,118,417)</u>	<u>\$ (54,939,002)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Property taxes	\$ 9,089,959	\$ 10,174,450	\$ 9,680,843	\$ 10,748,517	\$ 11,443,260	\$ 23,670,228	\$ 25,079,951	\$ 26,276,570	\$ 27,773,836	\$ 29,511,750
Sales & Use tax	13,169,204	13,708,848	15,365,390	16,567,321	20,504,422	25,535,498	27,320,405	29,355,281	29,768,093	34,975,729
In-Lieu sales tax	3,955,955	4,710,293	4,845,534	5,583,730	4,704,053	5,681,559	-	-	-	-
Other taxes	8,829,483	8,591,465	8,905,914	9,319,299	10,174,956	4,510,259	11,580,750	11,756,951	10,785,744	11,305,394
Unrestricted interest income	3,098,231	3,611,324	3,933,612	7,107,416	4,671,926	-	-	-	-	-
Other Revenue	-	-	-	-	-	5,727,764	3,946,919	11,754,931	12,631,488	3,664,095
Transfers	835,752	(479,287)	908,351	868,712	1,096,291	1,098,174	1,010,576	728,196	703,470	2,172,721
Total governmental activities	<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>	<u>81,662,631</u>	<u>81,629,689</u>
Business-type activities										
Other taxes	1,073,091	1,014,591	1,129,497	1,235,074	1,301,708	1,379,717	1,456,673	1,532,613	1,607,522	1,685,060
Unrestricted interest income	83,038	165,275	243,254	164,758	879,777	-	-	-	-	-
Other	-	-	-	-	-	162,698	138,462	1,233,757	1,508,654	(55,350)
Transfers	(835,752)	479,287	(908,351)	(868,712)	(1,096,291)	(1,098,174)	(1,010,576)	(728,196)	(703,470)	(2,172,721)
Total business-type activities	<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>	<u>2,412,706</u>	<u>(543,011)</u>
Total primary government	<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>	<u>84,075,337</u>	<u>81,086,678</u>
Change in governmental activities net position before special item	(37,082,158)	(26,480,656)	(11,663,008)	(4,745,517)	(4,014,956)	35,252,486	(8,942,696)	14,249,503	(340,185)	22,274,473
Special item:										
Loss on sale of Vineyard Property	-	-	(14,373,966)	-	-	-	-	-	-	-
Bad debt expense	-	-	-	(12,141,141)	-	-	-	-	-	-
Change in Net Position:										
Governmental activities	(37,082,158)	(26,480,656)	(26,036,974)	(16,886,658)	(4,014,956)	35,252,486	(8,942,696)	14,249,503	(340,185)	22,274,473
Business-type activities	6,833,437	4,573,765	5,586,599	4,838,428	7,594,717	1,470,414	5,006,941	5,460,573	6,297,105	3,873,203
Total primary government	<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>	<u>\$ 5,956,920</u>	<u>\$ 26,147,676</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 ACFR

**CITY OF ELK GROVE, CALIFORNIA**

Fund Balances, Governmental Funds  
 Last Ten Fiscal Years  
 (modified accrual basis of accounting)  
 For The Years Ended June 30, 2021

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Committed	19,151,034	18,950,057	18,604,618	19,227,947
Assigned	-	-	-	1,649,271
Unassigned	7,369,071	4,876,432	5,995,555	1,381,845
Total General Fund	<u>\$ 26,520,105</u>	<u>\$ 23,826,489</u>	<u>\$ 24,600,173</u>	<u>\$ 22,259,063</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ 65,738,124
Restricted	107,450,983	109,716,431	113,819,244	124,249,316
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	(8,379,471)	(5,952,761)	(14,415,146)	(14,415,146)
Total All Other Governmental Funds	<u>\$ 99,071,512</u>	<u>\$ 103,763,670</u>	<u>\$ 99,404,098</u>	<u>\$ 175,572,294</u>

