



ANNUAL COMPREHENSIVE  
FINANCIAL REPORT  
FISCAL YEAR ENDED JUNE 30, 2023







CITY OF ELK GROVE, CALIFORNIA  
Incorporated July 1, 2000

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ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

PREPARED BY THE FINANCE DEPARTMENT-  
ACCOUNTING DIVISION

Fiscal Year Ended June 30, 2023



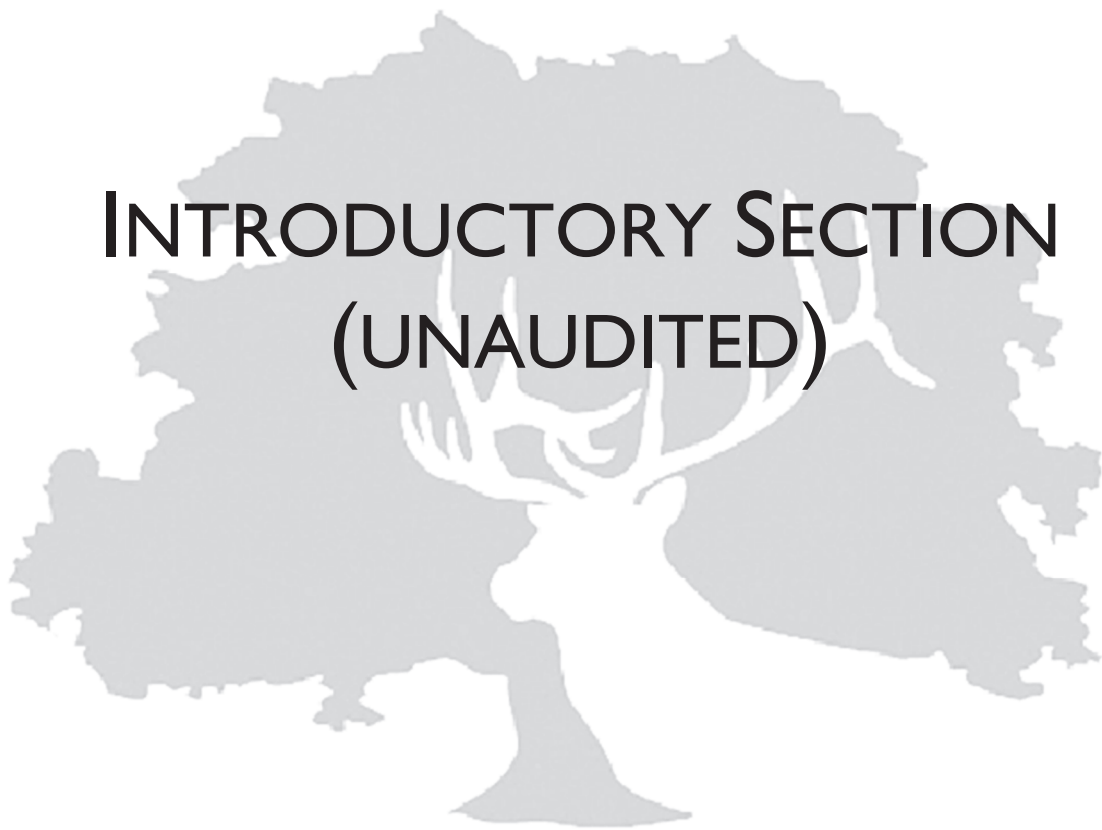




# ANNUAL COMPREHENSIVE FINANCIAL REPORT

Fiscal Year Ended June 30, 2023

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## INTRODUCTORY SECTION (UNAUDITED)





**CITY OF ELK GROVE, CALIFORNIA**

**Annual Comprehensive Financial Report  
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8401 Laguna Palms Way  
Elk Grove, California 95758



March 7, 2024

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, 2023, 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, 2023. The independent auditor's report is located in the front of the financial section of this report.

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

## **PROFILE OF THE GOVERNMENT**

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

The City provides various services to its residents, including police, animal control, highways and streets, public improvements, planning and zoning, code enforcement, building permits, solid waste, drainage, and general administration. The Cosumnes Community Services District manages fire and parks/recreation services, while the Sacramento County Water Agency and the Elk Grove Water District provide water services. 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 as a Debt Service Fund in the financial statements. The Elk Grove Parking Authority had no financial activity during fiscal year 2022-23. 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 on the purpose for which they are spent and how spending activities are controlled. Note 1B to the financial statements contains a complete explanation of each fund type.

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, appropriations of unassigned reserves, and inter-fund loans require City Council action. The City Manager has the authority to transfer between departments, 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 most 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 177,005 residents as of January 2023, a nominal increase over the previous year. The City is the second-largest incorporated city within Sacramento County and the 26th-largest in California.

Despite strong inflation and high interest rates, the U.S. economy and its consumers stayed resilient in 2023. The Federal Reserve increased interest rates three times in 2023 (on top of 7 in 2022) to quell inflation. Their approach seems successful as inflation continues to slow and approach the Fed's 2% goal, and the economy has not gone into recessionary territory. The Federal Reserve also continues transitioning out of its bond-purchasing program ("quantitative easing"), which was implemented to support the economy during the pandemic. As mentioned earlier, the rate at which the price of goods and services continues to grow has decreased, as the Bureau of Labor Statistics indicates the 12-month percentage change in the Consumer Price Index in urban areas in November 2023 was 3.1%.

According to the Bureau of Economic Analysis, the Nation’s Gross Domestic Product (GDP) increased by an average of 2.95% in the last four quarters, so the economy continues to grow despite high interest rates and numerous geopolitical headwinds. According to the Bureau of Labor Statistics, the nation’s unemployment rate continues to be below 4%, but the rate in the Sacramento area hovered above that level for most of 2023.

United States

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
2023	3.4	3.6	3.5	3.4	3.7	3.6	3.5	3.8	3.8	3.9	3.7

Sacramento-Roseville-Arden-Arcade MSA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
2023	4.3	4.4	4.4	3.8	4.0	4.4	4.2	4.5	4.2	4.4	4.5

Like many areas of the United States, Elk Grove experienced home value decreases in 2023, coming off of robust increases in 2022. The median home price in Elk Grove is approximately \$618,000, which is a 1.3% decrease over the past year. Home prices and sales are expected to moderate in 2024 as current interest rates discourage existing homeowners from listing their properties for sale.

**FINANCIAL CONDITION HIGHLIGHTS**

The City’s General Fund discretionary revenues performed above expectations in 2022-23, and General Fund expenditures were nearly \$4 million below expectations. General Fund revenues were 2.8% over budget and 8.4% over the prior year. Sales tax receipts, which are the City’s largest revenue source, decreased slightly (less than 1%) from the last fiscal year and were modestly above budgeted expectations in fiscal year 2022-23.

Property valuations increased as of January 1, 2023, by 7.4% in Sacramento County and 6.4% in Elk Grove, with expectations that the City will continue to experience increases of around 5% into the future. Construction activity has continued to be strong in Elk Grove as evidenced by the number of building permits estimated to be issued in the current year:

	Residential Permits	Commercial Permits
2023-24 (est.)	761	12
2022-23	552	25
2021-22	555	15
2020-21	751	8
2019-20	606	9

*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 2022-23, the Reserve for Economic Uncertainty is approximately \$22.7 million, which is 25% of the adjusted expenditures of \$90.9 million. The Opportunity Reserve is \$4.5 million, which is 5% of adjusted expenditures, and the policy transfers to the Capital Reserve and Economic Development Funds are over \$5.5 million each or 6.1% each of adjusted General Fund Expenditures.

The City made additional payments during fiscal year 2022-23 of \$900,000 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 pension liability and its required unfunded liability payments. As of June 30, 2022, the City's overall funded status was 86%, which places Elk Grove among the top-funded tiers of all local governments.

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 \$16 million lower, or 1.05% lower, 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 yearly.

#### *Access to Financial Markets*

The City has four long-term bonds backed by the General Fund that funded the construction of the City Hall complex, the Animal Shelter, the District56 Nature Area, the Old Town Plaza, and various Police facilities. The last rating action on the City's General Fund-backed debt was a Standard & Poor's rating of "AA" with a stable outlook in March 2022. The City may access the financial markets in 2024 to issue land-based debt to support residential and industrial/commercial development.

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

In response to community input and to address essential services, the Elk Grove City Council placed Measure E on the November 2022 ballot at its July 27, 2022, meeting. Measure E is a one-cent transactions and use tax estimated to generate approximately \$22.5 million annually. The tax is a general tax subject to majority voter approval, and approximately 54% of Elk Grove's voters approved the measure. The tax became effective in April 2023 and is shared between the City and the Cosumnes Community Services District.

#### *A New Zoo in Elk Grove*

In September 2021, the Sacramento Zoological Society and the City of Elk Grove entered into an Exclusive Negotiating Agreement to evaluate creating a new, modern zoological park in Elk Grove. Since then, activities include completing a feasibility study and an economic impact analysis, retaining renowned zoo landscape architecture firm SHR Studios, and ongoing research and planning. The next steps in the process include developing a schematic design, a financing plan, and completing an environmental impact review (EIR). Formal consideration of the new zoo project by the Elk Grove City Council and any approvals that would move the project into construction is anticipated to take place in 2024. The City purchased approximately 60 acres for the new zoo, assuming the project moves forward.

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

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

[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 annual investment policy that provides guidelines for the City's prudent investment of cash balances. 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 the City's long-term investment portfolio management and liquid cash requirements. The City's investment policy is summarized in the Annual Budget document and in the June 8, 2022, staff report that presented the fiscal year 2022-23 Budget to Council for approval:

[http://www.elkgrovecity.org/city\\_hall/departments\\_divisions/finance/annual\\_budget](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 efficiency of its cash management operations while meeting its daily cash flow demands. The average overall return rate on funds not held by fiscal agents for the fiscal year ending June 30, 2023, was approximately 1.18%. 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, 2023, distributed returns would have been approximately 2.12%. 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 2022-23 fiscal year annual audit.

### *Awards*

The Government Finance Officers Association of the United States and Canada (GFOA) awarded Elk Grove a Certificate of Achievement for Excellence in Financial Reporting for its comprehensive annual financial report for the fiscal year ending June 30, 2022. This was the 21st 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 Award for Outstanding Achievement in Popular Annual Financial Reporting for the fiscal year ended June 30, 2022. To qualify for the award, a government must publish a report that conforms 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, and Jennifer Jacobs for their contributions, dedication, and hard work made in the preparation of the report.

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

I want 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 City's financial operations 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

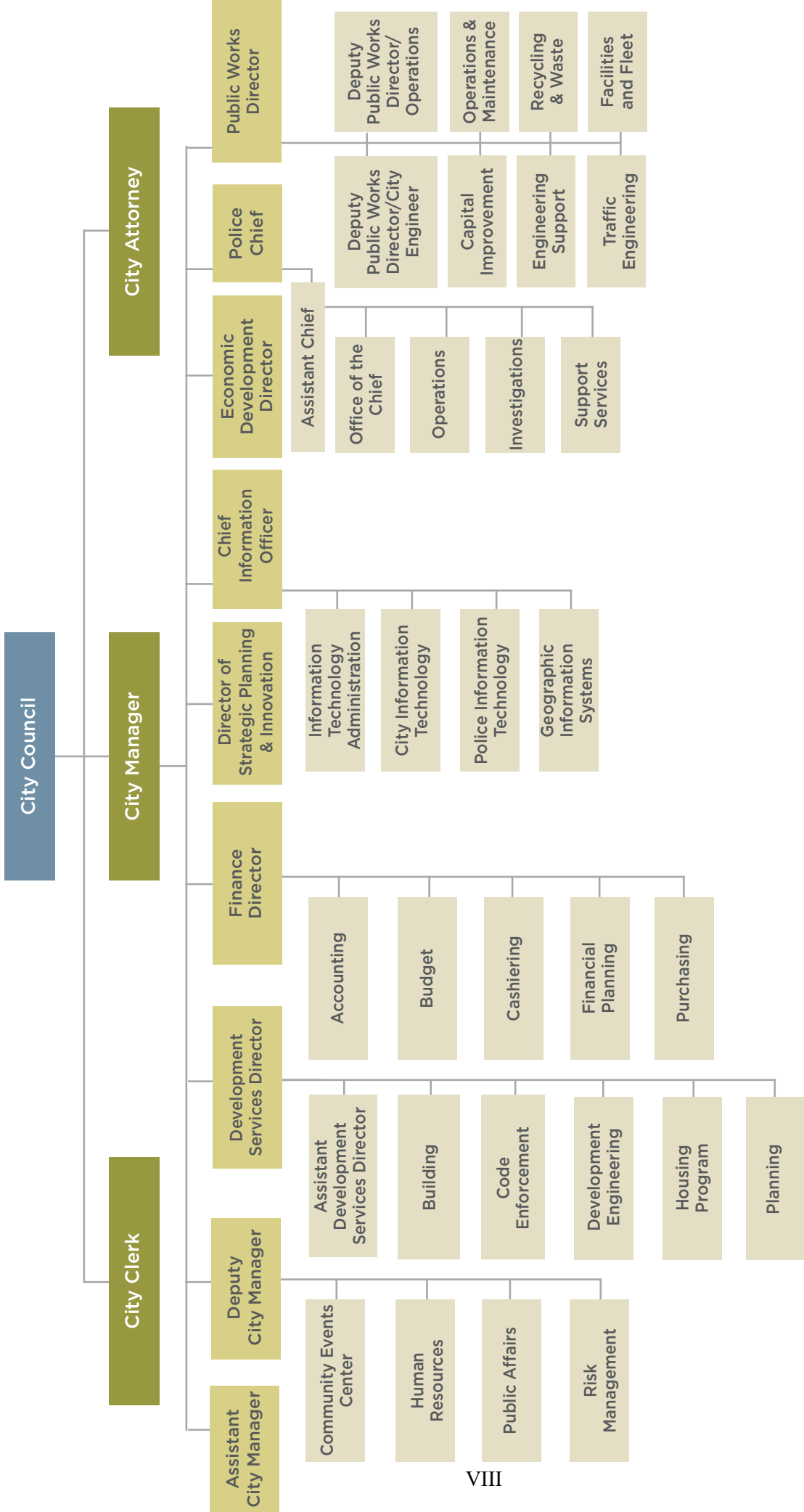
**City of Elk Grove  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO





# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2023

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### CITY COUNCIL



From left to right: Bobbie Singh-Alen, Mayor; Kevin Spease, Vice Mayor; Darren Suen, Councilmember; Rod Brewer, Councilmember; Sergio Robles, Councilmember.



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2023

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### EXECUTIVE TEAM

Jason Behrmann, City Manager  
Kara Reddig, Deputy City Manager  
Matthew Paulin, Finance Director  
Bobby Davis, Chief of Police  
Jonathan Hobbs, City Attorney  
Jason Lindgren, City Clerk  
Meliss Rojas, Human Resources Director  
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



CITY OF  
**ELK GROVE**

— PROUD HERITAGE. BRIGHT FUTURE. —

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2023

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# 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  
Jennifer Jacobs, Administrative Assistant



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2023

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# FINANCIAL SECTION







## INDEPENDENT AUDITOR'S REPORT

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elk Grove, California, as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

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

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

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

Management adopted the provisions of the following Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*, which became effective during the year ended June 30, 2023 and required the restatement of net position as discussed in Note 1D to the financial statements.

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

### ***Required Supplementary Information***

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

### ***Supplementary Information***

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

### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section and Statistical Section listed in the Table of Contents, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 7, 2024, 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.



Pleasant Hill, California  
March 7, 2024



## Management's Discussion and Analysis (unaudited)

This section of the City of Elk Grove's (City) Annual Comprehensive Financial Report discusses and analyzes the City's financial performance during the year ended June 30, 2023. Please read it in conjunction with the City's basic financial statements following this section.

### FISCAL YEAR 2023 FINANCIAL HIGHLIGHTS

- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2022-23 fiscal year by \$1.4 billion (Net Position). Of this amount, \$397 million is restricted for capital projects, debt service, and legally segregated taxes, grants, and fees; and \$1 billion is invested in capital assets.
- As of June 30, 2023, the governmental funds reported combined fund balances of \$402 million, all of which are available to meet the City's current and future needs (Restricted, Committed, Assigned, and Unassigned balances).

### OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

#### Government-wide Financial Statements

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

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

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

## Fund Financial Statements

Fund Financial Statements are groupings of related accounts 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, proprietary, and fiduciary.

- **Governmental funds** account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources and 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 activities follow the governmental fund statement. **The governmental funds financial statements can be found on pages 24-30 of this report.**
- **Proprietary funds** are maintained in two ways: Enterprise Funds and Internal Service Funds. Enterprise funds report the same functions presented as business-type activities in the government-wide financial statements, only in more detail. The City uses enterprise funds to account for Recycling and Waste, Transit, and Drainage enterprises. Internal service funds are an accounting device that accumulates and allocates costs internally among the City's various functions. The City uses internal service funds for its risk management, facilities, fleet and equipment maintenance and improvement, information technology, and GIS services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. The City's internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements. Individual fund data for the internal service funds is provided in the supplementary information section of this report. **The proprietary funds financial statements can be found on pages 31-33 of this report.**
- **Fiduciary funds** account for resources held for the benefit of parties outside the government. They are not reflected in the government-wide financial statements because their resources are not available to support the City's programs. The accounting used for fiduciary funds is similar to that used for proprietary funds. **The fiduciary fund financial statements can be found on pages 34-35 of this report.**

## Notes to the Basic Financial Statements

Notes to the Basic Financial Statements provide additional information essential to comprehending the data provided in the government-wide and fund financial statements. **The notes can be found on pages 37-100 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. To demonstrate compliance with this budget, a budgetary comparison schedule has been provided for the General Fund. **The required supplementary information can be found on pages 103-115 of this report.**

## Supplementary Information

The combining and individual fund statements and schedules information for non-major governmental funds, enterprise, and internal service funds are presented immediately following the required supplementary information. **Combining and individual fund statements and the supplementary budgetary comparison schedule for the major capital projects fund can be found on pages 119-211 of this report.**

## FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

This analysis focuses on the Net Position and changes in the City's Net Position.

	Statement of Net Position Governmental Activities			Statement of Net Position Business-type activities			Total	
	2023	2022	Change	2023	2022	Change	2023	2022
Current and other assets	\$ 489,769,153	\$ 445,645,916	\$ 44,123,237	\$ 33,508,541	\$ 32,792,047	\$ 716,494	\$ 523,277,694	\$ 478,437,963
Capital assets	1,034,111,321	1,079,948,448	(45,837,127)	38,376,445	35,348,429	3,028,016	1,072,487,766	1,115,296,877
Total Assets	1,523,880,474	1,525,594,364	(1,713,890)	71,884,986	68,140,476	3,744,510	1,595,765,460	1,593,734,840
Deferred outflows of resources related to pensions	27,808,665	19,323,141	8,485,524	-	-	-	27,808,665	19,323,141
Deferred outflows of resources related to OPEB	9,347,730	10,262,091	(914,361)	-	-	-	9,347,730	10,262,091
Total Deferred Outflows of Resources	37,156,395	29,585,232	7,571,163	-	-	-	37,156,395	29,585,232
Current and other liabilities	43,368,279	42,332,638	1,035,641	1,556,972	1,242,967	314,005	44,925,251	43,575,605
Long-term liabilities	80,107,886	56,846,570	23,261,316	94,002	83,989	10,013	80,201,888	56,930,559
Total Liabilities	123,476,165	99,179,208	24,296,957	1,650,974	1,326,956	324,018	125,127,139	100,506,164
Deferred inflows of resources related to pensions	3,486,153	2,193,069	1,293,084	-	-	-	3,486,153	2,193,069
Deferred inflows of resources related to OPEB	1,403,758	1,406,583	(2,825)	-	-	-	1,403,758	1,406,583
Deferred inflows of resources related to leases	2,852,785	3,230,993	(378,208)	-	-	-	2,852,785	3,230,993
	7,742,696	6,830,645	912,051	-	-	-	7,742,696	6,830,645
Net Position:								
Net investment in Capital								
Assets	1,000,347,920	1,039,686,886	(39,338,966)	38,376,445	35,348,429	3,028,016	1,038,724,365	1,075,035,315
Restricted Net Position	398,754,394	255,036,872	143,717,522	-	-	-	398,754,394	255,036,872
Unrestricted Net Position	30,715,694	154,445,985	(123,730,291)	31,857,567	31,465,091	392,476	62,573,261	185,911,076
Total Net Position	\$ 1,429,818,008	\$ 1,449,169,743	\$ (19,351,735)	\$ 70,234,012	\$ 66,813,520	\$ 3,420,492	\$ 1,500,052,020	\$ 1,515,983,263

The City's Net Position totaled \$1.5 billion as of June 30, 2023, a decrease of \$16 million as compared to the fiscal year ended 2022.

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

The City's Government-Wide Net Position as of June 30, 2023, was comprised of the following elements:

- Cash and investments comprised \$366 million in the City's treasury and \$26 million of restricted cash held by fiscal agents. Substantially all the City treasury amounts were held in relatively short- and medium-term investments in securities to support operating activities, as detailed in Note 2 on pages 51-57 of the financial statements.
- City's receivables comprised \$36 million of current receivables and long-term receivables of \$94 million, which are over one-year or longer periods. Current receivables increased from the prior year due to Measure E, a new one-cent transactions and use (sales) tax. The terms and details of these programs can be found in Note 3 on pages 57-59.
- Net capital assets of over \$1 billion include the City's entire infrastructure in addition to all other City assets.
- City's current liabilities, totaling nearly \$45 million, include accounts payable, refundable deposits, unearned revenue, and other miscellaneous amounts.
- Restricted Net Position, totaling \$397 million; \$237 million to construct specified capital projects, and \$160 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>2023</u>	<u>2022</u>	<u>Change</u>
Current and other assets	\$ 489,769,153	\$ 445,645,916	\$ 44,123,237
Capital assets	1,034,111,321	1,079,948,448	(45,837,127)
Total Assets	<u>1,523,880,474</u>	<u>1,525,594,364</u>	<u>(1,713,890)</u>
Deferred outflows of resources related to pensions	27,808,665	19,323,141	8,485,524
Deferred outflows of resources related to OPEB	9,347,730	10,262,091	(914,361)
Total Deferred Outflows of Resources	<u>37,156,395</u>	<u>29,585,232</u>	<u>7,571,163</u>
Current and other liabilities	43,368,279	42,332,638	1,035,641
Long-term liabilities	80,107,886	56,846,570	23,261,316
Total Liabilities	<u>123,476,165</u>	<u>99,179,208</u>	<u>24,296,957</u>
Deferred inflows of resources related to pensions	3,486,153	2,193,069	1,293,084
Deferred inflows of resources related to OPEB	1,403,758	1,406,583	(2,825)
Deferred inflows of resources related to leases	2,852,785	3,230,993	(378,208)
	<u>7,742,696</u>	<u>6,830,645</u>	<u>912,051</u>
Net Position:			
Net investment in Capital			
Assets	1,000,347,920	1,039,686,886	(39,338,966)
Restricted Net Position	398,754,394	255,036,872	143,717,522
Unrestricted Net Position	<u>30,715,694</u>	<u>154,445,985</u>	<u>(123,730,291)</u>
Total Net Position	<u>\$ 1,429,818,008</u>	<u>\$ 1,449,169,743</u>	<u>\$ (19,351,735)</u>

Governmental Activities Cash and investments increased by \$42 million primarily due to the collection of Measure E, a new one-cent transactions and use (sales) tax of approximately \$8 million. The city collected State Library grants in FY2023 in the amount of approximately \$4 million. Roadway fee fund and mitigation fee funds cash and investment increased by \$12 million due to overall increase in developmental activity in comparison to the prior year. Other factors that contributed to the cash and investment increase were related to increased tax revenue, affordable housing loan repayments, Wilton Rancheria revenues, and contributions from CFDs.

Current Governmental receivables increased by \$6 million in comparison to the prior year. The increase was primarily due to Measure E taxes receivable.

Long-term receivables and other assets decreased by \$4 million, mainly to the reason that in the prior fiscal year City had the pension asset in the amount of \$7 million. Due to CalPERS investment rate fluctuations in the current fiscal year the City has pension liability. Long-term receivables fluctuated slightly from prior to the current fiscal year.

Governmental current and other liabilities are comprised of accounts payable, retentions payable, salaries and benefits accruals, refundable deposits, and unearned revenues. The current liabilities slightly increased from the prior year.





*Program Revenues:*

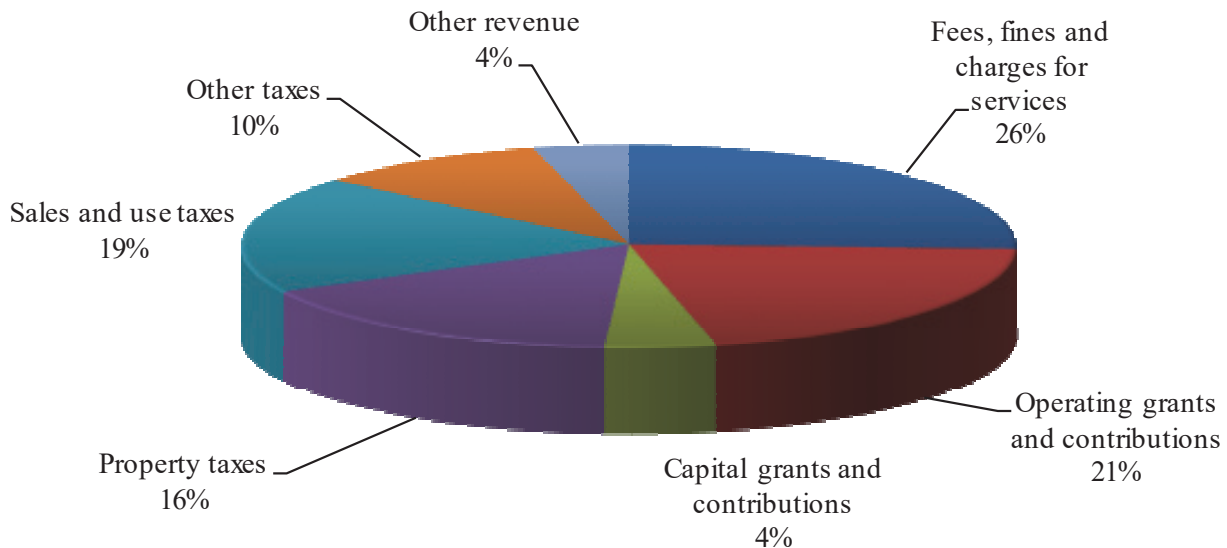
Fees, fines, and charges for services decreased by approximately \$8 million. In the prior year Community Development had the developmental activity such as the Poppy Grove Apartment project, which consisted of 387 affordable multi-family units. Additionally, in the prior year the fines, fees, and charges for services category contained the fees related to the Kubota Western Distribution Center Project, in current fiscal year 2023 Community and Development has less activity.

Operating Grants and Contributions and Capital grants and contributions decreased by \$17 million. The decline is attributable to the reduced activity in the State Grants Fund. Capital grants decreased by \$8.5 million in fiscal year 2022-23. The major projects in the prior fiscal year were the Grant Line Road Widening Phase 2 (Waterman to Bradshaw) and Kammerer Road Reconstruction Big Horn Blvd to Bruceville to Lotz Parkway. Contributions from the Community Facility District (CFD) decreased by \$14 million. In the prior fiscal year, the CFD contributions were toward completing the Preserve at District56 and Photovoltaic System Improvements at District56.

*General Revenue:*

General revenues are primarily comprised of property and sales taxes totaling \$72 million. Property taxes increased by \$2.5 million or 7.3%. Growth in property taxes is driven by increases in property values, new construction, and supplemental property taxes from real estate sales. Sales taxes remained nearly unchanged from the prior fiscal year. Transaction and use tax in the amount of \$7.8 million is Measure E, a new one-cent transactions and use (sales) tax which was approved on November 8, 2022, by Elk Grove voters. Investment income increased by \$6.9 million. The fluctuation is under the “use of money and property” category and the increase was caused by the interest and market value adjustments which are primarily unrealized investment gains that will be reversed over time. If the market value adjustment is not taken into consideration the fluctuation would be insignificant.

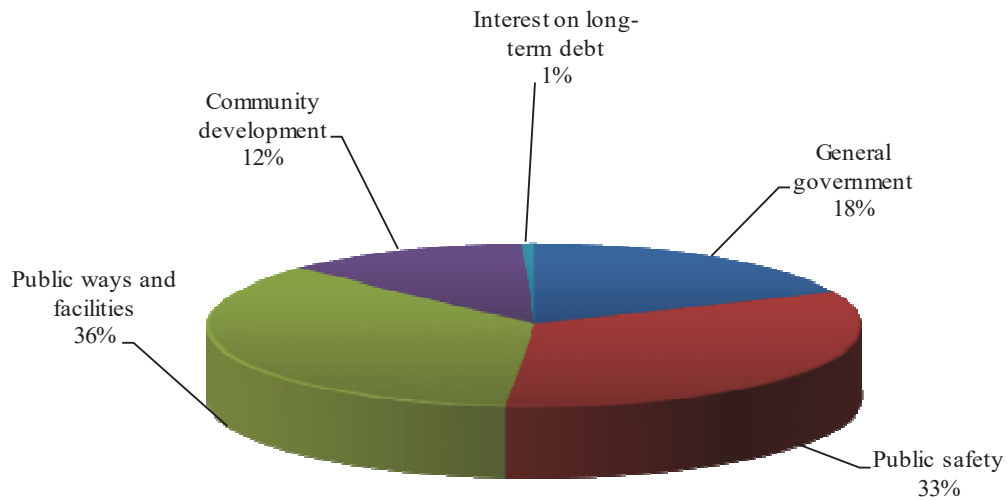
**Revenue by Source - Governmental Activities**



*Functional expenses governmental activities:*

Functional expenses increased overall by \$88 million compared to the prior fiscal year. Pension expenses increased from \$21.5 million in the previous fiscal year to \$30.3 million in the current fiscal year, 2023.

**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>2023</u>	<u>2022</u>	<u>Change</u>
Current and other assets	\$ 33,508,541	\$ 32,792,047	\$ 716,494
Capital assets	38,376,445	35,348,429	3,028,016
Total Assets	<u>71,884,986</u>	<u>68,140,476</u>	<u>3,744,510</u>
Current and other liabilities	1,556,972	1,223,607	333,365
Long-term liabilities	94,002	103,349	(9,347)
Total Liabilities	<u>1,650,974</u>	<u>1,326,956</u>	<u>324,018</u>
Net Position:			
Net investment in Capital			
Assets	38,376,445	35,348,429	3,028,016
Unrestricted Net Position	<u>31,857,567</u>	<u>31,465,091</u>	<u>392,476</u>
Total Net Position	<u>\$ 70,234,012</u>	<u>\$ 66,813,520</u>	<u>\$ 3,420,492</u>

Business-type assets increased by \$3.7 million. The increase is primarily due to Railroad Street and Old Town Plaza improvements. Additionally, in fiscal year 2023, two street sweepers and sewer/storm drain cleaners were purchased. Business-type liabilities remained nearly unchanged.

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

	<u>2023</u>	<u>2022</u>	<u>Change</u>
<i>Revenues:</i>			
<i>Program revenues:</i>			
Fees, fines and charges for services	\$ 8,914,032	\$ 9,950,521	\$ (1,036,489)
Operating grants and contributions	-	717,637	(717,637)
Capital grants and contributions	979,882	-	979,882
	<u>9,893,914</u>	<u>10,668,158</u>	<u>(774,244)</u>
<i>General Revenues:</i>			
Property taxes	1,877,183	1,769,562	\$ 107,621
Gain on sale of capital assets	(10,367)	-	(10,367)
Interest income	537,342	(1,132,057)	1,669,399
	<u>2,404,158</u>	<u>637,505</u>	<u>1,766,653</u>
<b>Total Revenues</b>	<b><u>12,298,072</u></b>	<b><u>11,305,663</u></b>	<b><u>992,409</u></b>
<i>Expenses:</i>			
Recycling & Waste	2,063,587	2,446,042	(382,455)
Transit	-	15,585,396	(15,585,396)
Drainage	5,684,901	5,783,561	(98,660)
	<u>7,748,488</u>	<u>23,814,999</u>	<u>(16,066,511)</u>
<b>Total Expenses</b>	<b><u>7,748,488</u></b>	<b><u>23,814,999</u></b>	<b><u>(16,066,511)</u></b>
<b>Excess (deficiency) before transfers</b>	<b><u>4,549,584</u></b>	<b><u>(12,509,336)</u></b>	<b><u>17,058,920</u></b>
Transfers (net)	(1,129,092)	68,772	(1,197,864)
Change in Net Position	3,420,492	(12,440,564)	15,861,056
Net Position - Beginning	66,813,520	79,254,084	(12,440,564)
Net Position - Ending	<b><u>\$ 70,234,012</u></b>	<b><u>\$ 66,813,520</u></b>	<b><u>\$ 3,420,492</u></b>

*Program and General Revenues:*

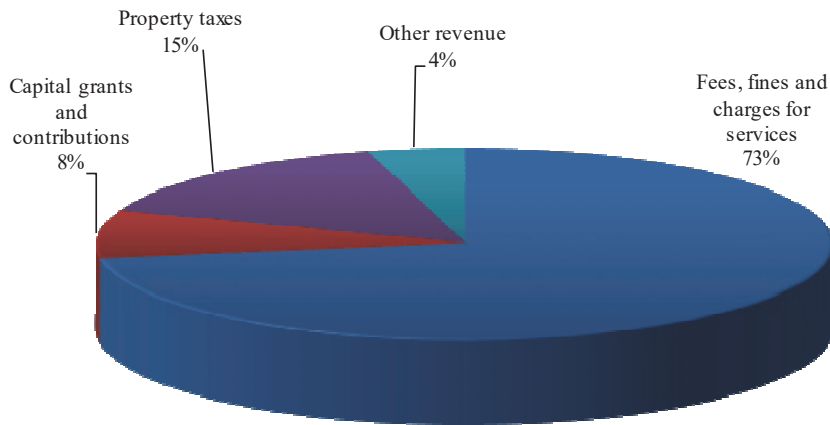
Business-type activity program revenues decreased by \$774 thousand overall. Fees, fines, and charges for services decreased by \$1 million compared to the prior year. The decrease relates to Solid Waste rate changes. City Administrative fees were lowered from \$5.38 to \$3.53 (temporary reduction through 2026).

Business-type Activity General Revenues increased by approximately \$1.8 million primarily due to the fair value market value adjustments.

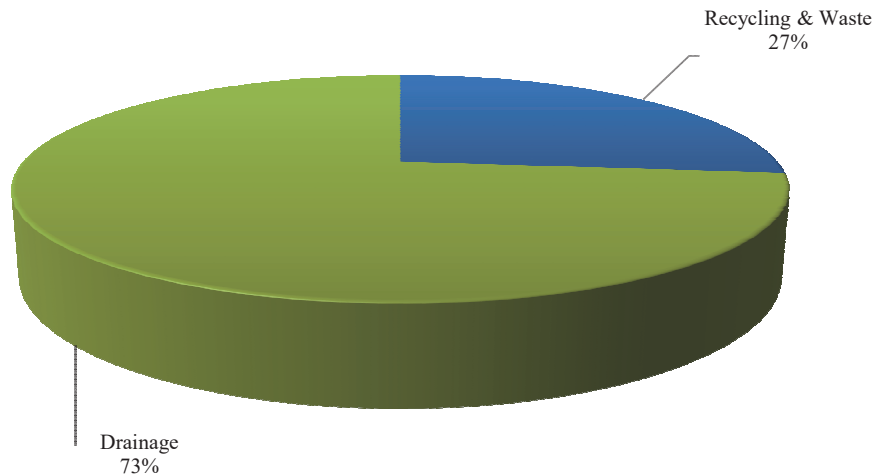
*Expenses:*

Recycling and Waste expenses, as well as Drainage expenses, remained relatively steady compared to the prior year. The City's Transit function was annexed to the Sacramento Regional Transit District in fiscal year 2022.

**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. Eight major funds (three special revenue and five capital project funds) and the General Fund were included in the City’s governmental fund statements in the 2022-23 fiscal year. An analysis of significant balances and transactions is as follows:

As of the end of the current fiscal year, the City’s governmental funds reported combined ending fund balances of \$402 million, an increase of \$53 million compared 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 \$23 million, and the following revenue factors contributed to the net change in the fund balance: Total revenues increased by \$6.3 million, or 6%, compared to the prior year. Base sales taxes increased by \$2.5 million, and Measure E added \$7.8 million.

Intergovernmental revenues decreased by \$4.7 million due to the reason that in prior year City collected Great Plates funding. Prior year Great Plates funding was associated with a one-time effort to provide relief to struggling restaurants and seniors during the COVID pandemic.

General Fund expenditure increased by \$7 million. Public safety expenditure increased by \$5.6 million in comparison to the prior year. Out of the \$5.6 million public safety increase approximately \$2.9 million increase is attributable to CalPERS contributions. The amount the City has to pay to CalPERS changes annually depending on CalPERS' investment earnings, which can be very volatile. For instance, CalPERS' investment returns were a robust 21.3% in FY 2020-21 but -6.1% in FY 2021-22. To address this volatility, the City has made additional payments to CalPERS and prepaid its annual Unfunded Accrued Liability payments (CalPERS charges interest on those payments if made monthly). Additionally, four new positions were added in FY 2022-23 in the Police Department. Out of total \$7 million increase in general fund approximately \$1.3 million increase is attributable to raise in General Government category. The increase is related partially to the Zoo Reallocation project. Additionally, the FY 2023 election was slightly over \$220,000.

The Affordable Housing Fund realized a \$2.2 million increase in revenues in fiscal year 2023. This was due to a \$963k increase in the program fees received from permits for new development within the City, specifically the Southeast Policy Area (SEPA), where new housing and commercial development is occurring. Additionally, the City's market value on investments decreased by a smaller amount than in fiscal year 2022, reporting a decrease in the Affordable Housing Fund's market value of \$119k compared to a reduction of \$1.1 million in fiscal year 2022. This resulted in a \$970k loss of revenue in fiscal year 2023. Affordable Housing expenses realized an increase of \$3.6 million compared to fiscal year 2022. This was due mainly to land purchases totaling \$3.3 million for future affordable housing projects that did not occur in fiscal year 2022. The Fund also had increases in payroll and professional services due to increased affordable housing activity and staff increases, accounting for an additional \$200k of expenses compared to FY 2022.

The Disaster Recovery Special Revenue Fund was established to account for disaster relief funding from Federal, State, and Local agencies. In fiscal year 2022, the City received American Rescue Plan Act stimulus funds. In fiscal year 2023, the City recognized revenue of \$4.7 million. The City issued grants to small businesses and non-profits, began constructing essential infrastructure in the Southeast Industrial Area, and made many investments in City infrastructure and services to better serve the community and operate more efficiently.

The Wilton Rancheria MOU Special Revenue Fund was established to account for and track the City's spending of the cumulative payments from the Tribe. Per the MOU 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. Both revenue and expenditure in the fund stayed nearly unchanged from the prior fiscal year.

The Federal Capital Grant Funds were established to account for grants received from the federal government to fund capital projects. Intergovernmental revenues remained unchanged from the prior fiscal year. However, expenditures increased by \$2 million. Significant projects in Federal Capital Grant Funds during fiscal year 2023 were Arterial Roads Rehabilitation and Bicycle Lane Improvements and the Kammerer Rd Two-Lane Extension.

The State Grants Fund was established to account for grants received from the state government to fund capital projects. Overall, activity in the State Grants Fund decreased significantly compared to the prior year. State Grants Fund revenue is \$4.5 million in fiscal year 2022-23, compared to the prior year's revenue of about \$13 million. The major projects that occurred in the prior fiscal year included the Grant Line Road Widening Phase 2 (Waterman to Bradshaw) and Kammerer Road Reconstruction Big Horn Blvd to Bruceville to Lotz Parkway.

The City imposes a citywide fee on development to fund center lanes and medians of major roadways, intersections, interchanges, and bridges that is deposited in the Roadway Fee Fund. Fiscal year 2023 revenues increased by \$3.3 million, and expenditures decreased by \$8 million. The licenses, fees, and permits revenue category increased by \$1.6 million due to increased development projects compared to the prior year. There was increased activity in Single Family Residential by about 15%, with a significant increase in multi-family residential and Commercial permits. The decrease in expenditure is attributable to some larger projects that occurred in fiscal year 2022, including Grant Line Rd Widening Phase, Kammerer Road Extension, and Kammerer Road Reconstruction Big Horn Blvd to Bruceville.

The City established mitigation and fee funds to supplement various fees in specific areas, which are paid directly to the City via developer fees. These revenues increased by \$5.4 million compared to the prior year. Activity in Single-Family Residential increased by about 15%, with a significant increase in multi-family residential and Commercial permits. Expenditures decreased by \$1.6 million.

The Laguna Ridge CFD Fund was established to collect special taxes to fund the cost of infrastructure and a portion of police protection operational costs within the boundaries of this finance district. Community Facility District (CFD) decreased by \$14 million. In the prior fiscal year 2022, the CFD contributions were toward completing the Preserve at District56 and Photovoltaic System Improvements at District56.

**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 \$9.8 million.

- Transaction and use tax revenues were \$7.8 million over revenue projections. On November 8, 2022, Elk Grove voters approved Measure E, which is a one-cent local sales tax. At the time of adopting the 2022-23 budget, it was unknown whether voters would approve Measure E. Since it was approved after budget development and it was unknown if the measure would be approved, the revenues came in for this new revenue source without a budget estimate for FY2022-23.

General Fund actual expenditures were \$2.2 million below budget expectations. The main components of the difference between the final budget and the actuals include:

- Economic Development expenditures were \$1.5 million below budget. The costs for real estate consultants were lower than anticipated; additionally, special project expenditures were lower than anticipated relative to Project Elevate and marketing. Funds designated for Economic Incentive Programs were not expensed during the fiscal year 2023.
- Public Works Department actuals were \$1.2 million below budget. The lower than anticipated costs resulted from salary savings due to vacancies in positions. Additionally, lower expenditure occurred in Professional Services in PW Capital Projects due to the transition of consultant workload and responsibilities to CIP staff to reduce costs and improve efficiency. Lower than anticipated expenses were in PW Engineering due to the conversion of the ESD Administrative Assistant from consultant to City position, and the Department did not find a full-time Construction Manager and brought in a part-time consultant instead.

Underspends occurred in Encroachment Permits due to Regional San's Harvest Water Program - Elk Grove Transmission Pipeline project being delayed. Frontier using existing conduit for their fiber extension instead of trenching and boring new conduits resulted in faster and less intrusive construction techniques minimizing their impacts and reducing inspection needs. The conversion of consultant inspectors to City positions resulted in lower costs.

## 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, 2023

	Governmental		Business-type		Total	
	2023	2022	2023	2022	2023	2022
Land	\$ 229,460,153	\$ 225,796,305	\$ 8,573,214	\$ 8,474,992	\$ 238,033,367	\$ 234,271,297
Construction in progress	48,390,929	116,662,325	5,994,509	6,999,179	54,385,438	123,661,504
Other capital assets	872,200	840,481	-	-	872,200	840,481
Infrastructure	1,592,784,204	1,530,649,760	16,392,084	13,480,207	1,609,176,288	1,544,129,967
Building and improvements	128,664,399	128,345,238	9,910,102	9,910,102	138,574,501	138,255,340
Vehicles and equipment	17,420,455	16,660,591	1,964,960	294,680	19,385,415	16,955,271
Parks and park improvements	6,230,310	6,230,310	-	-	6,230,310	6,230,310
Other capital assets, depreciable	278,425	109,752	-	-	278,425	109,752
Leased equipment	254,059	242,639	-	-	254,059	242,639
Subscription assets	5,635,056	-	6,037	-	5,641,093	-
Accumulated depreciation	(994,469,139)	(945,531,165)	(4,459,632)	(3,810,730)	(998,928,771)	(949,341,895)
Less accumulated amortization for lease and subscription assets	(1,409,730)	(57,789)	(4,829)	-	(1,414,559)	(57,789)
<b>Total</b>	<b>\$ 1,034,111,321</b>	<b>\$ 1,079,948,447</b>	<b>\$ 38,376,445</b>	<b>\$ 35,348,430</b>	<b>\$ 1,072,487,766</b>	<b>\$ 1,115,296,877</b>

The City's investment in capital assets as of June 30, 2023, totaled \$1.07 billion, (net of accumulated depreciation). The investment in capital assets includes land, infrastructure, building and improvements, equipment, parks, park improvements, and construction in progress. The increase in the City's investment in capital assets before accumulated depreciation for the current year totals \$2.2 million which funded construction in progress, infrastructure, and equipment. Additional information on the City's investment in capital assets can be found in Note 4 to the financial statements on pages 59-60.

### Debt Administration

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

#### Bonds Payable

Governmental Activities	Governmental Activities		Business-type Activities		Total		Increase (Decrease) % Change
	2023	2022	2023	2022	2023	2022	
Lease revenue bond debt	\$ 38,319,773	\$ 40,261,562	\$ -	\$ -	\$ 38,319,773	\$ 40,261,562	-5%
<b>Total Governmental Activities</b>	<b>\$ 38,319,773</b>	<b>\$ 40,261,562</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 38,319,773</b>	<b>\$ 40,261,562</b>	<b>-5%</b>

No new debt was issued in fiscal year 2023. The information on the City's long-term debt, including the City's Net Pension and OPEB Liabilities, can be found in Note 8 to the financial statements on pages 69-72.



## ECONOMIC FACTORS AND NEXT YEAR’S BUDGET

### *Current Economic Conditions and Drivers*

Despite strong inflation and high-interest rates, the U.S. economy and its consumers stayed resilient in 2023. The Federal Reserve increased interest rates three times in 2023 (on top of 7 in 2022) to quell inflation. Their approach seems successful as inflation continues to slow and approach the Fed’s 2% goal, and the economy has not gone into recessionary territory. The Federal Reserve also continues transitioning out of its bond-purchasing program (“quantitative easing”), which was implemented to support the economy during the pandemic. As mentioned earlier, the rate at which the price of goods and services continues to grow has decreased, as the Bureau of Labor Statistics indicates the 12-month percentage change in the Consumer Price Index in urban areas in November 2023 was 3.1%.

According to the Bureau of Economic Analysis, the Nation’s Gross Domestic Product (GDP) increased by an average of 2.95% in the last four quarters, so the economy continues to grow despite high interest rates and numerous geopolitical headwinds. According to the Bureau of Labor Statistics, the nation’s unemployment rate continues to be below 4%, but the rate in the Sacramento area hovered above that level for most of 2023.

#### United States

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
2023	3.4	3.6	3.5	3.4	3.7	3.6	3.5	3.8	3.8	3.9	3.7

#### Sacramento-Roseville-Arden-Arcade MSA

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov
2023	4.3	4.4	4.4	3.8	4.0	4.4	4.2	4.5	4.2	4.4	4.5

Like many areas of the United States, Elk Grove experienced home value decreases in 2023, coming off of robust increases in 2022. The median home price in Elk Grove is approximately \$618,000, which is a 1.3% decrease over the past year. Home prices and sales are expected to moderate in 2024 as current interest rates discourage existing homeowners from listing their properties for sale.

### *Fiscal Year 2023-2024 Budget*

The City’s proposed General Fund (discretionary) Budget is \$88.9 million for FY 2023-24, which is about \$2.9 million (3.4%) more than the FY 2022-23 Adopted Budget of nearly \$86 million. The \$2.9 million increase is not associated with Measure E funding, which is budgeted distinctly and separately from the General Fund and is discussed further in the Budget. Rather, the \$2.9 million increase is reflecting the continuing strength of the local and regional economies. The increases are primarily due to:

- The addition of 4 new positions and the full-year cost of positions added during the current fiscal year.
- General salary and benefit increases, along with anticipated step increases for current employees.
- Operational cost increases.
- One-time equipment purchases.

The City has and will continue constructing several noteworthy capital projects reflected in the prior and current Capital Improvement Program (CIP) budgets. As a result, the total Proposed Budget (including CIP) for FY 2023-24, net of transfers and internal service costs, is \$349 million, which is \$55 million (19%) more than the FY 2022-23 Budget of \$294 million. The primary reasons for the increase are the carrying over of unspent budget on Capital Projects in FY 2022-23 into FY 2023-24 and the addition of Measure E spending. Key themes of the proposed FY 2023-24 Budget are noted below:

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

### *Measure E*

On November 8, 2022, Elk Grove voters approved Measure E, a new one-cent transactions and use (sales) tax. This approval was the culmination of a yearlong public outreach process undertaken by the City of Elk Grove and the Cosumnes Community Services District. Public outreach included over 75 community meetings, four meetings with a Community Advisory Group, various community outreach mailers, and two public surveys to understand community needs and priorities.

### Public Safety

- Reducing Crime - Provide additional public safety resources in order to keep our neighborhoods safe and reduce crime. Increase neighborhood police patrols, ensure the Police Department is attracting, retaining, and adequately equipping public safety professionals and pursue new, innovative approaches to reducing crime.
- Addressing Homelessness - Provide resources to address mental health, substance abuse, and job training needs while ensuring our local businesses, residential neighborhoods, and public areas are safe and secure for everyone.
- Improve 911, police, fire, and emergency disaster and emergency medical response - Improve 911 emergency response times, at both the Police and Fire Departments, to ensure that calls for service meet national response time standards.
- Enhancing programs to combat youth crime and gang prevention Fund property and violent crime investigation and prevention, and address crimes related to youth and gangs including supporting after school recreational and enrichment programs to keep youth actively engaged and supported for a bright future.

### Roads and Parks Safety

- Maintaining Streets - Maintain pothole repair and enhance major roads to improve traffic flow and reduce congestion for the safety of all drivers, bikers, and pedestrians, including safe routes for school kids walking or biking.
- Maintaining Parks - Maintain and repair public bathrooms, landscaping, sports fields, deteriorating playgrounds and equipment, including security lighting to keep play spaces clean and safe for children and families.

### Quality of Life

- Clean and Safe Public Areas Keep public areas safe and clean for community members as well as visitors. Implement programs that directly impact visual blight as well as ensuring a safe community for all.
- Economic Development Attract and retain local businesses and jobs to ensure a robust local economy.

The City Council also formulated the Measure E Citizens' Oversight Committee to ensure community transparency and accountability.

### ***Compensation & Long-Term Pension Obligations***

The City has prioritized making additional payments toward the City's CalPERS (California Public Employees Retirement System) unfunded accrued liability (UAL). Since FY 2015-16, the City has issued nearly \$13.5 million in payments to CalPERS beyond what is required. Continued annual prepayments are included in the FY 2023-24 Budget and the General Fund Five-Year Forecast. These accelerated payments help mitigate the future cost impact of CalPERS rate increases and decrease the City's funded ratio, which currently sits at approximately 100%. The ratio is expected to decrease to its prior level of around 85% when the actuarial reports reflecting CalPERS' FY 22 investment loss (-6.1%) are released this summer. In addition, CalPERS' earnings were running well below its annual 6.8% target as of December 31, 2022. If CalPERS does not meet its earnings target, that shortfall creates a liability that the City needs to pay. The City's funding level remains within the top 10% of all CalPERS agencies.

### ***A New Zoo in Elk Grove***

In September 2021, the Sacramento Zoological Society and the City of Elk Grove entered into an Exclusive Negotiating Agreement to evaluate the creation of a new, modern zoological park in Elk Grove. Activities since that time include the completion of a feasibility study and an economic impact analysis, the retention of renowned zoo landscape architecture firm SHR Studios, as well as ongoing research and planning. The next steps in the process include developing a schematic design, a financing plan, and completing an environmental impact review. The City purchased approximately 60 acres for the new zoo assuming the project moves forward.

In March 2022, the City Council received a report on the results of a Feasibility Study and Economic and Revenue Impact Analysis for a potential zoo in Elk Grove. The study and analysis concluded that the development of a Zoo in Elk Grove was potentially viable, subject to the financial assumptions and site program considered in the reports. Based on these results, the Council directed staff to continue working with the Sacramento Zoological Society (SZS) on the project, and the City and SZS subsequently entered into a Memorandum of Understanding (MOU) in May 2022 that outlines the activities, responsibilities, and outcomes of the next phase of work for the Zoo project. As provided in the MOU, SZS will be financially responsible for the preparation of the master plan, including the conceptual and schematic design work. The City will continue to be responsible for the sizing and design of the off-site infrastructure, including water, sewer, roadways, and other utilities.

### ***Kammerer Road Widening and Extension***

This project (WTR014) is programmed in the current CIP as a divided two-lane extension of Kammerer Road from Lent Ranch Parkway to Interstate 5. This initial work is the first phase of a larger four-lane project currently in the environmental phase, with the California Environmental Quality Act work complete, and the National Environmental Policy Act work still in progress. There is sufficient funding to complete the design and acquire the needed right of way for the two-lane extension from Bruceville Road to I-5. This work will leave the City with a shovel-ready \$93 million construction project, that will need \$65 million in grant funding. Staff intends to follow a dual-track strategy for grant funding. The first track will assume funding comes in smaller increments. Therefore, construction would occur in phases heading east to west. The second track will be to try and fund the entire four-lane project from various state and federal sources. The key to overall success, no matter the track used, will be to get the entire two-lane extension shovel ready.

### ***Laguna Creek Inter-Regional Trail***

The Laguna Creek Trail has been identified as the highest-priority trail corridor by the Elk Grove Trails Committee. This regional trail will provide access to a variety schools, transit, disadvantaged communities, and residential and commercial uses along the corridor. The limits of the trail begin in the rural area of Elk Grove and will follow Laguna Creek in a northwest direction across the City to Franklin Boulevard and the Cycle Track, which connects to a City of Sacramento light rail station and a future passenger rail station. The Inter-Regional Trail has several gaps that need to be closed for it to function as an inter-regional facility. When complete, this trail will include 7.6 miles within Elk Grove and 2.75 miles within Sacramento. FY 2023-24 includes further funding for this effort. The City recently received a \$6.9 million grant from the Sacramento Area Council of Governments (SACOG) in addition to a \$2 million federal earmark for this project that are anticipated to carry the project through construction, which is anticipated to be in 2026. The design contract was awarded in March 2023.

### ***Laguna Ridge and Southeast Policy Area Parks***

In partnership with the Cosumnes Community Services District (CSD), the City continues to develop parks in Laguna Ridge and the Southeast Policy Area (SEPA). The City collects fees associated with these parks and hold lands until they can be used for a park. The CSD design, bid, build, operate, and maintain the parks. Parks are developed as funds become available from the fees the City collects and when land is available. The Oasis Park Community Building is nearing completion and design on the new 9-acre Mendes Park located in the Mendes Subdivision within SEPA will begin this year. The one-acre Sun Grove Park will also begin design this year and is located within Laguna Ridge. Continued completion of these parks is a long-term goal of this program.