Source: The City of Elk Grove ACFR

2016	2017	2018	2019	2020	2021
\$ -	\$ 3,510,730	\$ 2,801,341	\$ 2,372,795	\$ 1,939,752	\$ 1,544,352
20,096,678	21,000,138	22,407,940	37,444,232	35,805,778	45,856,905
346,141	357,858	373,349	2,359,382	4,765,651	634,036
7,498,226	9,447,603	11,794,420	190,714	3,605,551	6,102,376
<u>\$ 27,941,045</u>	<u>\$ 34,316,329</u>	<u>\$ 37,377,050</u>	<u>\$ 42,367,123</u>	<u>\$ 46,116,732</u>	<u>\$ 54,137,669</u>
\$ 66,458,363	\$ -	\$ -	\$ -	\$ -	\$ -
151,376,738	242,335,680	234,660,067	230,471,851	245,502,694	252,216,752
20,096,678	-	-	-	-	-
346,141	-	-	-	-	13,445
(3,262,256)	(4,644,863)	(7,799,419)	(6,013,300)	(4,461,827)	(7,682,562)
<u>\$ 235,015,664</u>	<u>\$ 237,690,817</u>	<u>\$ 226,860,648</u>	<u>\$ 224,458,551</u>	<u>\$ 241,040,867</u>	<u>\$ 244,547,635</u>

CITY OF ELK GROVE, CALIFORNIA

Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years Ending June 30, 2021  
 (modified accrual basis of accounting)

	2012	2013	2014	2015
<b>REVENUES</b>				
Taxes	\$ 35,044,601	\$ 37,185,056	\$ 38,797,684	\$ 42,218,867
Licenses, fees and permits	17,066,136	12,925,467	15,574,986	19,444,219
Intergovernmental	36,944,835	33,646,054	44,698,377	40,589,946
Fines and forfeitures	1,748,945	1,525,078	1,319,758	488,299
Charges for services	1,920,769	2,234,212	3,083,121	3,308,827
Investment earnings	2,568,929	1,294,280	1,985,204	3,122,257
Contribution from Community Facility District	-	-	-	-
Contributions from property owners	-	-	-	-
Contributions and donations	-	-	-	-
Other Revenue	360,233	459,128	356,980	1,352,612
<b>Total revenues</b>	<b>95,654,448</b>	<b>89,269,275</b>	<b>105,816,110</b>	<b>110,525,027</b>
<b>EXPENDITURES:</b>				
General government	16,379,380	19,017,525	18,789,272	19,891,965
Public safety	30,040,279	30,592,175	32,537,512	34,796,247
Public ways and facilities	31,766,320	9,277,761	15,306,831	15,453,017
Community development	10,151,471	7,868,412	8,433,339	7,329,328
Capital outlay	13,179,940	12,525,633	20,853,268	22,636,496
Debt service:				
Principal retirement	3,145,000	3,290,000	3,460,000	3,620,000
Interest and fiscal charges	5,353,597	5,290,067	4,968,805	4,803,957
Bond issue costs	-	-	-	-
<b>Total expenditures</b>	<b>110,015,987</b>	<b>87,861,573</b>	<b>104,349,027</b>	<b>108,531,010</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(14,361,539)</b>	<b>1,407,702</b>	<b>1,467,083</b>	<b>1,994,017</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term liabilities issued	-	-	-	-
Premium (discount) on debt issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers from other funds	8,504,158	11,008,485	11,695,534	17,862,895
Transfers to other funds	(6,635,991)	(10,417,645)	(9,423,825)	(15,470,054)
<b>Total other financing sources (uses)</b>	<b>1,868,167</b>	<b>590,840</b>	<b>2,271,709</b>	<b>2,392,841</b>
<b>Net Change in Fund Balances before special item</b>	<b>(12,493,372)</b>	<b>1,998,542</b>	<b>3,738,792</b>	<b>4,386,858</b>
<b>Special Item:</b>				
Sale of Vineyard Property	-	-	3,347,156 <sup>(1)</sup>	-
<b>NET CHANGE IN FUND BALANCES</b>	<b>\$ (12,493,372)</b>	<b>\$ 1,998,542</b>	<b>\$ 7,085,948</b>	<b>\$ 4,386,858</b>

Debt service as a percentage of noncapital expenditures.