### **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, 2023

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
<b><u>ASSETS</u></b>			
Cash and investments	\$ 334,855,594	\$ 31,424,570	\$ 366,280,164
Cash and investments with fiscal agent	26,480,888	-	26,480,888
Cash held in escrow	300,000	77,190	377,190
Accounts receivable, net	7,045,932	1,911,801	8,957,733
Taxes receivable	13,552,548	-	13,552,548
Interest receivable	343,651	-	343,651
Due from other government agencies	8,949,638	94,980	9,044,618
Fee credits receivable	4,533,838	-	4,533,838
Long-term loans receivable	67,276,924	-	67,276,924
Affordable housing subsidies receivable	2,214,645	-	2,214,645
Long-term development fees receivable	21,338,175	-	21,338,175
Leases receivable	2,877,320	-	2,877,320
Capital Assets:			
Nondepreciable	278,723,282	14,567,723	293,291,005
Depreciable, net	755,388,039	23,808,722	779,196,761
Total Assets	<u>1,523,880,474</u>	<u>71,884,986</u>	<u>1,595,765,460</u>
<b><u>DEFERRED OUTFLOWS OF RESOURCES</u></b>			
Deferred outflows of resources related to pensions	27,808,665	-	27,808,665
Deferred outflows of resources related to OPEB	9,347,730	-	9,347,730
Total Deferred Outflows of Resources	<u>37,156,395</u>	<u>-</u>	<u>37,156,395</u>
<b><u>LIABILITIES</u></b>			
Accounts and retention payable	13,750,357	1,355,343	15,105,700
Accrued salaries and benefits	1,501,983	82,414	1,584,397
Interest payable	367,233	-	367,233
Refundable deposits	4,427,233	109,969	4,537,202
Unearned revenue	19,282,371	-	19,282,371
Long-Term Liabilities:			
Portion due or payable within one year:			
Bonds payable	2,193,025	-	2,193,025
Compensated absences	483,850	9,246	493,096
Lease liabilities	61,994	-	61,994
Subscription liabilities	1,300,233	-	1,300,233
Portion due or payable after one year:			
Bonds payable	36,126,748	-	36,126,748
Compensated absences	4,919,141	94,002	5,013,143
Lease liabilities	74,329	-	74,329
Subscription liabilities	2,982,245	-	2,982,245
Claims liability	716,110	-	716,110
Net pension liability	20,984,379	-	20,984,379
Net OPEB liability	14,304,934	-	14,304,934
Total Liabilities	<u>123,476,165</u>	<u>1,650,974</u>	<u>125,127,139</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>			
Deferred inflows of resources related to pension	3,486,153	-	3,486,153
Deferred inflows of resources related to OPEB	1,403,758	-	1,403,758
Deferred inflows of resources related to leases	2,852,785	-	2,852,785
Total Deferred Inflows of Resources	<u>7,742,696</u>	<u>-</u>	<u>7,742,696</u>
<b><u>NET POSITION</u></b>			
Net investment in capital assets	1,000,347,920	38,376,445	1,038,724,365
Restricted for:			
Capital projects	237,740,574	-	237,740,574
Affordable housing projects	92,436,115	-	92,436,115
Special revenue projects	68,577,705	-	68,577,705
Unrestricted	<u>30,715,694</u>	<u>31,857,567</u>	<u>62,573,261</u>
Total Net Position	<u>\$ 1,429,818,008</u>	<u>\$ 70,234,012</u>	<u>\$ 1,500,052,020</u>

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

**CITY OF ELK GROVE**

Statement of Activities  
June 30, 2023

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	\$ 41,706,361	\$ 4,105,100	\$ 978,380	\$ -
Public Safety	74,538,552	35,750	6,821,272	-
Public Ways and Facilities	80,504,333	43,471,604	22,011,746	8,466,761
Community Development	27,683,740	5,089,496	12,706,588	866,441
Debt Service - Interest	1,557,181	-	-	-
<b>Total Governmental Activities</b>	<b>225,990,167</b>	<b>52,701,950</b>	<b>42,517,986</b>	<b>9,333,202</b>
<b>Business-Type Activities:</b>				
Recycling & Waste	2,063,587	2,595,331	-	979,882
Drainage	5,684,901	6,318,701	-	-
<b>Total Business-Type Activities</b>	<b>7,748,488</b>	<b>8,914,032</b>	<b>-</b>	<b>979,882</b>
<b>Total Primary Government</b>	<b>\$ 233,738,655</b>	<b>\$ 61,615,982</b>	<b>\$ 42,517,986</b>	<b>\$ 10,313,084</b>

General Revenues:

Taxes:

- Property taxes
- Sales and use tax
- Transaction and use tax
- Utility user tax
- Transient occupancy tax
- Property transfer tax
- Franchise tax
- Investment Income
- Gain (loss) on sale of capital assets
- 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
\$ (36,622,881)	\$ -	\$ (36,622,881)
(67,681,530)	-	(67,681,530)
(6,554,222)	-	(6,554,222)
(9,021,215)	-	(9,021,215)
(1,557,181)	-	(1,557,181)
(121,437,029)	-	(121,437,029)
-	1,511,626	1,511,626
-	633,800	633,800
-	2,145,426	2,145,426
(121,437,029)	2,145,426	(119,291,603)
33,636,077	1,877,183	35,513,260
38,333,652	-	38,333,652
7,802,655	-	7,802,655
5,855,109	-	5,855,109
3,092,038	-	3,092,038
795,599	-	795,599
2,767,734	-	2,767,734
4,848,171	537,342	5,385,513
-	(10,367)	(10,367)
3,341,284	-	3,341,284
1,129,092	(1,129,092)	-
101,601,411	1,275,066	102,876,477
(19,835,618)	3,420,492	(16,415,126)
1,449,653,626	66,813,520	1,516,467,146
\$ 1,429,818,008	\$ 70,234,012	\$ 1,500,052,020



**CITY OF ELK GROVE**

Governmental Funds

Balance Sheet

June 30, 2023

	Special Revenue Funds			
	General Fund	Affordable Housing Fund	Disaster Recovery Fund	Wilton Rancheria MOU Fund
<b><u>ASSETS</u></b>				
Cash and investments	\$ 82,475,610	\$ 23,678,061	\$ 12,649,424	\$ 7,230,872
Cash and investments with fiscal agent	-	-	-	-
Funds held in escrow	-	-	-	-
Accounts receivable, net	1,437,372	-	-	4,907,848
Taxes receivable	13,388,121	-	-	-
Interest receivable, net	387,759	403,254	-	32,950
Due from other government agencies	1,113,312	-	-	-
Due from other funds	455,076	-	-	-
Advances to other funds	3,162,543	-	-	-
Fee credits receivable	-	-	-	-
Long-term loans receivable	281,365	66,660,357	-	-
Affordable housing subsidies receivable	-	2,214,645	-	-
Long-term development fees receivable	-	745,129	-	-
Leases receivable	218,050	-	-	-
<b>Total Assets</b>	<b>\$ 102,919,208</b>	<b>\$ 93,701,446</b>	<b>\$ 12,649,424</b>	<b>\$ 12,171,670</b>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ 3,499,368	\$ 38,636	\$ 316,429	\$ -
Accrued salaries and benefits	1,176,258	6,689	-	-
Due to other funds	-	-	-	-
Interest payable	24,363	-	-	-
Retention payable	-	-	138,118	-
Refundable deposits	705,765	-	-	-
Advances from other funds	-	-	-	-
Unearned revenue	-	-	12,484,632	-
<b>Total Liabilities</b>	<b>5,405,754</b>	<b>45,325</b>	<b>12,939,179</b>	<b>-</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	813,247	1,220,006	-	4,934,633
<b><u>FUND BALANCES</u></b>				
Nonspendable	3,162,543	-	-	-
Restricted	-	92,436,115	-	7,237,037
Committed	85,388,301	-	-	-
Assigned	589,487	-	-	-
Unassigned	7,559,876	-	(289,755)	-
<b>Total Fund Balances</b>	<b>96,700,207</b>	<b>92,436,115</b>	<b>(289,755)</b>	<b>7,237,037</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 102,919,208</b>	<b>\$ 93,701,446</b>	<b>\$ 12,649,424</b>	<b>\$ 12,171,670</b>

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

Capital Project Funds						
Federal Capital Grants Fund	State Grants Fund	Roadway Fee Fund	Mitigation and Fee Funds	Laguna Ridge CFD 2005-1 Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ 41,383,590	\$ 14,580,501	\$ 11,249,563	\$ 130,006,363	\$ 323,253,984
-	3,716,637	1,301,956	-	12,741,789	8,720,506	26,480,888
-	-	140,706	-	-	159,294	300,000
-	-	5,000	-	-	4,316,568	10,666,788
-	-	-	-	-	164,427	13,552,548
-	-	212,191	66,441	51,264	391,214	1,545,073
2,773,543	1,011,929	-	-	-	4,050,854	8,949,638
-	-	3,773,672	-	-	-	4,228,748
-	-	516,122	-	-	2,696,696	6,375,361
-	-	-	-	4,098,978	3,763,610	7,862,588
-	-	-	-	-	335,202	67,276,924
-	-	-	-	-	-	2,214,645
-	-	9,983,447	7,488,781	-	3,120,818	21,338,175
-	-	-	-	-	2,659,270	2,877,320
<u>\$ 2,773,543</u>	<u>\$ 4,728,566</u>	<u>\$ 57,316,684</u>	<u>\$ 22,135,723</u>	<u>\$ 28,141,594</u>	<u>\$ 160,384,822</u>	<u>\$ 496,922,680</u>
\$ 56,532	\$ 197,798	\$ 235,360	\$ 102,889	\$ 137,512	\$ 8,124,475	\$ 12,708,999
-	-	1,586	5,550	-	183,496	1,373,579
2,609,278	773,182	-	-	-	846,288	4,228,748
-	-	-	-	-	8,152	32,515
104,314	-	-	-	96,611	448,307	787,350
-	-	-	-	-	3,721,468	4,427,233
-	-	-	2,696,696	-	3,678,665	6,375,361
-	3,716,637	1,301,956	-	-	1,736,153	19,239,378
<u>2,770,124</u>	<u>4,687,617</u>	<u>1,538,902</u>	<u>2,805,135</u>	<u>234,123</u>	<u>18,747,004</u>	<u>49,173,163</u>
<u>2,767,799</u>	<u>1,011,929</u>	<u>10,155,929</u>	<u>7,542,789</u>	<u>3,370,418</u>	<u>13,515,270</u>	<u>45,332,020</u>
-	-	-	-	-	-	3,162,543
-	-	45,621,853	11,787,799	24,537,053	131,156,749	312,776,606
-	-	-	-	-	-	85,388,301
-	-	-	-	-	-	589,487
(2,764,380)	(970,980)	-	-	-	(3,034,201)	500,560
<u>(2,764,380)</u>	<u>(970,980)</u>	<u>45,621,853</u>	<u>11,787,799</u>	<u>24,537,053</u>	<u>128,122,548</u>	<u>402,417,497</u>
<u>\$ 2,773,543</u>	<u>\$ 4,728,566</u>	<u>\$ 57,316,684</u>	<u>\$ 22,135,723</u>	<u>\$ 28,141,594</u>	<u>\$ 160,384,822</u>	<u>\$ 496,922,680</u>

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

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## CITY OF ELK GROVE

### Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position - Governmental Activities June 30, 2023

Fund Balance - total governmental funds	\$	402,417,497
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.		1,031,048,182
Certain other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.		34,185,453
Interest on long-term debt is recognized as it accrues, regardless of when it is due in the government-wide statements.		(300,945)
Internal service funds are used by the City to charge the cost of risk management and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position are:		10,132,040
In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB 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		27,808,665
Deferred inflows of resources related to pensions		(3,486,153)
Deferred outflows of resources related to OPEB		9,347,730
Deferred inflows of resources related to OPEB		(1,403,758)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.		
Bonds payable		(38,319,773)
Subscription liabilities (excluding amount recorded in the internal service funds)		(1,313,698)
Net pension liability		(20,984,379)
Net OPEB liability		(14,304,934)
Compensated absences (excluding amount recorded in the internal service funds)		(5,007,919)
Net Position of governmental activities	\$	1,429,818,008

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, 2023

	Special Revenue Funds			
	General Fund	Affordable Housing Fund	Disaster Recovery Fund	Wilton Rancheria MOU Fund
<b><u>REVENUES</u></b>				
Taxes	\$ 92,282,864	\$ -	\$ -	\$ -
Licenses, fees and permits	1,716,838	4,586,167	-	-
Intergovernmental	978,380	19,109	4,678,288	2,453,924
Fines and forfeitures	1,260,318	-	-	-
Charges for services	579,146	-	-	-
Use of money and property	1,936,687	490,488	-	(10,257)
Contribution from Community Facility District	-	-	-	-
Other revenue	981,756	-	-	-
Total Revenues	<u>99,735,989</u>	<u>5,095,764</u>	<u>4,678,288</u>	<u>2,443,667</u>
<b><u>EXPENDITURES</u></b>				
Current:				
General government	36,517,030	-	-	-
Public safety	55,124,813	-	-	-
Public ways and facilities	-	-	3,479,790	2,313
Community development	1,617,385	3,819,204	1,543,015	-
Capital outlay	270,322	-	1,338	-
Debt service:				
Tax administration	-	-	-	-
Principal	341,935	-	-	-
Interest	28,748	-	-	-
Total Expenditures	<u>93,900,233</u>	<u>3,819,204</u>	<u>5,024,143</u>	<u>2,313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,835,756</u>	<u>1,276,560</u>	<u>(345,855)</u>	<u>2,441,354</u>
<b><u>OTHER FINANCING SOURCES (USES)</u></b>				
Issuance of debt	187,029	-	-	-
Transfers in	18,420,639	-	-	-
Transfers (out)	(1,508,644)	-	-	-
Total Other Financing Sources (Uses)	<u>17,099,024</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	22,934,780	1,276,560	(345,855)	2,441,354
Fund Balances, Beginning	<u>73,765,427</u>	<u>91,159,555</u>	<u>56,100</u>	<u>4,795,683</u>
Fund Balances, Ending	<u>\$ 96,700,207</u>	<u>\$ 92,436,115</u>	<u>\$ (289,755)</u>	<u>\$ 7,237,037</u>

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

Capital Projects Funds						
Federal Capital Grants Fund	State Grants Fund	Roadway Fee Fund	Mitigation and Fee Funds	Laguna Ridge CFD 2005-1 Fund	Total Nonmajor Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 92,282,864
-	-	9,080,821	8,077,689	3,100,261	20,246,468	46,808,244
792,548	4,476,168	-	-	449,270	35,435,983	49,283,670
-	-	-	-	-	-	1,260,318
-	-	-	-	-	3,505,444	4,084,590
-	-	366,505	99,237	(16,163)	1,973,797	4,840,294
-	-	-	-	1,701,077	-	1,701,077
-	-	10,000	-	1,014,124	1,109,947	3,115,827
<u>792,548</u>	<u>4,476,168</u>	<u>9,457,326</u>	<u>8,176,926</u>	<u>6,248,569</u>	<u>62,271,639</u>	<u>203,376,884</u>
-	-	-	-	-	247,038	36,764,068
-	-	-	-	-	1,018,087	56,142,900
3,327,288	544,612	1,542,687	748,892	4,219,466	22,135,777	36,000,825
-	-	-	-	-	9,379,301	16,358,905
-	-	-	-	-	6,122,436	6,394,096
-	-	-	-	-	9,617	9,617
-	-	-	-	-	1,958,386	2,300,321
-	-	-	-	-	1,528,671	1,557,419
<u>3,327,288</u>	<u>544,612</u>	<u>1,542,687</u>	<u>748,892</u>	<u>4,219,466</u>	<u>42,399,313</u>	<u>155,528,151</u>
<u>(2,534,740)</u>	<u>3,931,556</u>	<u>7,914,639</u>	<u>7,428,034</u>	<u>2,029,103</u>	<u>19,872,326</u>	<u>47,848,733</u>
-	-	-	-	-	-	187,029
165,272	1,647	566,076	-	-	3,706,294	22,859,928
<u>(165,272)</u>	<u>(591,056)</u>	<u>(479,885)</u>	<u>(936,755)</u>	<u>(873,768)</u>	<u>(13,668,768)</u>	<u>(18,224,148)</u>
<u>-</u>	<u>(589,409)</u>	<u>86,191</u>	<u>(936,755)</u>	<u>(873,768)</u>	<u>(9,962,474)</u>	<u>4,822,809</u>
<u>(2,534,740)</u>	<u>3,342,147</u>	<u>8,000,830</u>	<u>6,491,279</u>	<u>1,155,335</u>	<u>9,909,852</u>	<u>52,671,542</u>
<u>(229,640)</u>	<u>(4,313,127)</u>	<u>37,621,023</u>	<u>5,296,520</u>	<u>23,381,718</u>	<u>118,212,696</u>	<u>349,745,955</u>
<u>\$ (2,764,380)</u>	<u>\$ (970,980)</u>	<u>\$ 45,621,853</u>	<u>\$ 11,787,799</u>	<u>\$ 24,537,053</u>	<u>\$ 128,122,548</u>	<u>\$ 402,417,497</u>

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

**CITY OF ELK GROVE**

Reconciliation of the Statement of Revenues, Expenditures, and  
Changes in Fund Balances of Governmental Funds to the  
Government-Wide Statement of Activities - Governmental Activities  
For the Year Ended June 30, 2023

Net change to fund balances - total governmental funds	\$	52,671,542
<p>Amounts reported for governmental activities in the statement of activities are different because:</p>		
<p>Governmental funds report capital outlay as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. In addition, governmental funds report proceeds from disposals of capital assets as revenues, while only the gain or loss on the sale of capital assets is reported in the statement of activities. Finally, donated assets are not reported in governmental fund statements since they do not represent current financial resources, but donated assets are reported as capital contributions in the statement of activities.</p>		
<p>The change in governmental activities capital assets consists of:</p>		
Capital outlay expenditures	\$ 19,430,010	
Retirement of capital assets	(19,974,522)	
Less: current year depreciation	<u>(49,724,908)</u>	(50,269,420)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		1,423,116
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Issuance of debt, including subscription liabilities	(187,029)	
Principal payments on debt, including subscription liabilities	<u>2,300,321</u>	2,113,292
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in accrued interest on debt	9,855	
Change in compensated absences (excluding amount reported in the internal service funds)	<u>(270,631)</u>	(260,776)
Long term net OPEB (liability) change not paid out of current period resources		(1,487,335)
<p>In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. The difference between accrual-basis pension costs and actual employer contributions was:</p>		
		(21,211,103)
<p>Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of certain activities of the internal service funds is reported with governmental activities.</p>		
		<u>(2,814,934)</u>
Change in net position of governmental activities	\$	<u><u>(19,835,618)</u></u>

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



**CITY OF ELK GROVE**  
Proprietary Funds  
Statement of Fund Net Position  
June 30, 2023

	Business-Type Activities			Governmental Activities
	Recycling & Waste Funds	Drainage Funds	Total Enterprise Funds	Internal Service Funds
<b><u>ASSETS</u></b>				
Current Assets:				
Cash and investments	\$ 11,687,448	\$ 19,737,122	\$ 31,424,570	\$ 11,601,610
Cash held in escrow	-	77,190	77,190	-
Accounts receivable, net	523,257	1,388,544	1,911,801	142,754
Due from other government agencies	33,812	61,168	94,980	-
Total Current Assets	<u>12,244,517</u>	<u>21,264,024</u>	<u>33,508,541</u>	<u>11,744,364</u>
Noncurrent Assets:				
Capital assets, nondepreciable	4,059,299	10,508,424	14,567,723	-
Capital assets, depreciable, net	7,794,440	16,014,282	23,808,722	3,063,139
Total Noncurrent Assets	<u>11,853,739</u>	<u>26,522,706</u>	<u>38,376,445</u>	<u>3,063,139</u>
Total Assets	<u>24,098,256</u>	<u>47,786,730</u>	<u>71,884,986</u>	<u>14,807,503</u>
<b><u>LIABILITIES</u></b>				
Current Liabilities:				
Accounts payable	151,181	1,204,162	1,355,343	254,008
Accrued salaries and benefits	27,561	54,853	82,414	128,404
Customer deposits	83,969	26,000	109,969	-
Compensated absences	3,095	6,151	9,246	35,380
Interest payable - Leases	-	-	-	33,773
Unearned revenue	-	-	-	42,993
Lease liabilities	-	-	-	61,994
Subscription liabilities	-	-	-	966,578
Total Current Liabilities	<u>265,806</u>	<u>1,291,166</u>	<u>1,556,972</u>	<u>1,523,130</u>
Noncurrent Liabilities:				
Lease liabilities	-	-	-	74,329
Compensated absences	31,468	62,534	94,002	359,692
Claims liability	-	-	-	716,110
Subscription liabilities	-	-	-	2,002,202
Total Noncurrent Liabilities	<u>31,468</u>	<u>62,534</u>	<u>94,002</u>	<u>3,152,333</u>
Total Liabilities	<u>297,274</u>	<u>1,353,700</u>	<u>1,650,974</u>	<u>4,675,463</u>
<b><u>NET POSITION</u></b>				
Net investment in capital assets	11,853,739	26,522,706	38,376,445	(41,964)
Unrestricted	11,947,243	19,910,324	31,857,567	10,174,004
Total Net Position	<u>\$ 23,800,982</u>	<u>\$ 46,433,030</u>	<u>\$ 70,234,012</u>	<u>\$ 10,132,040</u>
Total Liabilities and Net Position	<u>\$ 24,098,256</u>	<u>\$ 47,786,730</u>	<u>\$ 71,884,986</u>	<u>\$ 14,807,503</u>

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

**CITY OF ELK GROVE**  
Proprietary Funds  
Statement of Revenues, Expenses and Changes in Fund Net Position  
For the Year Ended June 30, 2023

	Business-Type Activities			Governmental
	Recycling & Waste Funds	Drainage Funds	Total	Internal Service Funds
<b><u>OPERATING REVENUES</u></b>				
Charges for services	\$ 2,595,331	\$ 6,318,701	\$ 8,914,032	\$ 16,260,658
Total Operating Revenues	2,595,331	6,318,701	8,914,032	16,260,658
<b><u>OPERATING EXPENSES</u></b>				
Salaries and benefits	592,607	1,045,719	1,638,326	3,770,917
Services and supplies	1,216,265	4,250,490	5,466,755	10,280,490
Claims expense	-	-	-	705,003
Depreciation and amortization	254,715	399,016	653,731	976,258
Total Operating Expenses	2,063,587	5,695,225	7,758,812	15,732,668
Operating Income	531,744	623,476	1,155,220	527,990
<b><u>NON-OPERATING REVENUES (EXPENSES)</u></b>				
Taxes	-	1,877,183	1,877,183	-
Intergovernmental	979,882	-	979,882	-
Penalties and fees	-	10,350	10,350	-
Investment income (expense)	146,976	390,366	537,342	225,457
Gain/(loss) on disposal of capital assets	-	(10,367)	(10,367)	3,675
Interest expense	-	(26)	(26)	(65,368)
Total Non-Operating Revenues (Expenses)	1,126,858	2,267,506	3,394,364	163,764
Income Before Transfers	1,658,602	2,890,982	4,549,584	691,754
Transfers in	54,595	80,953	135,548	173,775
Transfers out	(476,616)	(788,024)	(1,264,640)	(3,680,463)
Net Transfers	(422,021)	(707,071)	(1,129,092)	(3,506,688)
Change in Net Position	1,236,581	2,183,911	3,420,492	(2,814,934)
Net Position - Beginning, as restated	22,564,401	44,249,119	66,813,520	12,946,974
Net Position, Ending	\$ 23,800,982	\$ 46,433,030	\$ 70,234,012	\$ 10,132,040

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, 2023

	Business-Type Activities			Governmental
	Recycling & Waste Funds	Drainage Funds	Total	Internal Service Funds
<b><u>CASH FLOWS FROM OPERATING ACTIVITIES</u></b>				
Cash receipts from customers/other governments	\$ 2,671,790	\$ 6,172,921	\$ 8,844,711	\$ 16,435,071
Cash paid to suppliers for good and services	(1,231,173)	(3,952,421)	(5,183,594)	(10,454,786)
Cash paid to employees for services	(590,821)	(1,017,048)	(1,607,869)	(3,594,017)
Cash paid for claims	-	-	-	(619,893)
Net Cash Provided (Used) by Operating Activities	<u>849,796</u>	<u>1,203,452</u>	<u>2,053,248</u>	<u>1,766,375</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>				
Taxes	-	1,877,183	1,877,183	-
Intergovernmental revenue received	979,882	-	979,882	-
Penalties and fees received	-	10,350	10,350	-
Transfers in	54,595	80,953	135,548	173,775
Transfers (out)	(476,616)	(788,024)	(1,264,640)	(3,680,463)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>557,861</u>	<u>1,180,462</u>	<u>1,738,323</u>	<u>(3,506,688)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u></b>				
Interest paid on Capital debt	-	(26)	(26)	(31,634)
Acquisition of capital assets	-	(3,686,076)	(3,686,076)	(11,420)
Acquisition of lease assets	-	-	-	(341,901)
Proceeds from sale of assets	-	-	-	3,675
Proceeds from leases	-	-	-	11,420
Proceeds from subscriptions	-	-	-	347,702
Lease principal payments	-	-	-	(60,165)
Subscription principal payments	-	(6,037)	(6,037)	(465,069)
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>-</u>	<u>(3,692,139)</u>	<u>(3,692,139)</u>	<u>(547,392)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>				
Investment income	146,976	390,366	537,342	225,457
Net Cash Provided by Investing Activities	<u>146,976</u>	<u>390,366</u>	<u>537,342</u>	<u>225,457</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,554,633	(917,859)	636,774	(2,062,248)
Cash and Cash Equivalents, Beginning of Year	10,132,815	20,654,981	30,787,796	13,663,858
Cash and Cash Equivalents, End of Year	<u>\$ 11,687,448</u>	<u>\$ 19,737,122</u>	<u>\$ 31,424,570</u>	<u>\$ 11,601,610</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>				
Operating income (loss)	\$ 531,744	\$ 623,476	\$ 1,155,220	\$ 527,990
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation	254,715	399,016	653,731	976,258
Changes in assets and liabilities (Increase) decrease in:				
(Increase) decrease in:				
Accounts receivable	93,570	(143,719)	(50,149)	131,420
Due from other government agencies	(17,111)	(12,461)	(29,572)	-
Increase (decrease) in:				
Accounts payable	(14,908)	298,069	283,161	(174,296)
Accrued salaries and benefits	9,935	20,623	30,558	15,010
Deposits	-	10,400	10,400	-
Compensated absences	(8,149)	8,048	(101)	161,890
Claims liability	-	-	-	85,110
Unearned revenue	-	-	-	42,993
Net Cash Provided (Used) by Operating Activities	<u>\$ 849,796</u>	<u>\$ 1,203,452</u>	<u>\$ 2,053,248</u>	<u>\$ 1,766,375</u>
<b><u>SUPPLEMENTAL DISCLOSURE OF Cash and Cash Equivalents</u></b>				
Cash and investments	\$ 11,687,448	\$ 19,737,122	\$ 31,424,570	\$ 11,601,610
Cash and Cash Equivalents, End of Year	<u>\$ 11,687,448</u>	<u>\$ 19,737,122</u>	<u>\$ 31,424,570</u>	<u>\$ 11,601,610</u>

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

**CITY OF ELK GROVE**  
Fiduciary Funds  
Statement of Fiduciary Net Position  
June 30, 2023

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	Retirement Health Trust Fund	Custodial Funds
<b><u>ASSETS</u></b>		
Cash and Cash equivalents	\$ 257,973	\$ 13,112,691
Mutual funds - Equity	4,205,262	-
Cash with fiscal agent	-	11,761,176
Accounts receivable	-	660,456
Interest receivable	-	59,402
Taxes receivable	-	716,247
Total Assets	4,463,235	26,309,972
<b><u>LIABILITIES</u></b>		
Accounts payable	257,973	2,734,148
Unearned revenue	-	48,285
Interest payable	-	6,570
Refundable deposits	-	75,938
Total Liabilities	257,973	2,864,941
<b><u>NET POSITION</u></b>		
Restricted for other post-employment benefits	4,205,262	-
Restricted for individuals and organizations	-	23,445,031
Total net position	\$ 4,205,262	\$ 23,445,031

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, 2023

	Retirement Health Trust Fund	Custodial Funds
<b><u>ADDITIONS</u></b>		
Employer contributions	\$ 465,000	\$ -
Net investment income:		
Net (decrease) increase in fair value of investments	239,604	(161,473)
Interest, dividends, and other	-	92,714
Investment management fees	(17,708)	(25)
Fees, taxes and special assessments for other governments	-	23,889,199
Activity fees	-	20,296
Miscellaneous	-	4,243
Total additions	<u>686,896</u>	<u>23,844,954</u>
<b><u>DEDUCTIONS</u></b>		
Benefits paid to participants or beneficiaries	413,040	-
Administrative expense	-	71,728
Payment of fees, taxes and special assessments to other governments	-	5,400,323
Development and construction expense	-	1,701,077
Activities and events	-	33,742
Debt service	-	15,268,583
Total deductions	<u>413,040</u>	<u>22,475,453</u>
Change in net position	273,856	1,369,501
<b><u>NET POSITION</u></b>		
Restricted for OPEB benefits, individuals and organizations:		
Beginning of year	3,931,406	22,075,530
End of year	<u>\$ 4,205,262</u>	<u>\$ 23,445,031</u>

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

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**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

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**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, 2023

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

**A. The Financial Reporting Entity**

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

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

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

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

***Elk Grove Finance Authority***

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

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

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

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

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

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

**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.

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

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

*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.
- 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.