8.78%	11.39%	10.09%	9.81%
-------	--------	--------	-------

(1) On April 9, 2014, the City sold Vineyard land for \$3,347,156.  
 Source: The City of Elk Grove ACFR

2016	2017	2018	2019	2020	2021
\$ 46,826,691	\$ 59,397,544	\$ 63,981,106	\$ 67,388,802	\$ 68,327,673	\$ 75,792,873
23,521,281	13,741,076	29,558,628	32,430,388	31,129,318	39,845,008
42,846,356	24,099,150	30,160,655	41,196,733	33,474,390	43,187,367
387,185	354,504	281,523	245,488	504,072	909,033
2,481,403	1,804,824	3,219,568	2,036,472	2,441,302	2,826,699
4,040,144	5,097,917	1,882,216	9,196,276	10,181,302	3,036,689
-	-	-	-	-	7,452,238
-	72,700,000	1,400,000	16,030,000	-	-
-	30,000	1,000,000	-	-	-
970,243	947,939	991,515	1,067,530	1,825,575	1,330,827
<u>121,073,303</u>	<u>178,172,954</u>	<u>132,475,211</u>	<u>169,591,689</u>	<u>147,883,632</u>	<u>174,380,734</u>
19,971,477	23,312,594	26,431,508	26,866,864	28,229,779	32,229,265
35,356,689	36,067,903	37,703,232	39,898,125	48,759,157	50,117,147
15,331,077	59,011,979	80,059,131	100,760,979	43,448,285	62,246,726
9,444,746	9,193,193	9,522,145	10,718,894	12,409,217	11,866,414
19,170,128	488,306	6,752,813	3,272,922	3,686,811	6,594,030
1,315,000	2,335,000	265,000	470,000	1,080,000	1,717,440
5,121,900	679,930	194,439	940,136	1,071,385	1,054,097
1,356,411	104,578	275,440	-	172,500	-
<u>107,067,428</u>	<u>131,193,483</u>	<u>161,203,708</u>	<u>182,927,920</u>	<u>138,857,134</u>	<u>165,825,119</u>
<u>14,005,875</u>	<u>46,979,471</u>	<u>(28,728,497)</u>	<u>(13,336,231)</u>	<u>9,026,498</u>	<u>8,555,615</u>
90,630,000	-	18,530,000	-	10,000,000	-
9,594,496	-	973,533	-	-	-
-	4,940,000	-	-	-	-
(89,402,398)	(7,200,000)	-	-	-	-
35,802,601	13,408,691	29,617,243	12,391,641	13,770,663	26,438,237
<u>(33,280,777)</u>	<u>(10,827,097)</u>	<u>(28,161,727)</u>	<u>(11,086,950)</u>	<u>(12,465,236)</u>	<u>(23,583,194)</u>
<u>13,343,922</u>	<u>321,594</u>	<u>20,959,049</u>	<u>1,304,691</u>	<u>11,305,427</u>	<u>2,855,043</u>
27,349,797	47,301,065	(7,769,448)	(12,031,540)	20,331,925	11,410,658
-	-	-	-	-	-
<u>\$ 27,349,797</u>	<u>\$ 47,301,065</u>	<u>\$ (7,769,448)</u>	<u>\$ (12,031,540)</u>	<u>\$ 20,331,925</u>	<u>\$ 11,410,658</u>
7.32%	2.31%	0.30%	0.78%	2.05%	2.40%

**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
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
2020	18,085,070,381	2,244,668,823	554,425,205	920,172,885	495,987,672	21,804,337,304	0.06434
2021	19,147,318,733	2,412,556,407	572,237,899	975,152,542	508,124,010	23,107,265,581	0.06418

Source: HdL from the Sacramento County Assessor 2011/12-2020/21 Combined Tax Rolls

**CITY OF ELK GROVE, CALIFORNIA**

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
<b>City's Share of 1% Levy Per Prop 13/ City of Elk Grove Direct Rate<sup>3</sup></b>	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740
<b>Overlapping Rates:</b>										
Sacramento County General	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38218	0.38219
Elk Grove Unified School District	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490	0.25490
Cosumnes CSD - Fire District	0.22140	0.22140	0.22140	0.22140	0.22140	0.22140	0.22140	0.22141	0.22140	0.22139
Los Rios Community College District	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640
Sacramento County Library	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040
Sacramento - Yolo Mosquito	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866
Physically Handicapped-unified	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459
Childrens Institution	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447
Elk Grove - Cosumnes Cemetery	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275
Sacramento County Superintendent Admin.	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259
Development Center Handicapped	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145
Sacramento County Wide Equalization	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131
Sacramento County Regional Occupational Center	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096
Sacramento County Juvenile Hall	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055
Infant Developmentally-physically Handicapped	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006
Infant Developmentally Retarded	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006
<b>Total Proposition 13 Rate (Basic Levy)<sup>1</sup></b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>	<b>1.00000</b>
Elk Grove Unified Gob 2017	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.03730	0.03570	0.03490	0.03520
Los Rios College Bond	0.01920	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Los Rios College Gob	0.00000	0.01930	0.01810	0.01130	0.00910	0.01410	0.01300	0.01310	0.02320	0.02230
Sacramento Unified Gob	0.00000	0.09990	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Sacto City Unified Gob	0.00000	0.00000	0.12250	0.12120	0.13350	0.12770	0.12350	0.11640	0.11390	0.11710
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b><u>1.11740</u></b>	<b><u>1.11920</u></b>	<b><u>1.14060</u></b>	<b><u>1.13250</u></b>	<b><u>1.14260</u></b>	<b><u>1.14180</u></b>	<b><u>1.17380</u></b>	<b><u>1.16520</u></b>	<b><u>1.17200</u></b>	<b><u>1.17460</u></b>
 General Obligation Debt Rate										
<b>Total Direct Rate<sup>4</sup></b>	<b>0.06436</b>	<b>0.64530</b>	<b>0.64530</b>	<b>0.06460</b>	<b>0.06451</b>	<b>0.06443</b>	<b>0.06432</b>	<b>0.06421</b>	<b>0.06434</b>	<b>0.06418</b>

Source: Prepared by HdL, Coren & Cone

Data source: Sacramento County Assessor 2011/12 - 2020/21 Tax Rate Table

Notes:

<sup>1</sup>In 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.

<sup>2</sup>Overlapping 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.

<sup>3</sup>City'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.

<sup>4</sup>Because 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	2021			2012		
	Rank	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation	Rank	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation
Apple Computer Inc	1	\$ 235,298,269	1.06%	2	\$ 126,036,565	0.90%
Pappas Laguna 2 LP	2	136,990,843	0.62%	3	46,429,987	0.33%
Laguna Springs Corporation Center	3	100,734,724	0.45%	5	40,368,908	0.29%
Oakmont Properties II LP	4	76,398,757	0.34%	4	41,558,000	0.30%
DS Properties 18 LP	5	72,475,841	0.33%			
MG Somerfield At Lakeside Apartments	6	65,279,861	0.29%			
Elk Grove Owner LP (KOHLS)	7	61,180,764	0.27%			
MG Bella Vista Apartments EKG LLC	8	60,180,000	0.27%			
WellQuest Elk Grove LLC	9	56,838,535	0.26%			
9130 Nolan Street LLC	10	53,611,918	0.24%	8	32,208,000	0.23%
Donahue Schriber Realty Group LP				1	148,489,593	1.06%
Elk Grove Property Company LLC				6	37,474,453	0.27%
Jackson II LLC				7	36,573,038	0.26%
Kaiser Foundation Health Plan				9	31,047,865	0.22%
JJV HOV Elk Grove LLC				10	30,291,816	0.22%
		<u>\$ 918,989,512</u>	<u>4.13%</u>		<u>\$ 570,478,225</u>	<u>4.08%</u>

Source: HDL, Coren & Cone, Sacramento County Assessor 2020-21 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
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%
2020	29,353,226	29,067,981	99.03%	285,245	29,353,226	100.00%
2021	31,585,603	31,427,396	99.50%	158,207	31,585,603	100.00%

Source: Sacramento County Department of Finance, Auditor-Controller Division

**CITY OF ELK GROVE, CALIFORNIA**

Taxable Sales by Category  
Last Ten Fiscal Years  
(in thousands of dollars)