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

- The *Mitigation and Fee Capital Projects Funds* were established to account for development impact fees and corresponding expenditures, except from those described above.
- The *Laguna Ridge CFD 2005-1 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 City reports the following major enterprise funds:

- The *Recycling and Waste Funds* were established to account for the operation and maintenance of the City's recycling and waste program, which plans, coordinates, promotes and implements citywide solid waste reduction, recycling, composting, and public education activities. Beginning in fiscal year 2011, the Recycling & Waste Funds include the proceeds and debt service of the 2010 Recovery Zone Economic Development Bonds and the activity revolving around the operations of the Household Hazardous Waste Facility.
- The *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:

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

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

**C. Basis of Accounting**

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

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

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

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

**D. Current Year GASB Implementation**

In May 2019, GASB issued 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 such arrangements. 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 City implemented the provisions of the Statement in fiscal year 2023. The implementation of this Statement had no effect on the financial statements.

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships 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). The City implemented the provisions of the Statement in fiscal year 2023. The implementation of this Statement had no effect on the financial statements.

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. The primary objective of this Statement is to improve financial reporting by establishing a definition for subscription-based information technology arrangements (SBITAs) and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The City implemented the provisions of the Statement in fiscal year 2023, which required the restatement of net position as discussed in Note 4 and Note 6. As a result, the beginning net position of the governmental activities was restated for capital assets and subscription liabilities in the amounts of \$5,055,230 and \$4,571,348 for a net increase on beginning net position of \$483,883. A portion of the beginning net position of the governmental activities restatement in the amount of \$415,080 increase was recorded in the City's IT and GIS Internal Service Fund.

In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The City implemented the provisions of the Statement in fiscal year 2023. The implementation of this Statement had no effect on the financial statements.

**E. Property Tax**

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



# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

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

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

**F. Cash and Investments**

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

**G. Receivables**

Receivables consist of development impact fees, property taxes, sales taxes, mitigation fee credits, grants, recycling and waste and drainage utility fees, and long-term loans. Affordable Housing related to interest receivable on loans for \$27,273,397 is offset by an allowance for potential forgiveness of \$26,870,143. 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 \$3,763,610 at June 30, 2023.

**H. Unearned Revenue**

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

CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

Note 1: Summary of Significant Accounting Policies (Continued)

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

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

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

The estimated useful lives are as follows:

Infrastructure (other than pavement)	20 to 75 years
Pavement subsystem	40 years
Buildings and improvements	20 to 50 years
Right-to-use leased buildings	20 to 50 years
Land improvements	20 to 40 years
Equipment	3 to 15 years
Right-to-use leased equipment	3 to 15 years
Right-to-use subscription asset	1 year to 10 years

The City has seven networks of infrastructure assets – roadways, parks, bridges, water/sewer, lighting system, drainage systems, and flood control.



CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

**K. Deferred Outflow/Deferred Inflow of Resources**

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

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 13 and 14 for further details related to these pensions deferred outflows and inflows.

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

**L. Leases**

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

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

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

## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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### Note 1: **Summary of Significant Accounting Policies (Continued)**

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

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

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

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

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

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

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

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

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

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

**M. Subscription-Based Information Technology Arrangements (SBITAs)**

A Subscription-Based Information Technology Arrangement (SBITA) is a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

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

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

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

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

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

**N. 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.

CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

Note 1: **Summary of Significant Accounting Policies (Continued)**

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

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

**O. 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.

CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 1: **Summary of Significant Accounting Policies (Continued)**

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.

**P. 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.

**Q. 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.

**R. New Funds**

During fiscal year 2023, the City opened the following new funds:

***Opioid Settlement Special Revenue Fund*** – Established to account for settlement funds received from lawsuits filed by state, local and tribal governments against pharmaceutical and drug distribution companies. These funds are to be used for future opioid remediation and to reimburse past opioid related expenses.

***Hazardous Waste Special Revenue Fund*** – Established to account and track Household Hazardous Waste Grant funds for the purpose of collecting and disposing household hazardous waste in the City.

***Active Transportation Fee Capital Projects Fund*** - Established to account for Citywide, multi-zonal fee program funds used to fund pedestrian and bicycle lanes, paths and trails.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 2: **Cash and Investments**

The City’s deposit and investment balances as of June 30, 2023, consist of the following:

	Cash and Investments	Restricted and Held with Third Parties	Total Cash and Investments
Cash and deposits	\$ 33,961,670	\$ 5,159,631	\$ 39,121,301
Investments	345,689,158	37,664,885	383,354,043
Total Cash and Investments	\$ 379,650,828	\$ 42,824,516	\$ 422,475,344

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

	Cash and Investments	Restricted and Held with Third Parties	Total Cash and Investments
Governmental activities	\$ 334,855,594	\$ 26,780,888	\$ 361,636,482
Business-type activities	31,424,570	77,190	31,501,760
Fiduciary funds	13,370,664	15,966,438	29,337,102
Total Cash and Investments	\$ 379,650,828	\$ 42,824,516	\$ 422,475,344

**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.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 2: **Cash and Investments (Continued)**

The City’s Investment Pool has the following recurring fair value measurements as of June 30, 2023:

Investments by fair value level	Total Amount	Significant Other Observable Inputs (Level 2)
Investment Securities		
Asset Backed Securities	\$ 28,167,365	\$ 28,167,365
Medium Term Corporate Notes	62,953,607	62,953,607
Certificates of Deposit Collateralized (Time Deposits)	18,256,292	18,256,292
Certificates of Deposit Negotiable (Time Deposits)	8,812,742	8,812,742
Federal Farm Credit Banks	677,614	677,614
Federal Home Loan Banks	10,953,418	10,953,418
Federal Home Loan Mortgage Corp Medium Term Notes	2,646,139	2,646,139
Federal National Mortgage Association	6,177,313	6,177,313
Tennessee Valley Authority	2,341,668	2,341,668
Local Agency Investment Fund	169	169
Local Government Investment Pool (CalTrust)	76,152,718	76,152,718
Supranational Securities	22,573,193	22,573,193
US Treasury Notes	96,088,460	96,088,460
Municipal Securities (CA State and local agencies)	8,653,652	8,653,652
Total investments measured at fair value	\$ 344,454,350	\$ 344,454,350

**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, 2023

**Note 2: Cash and Investments (Continued)**

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 (B)	30%
Banker's Acceptances	180 days	40%	5%
Commercial Paper	270 days	25%	5% (A, C)
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	90 days	20%	None
Medium Term Corporate Notes	5 years	30%	5% (A)
Supranational Securities	5 years	30%	10%
Mutual Funds/Money Market Mutual Funds	N/A	20%	10%/20%
Time Deposits	5 years	25%	5%
Local Agency Investment Fund (LAIF)	N/A	None	\$75m per account
Investment Trust of California (CalTRUST)	N/A	30%	30%
Municipal Securities (California Local Agencies)	5 years	20%	5%
Asset-backed, Mortgage-backed and Collateralized Mortgage Obligations	5 years	20%	5%

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

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

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

*Investments Authorized by Debt Agreements*

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

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, 2023

Note 2: **Cash and Investments (Continued)**

*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.

Investment Type	Amount	Weighted Average Maturity (in years)
<b>Investments in Investment Pool:</b>		
Asset Backed Securities	\$ 28,167,365	3.07
Medium Term Corporate Notes	62,953,607	2.86
Certificates of Deposit Collateralized (Time Deposits)	18,256,292	0.35
Certificates of Deposit Negotiable (Time Deposits)	8,812,742	0.99
Federal Farm Credit Banks	677,614	0.03
Federal Home Loan Banks	10,953,418	0.48
Federal Home Loan Mortgage Corp Medium Term Notes	2,646,139	0.12
Federal National Mortgage Association	6,177,313	0.27
Tennessee Valley Authority	2,341,668	4.71
Local Agency Investment Fund	169	-
Local Government Investment Pool (CalTrust)	76,152,718	-
Supranational Securities	22,573,193	1.51
US Treasury Notes	96,088,460	3.23
Municipal Securities (CA State and local agencies)	8,653,652	0.89
Total Investments in Investment Pool	344,454,350	2.72
<b>Investments outside Investment Pool:</b>		
Money Market Funds	5,062,856	
Mutual Funds	33,836,837	
Total Investments	\$ 383,354,043	

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

**Note 2: Cash and Investments (Continued)**

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

Investment Type	Amount	Minimum Legal Rating	Ratings as of Year End (Standard and Poor's)				Not Rated
			AAA/A-1	AA+/AA/AA-	A+/A/A-	BBB+	
<b>Investments in Investment Pool:</b>							
Asset Backed Securities	\$ 28,167,365	AA	\$ 28,167,365	\$ -	\$ -	\$ -	\$ -
Certificates of Deposit (Non-Negotiable Time Deposits)	18,256,292	N/A	-	-	-	-	18,256,292
Certificates of Deposit (Negotiable Time Deposits)	8,812,742	N/A	-	-	-	-	8,812,742
Federal Farm Credit Banks	677,614	N/A	-	677,614	-	-	-
Federal Home Loan Banks	10,953,418	N/A	-	10,953,418	-	-	-
Federal Home Loan Mortgage Corp							
Medium Term Notes	2,646,139	N/A	-	2,646,139	-	-	-
Federal National Mortgage Assoc	6,177,313	N/A	-	6,177,313	-	-	-
Tennessee Valley Authority	2,341,668	N/A	-	2,341,668	-	-	-
Supranational Securities	22,573,193	AA	22,573,193	-	-	-	-
US Treasury Notes	96,088,460	N/A	96,088,460	-	-	-	-
Municipal Securities (CA State and local agencies)	8,653,652	A	-	8,653,652	-	-	-
Medium Term Corporate Notes	62,953,607	A	-	15,021,120	46,017,431	1,915,056	-
Local Government Investment Pool (CalTrust)	76,152,718	N/A	-	-	-	-	76,152,718
LAIF	169	N/A	-	-	-	-	169
<b>Investments outside Investment Pool:</b>							
Money Market Funds	5,062,856	AAA	-	5,062,856	-	-	-
Mutual Funds	33,836,837	N/A	-	-	-	-	33,836,837
Total Investments	<u>\$ 383,354,043</u>		<u>\$ 146,829,018</u>	<u>\$ 51,533,780</u>	<u>\$ 46,017,431</u>	<u>\$ 1,915,056</u>	<u>\$ 137,058,758</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.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 2: **Cash and Investments (Continued)**

At June 30, 2023, the recorded amount of the City’s petty cash and demand deposits was \$6,200 and \$37,905,483, respectively, and the recorded amount of mutual funds classified as cash and deposits was \$857,594. Out of the \$38,769,277 that was deposited in financial institutions \$750,000 was insured by the Federal Depository Insurance Corporation (FDIC) and the remaining bank balance at June 30, 2023 was \$38,019,277 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, 2023, the City’s investment position in LAIF was \$169.

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, 2023, the City’s investment in CalTRUST is \$76,152,718.

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

**Loans Receivable**

Activity in loans receivable for the year ended June 30, 2023, was as follows:

	<u>Balance at July 1, 2022</u>	<u>Additions</u>	<u>Repayments</u>	<u>Balance at June 30, 2023</u>
<b>Major Governmental Funds</b>				
General Fund	\$ 281,365	\$ -	\$ -	\$ 281,365
Affordable Housing Special Revenue	65,836,506	823,851	-	66,660,357
<b>Other Governmental Special Revenue Funds</b>				
HUD Home Grant	40,000	-	-	40,000
Neighborhood Stabilization Program	223,416	-	(34,650)	188,766
Community Development Block Grant	101,614	14,996	(10,174)	106,436
<b>Totals</b>	<u>\$ 66,482,901</u>	<u>\$ 838,847</u>	<u>\$ (44,824)</u>	<u>\$ 67,276,924</u>

The City has a number of multi-family affordable housing loans and Community Development Block Grant (CDBG) owner occupied and emergency repair loans outstanding at year end. The multi-family affordable housing loans provide gap financing to private developers to construct multi-family housing projects and totaled \$56,844,506 at June 30, 2023. 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.

## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 3: **Loans Receivable and Affordable Housing Subsidies Receivable (Continued)**

In December of 2019, the City approved a \$5 million Loan to Elk Grove Pacific Associates IV (Gardens at Quail Run Affordable Housing Project) for the development of a 96 unit rent-restricted housing project. This is an additional loan to the City's CDGB projects. Of the Regulated Units, ten shall be restricted at rents affordable to extremely low-income households, fifty-three shall be restricted at rents affordable to very low-income households, and thirty-two shall be restricted at rents affordable to low-income households, and one unit shall be dedicated for the use of the Property Manager and shall not be rent-restricted. The loan bears interest of 4% on the outstanding principal. Principal and all accrued interest is due on the earliest of 37 years from the date of issuance of a certificate of occupancy, sale or transfer of the property, an event of default, or March 31, 2058. As of June 30, 2023, there have been \$4,823,851 in draw downs on the loan.

The City is a participant in the State of California's Department of Housing and Community Development's Home Investment Partnerships Program (HOME) program. 30 year-term loans are awarded to individuals based on the HOME programs income and purchase conditions. All loans accrue 3% annual interest for the first 10 years. 1/10<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, 2023, 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, 2023, the total outstanding principal for the down payment assistance program loans is \$188,766.

The City began a Homebuyers Assistance Program through California's Department of Housing and Community Development CalHome program in fiscal year 2015. This program is designed to enable low and very-low income households to become or remain homeowners. Similar to the City's down payment assistance program, interest accrues at 3% for the first ten years and then the interest rate drops to 0% and during years 11 through 20, the accrued interest is forgiven at a rate of 10% of the total accrued interest per year until all interest is forgiven at the end of year 20. No principal or interest payments are required until the end of the loans term at which time all outstanding principal is due. The CalHome loans totaled \$494,150 at June 30, 2023. 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, 2023.

The CDBG owner occupied repair and emergency repair loans were made to rehabilitate owner occupied low and moderate income housing. The owner occupied repair loans totaled \$60,000 at June 30, 2023 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 \$46,436 at June 30, 2023, are interest free and may be forgiven if the borrower continuously resides in the subject property for ten years.

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 3: **Loans Receivable and Affordable Housing Subsidies Receivable (Continued)**

In August 2017, the City approved a \$300,000 loan and a \$4.7 million loan to Elk Grove Pacific Associates III for the development of a 48 unit rent-restricted housing project that includes extremely low-income, very low-income, low-income and affordable income rents. The developer drew down \$2,000,000 on the loan during each of the fiscal years 2019 and 2020, and an additional \$1,000,000 in fiscal year 2021, for a total of \$5,000,000. The loans bear simple interest of 4% on the outstanding principal amount disbursed, starting on the date of each disbursement of loan proceeds, and principal and all accrued interest is repayable on the earliest of 37 years from the date of the issuance of a Certificate of Occupancy for the project or the date the property is sold, transferred or conveyed, or December 31, 2055. The outstanding balance of the loans was \$4,992,000 at June 30, 2023.

In October of 2020, the City sold three parcels of land and part of another parcel as part of the City's efforts to revitalize Old Town Elk Grove. As part of this sale, the City secured a promissory note in the amount of \$281,365. Interest will accrue at rate of 2.75% on the unpaid principal balance until the full amount of the note has been paid. The Note term is 10 years with 36 interest only monthly payments followed by 84 monthly principal and interest payments with a final balloon payment of any outstanding Note balance. As of June 30, 2023, the outstanding balance of this note is \$281,365.

### **Affordable Housing Subsidies Receivable**

The City also has a subsidy program called the Affordable Homeownership Program which was implemented to make homeownership affordable to low and moderate-income households. Typically, an affordable housing fee is charged to each new market-rate housing unit (single-family or multifamily) at the time a building permit is obtained. However, under certain circumstances, the City offers developers the opportunity to provide affordable housing units in lieu of paying the affordable housing fees on their development. The developer agrees to sell the home to low- and moderate –income families at a below market value amount that is subsidized by the City. This subsidy value changes with the house's market value at each subsequent sale and the house must be sold to another qualified low- or moderate-income family for a period of 55 years. There is no associated interest and the subsidy is secured by a regulatory agreement, shared appreciation promissory note and shared appreciation deed of trust. As of June 30, 2023, the City had subsidies valued at \$2,214,645.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

**Note 4: Capital Assets**

Capital asset activity for the year ended June 30, 2023, was as follows:

	Balance 7/1/2022 (as restated)	Additions	Deletions	Transfers/ Adjustments	Balance 6/30/2023
<b>Governmental Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 225,796,305	\$ 3,663,848	\$ -	\$ -	\$ 229,460,153
Construction in progress	116,662,325	12,967,944	(19,974,522)	(61,264,818)	48,390,929
Other capital assets	840,481	24,000	-	7,719	872,200
Total capital assets, not being depreciated	<u>343,299,111</u>	<u>16,655,792</u>	<u>(19,974,522)</u>	<u>(61,257,099)</u>	<u>278,723,282</u>
Capital assets, being depreciated:					
Infrastructure	1,530,649,760	1,363,290	-	60,771,154	1,592,784,204
Building and improvements	128,345,239	1,888	-	317,272	128,664,399
Vehicles and equipment	16,660,591	1,171,115	(411,251)	-	17,420,455
Parks and park improvements	6,230,310	-	-	-	6,230,310
Other capital assets, depreciable	109,752	-	-	168,673	278,425
Leased assets (copiers and postage machines)	242,639	11,420	-	-	254,059
Subscription assets	5,055,230	579,826	-	-	5,635,056
Total capital assets, being depreciated	<u>1,687,293,521</u>	<u>3,127,539</u>	<u>(411,251)</u>	<u>61,257,099</u>	<u>1,751,266,908</u>
Less accumulated depreciation and amortization for:					
Infrastructure	(910,544,191)	(44,066,904)	-	-	(954,611,095)
Buildings and improvements	(19,788,497)	(3,214,291)	-	-	(23,002,788)
Vehicles and equipment	(12,186,091)	(1,340,141)	411,251	700,046	(12,414,935)
Parks and park improvements	(2,979,461)	(700,046)	-	(700,046)	(4,379,553)
Other capital assets, depreciable	(32,925)	(27,843)	-	-	(60,768)
Leased assets (copiers and postage machines)	(57,789)	(61,010)	-	-	(118,799)
Subscription assets	-	(1,290,931)	-	-	(1,290,931)
Total accumulated depreciation and amortization	<u>(945,588,954)</u>	<u>(50,701,166)</u>	<u>411,251</u>	<u>-</u>	<u>(995,878,869)</u>
Total capital assets, being depreciated, net	<u>741,704,567</u>	<u>(47,573,627)</u>	<u>-</u>	<u>61,257,099</u>	<u>755,388,039</u>
Governmental activities capital assets, net	<u>\$ 1,085,003,678</u>	<u>\$ (30,917,835)</u>	<u>\$ (19,974,522)</u>	<u>\$ -</u>	<u>\$ 1,034,111,321</u>
	Balance 7/1/2022 (as restated)	Additions	Deletions	Transfers/ Adjustments	Balance 6/30/2023
<b>Business-type Activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 8,474,992	\$ 98,222	\$ -	\$ -	\$ 8,573,214
Construction in progress	6,999,179	1,908,692	(10,367)	(2,902,995)	5,994,509
Total capital assets, not being depreciated	<u>15,474,171</u>	<u>2,006,914</u>	<u>(10,367)</u>	<u>(2,902,995)</u>	<u>14,567,723</u>
Capital assets, being depreciated:					
Infrastructure	13,480,207	8,882	-	2,902,995	16,392,084
Buildings and improvements	9,910,102	-	-	-	9,910,102
Vehicles and equipment	294,680	1,670,280	-	-	1,964,960
Subscription assets	6,037	-	-	-	6,037
Total capital assets, being depreciated	<u>23,691,026</u>	<u>1,679,162</u>	<u>-</u>	<u>2,902,995</u>	<u>28,273,183</u>
Less accumulated depreciation and amortization for:					
Infrastructure	(1,671,546)	(335,681)	-	-	(2,007,227)
Buildings and improvements	(1,909,850)	(253,076)	-	-	(2,162,926)
Vehicles and equipment	(229,335)	(60,144)	-	-	(289,479)
Subscription assets	-	(4,829)	-	-	(4,829)
Total accumulated depreciation and amortization	<u>(3,810,731)</u>	<u>(653,730)</u>	<u>-</u>	<u>-</u>	<u>(4,464,461)</u>
Total capital assets, being depreciated, net	<u>19,880,295</u>	<u>1,025,432</u>	<u>-</u>	<u>2,902,995</u>	<u>23,808,722</u>
Business-type activities capital assets, net	<u>\$ 35,354,466</u>	<u>\$ 3,032,346</u>	<u>\$ (10,367)</u>	<u>\$ -</u>	<u>\$ 38,376,445</u>

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 4: **Capital Assets (Continued)**

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

Governmental Activities:	
General Government	\$ 50,701,166
Total depreciation and amortization expense - governmental activities	\$ 50,701,166
Business-type activities	
Drainage	\$ 399,016
Recycling and Waste	254,714
Total depreciation expense - business-type activities	\$ 653,730

During fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, which required the restatement of capital assets, specifically to incorporate an intangible right-to-use subscription asset. As a result, an initial right-to-use subscription asset was recorded in the amounts of \$5,055,230 and \$6,037 as of July 1, 2022 for governmental activities and business-type activities, respectively. The subscription asset is offset with a subscription liability as discussed in Note 6.

Note 5: **Leases**

**Leases Payable**

The City has recorded various lease liabilities impacting GASB 87 for the lease of 25 copy machines and 3 postage machines.

As of June 30, 2023, the lease terms on the copy machines leases ranged from about 36 to 51 months, including extension options. The City is required to make monthly payments ranging from \$130 to \$338 with an interest rate that ranges from 0.31% to 0.46%. The City recognized at June 30, 2023 a total liability of \$121,531 for the copier leases. The copy machine equipment's useful life was five years as of the contract commencement, which ranged from September 26, 2019 to September 30, 2022.

As of June 30, 2023, the lease terms on the postage machines leases ranged from about 38 to 51 months, including extension options. The City is required to make monthly payments of \$280 to \$404 with an interest rate that ranges from 0.31% to 0.46%. The City recognized at June 30, 2023 a total liability of \$14,792 for the postage machine leases. The postage machine equipment's useful life was five years as of the contract commencement, which ranged from September 26, 2019 to October 28, 2020.

The value of the right to use assets as of June 30, 2023 amounted to \$254,059 with accumulated amortization of \$118,799.

Asset Class	As of Fiscal Year-end	
	Lease Asset Value	Accumulated Amortization
Equipment	\$ 254,059	\$ 118,799
Total Leases	\$ 254,059	\$ 118,799



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 5: **Leases (Continued)**

<b>Governmental Activities</b>	<b>Balance June 30, 2022</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance June 30, 2023</b>	<b>Current Portion</b>
Lease Liabilities					
Copiers	\$ 162,133	\$ 11,420	\$ (52,022)	\$ 121,531	\$ 53,851
Postage Machines	22,935	-	(8,143)	14,792	8,143
Total governmental activities lease liabilities	<u>\$ 185,068</u>	<u>\$ 11,420</u>	<u>\$ (60,165)</u>	<u>\$ 136,323</u>	<u>\$ 61,994</u>

**Principal and Interest Requirements to Maturity**

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 61,994	\$ 609	\$ 62,603
2025	59,533	267	59,800
2026	14,796	14	14,810
	<u>\$ 136,323</u>	<u>\$ 890</u>	<u>\$ 137,213</u>

**Leases Receivable**

The City has recorded various lease receivables impacting GASB 87 for the lease of the City's land, infrastructures, and buildings. As of June 30, 2023, the lease term on the leases ranges from about 28 to 221 months and has an interest rate that ranges from .31% to 2.4%. The lessees are required to make fixed payments in the amount of \$4,250 monthly to \$17,000 annually. The City recognized at June 30, 2023 a total balance of \$2,852,785 in deferred inflow of resources and \$2,877,320 in lease receivables.

On October 11, 2019, the City entered into a 219 month lease as lessor for the use of Small Cell Wireless Communication (ATT). An initial lease receivable was recorded in the amount of \$5,269. As of June 30, 2023, the value of the lease receivable is \$4,797. The lessee is required to make annual fixed payments of \$281. The lease has an interest rate of 1.4620%. The value of the deferred inflow of resources as of June 30, 2023, was \$4,693, and the City recognized lease revenue of \$288 during the fiscal year. The lessee has two extension options, each for 60 months.

On December 11, 2019, the City entered into a 221 month lease as lessor for the use of Small Cell Wireless Communication (Verizon). An initial lease receivable was recorded in the amount of \$5,257. As of June 30, 2023, the value of the lease receivable is \$4,797. The lessee is required to make annual fixed payments of \$281. The lease has an interest rate of 1.4620%. The value of the deferred inflow of resources as of June 30, 2023, was \$4,687, and the City recognized lease revenue of \$285 during the fiscal year. The lessee has two extension options, each for 60 months.

On November 13, 2019, the City entered into a 40 month lease as lessor for the use of building space. An initial lease receivable was recorded in the amount of \$50,781. As of June 30, 2023, the value of the lease receivable is \$16,947. The lessee is required to make annual fixed payments of \$17,000. The lease has an interest rate of 0.3147%. The value of the deferred inflow of resources as of June 30, 2023 was \$20,639, and the City recognized lease revenue of \$15,071 during the fiscal year. The lessee has two extension options, each for 12 months.



## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2023

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Note 5: **Leases (Continued)**

On May 13, 2021, the City entered into a 60 month lease as lessor for the use of land. An initial lease receivable was recorded in the amount of \$84,030. As of June 30, 2023, the value of the lease receivable is \$50,417. The lessee is required to make annual fixed payments of \$17,000. The lease has an interest rate of 0.5773%. The value of the deferred inflow of resources as of June 30, 2023, was \$50,417, and the City recognized lease revenue of \$16,807 during the fiscal year. The lessee has one extension option for 24 months.

On May 13, 2021, the City entered into a 48 month lease as lessor for the use of land. An initial lease receivable was recorded in the amount of \$67,537. As of June 30, 2023, the value of the lease receivable is \$33,768. The lessee is required to make annual fixed payments of \$17,000. The lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of June 30, 2023, was \$33,769, and the City recognized lease revenue of \$16,884 during the fiscal year. The lessee has one extension option for 12 months.

On May 14, 2021, the City entered into a 48 month lease as lessor for the use of land. An initial lease receivable was recorded in the amount of \$67,537. As of June 30, 2023, the value of the lease receivable is \$33,768. The lessee is required to make annual fixed payments of \$17,000. The lease has an interest rate of 0.4570%. The value of the deferred inflow of resources as of June 30, 2023, was \$33,769, and the City recognized lease revenue of \$16,884 during the fiscal year. The lessee has one extension option for 12 months.