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Apparel Stores	\$ 59,538	\$ 65,521	\$ 72,656	\$ 76,039	\$ 79,512
General Merchandise	148,476	157,202	178,709	184,822	187,807
Food Stores	68,344	64,032	60,816	64,028	65,466
Eating and Drinking Places	159,341	175,995	187,234	201,084	228,559
Building Materials	70,740	63,726	67,783	63,315	76,102
Auto Dealers and Supplies	414,609	492,184	576,870	637,312	736,551
Service Stations	184,353	201,937	202,295	202,900	175,264
Other Retail Stores	308,742	318,666	276,132	285,513	294,492
All Other Outlets	<u>279,687</u>	<u>297,654</u>	<u>377,509</u>	<u>441,461</u>	<u>474,317</u>
Total	<u>\$ 1,693,830</u>	<u>\$ 1,836,917</u>	<u>\$ 2,000,004</u>	<u>\$ 2,156,474</u>	<u>\$ 2,318,070</u>

Source: State of California Board of Equalization and The HdL Companies

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue. Total is taxable sales, not sales tax revenue received. Does not include Use tax or County pool allocation.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$ 80,587	\$ 80,771	\$ 79,920	\$ 76,895	\$ 51,311
185,515	180,858	207,432	321,230	313,642
66,083	66,359	67,259	67,617	76,403
250,348	265,459	273,225	290,727	255,110
86,754	98,934	110,519	113,665	148,896
850,020	905,658	881,314	880,071	936,454
165,039	191,409	216,404	204,840	147,261
318,251	315,468	306,892	292,294	430,389
<u>514,399</u>	<u>598,642</u>	<u>613,474</u>	<u>801,939</u>	<u>795,364</u>
<u>\$ 2,516,996</u>	<u>\$ 2,703,558</u>	<u>\$ 2,756,439</u>	<u>\$ 3,049,278</u>	<u>\$ 3,154,830</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
2012	1.00	0.25	0.50	6.00 (a)
2013	1.00	0.25	0.50	6.25 (b)
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 (c)
2018	1.00	0.25	0.50	6.00
2019	1.00	0.25	0.50	6.00
2020	1.00	0.25	0.50	6.00
2021	1.00	0.25	0.50	6.00

Sources: California State Board of Equalization, Sacramento Transportation Authority, California Legislative Analyst's Office, California Department of Tax and Fee Administration

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

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

(c) January 1, 2017, the State decreased the State rate 0.25%

Note: In 2004, the State issued Economic Recovery Bonds (ERB). To repay the ERBs, the State pledged one-quarter cent of the local Bradley-Burns sales tax, which cities and counties use for general purposes, and replaced it with one-quarter cent State special fund sales tax for repayment of the bonds. The State replaced the one-quarter cent local tax with equal dollars from the property tax allocation, and described it as "in lieu" sales tax. In 2016, the ERBs were fully paid and the sales tax rates were restored. For ACFR reporting purposes, the full 1% was classified as sales tax during this entire period. To avoid confusion, the City Direct Rate for practical purposes, was unchanged and has not been adjusted between the local and State rates as expressed in the above table.

## CITY OF ELK GROVE

### Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income <sup>(2)</sup>	Per Capita <sup>(2)</sup>
	Special Assessment Bonds <sup>(1)</sup>	Economic Development Bonds			
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 <sup>(3)</sup>	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
2020	31,655,000	8,655,000	40,310,000	0.69%	229
2021	29,937,560	8,385,000	38,322,560	0.62%	215

Notes: City incorporated July 1, 2000. U.S. Census and subsequent estimates has area approximately 2/3 of City's actual size.

Source: <sup>(1)</sup> City of Elk Grove ACFR

<sup>(2)</sup> See Schedule of Demographic and Economic Statistics for personal and population data