On April 16, 2021, the City entered into a 96 month lease as lessor for the use of land for the Sac RT Corp Yard. An initial lease receivable was recorded in the amount of \$3,514,798. As of June 30, 2023, the value of the lease receivable is \$2,659,270. The lessee is required to make monthly fixed payments of \$38,031. The lease has an interest rate of 0.9670%. The value of the deferred inflow of resources as of June 30, 2023 was \$2,636,098, and the City recognized lease revenue of \$439,350 during the fiscal year.

On July 1, 2022, the City entered into a 60 month lease as lessor for the use of building space. An initial lease receivable was recorded in the amount of \$76,103. As of June 30, 2023, the value of the lease receivable is \$64,699. The lessee is required to make monthly fixed payments of \$4,250. The lease has an interest rate of 2.3660%. The value of the deferred inflow of resources as of June 30, 2023 was \$60,882, and the City recognized lease revenue of \$15,221 during the fiscal year. The lessee has two extension option for 12 months each.

On September 1, 2022, the City entered into a 28 month lease as lessor for the use of building space. An initial lease receivable was recorded in the amount of \$12,181. As of June 30, 2023, the value of the lease receivable is \$8,857. The lessee is required to make monthly fixed payments of \$500. The lease has an interest rate of 2.0240%. The value of the deferred inflow of resources as of June 30, 2023 was \$7,831, and the City recognized lease revenue of \$4,351 during the fiscal year.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 5: **Leases (Continued)**

**Principal and Interest Expected to Maturity**

Fiscal Year	Governmental Activities		
	Principal Payments	Interest Payments	Total Payments
2024	\$ 521,844	\$ 26,113	\$ 547,957
2025	506,847	21,121	527,968
2026	474,759	16,221	490,980
2027	462,550	11,442	473,992
2028	450,143	6,861	457,004
2029 - 2033	456,906	2,825	459,731
2034 - 2038	3,495	214	3,709
2039 - 2040	776	11	787
	<u>\$ 2,877,320</u>	<u>\$ 84,808</u>	<u>\$ 2,962,128</u>

Note 6: **Subscription-Based Information Technology Arrangements**

During fiscal year 2023, the City implemented the provisions of GASB Statement No. 96, Subscription-Based Information Technology Arrangements, which required the restatement of capital assets, specifically to incorporate intangible right-to-use subscription assets, and subscription liabilities. As a result, initial subscription liabilities were recorded in the amounts of \$4,571,348 and \$6,037 as of July 1, 2022 for governmental activities and business-type activities, respectively. The subscription liabilities are offset with subscription assets as discussed in Note 4. Implementation costs and prepayments made on subscriptions in the amount of \$483,883 were not included in the measurement of the liability as of July 1, 2022, and were included in the measurement of the subscription assets in accordance with GASB.

A summary of subscription-based information technology arrangements (SBITA) transactions for the fiscal year ended June 30, 2023, are as follows:

	Balance June 30, 2022 (as restated)	Additions	Retirements	Balance June 30, 2023	Current Portion
<b>Governmental Activities</b>					
Subscription liabilities					
Redflex's Alcyon Application Software	\$ 175,482	\$ -	\$ 40,868	\$ 134,614	\$ 41,468
Meeting Management Software	115,601	-	36,773	78,828	37,625
Bidding Software Subscription	32,089	-	16,017	16,072	16,072
ZenCity Platform Software	-	44,045	15,000	29,045	14,366
Security Software Subscription	-	37,667	12,828	24,839	12,285
NVP Software Subscription	-	275,356	42,108	233,248	36,670
Integrated Voice Response Software	30,252	-	7,344	22,908	7,458
Public Safety Software	972,091	-	327,789	644,302	318,668
FlockOS Subscription	1,177,242	-	202,171	975,071	185,432
SCF/TRAKIT Software Subscription	18,110	-	18,110	-	-
Records Management Software	31,807	-	15,968	15,839	15,839
Digital Evidence Management Software	1,937,275	6,299	-	1,943,574	526,797
Laserfiche Software Subscription	-	142,984	48,695	94,289	46,635
KMSATP Subscription	-	1,477	505	972	481
Phisher Software	-	26,903	9,188	17,715	8,750
Sac County OCIT	49,106	-	23,804	25,302	25,302
Dulles Technology Partners Inc. Electronic Grants Management System	32,293	-	6,433	25,860	6,385
Total	<u>\$ 4,571,348</u>	<u>\$ 534,731</u>	<u>\$ 823,601</u>	<u>\$ 4,282,478</u>	<u>\$ 1,300,233</u>

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 6: **Subscription-Based Information Technology Arrangements (Continued)**

	Balance June 30, 2022 (as restated)	Additions	Retirements	Balance June 30, 2023	Current Portion
<b>Business-Type Activities</b>					
Subscription liabilities					
SCF/TRAKIT Software Subscription	\$ 6,037	\$ -	\$ 6,037	\$ -	\$ -
Total	<u>\$ 6,037</u>	<u>\$ -</u>	<u>\$ 6,037</u>	<u>\$ -</u>	<u>\$ -</u>

On May 23, 2007, the City entered into a 50 month subscription for the use of Redflex's Alcyon Application Traffic System. An initial subscription liability was recorded in the amount of \$175,482. As of June 30, 2023, the value of the subscription liability is \$134,614. The City is required to make monthly fixed payments of \$3,675. The subscription has an interest rate of 2.2753%. The value of the right to use asset as of June 30, 2023 of \$175,482 with accumulated amortization of \$42,116, which is included with Software on the Subscription Class activities table found below. The City has 1 extension option for 60 months.

On July 1, 2019, the City entered into a 36 month subscription for the use of Meeting Management Software. An initial subscription liability was recorded in the amount of \$115,601. As of June 30, 2023, the value of the subscription liability is \$78,828. The City is required to make annual fixed payments of \$36,773. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 of \$115,601 with accumulated amortization of \$38,534 is included with Software on the Subscription Class activities table found below.

On October 12, 2020, the City entered into a 36 month subscription for the use of Bidding Software. An initial subscription liability was recorded in the amount of \$32,089. As of June 30, 2023, the value of the subscription liability is \$16,072. The City is required to make annual fixed payments of \$16,075. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of June 30, 2023 of \$32,089 with accumulated amortization of \$15,362 is included with Software on the Subscription Class activities table found below.

On September 9, 2022, the City entered into a 36 month subscription for the use of ZenCity Platform Software. An initial subscription liability was recorded in the amount of \$44,045. As of June 30, 2023, the value of the subscription liability is \$29,045. The City is required to make annual fixed payments of \$15,000. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 of \$44,045 with accumulated amortization of \$11,908 is included with Software on the Subscription Class activities table found below.

On September 9, 2022, the City entered into a 36 month subscription for the use of Security Software. An initial subscription liability was recorded in the amount of \$37,667. As of June 30, 2023, the value of the subscription liability is \$24,839. The City is required to make annual fixed payments of \$12,828. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 of \$37,667 with accumulated amortization of \$10,114 is included with Software on the Subscription Class activities table found below.

## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 6: **Subscription-Based Information Technology Arrangements (Continued)**

On April 21, 2023, the City entered into a 84 month subscription for the use of NVP Cloud Management Software. An initial subscription liability was recorded in the amount of \$275,356. As of June 30, 2023, the value of the subscription liability is \$233,248. The City is required to make annual fixed payments of \$42,108. The subscription has an interest rate of 2.3320%. The value of the right to use asset as of June 30, 2023 of \$275,356 with accumulated amortization of \$7,649 is included with Software on the Subscription Class activities table found below.

On June 1, 2021, the City entered into a 59 month subscription for the use of Integrated Voice Response Software. An initial subscription liability was recorded in the amount of \$30,252. As of June 30, 2023, the value of the subscription liability is \$22,908. The City is required to make annual fixed payments of \$8,000. The subscription has an interest rate of 2.3657%. The value of the right to use asset as of June 30, 2023 of \$81,892 with accumulated amortization of \$16,656 is included with Software on the Subscription Class activities table found below.

On September 24, 2020, the City entered into a 60 month subscription for the use of Public Safety Software. An initial subscription liability was recorded in the amount of \$972,091. As of June 30, 2023, the value of the subscription liability is \$644,302. The City is required to make annual fixed payments of \$332,744. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 of \$1,387,171 with accumulated amortization of \$429,022 is included with Software on the Subscription Class activities table found below. Initial implementation costs made in the amount of \$415,080 were not included in the measurement of the subscription liability as of July 1, 2022, and were included in the measurement of the subscription asset in accordance with GASB.

On August 20, 2021, the City entered into a 69 month subscription for the use of FlockOS Automatic License Plate Detection Software. An initial subscription liability was recorded in the amount of \$1,177,242. As of June 30, 2023, the value of the subscription liability is \$975,071. The City is required to make annual fixed payments of \$206,208. The subscription has an interest rate of 2.5197%. The value of the right to use asset as of June 30, 2023 of \$1,189,742 with accumulated amortization of \$205,0230 is included with Software on the Subscription Class activities table found below. Initial implementation costs made in the amount of \$12,500 were not included in the measurement of the subscription liability as of July 1, 2022, and were included in the measurement of the subscription asset in accordance with GASB.

On July 1, 2022, the City entered into a 15 month subscription for the use of SCF/TRAKIT Permit Software. An initial subscription liability was recorded in the amount of \$24,147. As of June 30, 2023, the subscription was paid off. The subscription had an interest rate of 1.7103%. The value of the right to use asset as of June 30, 2023 of \$24,147 with accumulated amortization of \$19,317 is included with Software on the Subscription Class activities table found below. The City had a termination period of 3 months as of the subscription commencement.

On October 18, 2021, the City entered into a 27 month subscription for the use of Records Management Software. An initial subscription liability was recorded in the amount of \$31,807. As of June 30, 2023, the value of the subscription liability is \$15,839. The City is required to make annual fixed payments of \$16,160. The subscription has an interest rate of 2.0237%. The value of the right to use asset as of June 30, 2023 of \$36,469 with accumulated amortization of \$15,875 is included with Software on the Subscription Class activities table found below. The City had a termination period of 1 month as of the subscription commencement.

## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 6: **Subscription-Based Information Technology Arrangements (Continued)**

On May 11, 2022, the City entered into a 59 month subscription for the use of Digital Evidence Management Software. An initial subscription liability was recorded in the amount of \$1,937,275. As of June 30, 2023, the value of the subscription liability is \$1,943,574. The City is required to make semi-annual fixed payments of \$12,744. The subscription has an interest rate of 2.3657%. The value of the right to use asset as of June 30, 2023 of \$1,937,275 with accumulated amortization of \$394,022 is included with Software on the Subscription Class activities table found below. The City had a termination period of 1 month as of the subscription commencement.

On August 10, 2022, the City entered into a 36 month subscription for the use of Laserfiche Software Subscription. An initial subscription liability was recorded in the amount of \$142,984. As of June 30, 2023, the value of the subscription liability is \$94,289. The City is required to make annual fixed payments of \$48,695. The subscription has an interest rate of 2.1843%. The value of the right to use asset as of June 30, 2023 of \$194,377 with accumulated amortization of \$57,773 is included with Software on the Subscription Class activities table found below. The City had a termination period of 1 month as of the subscription commencement.

On May 3, 2023, the City entered into a 28 month subscription for the use of KMSATP Open Source Software. An initial subscription liability was recorded in the amount of \$1,477. As of June 30, 2023, the value of the subscription liability is \$972. The City is required to make annual fixed payments of \$505. The subscription has an interest rate of 2.4700%. The value of the right to use asset as of June 30, 2023 of \$1,477 with accumulated amortization of \$100 is included with Software on the Subscription Class activities table found below.

On May 3, 2023, the City entered into a 28 month subscription for the use of PhishER Software. An initial subscription liability was recorded in the amount of \$26,903. As of June 30, 2023, the value of the subscription liability is \$17,715. The City is required to make annual fixed payments of \$9,188. The subscription has an interest rate of 2.4700%. The value of the right to use asset as of June 30, 2023 of \$26,903 with accumulated amortization of \$1,858 is included with Software on the Subscription Class activities table found below.

On July 1, 2022, the City entered into a 24 month subscription for the use of Sac County OCIT Web/Geographic Information Systems Software. An initial subscription liability was recorded in the amount of \$49,106. As of June 30, 2023, the value of the subscription liability is \$25,302. The City is required to make annual fixed payments of \$23,915. The subscription has an interest rate of 2.0240%. The value of the right to use asset as of June 30, 2023 of \$49,106 with accumulated amortization of \$24,553 is included with Software on the Subscription Class activities table found below.

On December 8, 2021, the City entered into a 66 month subscription for the use of Dulles Technology Partners Inc. Electronic Grants Management System Software. An initial subscription liability was recorded in the amount of \$32,293. As of June 30, 2023, the value of the subscription liability is \$25,860. The City is required to make annual fixed payments of \$6,600. The subscription has an interest rate of 0.8330%. The value of the right to use asset as of June 30, 2023 of \$32,293 with accumulated amortization of \$5,871 is included with Software on the Subscription Class activities table found below. The City has 3 extension options, each for 12 months.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 6: **Subscription-Based Information Technology Arrangements (Continued)**

The amount of subscription assets by major classes of the underlying asset are as follows at June 30, 2023 as disclosed in Note 4:

Amount of Subscription Assets by Major Classes of Underlying Asset

Asset Class	As of Fiscal Year-end	
	Subscription Asset Value	Accumulated Amortization
Software	\$ 5,641,093	\$ 1,295,760
<b>Total Subscriptions</b>	<b>\$ 5,641,093</b>	<b>\$ 1,295,760</b>

The future subscription and interest subscription payments as of June 30, 2023 follows:

For the Year Ended June 30	Principal	Interest	Total
2024	\$ 1,300,233	\$ 95,209	\$ 1,395,442
2025	1,235,257	65,461	1,300,718
2026	763,473	37,076	800,549
2027	697,316	19,375	716,691
2028	245,050	7,059	252,109
2029 - 2030	41,149	960	42,109
<b>Totals</b>	<b>\$ 4,282,478</b>	<b>\$ 225,140</b>	<b>\$ 4,507,618</b>

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

**Note 7: 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, 2023, the various components of unavailable revenue in the governmental funds are detailed as follows:

<b>Government Activities :</b>		
General Fund:	Interest receivables	\$ 315,195
	Rail Road Loan Receivable	281,365
	Leases	216,687
Affordable Housing Fund :	Housing project loan interest receivable	387,139
	Interest receivables	87,738
	Development Impact Fees Receivable	745,129
Wilton Rancheria MOU Fund :	Wilton Rancheria Receivable	4,907,848
	Interest receivables	26,785
Federal Grants Fund:	Intergovernmental receivables	2,767,799
State Grants Fund:	Intergovernmental receivables	1,011,929
Roadway Fees:	Development impact fees receivable	9,983,447
	Interest receivables	172,482
Mitigation & Fee Funds	Development Impact Fees Receivable	7,488,781
	Interest receivables	54,008
Laguna Ridge CFD 2005-1 Fund:	SASD Sewer Fee Credits	2,345,589
	SCWA Water Fee Credit	983,159
	Interest receivables	41,670
Debt Service	Elk Grove Finance Authority	231
	Elk Grove Finance Authority 2018	1,728
	Elk Grove Finance Authority 2020	1,955
	Elk Grove Finance Authority 2022	52
Other Governmental Funds:	Intergovernmental receivables	1,898,242
	Opioid Settlement	1,524,630
	Interest receivables	498,712
	Swainson's Hawk Fund LT mitigation fees receivable	3,763,610
	Housing project loan interest receivable	69,194
	Development impact fees receivable	3,120,818
	Leases	2,636,098
		<u>\$ 45,332,020</u>



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 8: **Long-Term Liabilities**

The following is a summary of long-term liabilities transactions of the City for the fiscal year ended June 30, 2023:

	<b>Balance at 6/30/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2023</b>	<b>Amount Due Within One year</b>
<b>Governmental Activities:</b>					
Lease revenue bond debt-Series 2017	\$ 2,715,000	\$ -	\$ (520,000)	\$ 2,195,000	\$ 530,000
Lease revenue bond debt-Series 2018	16,670,000	-	(680,000)	15,990,000	715,000
Lease revenue debt-Series 2020	8,841,562	-	(571,789)	8,269,773	588,025
Lease revenue bond debt-Series 2022	12,035,000	-	(170,000)	11,865,000	360,000
Total Bonds Payable	<u>40,261,562</u>	<u>-</u>	<u>(1,941,789)</u>	<u>38,319,773</u>	<u>2,193,025</u>
Net Pension Liability	-	20,984,379	-	20,984,379	-
Net OPEB Liability	13,729,135	2,107,062	(1,531,263)	14,304,934	-
Compensated absences	4,970,470	4,947,704	(4,515,183)	5,402,991	483,850
Claims payable	631,000	85,110	-	716,110	-
<b>Totals</b>	<u>\$ 59,592,167</u>	<u>\$ 28,124,255</u>	<u>\$ (7,988,235)</u>	<u>\$ 79,728,187</u>	<u>\$ 2,676,875</u>
	<b>Balance at 6/30/2022</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance at 6/30/2023</b>	<b>Amount Due Within One year</b>
<b>Business-type Activities:</b>					
Compensated absences	\$ 103,349	\$ 118,192	\$ (118,293)	\$ 103,248	\$ 9,246
<b>Totals</b>	<u>\$ 103,349</u>	<u>\$ 118,192</u>	<u>\$ (118,293)</u>	<u>\$ 103,248</u>	<u>\$ 9,246</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, 2023, 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
2024	\$ 530,000	\$ 52,900	2024	\$ 715,000	\$ 588,331
2025	545,000	40,126	2025	750,000	551,706
2026	555,000	26,992	2026	790,000	513,206
2027	565,000	13,616	2027	830,000	472,706
Total	<u>\$ 2,195,000</u>	<u>\$ 133,634</u>	2028	870,000	430,206
			2029-2033	4,950,000	1,565,430
			2034-2038	5,805,000	706,632
			2039	1,280,000	21,600
			<b>Total</b>	<u>\$ 15,990,000</u>	<u>\$ 4,849,817</u>



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 8: **Long-Term Liabilities (Continued)**

Governmental Activities Lease Revenue Debt - Series 2020			Governmental Activities Lease Revenue Bond Debt - Series 2022		
Year Ending June 30:	Principal	Interest	Year Ending June 30:	Principal	Interest
2024	\$ 588,025	\$ 229,092	2024	\$ 360,000	\$ 584,250
2025	604,725	212,392	2025	375,000	565,875
2026	621,899	195,218	2026	395,000	546,625
2027	639,560	177,557	2027	415,000	526,375
2028	657,723	159,394	2028	435,000	505,125
2029-2033	3,579,628	505,956	2029-2033	2,530,000	2,167,000
2034-2035	1,578,213	56,022	2034-2038	3,230,000	1,450,500
Total	<u>\$ 8,269,773</u>	<u>\$ 1,535,631</u>	2039-2043	4,125,000	535,625
			Total	<u>\$ 11,865,000</u>	<u>\$ 6,881,375</u>

Individual issues of bonds at June 30, 2023, are as follows:

**Governmental Activities**

Lease Revenue Bond Debt	Maturity Date	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2023
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>\$ 2,195,000</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>\$ 15,990,000</u>
Elk Grove Financing Authority Lease Revenue Debt (Series 2020)	2035	2.82%	\$272,215 - \$402,878	<u>\$ 10,000,000</u>	<u>\$ 8,269,773</u>
Elk Grove Financing Authority Lease Revenue Bonds (Series 2022)	2043	5.00%	\$170,000 - \$905,000	<u>\$ 12,035,000</u>	<u>\$ 11,865,000</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.

CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 8: **Long-Term Liabilities (Continued)**

**Revenue Bonds**

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

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

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

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

*EGFA Series 2022 Lease Revenue Bonds (Police Facilities)*

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

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 8: **Long-Term Liabilities (Continued)**

**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 District56 Property and the Old Town Plaza Property.

**Special Assessment District Bonds**

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

The outstanding balance of these issues at June 30, 2023 is:

<b><u>Special Assessment Debt with no Governmental Commitment</u></b>	<b><u>Issue Year</u></b>	<b><u>Maturity Year</u></b>	<b><u>Outstanding at 6/30/2023</u></b>
E. Franklin Community Facilities District No. 2002-1, Series 2015 Poppy Ridge Community	2015	2038	\$ 39,195,000
Facilities District No. 2003-1, Series 2015 Laguna Ridge Community	2015	2038	\$ 34,575,000
Facilities District No. 2005-1, Series 2016 Laguna Ridge Community	2017	2046	\$ 106,725,000
Facilities District No. 2005-1, Series 2018 Laguna Ridge Community	2018	2048	\$ 18,870,000
Facilities District No. 2005-1, Series 2020 Laguna Ridge Community	2020	2050	\$ 11,300,000
Facilities District No. 2005-1, Series 2021	2021	2051	\$ 11,175,000

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 9: **Fund Balance Policies**

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

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

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

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

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

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 9: **Fund Balance Policies (Continued)**

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, 2023

Note 9: **Fund Balance Policies (Continued)**

As of June 30, 2023, the fund balance details by classification are as follows:

	General Fund	Affordable Housing Special Revenue Fund	Disaster Recovery Special Revenue Fund	Wilton Rancheria MOU Special Revenue Fund	Federal Capital Grant Capital Project Fund
<b>Fund Balance:</b>					
<b>Nonspendable</b>					
Advance to other funds	\$ 3,162,543	\$ -	\$ -	\$ -	\$ -
<b>Restricted:</b>					
Affordable housing projects	-	92,436,115	-	-	-
Wilton Rancheria	-	-	-	7,237,037	-
CDBG	-	-	-	-	-
Development services fund	-	-	-	-	-
State homeless appropriations	-	-	-	-	-
Strategic grant planning appropriations	-	-	-	-	-
State grants	-	-	-	-	-
Public safety	-	-	-	-	-
Public works maintenance	-	-	-	-	-
Agricultural preservation	-	-	-	-	-
Swainson's Hawk	-	-	-	-	-
Tree mitigation	-	-	-	-	-
Library	-	-	-	-	-
Donation and Community Programs	-	-	-	-	-
Opioid Settlement	-	-	-	-	-
Capital projects	-	-	-	-	-
Debt service	-	-	-	-	-
Permanent Fund	-	-	-	-	-
<b>Committed:</b>					
Reserve for economic uncertainty	22,732,991	-	-	-	-
Opportunity reserves	4,546,598	-	-	-	-
Capital reserve	44,713,610	-	-	-	-
Economic development programs	13,395,102	-	-	-	-
<b>Assigned:</b>					
Appropriation of fund balance	589,487	-	-	-	-
<b>Unassigned:</b>					
	7,559,876	-	(289,755)	-	(2,764,380)
Total Fund Balances	<u>\$ 96,700,207</u>	<u>\$ 92,436,115</u>	<u>\$ (289,755)</u>	<u>\$ 7,237,037</u>	<u>\$ (2,764,380)</u>

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 9: **Fund Balance Policies (Continued)**

	State Grants Capital Project Fund	Roadway Fee Capital Project Fund	Mitigation and Fee Capital Project Fund	Laguna Ridge CFD 2005- 1 Capital Project Fund	Other Governmental Funds	Total
<b>Fund Balance:</b>						
<b>Nonspendable</b>						
Advance to other funds	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,162,543
<b>Restricted:</b>						
Affordable housing projects	-	-	-	-	780,172	93,216,287
Wilton Rancheria	-	-	-	-	-	7,237,037
CDBG	-	-	-	-	30,734	30,734
Development services fund	-	-	-	-	4,876,058	4,876,058
State homeless appropriations	-	-	-	-	3,701,628	3,701,628
Strategic grant planning appropriations	-	-	-	-	155,806	155,806
State grants	-	-	-	-	22,541	22,541
Public safety	-	-	-	-	1,171,032	1,171,032
Public works maintenance	-	-	-	-	42,979,427	42,979,427
Agricultural preservation	-	-	-	-	50,496	50,496
Swainson's Hawk	-	-	-	-	4,361,223	4,361,223
Tree mitigation	-	-	-	-	1,545,033	1,545,033
Library	-	-	-	-	1,242,932	1,242,932
Donation and Community Programs	-	-	-	-	79,185	79,185
Opioid Settlement	-	-	-	-	344,401	344,401
Capital projects	-	45,621,853	11,787,799	24,537,053	68,320,694	150,267,399
Debt service	-	-	-	-	1,326,226	1,326,226
Permanent Fund	-	-	-	-	169,161	169,161
<b>Committed:</b>						
Reserve for economic uncertainty	-	-	-	-	-	22,732,991
Opportunity reserves	-	-	-	-	-	4,546,598
Capital reserve	-	-	-	-	-	44,713,610
Facility operations	-	-	-	-	-	-
Economic development programs	-	-	-	-	-	13,395,102
<b>Assigned:</b>						
Subsequent years budget:						
of fund balance	-	-	-	-	-	-
Appropriation of fund balance	-	-	-	-	-	589,487
<b>Unassigned:</b>	(970,980)	-	-	-	(3,034,201)	500,560
Total Fund Balances	<u>\$ (970,980)</u>	<u>\$ 45,621,853</u>	<u>\$ 11,787,799</u>	<u>\$ 24,537,053</u>	<u>\$ 128,122,548</u>	<u>\$ 402,417,497</u>

Note 10: **Interfund Transactions**

Interfund balances as of June 30, 2023, consisted of the following:

**Due From/To Other Funds:**

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 455,076
Roadway Fee Capital Projects Fund	Federal Capital Grant Capital Project Fund	2,609,278
Roadway Fee Capital Projects Fund	State Grants Capital Project Fund	773,182
Roadway Fee Capital Projects Fund	Other Governmental Funds	391,212
		<u>\$ 4,228,748</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, 2023

Note 10: **Interfund Transactions (Continued)**

**Advances From/To Other Funds:**

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 3,162,543
Roadway Fee Capital Projects Fund	Other Governmental Funds	516,122
Other Governmental Funds	Mitigation and Fee Capital Projects Fund	2,696,696
		\$ 6,375,361

The City advanced funds between General Fund’s Capital Reserve Fund and Street Lighting Maintenance District Funds Zones 1 for the LED Streetlight Replacement Capital Project. The remaining balance of \$637,947 is reflected as an advance from other funds in the Street Lighting Maintenance District Funds Zones. There are 2 years remaining with variable interest rate, tied to the Local Agency Investment Fund (LAIF) investment earning. The advance is due August 28, 2025.

The General Fund advanced \$2,524,596 to the Transit Special Revenue Fund. The advance is related to the City’s transit deficit that occurred as part of the City’s transfer of transit operations to Sacramento Regional Transit (SacRT). Per the Annexation Agreement, the City will be reimbursed by SacRT over 8 years from July 1, 2021 through the lease agreement discussed in Note 5, which the Transit fund will use to reimburse the General Fund.

The Lakeside CFD Capital Projects Fund and PD Tenant Improvements Capital Projects Fund advanced \$614 and \$515,508, respectively, to the Roadway Fee Capital Projects Fund. The advance is related to the Series 2022 Lease Revenue Bonds, which financed improvements at the Police Department and will be used to reimburse the fund for those costs.

The Street Maintenance District Special Revenue Fund and the Capital Facilities Funds Capital Project Fund advanced \$1,797,788 and \$898,908, 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.