<sup>(3)</sup> 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, 2021

2020-21 Assessed Valuation: \$22,575,446,282

	Total Debt		City's Share of
	<u>6/30/2021</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/21</u>
<b><u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u></b>			
Los Rios Community College District	\$415,205,000	10.281%	\$42,687,226
Elk Grove Unified School District	317,350,000	55.262%	\$175,373,957
Sacramento Unified School District	455,012,699	0.168%	764,422
City of Elk Grove Community Facilities District No. 2002-1	42,340,000	100.000%	42,340,000
City of Elk Grove Community Facilities District No. 2003-1	37,510,000	100.000%	37,510,000
City of Elk Grove Community Facilities District No. 2005-1	140,215,000	100.000%	140,215,000
Elk Grove Unified School District Community Facilities District No. 1	185,371,133	55.262%	102,439,796
Sacramento County Community Facilities Districts	4,030,285	100.000%	4,030,285
California Municipal Finance Authority Community Facilities Districts	16,361,000	100.000%	16,361,000
California Statewide Community Development Authority 1915 Act Bonds	19,350,432	100.000%	<u>19,350,432</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$581,072,118</b>
 <b><u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u></b>			
Sacramento County General Fund Obligations	\$139,167,413	12.415%	\$17,277,634
Sacramento County Pension Obligation Bonds	721,785,052	12.415%	88,492,264
Sacramento County Board of Education Certificates of Participation	3,100,000	12.415%	384,865
Elk Grove Unified School District Certificates of Participation	11,770,000	55.262%	6,504,337
Sacramento Unified School District Certificates of Participation	57,855,000	0.168%	97,196
Cosumnes Community Services District Certificates of Participation	21,446,000	87.151%	18,690,403
<b>City of Elk Grove Lease Revenue Bonds</b>	<b>38,322,560</b>	<b>100.000%</b>	<b><u>38,322,560</u></b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$169,769,259</b>
Less: Sacramento County supported obligations			\$1,853,238
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$159,531,021</b>
 <b>TOTAL GROSS DIRECT DEBT</b>			 <b>\$38,322,560</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$710,665,579</b>
 <b>GROSS COMBINED TOTAL DEBT</b>			 <b>\$750,841,377 (2)</b>
<b>NET COMBINED TOTAL DEBT</b>			<b>\$740,603,139</b>

(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	2.57%
<b>Total Gross Direct Debt (\$38,322,560)</b>	<b>0.17%</b>
<b>Total General Fund Obligated Debt (\$29,937,560)</b>	<b>0.13%</b>
Gross Combined Total Debt	3.33%

THIS PAGE LEFT BLANK INTENTIONALLY

**CITY OF ELK GROVE, CALIFORNIA**  
**Legal Debt Margin**  
**For the Last Ten Years Ended June 30, 2021**

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Assessed value <sup>(1)</sup>	\$ 14,624,234,897	\$ 13,556,088,414	\$ 14,606,310,971	\$ 16,119,227,237
Less: Exemptions <sup>(1)</sup>	<u>(333,570,758)</u>	<u>(346,233,652)</u>	<u>(359,424,853)</u>	<u>(398,318,801)</u>
	14,290,664,139	13,209,854,762	14,246,886,118	15,720,908,436
<b>Legal debt margin</b>				
Debt Limit (15% of Assessed Value)	2,143,599,621	1,981,478,214	2,137,032,918	2,358,136,265
Debt applicable to limit:				
Total Bonded Debt (including Special Assessment Bonds)	120,525,000	118,676,624	114,923,363	111,000,102
Less:				
Special Assessment Bonds	-	-	-	-
Tax Allocation Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Amount of Debt Applicable to Debt Limit	<u>120,525,000</u>	<u>118,676,624</u>	<u>114,923,363</u>	<u>111,000,102</u>
Legal Debt Margin	<u>\$ 2,023,074,621</u>	<u>\$ 1,862,801,590</u>	<u>\$ 2,022,109,555</u>	<u>\$ 2,247,136,163</u>
Total debt applicable to limit as a percentage of debt limit	5.96%	6.37%	5.68%	4.94%

Source: <sup>(1)</sup> HdL from the Sacramento County Assessor 2011/12-2020/21 Combined Tax Rolls



	2016	2017	2018	2019	2020	2021
\$	16,893,165,344	\$ 18,008,023,600	\$ 19,462,619,410	\$ 20,637,300,411	\$ 22,300,324,976	\$ 23,615,389,591
	(430,877,261)	(426,240,108)	(487,229,789)	(451,113,557)	(495,987,672)	(508,124,010)
	16,462,288,083	17,581,783,492	18,975,389,621	20,186,186,854	21,804,337,304	23,107,265,581
	2,469,343,212	2,637,267,524	2,846,308,443	3,027,928,028	3,270,650,596	3,466,089,837
	119,256,895	14,350,000	32,370,000	31,650,000	40,310,000	38,322,560
	-	-	-	-	-	-
	-	-	-	-	-	-
	119,256,895	14,350,000	32,370,000	31,650,000	40,310,000	38,322,560
\$	2,350,086,317	\$ 2,622,917,524	\$ 2,813,938,443	\$ 2,996,278,028	\$ 3,230,340,596	\$ 3,427,767,277
	5.07%	0.55%	1.15%	1.06%	1.25%	1.12%

## CITY OF ELK GROVE, CALIFORNIA

### Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population <sup>(1)</sup>	County Population <sup>(1)</sup>	Personal Income	Per Capita Personal Income <sup>(2)</sup>	Public School Enrollment <sup>(3)</sup>	Median Age <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>
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%
2020	176,154	1,555,365	5,837,743,560	33,140	64,480	36.60	12.70%
2021	178,124	1,561,014	6,161,309,160	34,590	63,947	37.50	6.60%

Sources: <sup>(1)</sup> California Department of Finance

<sup>(2)</sup> HdL, Coren & Cone, US Census Bureau

<sup>(3)</sup> California Department of Education

<sup>(4)</sup> U.S. Census Bureau, American FactFinder, 2011 American Community Survey

<sup>(5)</sup> [www.labormarketinfo.edd.ca.gov](http://www.labormarketinfo.edd.ca.gov)

## City of Elk Grove

### Principal Employers Last Fiscal Year & Ten Years Ago

Business Name	2021		2012	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Apple Computer Inc. <sup>(1)</sup>	5,000	6.08%	1,800	5.05%
Elk Grove Unified School District <sup>(2)</sup>	3,857	4.69%	5,000	14.03%
California Correctional Health Care Services <sup>(3)</sup>	1,437	1.75%		
Walmart (3 locations)	569	0.69%	273	0.77%
Kaiser Permanente Med Ctr (2 locations)	530	0.64%	1,468	4.12%
Raley's/Bel Air Markets (4 locations)	378	0.46%		
City of Elk Grove	374	0.45%	289	0.81%
Alldata LLC	363	0.44%	400	1.12%
Cosumnes Community Services District	318	0.39%	330	0.93%
Safeway (2 locations)	252	0.31%		
Methodist Hospital of Sacramento			550	1.54%
Bimbo Bakeries, Inc.			265	0.74%
Elk Grove Bank of Stockton			237	0.66%
<b>Total Top 10 Employers</b>	<b>13,078</b>	<b>15.91%</b>	<b>10,612</b>	<b>29.77%</b>
<b>Total City Labor Force <sup>(4)</sup></b>	<b>82,200</b>		<b>35,643</b>	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2010-11, previously published CAFR

(1) Employee count from the Sacramento Business Journal. Apple declined to confirm.

Count includes Corporate office, Distribution Center & Warehouse

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

(3) State of CA employees

(4) 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	2012	2013	2014	2015
City Council	5	5	5	5
City Manager	8	9	11	13
City Attorney	4	4	4	4
City Clerk	3	3	3	3
Development Services	9	10	11	7
Finance	14	14	14	16
Code Enforcement - Community Development	8	9	9	9
Animal Services	7	7	7	7
Human Resources	4	4	4	3
Police Department	207	200	211	205
Public Works	5	5	6	6
Utilities*	4	5	5	5
Solid Waste	3	4	3	3
Transit	2	4	4	5
Risk Management	1	1	1	1
Information Technology	1	5	4	4
Facilities/Fleet	4	4	4	4
<b>Total employees</b>	<b><u>289</u></b>	<b><u>293</u></b>	<b><u>306</u></b>	<b><u>300</u></b>

Source: Human Resources Department, City of Elk Grove

Note: The City contracts for public works, planning, building, trash hauling and transit departments as well as key positions in other departments.

\*Utilities transitioned from City staff to contractual effective fiscal 2018.