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

**Note 10: Interfund Transactions (Continued)**

Interfund transfers as of June 30, 2023, consisted of the following:

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	EG Finance Authority Debt Service Fund	\$ 266,888	Debt Service
	EG Finance Authority 2018 Debt Service Fund	602,251	Debt Service
	EG Finance Authority 2020 Debt Service Fund	463,674	Debt Service
	EG Finance Authority 2022 Debt Service Fund	152,831	Debt Service
	Recycling and Waste Enterprise Funds	<u>23,000</u>	Debt Service
		<u>1,508,644</u>	
Federal Capital Grants Capital Projects Fund	Roadway Fee Capital Projects Fund	<u>165,272</u>	Capital Projects
State Grant Capital Projects Fund	Federal Capital Grants Capital Projects Fund	165,272	Capital Projects
	Roadway Fee Capital Projects Fund	360,629	Capital Projects
	Drainage Enterprise Fund	<u>65,155</u>	Capital Projects
		<u>591,056</u>	
Roadway Fee Capital Projects Fund	General Fund	<u>479,885</u>	Cost Recovery
Mitigation and Fee Capital Projects Fund	General Fund	216,003	Cost Recovery
	EG Finance Authority 2018 Debt Service Fund	479,150	Debt Service
	EG Finance Authority 2020 Debt Service Fund	<u>241,602</u>	Debt Service
		<u>936,755</u>	
Laguna Ridge CFD 2005-1 Capital Projects Fund	General Fund	716,649	Cost Recovery
	EG Finance Authority 2018 Debt Service Fund	104,451	Debt Service
	EG Finance Authority 2020 Debt Service Fund	<u>52,668</u>	Debt Service
		<u>873,768</u>	
Other Governmental Funds	General Fund	2,611,650	Cost Recovery
	General Fund	9,900,000	Police Funding
	Roadway Fee Capital Projects Fund	40,175	Capital Projects
	EG Finance Authority Debt Service Fund	50,795	Debt Service
	EG Finance Authority 2018 Debt Service Fund	131,185	Debt Service
	EG Finance Authority 2020 Debt Service Fund	59,174	Debt Service
	EG Finance Authority 2022 Debt Service Fund	611,326	Debt Service
	Other Governmental Funds	<u>264,463</u>	Capital Projects
		<u>13,668,768</u>	
Recycling and Waste Enterprise Fund	General Fund	469,074	Cost Recovery
	EG Finance Authority Debt Service Fund	<u>7,542</u>	Debt Service
		<u>476,616</u>	
Drainage Enterprise Fund	General Fund	782,101	Cost Recovery
	State Grant Capital Projects Fund	1,647	Capital Projects
	EG Finance Authority Debt Service Fund	<u>4,276</u>	Debt Service
		<u>788,024</u>	
Internal Service Funds	General Fund	3,245,277	Cost Recovery
	EG Finance Authority Debt Service Fund	20,497	Debt Service
	Other Governmental Funds	193,521	Cost Recovery
	Recycling and Waste Enterprise Fund	31,595	Cost Recovery
	Drainage Enterprise Fund	15,798	Cost Recovery
	Internal Service Funds	<u>173,775</u>	Cost Recovery
		<u>3,680,463</u>	
		<u>\$ 23,169,251</u>	

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

**Note 11: Excess Expenditures Over Appropriations**

For the year ended June 30, 2023, the following budgetary units had expenditures that exceeded appropriations:

<u>Fund</u>	<u>Appropriations</u>	<u>Expenditures</u>	<u>Over</u>
<b>Special Revenue Funds:</b>			
Wilton Rancheria MOU Fund	\$ 2,018	\$ 2,313	\$ (295)
Recycling Grant Fund	267,527	267,559	(32)
CA Law Enforcement Equipment Fund	520,642	520,751	(109)
SB1 Streets and Road Fund	4,021,022	4,021,941	(919)
<b>Capital Project Funds:</b>			
Laguna CFD Fund	\$ 250	\$ 448	\$ (198)
Active Transportation Fee Fund	-	61	(61)

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

**Note 12: Deficit Fund Balances**

As of June 30, 2023, the following funds had deficit fund balances. The deficits occurred because expenditures exceeded revenues. The City expects that future funding will reduce the deficits.

<u>Fund</u>	<u>Deficit</u>	
<b>Special Revenue:</b>		
Disaster Recovery Fund	\$ 289,755	Result of timing difference between expenditures and the receipt of Grant funding.
Household Hazardous Waste Fund	15,786	Result of timing difference between expenditures and the receipt of Grant funding.
Tire Collection & Disposal Grant Fund	27,752	Result of timing difference between expenditures and the receipt of Grant funding.
Local Police Grants Fund	44,378	Result of timing difference between expenditures and the receipt of Grant funding.
Transit Fund	2,554,459	Result of the transfer of the transit system to SacRT and will be repaid in the next eight years
<b>Capital Projects:</b>		
Federal Capital Grants Fund	\$ 2,764,380	Result of timing difference between expenditures and the receipt of Grant funding.
State Grants Fund	970,980	Result of timing difference between expenditures and the receipt of Grant funding.
LTF Bike and Pedestrian Fund	391,212	Result of timing difference between expenditures and the receipt of Grant funding.
Lakeside CFD Fund	614	Result of timing difference between expenditures and the receipt of Grant funding.

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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## Note 13: **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 (now MissionSquare), a single employer trust, for the City's HRA Plan, adopt eligibility criteria for employees to participate in the plan and designated \$1.5 million to prefund a portion of the future liability. The financial statements for the HRA Plan are included in the Retirement Health Trust Fund statement of fiduciary net position and statement of changes in fiduciary net position. Separate financial statements are not issued for the HRA Plan.

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

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

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 13: **Other Postemployment Benefits Other than Pension Benefits (Continued)**

**Eligibility and Benefit Information of the Defined Contribution Plan**

Employees not meeting HRA plan eligibility have been enrolled in the Defined Contribution Plan where the City contributes an amount per pay period to a deferred compensation account with the HRA vendor in the employee’s name, which is fully vested and has no funding liabilities. Employees are enrolled in this plan on their date of hire with no waiting period. Non Represented employees and Police managers receive 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 \$301,303. Employer contributions of \$865,780 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 2022-23 Budget programmed \$27.50 per employee per pay period as planned funding for the existing plan’s liability. The current rate subsidy is \$27.50 per eligible retiree per month. PARS issues a financial report that includes financial statements and required supplementary information. That report may be obtained from PARS, 4350 Von Karman Avenue, Suite 100, Newport Beach, CA 92660.

**Funding Policies**

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

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

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

## CITY OF ELK GROVE

### Notes to Financial Statements June 30, 2023

Note 13: **Other Postemployment Benefits Other than Pension Benefits (Continued)**

*Plan Membership* – As of the June 30, 2023 actuarial valuation date, membership in the Plans consisted of the following:

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

*Investment Policy* – PARS and MissionSquare offer different investment portfolios as part of the investment vehicle. The investments held as of June 30, 2023 for the MissionSquare Trust are included in Note 2.

*Rate of Return* – For the year ended June 30, 2023, the annual money-weighted rate of return on investments, net of investment expense, was 0.865% 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, 2023, were as follows:

	Increase (Decrease)		
HRA Plan	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2022	\$ 5,488,993	\$ 3,931,406	\$ 1,557,587
Changes Recognized for the Measurement Period:			
Service Cost	39,740	-	39,740
Interest on the total OPEB liability	294,500	-	294,500
Changes in benefit terms	-	-	-
Differences between expected and actual experience	7,920	-	7,920
Changes of assumptions	-	-	-
Employer Contributions	-	465,000	(465,000)
Actual Investment Income	-	20,460	(20,460)
Investment Gains/Losses	-	219,144	(219,144)
Administrative expenses	-	(17,708)	17,708
Benefit payments	(413,040)	(413,040)	-
Net changes	(70,880)	273,856	(344,736)
Balance at June 30, 2023	\$ 5,418,113	\$ 4,205,262	\$ 1,212,851
Rate Subsidy Plan	Total OPEB Liability (a)	Plan Fiduciary Net Position (b)	Net OPEB Liability/(Asset) (a) - (b)
Balance at June 30, 2022	\$ 16,577,763	\$ 4,406,215	\$ 12,171,548
Changes Recognized for the Measurement Period:			
Service Cost	1,180,538	-	1,180,538
Interest on the total OPEB liability	847,421	307,033	540,388
Changes in benefit terms	-	-	-
Differences between expected and actual experience	-	-	-
Changes of assumptions	(102,371)	-	(102,371)
Employer Contributions	-	724,288	(724,288)
Actual Investment Income	-	-	-
Investment Gains/Losses	-	-	-
Administrative expenses	-	(26,268)	26,268
Benefit payments	(574,288)	(574,288)	-
Net changes	1,351,300	430,765	920,535
Balance at June 30, 2023	\$ 17,929,063	\$ 4,836,980	\$ 13,092,083
<b>Totals for Plans</b>	\$ 23,347,176	\$ 9,042,242	\$ 14,304,934

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 13: **Other Postemployment Benefits Other than Pension Benefits (Continued)**

*Actuarial Assumptions* – The total OPEB liabilities for the HRA Plan and Rate Subsidy Plan were measured as of June 30, 2023. The valuations used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

	HRA Plan	Rate Subsidy Plan
Inflation	2.50%	2.50%
Salary Increases	2.75%	2.75%
Investment Rate of Return	5.55%, net of OPEB plan investment expenses	5.07%, net of OPEB plan investment expenses
Healthcare Cost Trend Rates	4.00%	4.00%
	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous	2017 CalPERS Mortality for Active Safety Employees and Active Miscellaneous
Mortality Tables	Employees	Employees

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of arithmetic real rates of return for each major asset class included in the target asset allocation as of June 30, 2023 are summarized in the following table:

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

*Discount rate* – The discount rates used to measure the total OPEB liabilities as of June 30, 2023 were 5.55% and 5.07% for the HRA Plan and Rate Subsidy Plan, respectively. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plans’ fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liabilities.

*Change of Assumptions* – For the measurement date of June 30, 2023, the discount rate for the Rate Subsidy Plan increased from 5.02% to 5.07%.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 13: **Other Postemployment Benefits Other than Pension Benefits (Continued)**

*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:

	<b>HRA Plan</b>		
	1% Decrease	Discount Rate	1% Increase
	4.55%	5.55%	6.55%
Net OPEB Liability (Asset)	\$ 1,713,393	\$ 1,212,851	\$ 784,680

	<b>Rate Subsidy Plan</b>		
	1% Decrease	Discount Rate	1% Increase
	3.07%	5.07%	6.07%
Net OPEB Liability (Asset)	\$ 15,237,595	\$ 13,092,083	\$ 11,280,766

*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)	\$ 1,212,851	\$ 1,212,851	\$ 1,212,851

	<b>Rate Subsidy Plan</b>		
	Healthcare Cost		
	1% Decrease	Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ 10,545,810	\$ 13,092,083	\$ 16,261,655

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 13: **Other Postemployment Benefits Other than Pension Benefits (Continued)**

*OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB* – For the year ended June 30, 2023, the City recognized OPEB expense of \$218,414 for the HRA Plan and \$2,458,210 for the Rate Subsidy Plan. At June 30, 2023, 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	327,933	-
Total	\$ 327,933	\$ -
<b>Rate Subsidy Plan</b>	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience	\$ -	\$ (696,442)
Changes of assumptions	8,773,399	(707,316)
Net differences between projected and actual earnings on plan investments	246,398	-
Total	\$ 9,019,797	\$ (1,403,758)
<b>Total Both Plans</b>	<b>\$ 9,347,730</b>	<b>\$ (1,403,758)</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	Annual Amortization		
	HRA Plan	Rate Subsidy Plan	Total
2024	\$ 86,446	\$ 667,658	\$ 754,104
2025	86,976	659,267	746,243
2026	158,603	770,685	929,288
2027	(4,092)	603,708	599,616
2028	-	613,730	613,730
Thereafter	-	4,300,991	4,300,991
Total	\$ 327,933	\$ 7,616,039	\$ 7,943,972

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 Total OPEB Liability. The change in the actuarial assumption increased the Rate Subsidy OPEB plan total OPEB liability drastically.



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 13: **Other Postemployment Benefits Other than Pension Benefits (Continued)**

June 30, 2023 Measurement Date	Portion due to Employer Share of Retiree Premium	Portion due to Implicit Rate Subsidy	Total
Total OPEB Liability	\$ 5,196,574	\$ 12,732,489	\$ 17,929,063

Note 14: **Defined Benefit Pension Plan**

**Plan Description**

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

**Benefits Provided**

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

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 14: **Defined Benefit Pension Plan (Continued)**

The Plans' provisions and benefits in effect at June 30, 2023, 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% to 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	14.030%	10.870%	7.470%
Required UAL Payment	\$473,866	\$2,864	\$3,727

Employer rate plan	<b>Employer Rate Plans in the Safety Risk Pool</b>		
	<b>Safety Police</b>	<b>Safety Police Second Tier</b>	<b>PEPRA Safety Police</b>
Hire date	Prior to August 12, 2012	On or after August 12, 2012*	On or after 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	23.750%	21.840%	12.780%
Required UAL Payment	\$1,165,271	\$16,618	\$16,159

\*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 \$1,678,505 in fiscal year 2023, as shown in the tables above.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 14: **Defined Benefit Pension Plan (Continued)**

**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. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. The City’s contributions to the Plan for the year ended June 30, 2023 were:

	<b>Contributions</b>
Legally required	\$ 6,490,173
Additional contributions	2,600,000
	_____
Total contributions	\$ 9,090,173

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

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$20,984,379.

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, 2022, 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, 2021 rolled forward to June 30, 2022 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 (asset) for the Plan as of June 30, 2021 and 2022 was as follows:

Proportion - June 30, 2021	-0.13718%
Proportion - June 30, 2022	0.18167%
	_____
Change - increase (decrease)	0.31885%

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 14: **Defined Benefit Pension Plan (Continued)**

For the year ended June 30, 2023, the City recognized pension expense of \$30,301,276. At June 30, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Pension contributions subsequent to measurement date	\$ 9,090,173	\$ -
Changes in assumptions	2,121,584	-
Differences between expected and actual experience	794,147	(236,912)
Changes in proportion and differences between the City's contributions and the City's proportionate share of contributions	12,400,915	(3,249,241)
Net differences between projected and actual earnings on plan investments	3,401,846	-
Total	\$ 27,808,665	\$ (3,486,153)

\$9,090,173 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<b>Year Ended June 30</b>	<b>Annual Amortization</b>
2024	\$ 5,827,345
2025	4,776,536
2026	2,552,252
2027	2,076,206
Total	\$ 15,232,339

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 14: **Defined Benefit Pension Plan (Continued)**

**Actuarial Assumptions**

The total pension liabilities in the June 30, 2021 actuarial valuations were determined using the following actuarial assumptions:

	<b>Miscellaneous</b>	<b>Safety</b>
Valuation Date	June 30, 2021	June 30, 2021
Measurement Date	June 30, 2022	June 30, 2022
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	6.90%	6.90%
Inflation	2.30%	2.30%
Projected Salary Increase	Varies by Entry Age and Service (1)	Varies by Entry Age and Service (1)
Investment Rate of Return	6.90% (2)	6.90% (2)
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds (3)	Derived using CalPERS' Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies

(1) Depending on age, service and type of employment.

(2) Net of pension plan investment expenses, including inflation.

(3) 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 80% of scale MP 2020. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability for the Plan was 6.90%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members for all plans in the PERF. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected 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.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 14: **Defined Benefit Pension Plan (Continued)**

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

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

<u>Asset Class (1)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return 1,2</u>
Global Equity-Cap Weighted	30.0%	4.54%
Global Equity-Non-Cap Weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	0.27%
Mortgage-backed Securities	5.0%	0.50%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	-0.59%
Total	<u>100%</u>	

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

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

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

	<u>Discount Rate –1% (5.90%)</u>	<u>Current Discount Rate (6.90%)</u>	<u>Discount Rate +1% (7.90%)</u>
City’s proportionate share of the net pension liability (asset)	\$ 48,060,662	\$ 20,984,379	\$ (1,202,272)

CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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Note 14: **Defined Benefit Pension Plan (Continued)**

**Reduction of CalPERS Discount Rate**

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

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

Note 15: **Deferred Compensation Plan**

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

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

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

Depending on the employee group, the City will match up to 2%, 3%, 4%, 5% or 6% of the covered payroll as a benefit under Internal Revenue Code Section 401(a). For fiscal year 2022-23 the City's matching contribution was \$1,188,587.

CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

Note 16: **Risk Management**

**Insurance Coverage**

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

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

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

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

Complete financial information for PRISM is available on their website [www.prismrisk.gov](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	\$ 100,000	\$ 50,000,000	\$ 50,000,000
Property Coverage			
All Risk	25,000	600,000,000	600,000,000
Auto	10,000	25,000,000	600,000,000
Crime Coverage	2,500	5,000,000	5,000,000
Pollution Coverage	250,000	10,000,000	50,000,000
Cyber Liability Coverage	50,000	12,000,000	12,000,000
Fiduciary Liability	25,000	2,000,000	2,000,000



**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

Note 16: **Risk Management (Continued)**

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

Changes in the reported liability resulted from the following:

	General Liability
Liability at June 30, 2021	\$ 572,000
Claims and changes in estimates	59,000
Liability at June 30, 2022	631,000
Claims and changes in estimates	85,110
Liability at June 30, 2023	\$ 716,110

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.

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, 2023

Note 16: **Risk Management (Continued)**

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, 2023 is as follows:

	<b>Balance 6/30/2022</b>	<b>Deposits &amp; other Income</b>	<b>Investment Income &amp; FMV Change</b>	<b>Claims Paid Net of Refunds</b>	<b>Claims Admin. &amp; Other Exp</b>	<b>Balance 6/30/2023</b>
Worker's Compensation	\$ 791,448	\$ 1,093,810	\$ 15,876	\$ (926,459)	\$ (81,086)	\$ 893,589

Activity for the City's NCCSIF Net Position for the year ended June 30, 2023 is as follows:

NCCSIF Total Assets	\$ 81,997,260
NCCSIF Total Liabilities	<u>(56,120,158)</u>
NCCSIF Net Position	<u><u>\$ 25,877,102</u></u>
NCCSIF Total Revenue	\$ 29,704,586
NCCSIF Total Expenses	<u>(28,583,820)</u>
Changes in Net Position During Year	1,120,766
Investment Income and FMV Change	<u>354,676</u>
Net Position, Beginning of Year	<u>24,401,660</u>
Net Position, End of Year	<u><u>\$ 25,877,102</u></u>

Note 17: **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, 2023. The balances owed on the existing construction and acquisition commitments were \$24,001,317 at June 30, 2023.

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 \$48.52 to \$315.59 per hour for Federal/State funded project management services. For non-Federal/State, the hourly rates range from \$58.52 to \$325.39 per hour.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

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Note 17: **Commitments and Contingencies (Continued)**

**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, 2024 through June 30, 2026:

<u>Year</u>	<u>Fiscal Year</u>	<u>County Share</u>	<u>City Share</u>
24	2023/2024	20%	80%
25	2024/2025	10%	90%
26	2025/2026	0%	100%

As part of the revenue neutrality agreement, the City paid to the County \$3,866,941 during the fiscal year ended June 30, 2023.

**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. 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, 2023, the City has paid \$8,781,862 with a present value of \$8,000,000. As a result of the prepayment made during fiscal year 2023, the agreement is now expired as of June 29, 2023.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

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Note 17: **Commitments and Contingencies (Continued)**

**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)

- \$12,286,522 in earned fee credits
- \$143,652 in unearned fee credits

LRSP Supplemental Park Fee - Land Acquisition (Fund 331)

- \$229,411 in earned fee credits

SEPA Drainage North Sub-Shed (Fund 373)

- \$4,813,962 in earned fee credits
- \$4,158,995 in unearned fee credits

SEPA Drainage Sub-Shed Basin S6 (Fund 376)

- \$314,248 in earned fee credits
- \$307,527 in unearned fee credits

SEPA Channel Facilities Fee (Fund 371)

- \$1,190,851 in earned fee credits
- \$2,159,736 in unearned fee credits

SEPA Park Facilities Fee (Fund 356)

- \$332,074 in earned fee credits

SEPA Trail Facilities Fee (Fund 357)

- \$10,109,418 in earned fee credits

SEPA Drainage (Fund 334)

- \$93,307 in earned fee credits

## CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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### Note 17: **Commitments and Contingencies (Continued)**

#### **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, 2023, the majority of the single-family building permits have been issued. In addition, the currently approved project allows for two park sites totaling approximately 18.5 acres, a detention basin of approximately 13.3 acres, and approximately 4.8 acres of parkways.

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

#### **Wilton Rancheria**

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

In order to mitigate the potential impacts of the Project, the City and the Tribe have executed a Memorandum of Understanding, approved by the City Council in September 2016, that provides funding to the City, Elk Grove Unified School District, and local non-profit organizations to pay for services such as law enforcement and traffic impacts and compensate for loss of tax revenue. The total cumulative payment from the Tribe to the community over 20 years is approximately \$132 million. During the fiscal year ended June 30, 2023, the City received \$2,453,924 for services provided under the Memorandum of Understanding from the Wilton Rancheria.

#### **Litigation**

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

# CITY OF ELK GROVE

Notes to Financial Statements  
June 30, 2023

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## Note 18: **Significant Events**

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

On April 14, 2021, the City Council approved an Annexation Agreement with the Sacramento Regional Transit District (SacRT) to annex the City's transit services and all operational, maintenance and administrative functions into SacRT and also a License Agreement with SacRT authorizing SacRT's use of the City's Corporation Yard for a period of eight years following the effective date of annexation in order for SacRT to fully implement and maintain transit services within the City following annexation. The effective date of annexation commenced on July 1, 2021. SacRT will be solely responsible for the administrative oversight and implementation of all fixed-route transit and ADA paratransit service (e-tran and e-van) operations, transit asset maintenance and replacement, route/schedule planning, customer service, operating and capital funding acquisition, and required financial management duties provided for the City. The City's local and administrative control over transit service planning and funding will cease with some exceptions, as defined by the terms of the Annexation Agreement. SacRT will retain all fares collected on the e-tran and e-van services. SacRT cannot modify the fare structure for the City's route/services within the first six months following annexation. After this six-month period, SacRT may modify the fare structure and media pursuant to the terms established in the Annexation Agreement. All city-owned transit buses, support vehicles, equipment, tools/spare parts, bus stop signage, bus shelter assets, as well as cash and cash equivalents, accounting receivable, due from other governments, accounts payable and unrestricted net assets associated with the City's transit services transitioned to SacRT's ownership/liability 180 days after the Commencement date and SacRT will be responsible for all maintenance, replacement, and cleaning duties associated with those assets. Additionally, SacRT will be responsible for the oversight and costs associated with branding the City's buses, bus stop signage, and shelter assets in order to bring them into conformity with SacRT's existing transit network and vehicle assets. As a result of the annexation, because the City will be within the activated boundaries of SacRT, the City will no longer be an eligible "included municipal operator" under Section 99207(c) of the TDA and will be limited to claiming TDA funds apportioned by SACOG to the City for bicycle and pedestrian improvements in accordance with the TDA statute and SACOG TDA Guidelines (currently approximately 2% of the overall allocation). The City will be able to receive funding for their transition services defined in Section 2 of the Annexation Agreement will receive rents from SacRT's use of the City's Corporation Yard of \$38,031 per month for eight years. The terms of this lease agreement are further discussed in Note 5 Leases Receivable.

**CITY OF ELK GROVE**

Notes to Financial Statements  
June 30, 2023

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Note 19: **Future GASB Pronouncements**

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

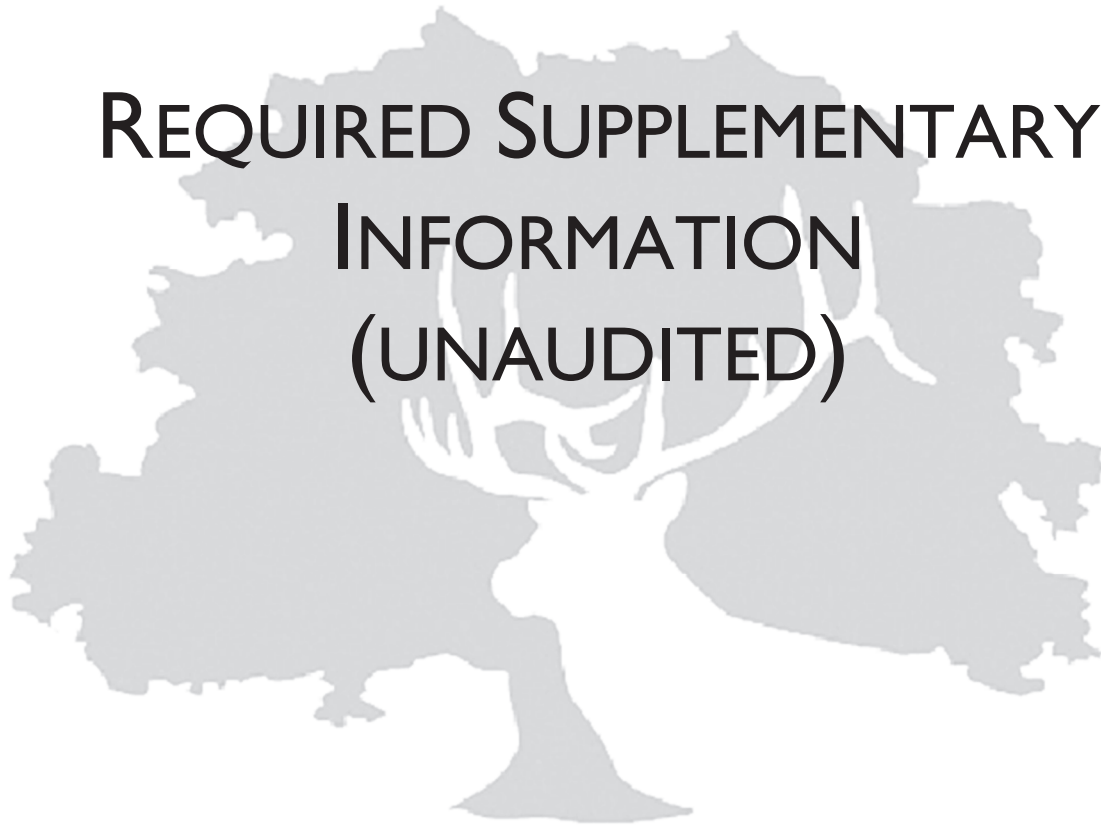
The GASB issued GASB Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and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

The GASB issued GASB Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to better meet the information needs of financial statement users by updating the disclosure requirements to include essential information about risks related to a government’s vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter.

ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Fiscal Year Ended June 30, 2023

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REQUIRED SUPPLEMENTARY  
INFORMATION  
(UNAUDITED)



CITY OF  
ELK GROVE

— PROUD HERITAGE. BRIGHT FUTURE. —





**CITY OF ELK GROVE**  
 Budgetary Comparison Schedule  
 General Fund  
 For the Year Ended June 30, 2023

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property taxes	\$ 32,750,000	\$ 33,202,708	\$ 33,636,077	\$ 433,369
Sales and use tax	38,012,570	38,012,570	38,333,652	321,082
Transaction and use tax	-	-	7,802,655	7,802,655
Utility users' tax	6,006,000	6,006,000	5,855,109	(150,891)
Transient occupancy tax	1,827,000	2,367,363	3,092,038	724,675
Property transfer tax	1,223,000	999,999	795,599	(204,400)
Franchise tax	2,559,400	2,567,415	2,767,734	200,319
Licenses, fees and permits	2,075,138	2,041,801	1,716,838	(324,963)
Intergovernmental	800,400	820,157	978,380	158,223
Fines and forfeitures	310,000	829,896	1,260,318	430,422
Charges for services	752,156	752,156	579,146	(173,010)
Use of money and property	1,396,773	1,396,773	1,936,687	539,914
Other revenue	888,522	919,222	981,756	62,534
Total Revenues	<u>88,600,959</u>	<u>89,916,060</u>	<u>99,735,989</u>	<u>9,819,929</u>
<b>EXPENDITURES</b>				
General Government:				
City Council	420,848	435,948	386,891	49,057
Planning Commission	8,070	8,070	6,390	1,680
Planning	202,367	202,367	186,963	15,404
Economic Development	4,966,502	11,577,522	10,107,078	1,470,444
City Manager	5,746,847	5,913,097	5,243,584	669,513
City Attorney	1,895,627	1,877,839	1,799,689	78,150
City Clerk	781,726	795,951	1,005,320	(209,369)
Finance	3,881,768	3,839,961	3,840,597	(636)
Human Resources	1,600,395	1,543,395	1,459,368	84,027
Public Works	5,494,647	5,490,005	4,301,767	1,188,238
Other - Non-Departmental	1,646,037	1,546,536	4,085,544	(2,539,008)
Revenue Neutrality	3,947,952	4,037,952	4,093,839	(55,887)
Total General Government	<u>30,592,786</u>	<u>37,268,643</u>	<u>36,517,030</u>	<u>751,613</u>
Public Safety:				
Law Enforcement	57,135,755	55,931,009	55,124,813	806,196
Total Public Safety	<u>57,135,755</u>	<u>55,931,009</u>	<u>55,124,813</u>	<u>806,196</u>
Community Development				
Code Enforcement	1,935,008	1,639,438	1,206,319	433,119
Community Grants	439,392	432,649	411,066	21,583
Total Community Development	<u>2,374,400</u>	<u>2,072,087</u>	<u>1,617,385</u>	<u>454,702</u>
Capital Outlay	2,554,855	477,289	270,322	206,967
Debt service:				
Principal	341,935	341,935	341,935	-
Interest	28,747	28,748	28,748	-
Total Debt Service	<u>370,682</u>	<u>370,683</u>	<u>370,683</u>	<u>-</u>
Total Expenditures	<u>93,028,478</u>	<u>96,119,711</u>	<u>93,900,233</u>	<u>2,219,478</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,427,519)</u>	<u>(6,203,651)</u>	<u>5,835,756</u>	<u>12,039,407</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	-	-	187,029	187,029
Transfers in	18,835,777	31,990,430	18,420,639	(13,569,791)
Transfers (out)	(4,163,527)	(14,833,990)	(1,508,644)	13,325,346
Total Other Financing Sources (Uses)	<u>14,672,250</u>	<u>17,156,440</u>	<u>17,099,024</u>	<u>(57,416)</u>
<b>Net Change in Fund Balance</b>	10,244,731	10,952,789	22,934,780	11,981,991
Fund Balance, Beginning	<u>73,765,427</u>	<u>73,765,427</u>	<u>73,765,427</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 84,010,158</u>	<u>\$ 84,718,216</u>	<u>\$ 96,700,207</u>	<u>\$ 11,981,991</u>

**CITY OF ELK GROVE**  
Major Special Revenue Fund  
Budgetary Comparison Schedule  
Affordable Housing Fund  
For the Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Licenses, fees and permits	\$ 3,085,402	\$ 3,085,402	\$ 4,586,167	\$ 1,500,765
Intergovernmental	100,000	100,000	19,109	(80,891)
Use of money and property	432,078	432,078	490,488	58,410
Total Revenues	<u>3,617,480</u>	<u>3,617,480</u>	<u>5,095,764</u>	<u>1,478,284</u>
<b>Expenditures:</b>				
Current:				
Community development	14,479,507	14,462,138	3,819,204	10,642,934
Total Expenditures	<u>14,479,507</u>	<u>14,462,138</u>	<u>3,819,204</u>	<u>10,642,934</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,862,027)</u>	<u>(10,844,658)</u>	<u>1,276,560</u>	<u>12,121,218</u>
<b>Net Change in Fund Balance</b>	(10,862,027)	(10,844,658)	1,276,560	12,121,218
Fund Balance, Beginning	<u>91,159,555</u>	<u>91,159,555</u>	<u>91,159,555</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 80,297,528</u>	<u>\$ 80,314,897</u>	<u>\$ 92,436,115</u>	<u>\$ 12,121,218</u>

**CITY OF ELK GROVE**  
Major Special Revenue Fund  
Budgetary Comparison Schedule  
Disaster Recovery Fund  
For the Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ -	\$ 17,137,920	\$ 4,678,288	\$ (12,459,632)
Total Revenues	<u>-</u>	<u>17,137,920</u>	<u>4,678,288</u>	<u>(12,459,632)</u>
<b>Expenditures:</b>				
Current:				
Community development	2,454,149	1,527,123	1,543,015	(15,892)
Public ways and facilities	3,262,500	6,711,666	3,479,790	3,231,876
Capital Outlay	5,819,142	8,824,131	1,338	8,822,793
Total Expenditures	<u>11,535,791</u>	<u>17,062,920</u>	<u>5,024,143</u>	<u>12,038,777</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(11,535,791)</u>	<u>75,000</u>	<u>(345,855)</u>	<u>(24,498,409)</u>
<b>Net Change in Fund Balance</b>	(11,535,791)	75,000	(345,855)	(24,498,409)
Fund Balance, Beginning	<u>56,100</u>	<u>56,100</u>	<u>56,100</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (11,479,691)</u>	<u>\$ 131,100</u>	<u>\$ (289,755)</u>	<u>\$ (24,498,409)</u>

**CITY OF ELK GROVE**  
Major Special Revenue Fund  
Budgetary Comparison Schedule  
Wilton Rancheria MOU Fund  
For the Year Ended June 30, 2023

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>				
Intergovernmental	\$ 2,453,924	\$ 2,453,924	\$ 2,453,924	\$ -
Use of money and property	-	-	(10,257)	(10,257)
Total Revenues	<u>2,453,924</u>	<u>2,453,924</u>	<u>2,443,667</u>	<u>(10,257)</u>
<b>Expenditures:</b>				
Current:				
Community development	750	2,018	2,313	(295)
Total Expenditures	<u>750</u>	<u>2,018</u>	<u>2,313</u>	<u>(295)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,453,174</u>	<u>2,451,906</u>	<u>2,441,354</u>	<u>(10,552)</u>
<b>Net Change in Fund Balance</b>	2,453,174	2,451,906	2,441,354	(10,552)
Fund Balance, Beginning	<u>4,795,683</u>	<u>4,795,683</u>	<u>4,795,683</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 7,248,857</u>	<u>\$ 7,247,589</u>	<u>\$ 7,237,037</u>	<u>\$ (10,552)</u>

## CITY OF ELK GROVE

### Notes to Budgetary Comparison Statements For the Year Ended June 30, 2023

#### **BUDGETS AND BUDGETARY ACCOUNTING**

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

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

# CITY OF ELK GROVE

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

	2023		2022		2021	
	Rate Subsidy		Rate Subsidy		Rate Subsidy	
	HRA Plan	Plan	HRA Plan	Plan	HRA Plan	Plan
<b>Measurement Date June 30</b>						
<b>Total OPEB Liability</b>						
Service cost	\$ 39,740	\$ 1,180,538	\$ 55,522	\$ 1,222,282	\$ 51,906	\$ 921,273
Interest on the total OPEB liability	294,500	847,421	286,821	770,622	294,610	768,086
Actual and expected experience difference	7,920	-	219,427	(477,391)	-	(20,384)
Changes in assumptions	-	(102,371)	-	(697,359)	122,144	2,340,668
Benefit payments	(413,040)	(574,288)	(404,400)	(403,534)	(381,144)	(394,978)
Net change in total OPEB liability	(70,880)	1,351,300	157,370	414,620	87,516	3,614,665
Total OPEB liability - beginning	5,488,993	16,577,754	5,331,623	16,163,134	5,244,107	12,548,469
Total OPEB liability - ending (a)	5,418,113	17,929,054	5,488,993	16,577,754	5,331,623	16,163,134
<b>Plan Fiduciary Net Position</b>						
Contribution - employer	465,000	724,288	375,000	603,534	600,000	594,978
Net investment income	239,604	307,033	(562,693)	(554,588)	582,507	791,719
Benefit payments	(413,040)	(574,288)	(404,400)	(403,534)	(394,720)	(394,978)
Administrative expense	(17,708)	(26,268)	(20,155)	(28,492)	(18,986)	(25,484)
Net change in plan fiduciary net position	273,856	430,765	(612,248)	(383,080)	768,801	966,235
Plan fiduciary net position - beginning	3,931,406	4,406,215	4,543,654	4,789,295	3,774,853	3,823,060
Plan fiduciary net position - ending (b)	4,205,262	4,836,980	3,931,406	4,406,215	4,543,654	4,789,295
Net OPEB Liability/(Assets) - ending (a) - (b)	\$ 1,212,851	\$ 13,092,074	\$ 1,557,587	\$ 12,171,539	\$ 787,969	\$ 11,373,839
Plan fiduciary net position as a percentage of the total OPEB liability	77.6%	27.0%	71.6%	26.6%	85.2%	29.6%
Covered-employee payroll (contributions not based on measure of pay)	\$ 342,156	\$ 45,359,249	\$ 437,400	\$ 45,593,472	\$ 444,332	\$ 44,412,428
Net OPEB liability as a percentage of covered-employee payroll	354.47%	28.86%	356.10%	26.70%	177.34%	25.61%

(1) Fiscal Year 2017 was the first year of implementation.  
Future years' information will be displayed up to 10 years as information becomes available.

Note: FY 2017 information PBC Olga Voronova, Senior Accountant.

2020		2019		2018		2017	
HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
\$ 15,004	\$ 200,787	\$ 14,602	\$ 195,422	\$ 75,799	\$ 177,595	\$ 73,770	\$ 172,842
280,706	197,602	282,474	177,586	244,637	170,836	241,901	152,480
417,875	(182,962)	40,664	-	428,202	(206,110)	-	-
(92,788)	9,162,143	-	-	-	-	-	-
(373,920)	(44,130)	(366,252)	(40,026)	(265,878)	(37,488)	(266,052)	(6,041)
246,877	9,333,440	(28,512)	332,982	482,760	104,833	49,619	319,281
4,997,230	3,215,029	5,025,742	2,882,047	4,542,982	2,777,214	4,493,363	2,457,933
5,244,107	12,548,469	4,997,230	3,215,029	5,025,742	2,882,047	4,542,982	2,777,214
600,000	269,130	470,332	240,026	470,000	296,762	400,000	200,000
203,658	171,048	223,091	221,928	88,056	155,075	185,597	207,963
(373,920)	(44,130)	(366,252)	(40,026)	(265,878)	(37,488)	(266,052)	(6,041)
(14,784)	(21,082)	(14,252)	(18,574)	(13,331)	(16,807)	(5,627)	(8,102)
414,954	374,966	312,919	403,354	278,847	397,542	313,918	393,820
3,359,899	3,448,094	3,046,980	3,044,740	2,768,133	2,647,198	2,454,215	2,253,378
3,774,853	3,823,060	3,359,899	3,448,094	3,046,980	3,044,740	2,768,133	2,647,198
\$ 1,469,254	\$ 8,725,409	\$ 1,637,331	\$ (233,065)	\$ 1,978,762	\$ (162,693)	\$ 1,774,849	\$ 130,016
72.0%	30.5%	67.2%	107.2%	60.6%	105.6%	60.9%	95.3%
\$ 743,816	\$ 42,730,280	\$ 943,329	\$ 31,827,961	\$ 1,183,755	\$ 26,020,439	\$ 1,495,962	\$ 27,743,749
197.53%	20.42%	173.57%	-0.73%	167.16%	-0.63%	118.64%	0.47%



**CITY OF ELK GROVE**

Schedule of City OPEB Contributions  
Last Ten Fiscal Years <sup>(1)</sup>

FISCAL YEAR ENDED JUNE 30	2023		2022		2021	
	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
Contractually Required Contributions	\$ 465,000	\$ 150,000	\$ 375,000	\$ 603,534	\$ 600,000	\$ 594,978
Employer Contributions	465,000	150,000	375,000	603,534	600,000	594,978
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered-employee payroll (contributions not based on measure of pay)	\$ 342,156	\$ 45,359,249	\$ 437,400	\$ 45,593,472	\$ 444,332	\$ 44,412,428
Contributions as a percentage of covered-employee payroll	135.90%	0.33%	85.73%	1.32%	135.03%	1.34%

**Notes to Schedule:**

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

Future years' information will be displayed up to 10 years as information becomes available.

**Methods and assumptions used to determine contribution rates:**

Valuation Date	June 30, 2022	June 30, 2022
Actuarial cost method	Entry age normal	Entry age normal
Inflation	2.50%	2.50%
Salary Increases	2.75%	2.75%
Investment Rate of Return	5.55%, net of OPEB plan investment expenses	5.07%, 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

<sup>(1)</sup> Fiscal Year 2017 was the first year of implementation

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

**CITY OF ELK GROVE**

Schedule of Investment Returns  
HRA Plan  
Last Ten Fiscal Years <sup>(1)</sup>

For the Fiscal Year Ended June 30	2023		2022		2021	
	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
Annual money-weighted rate of return net of investment expense	0.86%	5.14%	-12.41%	-14.92%	14.75%	14.15%

**Notes to Schedule:**

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

Future years' information will be displayed up to 10 years as information becomes available.

2020		2019		2018		2017	
HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan	HRA Plan	Rate Subsidy Plan
5.75%	1.83%	7.05%	3.65%	4.90%	2.80%	5.64%	4.70%

**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>6/30/2022</b>	<b>6/30/2021</b>	<b>6/30/2020</b>	<b>6/30/2019</b>	<b>6/30/2018</b>
City's Proportion of the Net Pension Liability	0.18167%	-0.13718%	0.14887%	0.14374%	0.14518%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 20,984,379	\$ (7,419,164)	\$ 16,197,858	\$ 14,729,263	\$ 13,990,216
City's Covered Payroll	\$ 36,641,385	\$ 36,735,168	\$ 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	57.27%	-20.20%	45.99%	46.39%	46.69%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	76.68%	88.29%	75.10%	75.26%	75.26%

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

**Notes to Schedule:**

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

**CITY OF ELK GROVE**

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

**SCHEDULE OF CONTRIBUTIONS  
AS OF JUNE 30, 2023  
LAST 10 YEARS**

<b>For the year Ended June 30</b>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Actuarially determined contribution	\$ 6,490,173	\$ 6,204,277	\$ 6,271,938	\$ 5,685,740	\$ 4,539,174
Contributions in relation to the actuarially determined contributions	<u>(6,490,173)</u>	<u>(6,204,277)</u>	<u>(6,271,938)</u>	<u>(5,685,740)</u>	<u>(4,539,174)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
 Covered payroll	 <u>\$ 38,950,819</u>	 <u>\$ 36,641,385</u>	 <u>\$ 36,735,168</u>	 <u>\$ 35,222,709</u>	 <u>\$ 31,747,871</u>
 Contributions as a percentage of covered payroll	 16.66%	 16.93%	 17.07%	 16.14%	 14.30%
 <b>For the year Ended June 30</b>	 <u>2018</u>	 <u>2017</u>	 <u>2016</u>	 <u>2015</u>	
Actuarially determined contribution	\$ 4,283,503	\$ 3,518,175	\$ 3,181,199	\$ 5,006,117	
Contributions in relation to the actuarially determined contributions	<u>(4,283,503)</u>	<u>(3,518,175)</u>	<u>(3,181,199)</u>	<u>(5,006,117)</u>	
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
 Covered payroll	 <u>\$ 29,962,680</u>	 <u>\$ 27,840,009</u>	 <u>\$ 33,456,412</u>	 <u>\$ 34,404,915</u>	
 Contributions as a percentage of covered payroll	 14.30%	 12.64%	 9.51%	 14.55%	

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

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ANNUAL COMPREHENSIVE FINANCIAL REPORT  
Fiscal Year Ended June 30, 2023

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







**CITY OF ELK GROVE**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Laguna Springs Open Space Reserve Permanent Fund	Debt Service Funds	Total
<b><u>ASSETS</u></b>					
Cash and investments	\$ 68,386,850	\$ 60,125,204	\$ 168,998	\$ 1,325,311	\$ 130,006,363
Cash with fiscal agent	-	8,720,506	-	-	8,720,506
Funds held in escrow	159,294	-	-	-	159,294
Accounts receivable	2,489,905	1,825,508	870	285	4,316,568
Interest receivable	386,618	-	-	4,596	391,214
Taxes Receivable	164,427	-	-	-	164,427
Due from other government agencies	3,340,830	710,024	-	-	4,050,854
Fee credits receivable	3,763,610	-	-	-	3,763,610
Advances to other funds	1,797,788	898,908	-	-	2,696,696
Long-term loans receivable	335,202	-	-	-	335,202
Long-term development fees receivable	-	3,120,818	-	-	3,120,818
Lease receivable	2,659,270	-	-	-	2,659,270
Total Assets	<u>\$ 83,483,794</u>	<u>\$ 75,400,968</u>	<u>\$ 169,868</u>	<u>\$ 1,330,192</u>	<u>\$ 160,384,822</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 7,357,670	\$ 766,805	\$ -	\$ -	\$ 8,124,475
Accrued salaries and benefits	183,100	396	-	-	183,496
Due to other funds	455,076	391,212	-	-	846,288
Interest payable	8,152	-	-	-	8,152
Retention payable	211,108	237,199	-	-	448,307
Refundable deposits	3,721,468	-	-	-	3,721,468
Advances from other funds	3,162,543	516,122	-	-	3,678,665
Unearned revenue	245,283	1,490,870	-	-	1,736,153
Total Liabilities	<u>15,344,400</u>	<u>3,402,604</u>	<u>-</u>	<u>-</u>	<u>18,747,004</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue	<u>9,441,101</u>	<u>4,069,496</u>	<u>707</u>	<u>3,966</u>	<u>13,515,270</u>
<b><u>FUND BALANCES</u></b>					
Restricted	61,340,668	68,320,694	169,161	1,326,226	131,156,749
Unassigned	(2,642,375)	(391,826)	-	-	(3,034,201)
Total Fund Balances	<u>58,698,293</u>	<u>67,928,868</u>	<u>169,161</u>	<u>1,326,226</u>	<u>128,122,548</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 83,483,794</u>	<u>\$ 75,400,968</u>	<u>\$ 169,868</u>	<u>\$ 1,330,192</u>	<u>\$ 160,384,822</u>

**CITY OF ELK GROVE**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Governmental Funds  
For the Year Ended June 30, 2023

	Special Revenue Funds	Capital Projects Funds	Laguna Springs Open Space Reserve Permanent Fund	Debt Service Funds	Total
<b>Revenues:</b>					
Licenses, fees and permits	\$ 8,554,164	\$ 11,692,304	\$ -	\$ -	\$ 20,246,468
Intergovernmental	33,939,015	1,496,968	-	-	35,435,983
Charges for services	3,505,444	-	-	-	3,505,444
Use of money and property	1,233,861	732,562	-	7,374	1,973,797
Other revenue	1,045,883	1,503	62,561	-	1,109,947
Total Revenues	<u>48,278,367</u>	<u>13,923,337</u>	<u>62,561</u>	<u>7,374</u>	<u>62,264,265</u>
<b>Expenditures:</b>					
Current:					
General government	247,038	-	-	-	247,038
Public safety	1,018,087	-	-	-	1,018,087
Public ways and facilities	21,029,171	1,106,606	-	-	22,135,777
Community development	9,379,301	-	-	-	9,379,301
Capital outlay	1,624,076	4,498,360	-	-	6,122,436
Debt Service:					
Tax administration	-	-	-	9,617	9,617
Principal	16,597	-	-	1,941,789	1,958,386
Interest	821	-	-	1,527,850	1,528,671
Total Expenditures	<u>33,315,091</u>	<u>5,604,966</u>	<u>-</u>	<u>3,479,256</u>	<u>42,399,313</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>14,963,276</u>	<u>8,318,371</u>	<u>62,561</u>	<u>(3,471,882)</u>	<u>19,872,326</u>
<b>Other Financing Sources (Uses):</b>					
Transfers in	457,984	-	-	3,248,310	3,706,294
Transfers out	(12,172,260)	(1,496,508)	-	-	(13,668,768)
Total Other Financing Sources (Uses)	<u>(11,714,276)</u>	<u>(1,496,508)</u>	<u>-</u>	<u>3,248,310</u>	<u>(9,962,474)</u>
Net Change in Fund Balances	3,249,000	6,821,863	62,561	(223,572)	9,909,852
Fund Balances, Beginning	<u>55,449,293</u>	<u>61,107,005</u>	<u>106,600</u>	<u>1,549,798</u>	<u>118,212,696</u>
Fund Balances, End of Year	<u>\$ 58,698,293</u>	<u>\$ 67,928,868</u>	<u>\$ 169,161</u>	<u>\$ 1,326,226</u>	<u>\$ 128,122,548</u>

# SPECIAL REVENUE FUNDS

## DEFINITION

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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.

**Hazardous Waste Special Revenue Fund** – Established to account and track Household Hazardous Waste Grant funds for the purpose of collecting and disposing household hazardous waste in the City.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

#### **Asset Seizure Funds**

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

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

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

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

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

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

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

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

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

**Opioid Settlement Special Revenue Fund** – Established to account for settlement funds received from lawsuits filed by state, local and tribal governments against pharmaceutical and drug distribution companies. These funds are to be used for future opioid remediation and to reimburse past opioid related expenses.

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



**CITY OF ELK GROVE**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds  
June 30, 2023

	Recycling Grant Fund	Used Oil Grant Fund	Household Hazardous Waste Fund	Tire Collection & Disposal Grant Fund	BSCC Local Police Grant Fund	OTS Grants Fund
<b><u>ASSETS</u></b>						
Cash and investments	\$ 140,325	\$ 8,204	\$ -	\$ -	\$ 89,993	\$ 37,431
Funds held in escrow	-	-	-	-	-	-
Accounts receivable	-	-	-	-	-	-
Interest receivable	-	-	-	-	-	-
Taxes Receivable	-	-	-	-	-	-
Due from other government agencies	-	-	15,786	27,883	-	68,393
Fee credits receivable	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-
Long term loans receivable	-	-	-	-	-	-
Lease receivable	-	-	-	-	-	-
<b>Total Assets</b>	<b>\$ 140,325</b>	<b>\$ 8,204</b>	<b>\$ 15,786</b>	<b>\$ 27,883</b>	<b>\$ 89,993</b>	<b>\$ 105,824</b>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 8,025	\$ 577	\$ 10,262	\$ 3,946	\$ -	\$ 462
Accrued salaries and benefits	-	-	-	-	-	9,621
Interest payable	-	-	-	-	-	-
Due to other funds	-	-	5,524	23,806	-	-
Retention payable	-	-	-	-	-	-
Refundable deposits	-	-	-	-	-	-
Advance from other funds	-	-	-	-	-	-
Unearned revenue	116,463	923	-	-	89,866	-
<b>Total Liabilities</b>	<b>124,488</b>	<b>1,500</b>	<b>15,786</b>	<b>27,752</b>	<b>89,866</b>	<b>10,083</b>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable revenue	-	-	15,786	27,883	-	68,393
<b><u>FUND BALANCES</u></b>						
Restricted	15,837	6,704	-	-	127	27,348
Unassigned	-	-	(15,786)	(27,752)	-	-
<b>Total Fund Balances</b>	<b>15,837</b>	<b>6,704</b>	<b>(15,786)</b>	<b>(27,752)</b>	<b>127</b>	<b>27,348</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 140,325</b>	<b>\$ 8,204</b>	<b>\$ 15,786</b>	<b>\$ 27,883</b>	<b>\$ 89,993</b>	<b>\$ 105,824</b>

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
\$ -	\$ 228,310	\$ 4,235,395	\$ 5,704,765	\$ 50,453	\$ 4,361,050	\$ 1,543,716	\$ 294,652
-	-	-	-	-	-	-	-
-	-	24,725	-	-	-	-	182,825
-	1,002	19,300	25,195	230	19,873	7,035	1,343
-	-	-	-	-	-	-	-
99,231	235,499	394,741	1,421,818	-	-	-	-
-	-	-	-	-	3,763,610	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 99,231</u>	<u>\$ 464,811</u>	<u>\$ 4,674,161</u>	<u>\$ 7,151,778</u>	<u>\$ 50,683</u>	<u>\$ 8,144,533</u>	<u>\$ 1,550,751</u>	<u>\$ 478,820</u>
\$ -	\$ 402	\$ 625,469	\$ 1,321,494	\$ -	\$ 2,971	\$ -	\$ -
12,381	11,367	32,908	-	-	575	-	-
-	-	-	-	-	-	-	-
78,903	-	-	-	-	-	-	-
-	-	-	110,153	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>91,284</u>	<u>11,769</u>	<u>658,377</u>	<u>1,431,647</u>	<u>-</u>	<u>3,546</u>	<u>-</u>	<u>-</u>
<u>52,325</u>	<u>236,314</u>	<u>15,688</u>	<u>750,216</u>	<u>187</u>	<u>3,779,764</u>	<u>5,718</u>	<u>1,091</u>
-	216,728	4,000,096	4,969,915	50,496	4,361,223	1,545,033	477,729
<u>(44,378)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>(44,378)</u>	<u>216,728</u>	<u>4,000,096</u>	<u>4,969,915</u>	<u>50,496</u>	<u>4,361,223</u>	<u>1,545,033</u>	<u>477,729</u>
<u>\$ 99,231</u>	<u>\$ 464,811</u>	<u>\$ 4,674,161</u>	<u>\$ 7,151,778</u>	<u>\$ 50,683</u>	<u>\$ 8,144,533</u>	<u>\$ 1,550,751</u>	<u>\$ 478,820</u>

continued



**CITY OF ELK GROVE**  
Combining Balance Sheet (continued)  
Nonmajor Special Revenue Funds  
June 30, 2023

	Community Development Block Grant Fund	State Homeless Appropriations Fund	Strategic Planning Grants Fund	Police Services CFD Funds	Maintenance Services CFD Funds	Street Maintenance District Funds
<b><u>ASSETS</u></b>						
Cash and investments	\$ -	\$ 3,702,847	\$ 155,806	\$ 478,800	\$ 15,800,766	\$ 11,453,506
Funds held in escrow	-	-	-	-	-	-
Accounts receivable	-	-	-	-	120,379	12,911
Interest receivable	28,480	16,285	-	2,173	72,000	52,193
Taxes Receivable	-	-	-	84,837	36,625	21,956
Due from other government agencies	629,405	-	-	-	-	-
Fee credits receivable	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	1,797,788
Long term loans receivable	106,436	-	-	-	-	-
Lease receivable	-	-	-	-	-	-
	<u>\$ 764,321</u>	<u>\$ 3,719,132</u>	<u>\$ 155,806</u>	<u>\$ 565,810</u>	<u>\$ 16,029,770</u>	<u>\$ 13,338,354</u>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 271,273	\$ -	\$ -	\$ -	\$ 2,653,334	\$ 561,760
Accrued salaries and benefits	4,164	4,267	-	-	31,073	5,667
Interest payable	11	-	-	-	-	-
Due to other funds	332,643	-	-	-	-	-
Retention payable	38,419	-	-	-	-	29,363
Refundable deposits	-	-	-	-	244,089	-
Advance from other funds	-	-	-	-	-	-
Unearned revenue	-	-	-	-	-	-
	<u>646,510</u>	<u>4,267</u>	<u>-</u>	<u>-</u>	<u>2,928,496</u>	<u>596,790</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>						
Unavailable revenue	87,077	13,237	-	1,766	58,526	42,426
<b><u>FUND BALANCES</u></b>						
Restricted	30,734	3,701,628	155,806	564,044	13,042,748	12,699,138
Unassigned	-	-	-	-	-	-
	<u>30,734</u>	<u>3,701,628</u>	<u>155,806</u>	<u>564,044</u>	<u>13,042,748</u>	<u>12,699,138</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 764,321</u>	<u>\$ 3,719,132</u>	<u>\$ 155,806</u>	<u>\$ 565,810</u>	<u>\$ 16,029,770</u>	<u>\$ 13,338,354</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
\$ 1,162,311	\$ 367,390	\$ 1,244,304	\$ -	\$ 550,953	\$ 7,435,474	\$ 8,853,911	\$ 170,896
-	-	-	-	-	159,294	-	-
-	-	-	-	-	75,281	428,093	-
5,296	-	5,670	11,733	43,137	33,873	40,384	-
21,009	-	-	-	-	-	-	-
-	-	-	-	-	448,074	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	40,000	188,766	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 1,188,616</u>	<u>\$ 367,390</u>	<u>\$ 1,249,974</u>	<u>\$ 51,733</u>	<u>\$ 782,856</u>	<u>\$ 8,151,996</u>	<u>\$ 9,322,388</u>	<u>\$ 170,896</u>
\$ 111,126	\$ 4,605	\$ 2,433	\$ -	\$ -	\$ 725,662	\$ 1,047,568	\$ -
1,218	-	-	-	-	9,800	51,356	-
-	-	-	-	-	-	45	8,096
-	-	-	-	-	-	-	-
-	-	-	-	-	25,173	8,000	-
-	-	-	-	-	-	3,314,579	162,800
637,947	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>750,291</u>	<u>4,605</u>	<u>2,433</u>	<u>-</u>	<u>-</u>	<u>760,635</u>	<u>4,421,548</u>	<u>170,896</u>
<u>4,306</u>	<u>-</u>	<u>4,609</u>	<u>11,733</u>	<u>42,684</u>	<u>27,534</u>	<u>32,827</u>	<u>-</u>
<u>434,019</u>	<u>362,785</u>	<u>1,242,932</u>	<u>40,000</u>	<u>740,172</u>	<u>7,363,827</u>	<u>4,868,013</u>	<u>-</u>
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>434,019</u>	<u>362,785</u>	<u>1,242,932</u>	<u>40,000</u>	<u>740,172</u>	<u>7,363,827</u>	<u>4,868,013</u>	<u>-</u>
<u>\$ 1,188,616</u>	<u>\$ 367,390</u>	<u>\$ 1,249,974</u>	<u>\$ 51,733</u>	<u>\$ 782,856</u>	<u>\$ 8,151,996</u>	<u>\$ 9,322,388</u>	<u>\$ 170,896</u>

continued

**CITY OF ELK GROVE**  
Combining Balance Sheet  
Nonmajor Special Revenue Funds (continued)  
June 30, 2023

	Donations and Community Programs Fund	Opioid Settlement Fund	Transit Fund	Total
<b><u>ASSETS</u></b>				
Cash and investments	\$ 79,120	\$ 236,472	\$ -	\$ 68,386,850
Funds held in escrow	-	-	-	159,294
Accounts receivable	-	1,631,491	14,200	2,489,905
Interest receivable	348	1,068	-	386,618
Taxes Receivable	-	-	-	164,427
Due from other government agencies	-	-	-	3,340,830
Fee credits receivable	-	-	-	3,763,610
Advance to other funds	-	-	-	1,797,788
Long term loans receivable	-	-	-	335,202
Lease receivable	-	-	2,659,270	2,659,270
	<u>\$ 79,468</u>	<u>\$ 1,869,031</u>	<u>\$ 2,673,470</u>	<u>\$ 83,483,794</u>
<b><u>LIABILITIES</u></b>				
Accounts payable	\$ -	\$ -	\$ 6,301	\$ 7,357,670
Accrued salaries and benefits	-	-	8,703	183,100
Interest payable	-	-	-	8,152
Due to other funds	-	-	14,200	455,076
Retention payable	-	-	-	211,108
Refundable deposits	-	-	-	3,721,468
Advance from other funds	-	-	2,524,596	3,162,543
Unearned revenue	-	-	38,031	245,283
	<u>-</u>	<u>-</u>	<u>2,591,831</u>	<u>15,344,400</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>				
Unavailable revenue	283	1,524,630	2,636,098	9,441,101
<b><u>FUND BALANCES</u></b>				
Restricted	79,185	344,401	-	61,340,668
Unassigned	-	-	(2,554,459)	(2,642,375)
	<u>79,185</u>	<u>344,401</u>	<u>(2,554,459)</u>	<u>58,698,293</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 79,468</u>	<u>\$ 1,869,031</u>	<u>\$ 2,673,470</u>	<u>\$ 83,483,794</u>