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
5	5	5	5	4	4
13	20	21	20	20	26
5	5	6	6	6	6
3	3	3	3	3	3
9	9	14	13	14	13
19	18	18	21	21	22
9	8	8	9	8	9
7	7	7	23	23	26
5	4	5	4	5	5
211	221	224	231	223	237
10	12	12	12	24	25
0	0	0	0	0	0
3	4	4	4	5	5
5	5	5	4	2	5
1	2	1	2	2	2
4	6	7	7	8	8
5	4	4	5	5	5
<u>314</u>	<u>333</u>	<u>344</u>	<u>369</u>	<u>373</u>	<u>401</u>

## CITY OF ELK GROVE

### Operating Indicators by Function/Program Last Ten Fiscal Years

Function/Program	2012	2013	2014	2015
<b>General Government</b>				
Residential Building Permits Issued	322	441	378	568
Commercial Building Permits Issued	77	13	11	14
<b>Refuse Collection<sup>(1)</sup></b>				
Total Tons Disposed	82,720	80,597	82,795	88,053
Total Tons Diverted	61,590	72,580	73,540	48,305
<b>Transit<sup>(3)</sup></b>				
Total Route Miles	967,546	1,009,437	1,032,906	1,080,819
Total Passengers	966,906	1,049,584	1,043,906	1,032,039
<b>Police</b>				
Calls for service	96,242	96,089	95,107	98,098
Average Emergency Response Time	5.8	6.0	6.1	5.8
Clearance Rate of all Part I Crimes	22%	28%	35%	30%
<b>Utility Billing<sup>(2)</sup></b>				
Residential Customers	46,506	46,879	47,161	47,985
<b>Community Enhancement</b>				
Calls for Service	4,019	4,318	2,664	3,236
Average Emergency Response Time	24 Hours	24 Hours	24 Hours	24 Hours
Number of Inspectors	5	6	6	6
Average Number of Cases Per Inspector	804	720	444	539

Sources: City of Elk Grove, Republic Services

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

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

<sup>(3)</sup>COVID-19 reduced 2021 numbers.

2016	2017	2018	2019	2020	2021
625	315	546	819	642	752
9	9	32	18	8	27
78,473	76,577	76,233	83,879	80,920	93,023
50,151	53,182	55,528	57,309	57,753	59,433
1,073,588	1,085,711	1,025,867	1,037,044	955,309	769,566
945,262	860,773	783,893	774,736	610,875	121,817
95,677	94,677	94,776	97,528	96,109	88,362
5.2	4.9	5.0	5.2	4.7	5.2
28%	26%	22%	21%	21%	19%
49,845	50,332	50,723	50,264	50,110	50,502
4,258	2,880	2,833	2,802	2,706	2,438
24 Hours	24 Hours	24 Hours	24 Hours	24 Hours	24 Hours
6	6	6	5	6	5
710	480	472	560	451	488

## CITY OF ELK GROVE

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

Function/Program	2012	2013	2014	2015	2016
<b>Public Safety</b>					
Police:					
Stations	1	1	1	1	1
Patrol units <sup>(1)</sup>	73	75	74	74	75
<b>Highways and Streets</b>					
Streets (miles) <sup>(2)</sup>	550	574	555	555	560
Streetlights <sup>(3)</sup>	11,706	11,706	13,830	14,082	14,195
Traffic signals	128	130	167	161	168
Traffic signs <sup>(4)</sup>	9,987	10,000	10,057	10,465	10,873
Bridges	65	67	67	81	89
Sidewalk (miles)	996	997	794	800	829
<b>Drainage</b>					
Manholes <sup>(5)</sup>	8,315	8,315	8,490	8,686	9,027
Feet of pipe <sup>(6)</sup>	2,336,038	2,336,043	2,361,500	2,404,418	2,063,846
Storm drain inlets <sup>(5)</sup>	14,574	14,588	14,907	15,180	15,836

<sup>(1)</sup> Additional vehicle added from CFF funds

<sup>(2)</sup> Street miles decreased in 2014 due to the removal of private streets.

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

<sup>(4)</sup> Traffic signs were corrected after an inventory count in 2017.

2017-2018 represented an estimate and following years represent an accurate count.

<sup>(5)</sup> Manhole and inlet counts were corrected starting in 2020. The count prior to 2020 included assets outside City limits and, privately maintained assets.

<sup>(6)</sup> 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 station



2017	2018	2019	2020	2021
1	1	1	1	1
63	60	58	56	57
545	545	553	553	553
14,195	14,195	13,435	13,799	13,885
151	151	151	159	161
25,000	25,000	23,369	23,619	23,657
89	89	89	92	92
829	899	899	899	899
9,147	9,215	9,287	8,184	8,162
2,116,599	2,122,948	2,144,206	2,164,297	2,121,685
15,903	16,192	16,265	13,716	12,745

;