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**CITY OF ELK GROVE**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2023

	Recycling Grant Fund	Used Oil Grant Fund	Household Hazardous Waste Fund	Tire Collection & Disposal Grant Fund	BSCC Local Police Grant Fund	OTS Grants Fund
<b>Revenues:</b>						
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	267,476	25,899	-	-	-	350,107
Charges for services	-	-	-	-	-	-
Use of money and property	3,759	159	-	-	-	-
Other revenue	-	-	-	-	-	-
Total Revenues	<u>271,235</u>	<u>26,058</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350,107</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	-	-	-	-
Public Safety	-	-	-	-	-	263,923
Public ways and facilities	-	-	-	-	-	-
Community development	267,559	25,328	15,786	17,577	-	-
Capital outlay	-	-	-	-	-	124,715
Debt Service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total Expenditures	<u>267,559</u>	<u>25,328</u>	<u>15,786</u>	<u>17,577</u>	<u>-</u>	<u>388,638</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,676</u>	<u>730</u>	<u>(15,786)</u>	<u>(17,577)</u>	<u>-</u>	<u>(38,531)</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	3,676	730	(15,786)	(17,577)	-	(38,531)
Fund Balances, Beginning	<u>12,161</u>	<u>5,974</u>	<u>-</u>	<u>(10,175)</u>	<u>127</u>	<u>65,879</u>
Fund Balances, End of Year	<u>\$ 15,837</u>	<u>\$ 6,704</u>	<u>\$ (15,786)</u>	<u>\$ (27,752)</u>	<u>\$ 127</u>	<u>\$ 27,348</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
\$ -	\$ -	\$ 54,842	\$ -	\$ -	\$ 555,435	\$ 146,100	\$ 193,811
249,613	451,442	4,613,702	3,949,574	-	-	-	-
-	-	-	-	-	-	-	-
-	4,974	34,715	31,037	693	42,873	15,921	18,524
-	-	68,418	-	-	-	-	-
<u>249,613</u>	<u>456,416</u>	<u>4,771,677</u>	<u>3,980,611</u>	<u>693</u>	<u>598,308</u>	<u>162,021</u>	<u>212,335</u>
-	-	-	-	-	-	-	-
251,364	382,352	-	-	-	-	-	-
-	-	3,500,159	3,292,206	21	-	-	180
-	-	-	-	-	43,633	660	-
-	138,399	65,447	729,735	-	-	-	443,249
-	-	6,037	-	-	-	-	-
-	-	26	-	-	-	-	-
<u>251,364</u>	<u>520,751</u>	<u>3,571,669</u>	<u>4,021,941</u>	<u>21</u>	<u>43,633</u>	<u>660</u>	<u>443,429</u>
<u>(1,751)</u>	<u>(64,335)</u>	<u>1,200,008</u>	<u>(41,330)</u>	<u>672</u>	<u>554,675</u>	<u>161,361</u>	<u>(231,094)</u>
-	-	-	264,463	-	-	-	-
-	-	(231,717)	-	-	-	-	(6,168)
-	-	(231,717)	264,463	-	-	-	(6,168)
(1,751)	(64,335)	968,291	223,133	672	554,675	161,361	(237,262)
<u>(42,627)</u>	<u>281,063</u>	<u>3,031,805</u>	<u>4,746,782</u>	<u>49,824</u>	<u>3,806,548</u>	<u>1,383,672</u>	<u>714,991</u>
<u>\$ (44,378)</u>	<u>\$ 216,728</u>	<u>\$ 4,000,096</u>	<u>\$ 4,969,915</u>	<u>\$ 50,496</u>	<u>\$ 4,361,223</u>	<u>\$ 1,545,033</u>	<u>\$ 477,729</u>

continued

**CITY OF ELK GROVE**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances(continued)  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2023

	Community Development Block Grant Fund	State Homeless Appropriations Fund	Strategic Planning Grants Fund	Police Services CFD Funds	Maintenance Services CFD Funds	Street Maintenance District Funds
<b>Revenues:</b>						
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ 35,750	\$ 831,241	\$ 51,276
Intergovernmental	1,496,839	-	439,367	5,747,191	6,506,080	2,534,805
Charges for services	-	-	-	-	-	-
Use of money and property	-	189,750	-	183,021	169,483	174,480
Other revenue	-	-	-	-	487,375	35,532
Total Revenues	<u>1,496,839</u>	<u>189,750</u>	<u>439,367</u>	<u>5,965,962</u>	<u>7,994,179</u>	<u>2,796,093</u>
<b>Expenditures:</b>						
Current:						
General government	-	-	111,965	-	-	-
Public safety	-	-	-	13,604	-	-
Public ways and facilities	-	-	-	-	7,014,953	1,086,660
Community development	1,479,469	287,475	-	-	-	-
Capital outlay	1,337	-	-	10,709	12,417	9,723
Debt Service:						
Principal	3,216	-	-	-	-	-
Interest	94	-	-	-	-	-
Total Expenditures	<u>1,484,116</u>	<u>287,475</u>	<u>111,965</u>	<u>24,313</u>	<u>7,027,370</u>	<u>1,096,383</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>12,723</u>	<u>(97,725)</u>	<u>327,402</u>	<u>5,941,649</u>	<u>966,809</u>	<u>1,699,710</u>
<b>Other Financing Sources (Uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(9,942,420)	(289,003)	(105,325)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>(9,942,420)</u>	<u>(289,003)</u>	<u>(105,325)</u>
Net Change in Fund Balance	12,723	(97,725)	327,402	(4,000,771)	677,806	1,594,385
Fund Balances, Beginning	<u>18,011</u>	<u>3,799,353</u>	<u>(171,596)</u>	<u>4,564,815</u>	<u>12,364,942</u>	<u>11,104,753</u>
Fund Balances, End of Year	<u>\$ 30,734</u>	<u>\$ 3,701,628</u>	<u>\$ 155,806</u>	<u>\$ 564,044</u>	<u>\$ 13,042,748</u>	<u>\$ 12,699,138</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
\$ -	\$ -	\$ -	\$ -	\$ -	\$ (10,841)	\$ 6,696,550	\$ -
1,285,176	22,919	150,946	-	-	5,847,879	-	-
-	-	-	-	-	-	2,910,626	-
(871)	-	11,682	-	19,072	236,382	96,866	5,963
46,881	-	-	-	-	-	-	-
<u>1,331,186</u>	<u>22,919</u>	<u>162,628</u>	<u>-</u>	<u>19,072</u>	<u>6,073,420</u>	<u>9,704,042</u>	<u>5,963</u>
-	-	-	-	-	-	-	-
-	106,844	-	-	-	-	-	-
544,628	-	25,246	-	32,146	5,184,502	348,470	-
-	-	-	-	-	-	7,239,474	-
42,096	46,249	-	-	-	-	-	-
-	-	-	-	-	-	7,344	-
-	-	-	-	-	-	701	-
<u>586,724</u>	<u>153,093</u>	<u>25,246</u>	<u>-</u>	<u>32,146</u>	<u>5,184,502</u>	<u>7,595,989</u>	<u>-</u>
744,462	(130,174)	137,382	-	(13,074)	888,918	2,108,053	5,963
-	-	-	-	-	-	189,572	-
(47,099)	-	(11,759)	-	-	(729,588)	(809,181)	-
(47,099)	-	(11,759)	-	-	(729,588)	(619,609)	-
697,363	(130,174)	125,623	-	(13,074)	159,330	1,488,444	5,963
(263,344)	492,959	1,117,309	40,000	753,246	7,204,497	3,379,569	(5,963)
<u>\$ 434,019</u>	<u>\$ 362,785</u>	<u>\$ 1,242,932</u>	<u>\$ 40,000</u>	<u>\$ 740,172</u>	<u>\$ 7,363,827</u>	<u>\$ 4,868,013</u>	<u>\$ -</u>

continued



**CITY OF ELK GROVE**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances (continued)  
Nonmajor Special Revenue Funds  
For the Year Ended June 30, 2023

	Donations and Community Programs Fund	Opioid Settlement Fund	Transit Fund	Total
<b>Revenues:</b>				
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ 8,554,164
Intergovernmental	-	-	-	33,939,015
Charges for services	-	-	594,818	3,505,444
Use of money and property	1,305	(5,927)	-	1,233,861
Other revenue	29,384	350,328	27,965	1,045,883
Total Revenues	<u>30,689</u>	<u>344,401</u>	<u>622,783</u>	<u>48,278,367</u>
<b>Expenditures:</b>				
Current:				
General government	-	-	135,073	247,038
Public Safety	-	-	-	1,018,087
Public ways and facilities	-	-	-	21,029,171
Community development	2,340	-	-	9,379,301
Capital outlay	-	-	-	1,624,076
Debt Service:				
Principal	-	-	-	16,597
Interest	-	-	-	821
Total Expenditures	<u>2,340</u>	<u>-</u>	<u>135,073</u>	<u>33,315,091</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>28,349</u>	<u>344,401</u>	<u>487,710</u>	<u>14,963,276</u>
<b>Other Financing Sources (Uses):</b>				
Transfers in	-	-	3,949	457,984
Transfers out	-	-	-	(12,172,260)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>3,949</u>	<u>(11,714,276)</u>
Net Change in Fund Balance	28,349	344,401	491,659	3,249,000
Fund Balances, Beginning	<u>50,836</u>	<u>-</u>	<u>(3,046,118)</u>	<u>55,449,293</u>
Fund Balances, End of Year	<u>\$ 79,185</u>	<u>\$ 344,401</u>	<u>\$ (2,554,459)</u>	<u>\$ 58,698,293</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Recycling Grant Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 339,669	\$ 267,476	\$ (72,193)
Use of money and property	-	3,759	3,759
Total Revenues	<u>339,669</u>	<u>271,235</u>	<u>(68,434)</u>
<b>Expenditures:</b>			
Current:			
Community development	<u>267,527</u>	<u>267,559</u>	<u>(32)</u>
Total Expenditures	<u>267,527</u>	<u>267,559</u>	<u>(32)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>72,142</u>	<u>3,676</u>	<u>(68,466)</u>
<b>Net Change in Fund Balance</b>	72,142	3,676	(68,466)
Fund Balance, Beginning	<u>12,161</u>	<u>12,161</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 84,303</u>	<u>\$ 15,837</u>	<u>\$ (68,466)</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Used Oil Grant Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 26,822	\$ 25,899	\$ (923)
Use of money and property	-	159	159
Total Revenues	26,822	26,058	(764)
<b>Expenditures:</b>			
Current:			
Community development	26,900	25,328	1,572
Total Expenditures	26,900	25,328	1,572
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(78)	730	808
<b>Net Change in Fund Balance</b>	(78)	730	808
Fund Balance, Beginning	5,974	5,974	-
Fund Balance, Ending	\$ 5,896	\$ 6,704	\$ 808

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Household Hazardous Waste Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures:</b>			
Current:			
Community development	\$ 15,786	\$ 15,786	\$ -
Total Expenditures	15,786	15,786	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(15,786)	(15,786)	-
<b>Net Change in Fund Balance</b>	(15,786)	(15,786)	-
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ (15,786)	\$ (15,786)	\$ -

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Tire Collection & Disposal Grant  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Expenditures:</b>			
Current:			
Community development	\$ 17,577	\$ 17,577	\$ -
Total Expenditures	17,577	17,577	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(17,577)	(17,577)	-
<b>Net Change in Fund Balance</b>	(17,577)	(17,577)	-
Fund Balance, Beginning	(10,175)	(10,175)	-
Fund Balance, Ending	\$ (27,752)	\$ (27,752)	\$ -

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
BSCC Local Police Grant  
For the Year Ended June 30, 2023

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

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
OTS Grants Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 376,874	\$ 350,107	\$ (26,767)
Total Revenues	376,874	350,107	(26,767)
<b>Expenditures:</b>			
Current:			
Public safety	320,272	263,923	56,349
Capital outlay	124,715	124,715	-
Total Expenditures	444,987	388,638	56,349
Excess (Deficiency) of Revenues Over (Under) Expenditures	(68,113)	(38,531)	29,582
<b>Net Change in Fund Balance</b>	(68,113)	(38,531)	29,582
Fund Balance, Beginning	65,879	65,879	-
Fund Balance, Ending	\$ (2,234)	\$ 27,348	\$ 29,582

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Local Police Grants Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Current:			
Intergovernmental	\$ 202,708	\$ 249,613	\$ 46,905
Total Revenues	202,708	249,613	46,905
<b>Expenditures:</b>			
Current:			
Public safety	251,365	251,364	1
Total Expenditures	251,365	251,364	1
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(48,657)	(1,751)	46,906
<b>Net Change in Fund Balance</b>	(48,657)	(1,751)	46,906
Fund Balance, Beginning	(42,627)	(42,627)	-
Fund Balance, Ending	\$ (91,284)	\$ (44,378)	\$ 46,906



**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
CA Law Enforcement Equipment Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 451,443	\$ 451,442	\$ (1)
Use of money and property	-	4,974	4,974
Total Revenues	<u>451,443</u>	<u>456,416</u>	<u>4,973</u>
<b>Expenditures:</b>			
Current:			
Public safety	382,243	382,352	(109)
Capital outlay	138,399	138,399	-
Total Expenditures	<u>520,642</u>	<u>520,751</u>	<u>(109)</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(69,199)</u>	<u>(64,335)</u>	<u>4,864</u>
<b>Net Change in Fund Balance</b>	<b>(69,199)</b>	<b>(64,335)</b>	<b>4,864</b>
Fund Balance, Beginning	<u>281,063</u>	<u>281,063</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 211,864</u>	<u>\$ 216,728</u>	<u>\$ 4,864</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Gas Tax Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 10,000	\$ 54,842	\$ 44,842
Intergovernmental	5,260,611	4,613,702	(646,909)
Use of money and property	26,448	34,715	8,267
Other revenue	-	68,418	68,418
Total Revenues	<u>5,297,059</u>	<u>4,771,677</u>	<u>(525,382)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	4,094,693	3,500,159	594,534
Capital outlay	59,384	65,447	(6,063)
Debt service:			
Principal	6,037	6,037	-
Interest	26	26	-
Total Expenditures	<u>4,154,077</u>	<u>3,571,669</u>	<u>582,408</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,142,982</u>	<u>1,200,008</u>	<u>57,026</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(231,717)</u>	<u>(231,717)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(231,717)</u>	<u>(231,717)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	911,265	968,291	57,026
Fund Balance, Beginning	<u>3,031,805</u>	<u>3,031,805</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,943,070</u>	<u>\$ 4,000,096</u>	<u>\$ 57,026</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
SB1 Streets and Roads Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 4,060,276	\$ 3,949,574	\$ (110,702)
Use of money and property	24,115	31,037	6,922
Total Revenues	<u>4,084,391</u>	<u>3,980,611</u>	<u>(103,780)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	3,291,287	3,292,206	(919)
Capital outlay	729,735	729,735	-
Total Expenditures	<u>4,021,022</u>	<u>4,021,941</u>	<u>(919)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>63,369</u>	<u>(41,330)</u>	<u>(104,699)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>264,463</u>	<u>264,463</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>264,463</u>	<u>264,463</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	327,832	223,133	(104,699)
Fund Balance, Beginning	<u>4,746,782</u>	<u>4,746,782</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,074,614</u>	<u>\$ 4,969,915</u>	<u>\$ (104,699)</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Agricultural Preservation Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 2,704	\$ 693	\$ (2,011)
Total Revenues	2,704	693	(2,011)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	1,000	21	979
Total Expenditures	1,000	21	979
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,704	672	(1,032)
<b>Net Change in Fund Balance</b>	1,704	672	(1,032)
Fund Balance, Beginning	49,824	49,824	-
Fund Balance, Ending	\$ 51,528	\$ 50,496	\$ (1,032)

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Swainson's Hawk Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 367,023	\$ 555,435	\$ 188,412
Use of money and property	44,924	42,873	(2,051)
Total Revenues	<u>411,947</u>	<u>598,308</u>	<u>186,361</u>
<b>Expenditures:</b>			
Current:			
Community development	2,066,480	43,633	2,022,847
Total Expenditures	<u>2,066,480</u>	<u>43,633</u>	<u>2,022,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,654,533)</u>	<u>554,675</u>	<u>2,209,208</u>
<b>Net Change in Fund Balance</b>	<b>(1,654,533)</b>	<b>554,675</b>	<b>2,209,208</b>
Fund Balance, Beginning	<u>3,806,548</u>	<u>3,806,548</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,152,015</u></u>	<u><u>\$ 4,361,223</u></u>	<u><u>\$ 2,209,208</u></u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Tree Mitigation Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 269,463	\$ 146,100	\$ (123,363)
Use of money and property	12,599	15,921	3,322
Total Revenues	282,062	162,021	(120,041)
<b>Expenditures:</b>			
Current:			
Community development	1,500	660	840
Total Expenditures	1,500	660	840
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	280,562	161,361	(119,201)
<b>Net Change in Fund Balance</b>	280,562	161,361	(119,201)
Fund Balance, Beginning	1,383,672	1,383,672	-
Fund Balance, Ending	\$ 1,664,234	\$ 1,545,033	\$ (119,201)

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Street Trench Cut Fee Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 150,000	\$ 193,811	\$ 43,811
Charges for services	73,500	-	(73,500)
Use of money and property	5,888	18,524	12,636
Total Revenues	<u>229,388</u>	<u>212,335</u>	<u>(17,053)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	400	180	220
Community development	100,000	-	100,000
Capital Outlay	443,249	443,249	-
Total Expenditures	<u>543,649</u>	<u>443,429</u>	<u>100,220</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(314,261)</u>	<u>(231,094)</u>	<u>83,167</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(6,168)	(6,168)	-
Total Other Financing Sources (Uses)	<u>(6,168)</u>	<u>(6,168)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(320,429)	(237,262)	83,167
Fund Balance, Beginning	<u>714,991</u>	<u>714,991</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 394,562</u>	<u>\$ 477,729</u>	<u>\$ 83,167</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Community Development Block Grants Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 2,191,618	\$ 1,496,839	\$ (694,779)
Use of money and property	181	-	(181)
Total Revenues	<u>2,191,799</u>	<u>1,496,839</u>	<u>(694,960)</u>
<b>Expenditures:</b>			
Current:			
Community development	1,508,709	1,479,469	29,240
Capital outlay	1,337	1,337	-
Debt service:			
Principal	-	3,216	(3,216)
Interest	-	94	(94)
Total Expenditures	<u>1,510,046</u>	<u>1,484,116</u>	<u>25,930</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>681,753</u>	<u>12,723</u>	<u>(669,030)</u>
<b>Net Change in Fund Balance</b>	681,753	12,723	(669,030)
Fund Balance, Beginning	<u>18,011</u>	<u>18,011</u>	-
Fund Balance, Ending	<u>\$ 699,764</u>	<u>\$ 30,734</u>	<u>\$ (669,030)</u>



**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
State Homeless Appropriations Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 2,638,722	\$ -	\$ (2,638,722)
Use of money and property	59,923	189,750	129,827
Total Revenues	<u>2,698,645</u>	<u>189,750</u>	<u>(2,508,895)</u>
<b>Expenditures:</b>			
Current:			
Community development	537,911	287,475	250,436
Total Expenditures	<u>537,911</u>	<u>287,475</u>	<u>250,436</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,160,734</u>	<u>(97,725)</u>	<u>(2,258,459)</u>
<b>Net Change in Fund Balance</b>	2,160,734	(97,725)	(2,258,459)
Fund Balance, Beginning	<u>3,799,353</u>	<u>3,799,353</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,960,087</u>	<u>\$ 3,701,628</u>	<u>\$ (2,258,459)</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Strategic Planning Grants Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 20,000	\$ 439,367	\$ 419,367
Total Revenues	20,000	439,367	419,367
<b>Expenditures:</b>			
Current:			
General Government	111,964	111,965	(1)
Total Expenditures	111,964	111,965	(1)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(91,964)	327,402	419,366
<b>Net Change in Fund Balance</b>	(91,964)	327,402	419,366
Fund Balance, Beginning	(171,596)	(171,596)	-
Fund Balance, Ending	\$ (263,560)	\$ 155,806	\$ 419,366

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Police Services CFD Funds  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 10,150	\$ 35,750	\$ 25,600
Intergovernmental	5,501,976	5,747,191	245,215
Use of money and property	47,546	183,021	135,475
Total Revenues	<u>5,559,672</u>	<u>5,965,962</u>	<u>406,290</u>
<b>Expenditures:</b>			
Current:			
Public safety	22,181	13,604	8,577
Capital outlay	20,018	10,709	9,309
Total Expenditures	<u>42,199</u>	<u>24,313</u>	<u>17,886</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,517,473</u>	<u>5,941,649</u>	<u>424,176</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(9,942,420)	(9,942,420)	-
Total Other Financing Sources (Uses)	<u>(9,942,420)</u>	<u>(9,942,420)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(4,424,947)	(4,000,771)	424,176
Fund Balance, Beginning	<u>4,564,815</u>	<u>4,564,815</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 139,868</u>	<u>\$ 564,044</u>	<u>\$ 424,176</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Maintenance Services CFD Funds  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 478,000	\$ 831,241	\$ 353,241
Intergovernmental	6,364,395	6,506,080	141,685
Use of money and property	155,150	169,483	14,333
Other	3,600	487,375	483,775
Total Revenues	<u>7,001,145</u>	<u>7,994,179</u>	<u>993,034</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	8,965,658	7,014,953	1,950,705
Capital outlay	20,481	12,417	8,064
Total Expenditures	<u>8,986,139</u>	<u>7,027,370</u>	<u>1,958,769</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,984,994)</u>	<u>966,809</u>	<u>2,951,803</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(289,003)	(289,003)	-
Total Other Financing Sources (Uses)	<u>(289,003)</u>	<u>(289,003)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	<u>(2,273,997)</u>	<u>677,806</u>	<u>2,951,803</u>
Fund Balance, Beginning	<u>12,364,942</u>	<u>12,364,942</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 10,090,945</u></u>	<u><u>\$ 13,042,748</u></u>	<u><u>\$ 2,951,803</u></u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Street Maintenance District Funds  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 2,369,074	\$ 2,534,805	\$ 165,731
Licenses, fees and permits	11,500	51,276	39,776
Use of money and property	1,953,725	174,480	(1,779,245)
Other Revenue	-	35,532	35,532
Total Revenues	<u>4,334,299</u>	<u>2,796,093</u>	<u>(1,538,206)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	1,089,388	1,086,660	2,728
Capital outlay	27,815	9,723	18,092
Total Expenditures	<u>1,117,203</u>	<u>1,096,383</u>	<u>20,820</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,217,096</u>	<u>1,699,710</u>	<u>(1,517,386)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(105,325)	(105,325)	-
Total Other Financing Sources (Uses)	<u>(105,325)</u>	<u>(105,325)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	3,111,771	1,594,385	(1,517,386)
Fund Balance, Beginning	<u>11,104,753</u>	<u>11,104,753</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 14,216,524</u>	<u>\$ 12,699,138</u>	<u>\$ (1,517,386)</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Street Lighting Maintenance District Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 1,230,322	\$ 1,285,176	\$ 54,854
Use of money and property	5,658	(871)	(6,529)
Other revenues	-	46,881	46,881
Total Revenues	<u>1,235,980</u>	<u>1,331,186</u>	<u>95,206</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	982,451	544,628	437,823
Capital outlay	36,645	42,096	(5,451)
Total Expenditures	<u>1,019,096</u>	<u>586,724</u>	<u>432,372</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>216,884</u>	<u>744,462</u>	<u>527,578</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	<u>(47,099)</u>	<u>(47,099)</u>	-
Total Other Financing Sources (Uses)	<u>(47,099)</u>	<u>(47,099)</u>	-
<b>Net Change in Fund Balance</b>	169,785	697,363	527,578
Fund Balance, Beginning	<u>(263,344)</u>	<u>(263,344)</u>	-
Fund Balance, Ending	<u>\$ (93,559)</u>	<u>\$ 434,019</u>	<u>\$ 527,578</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Asset Seizure State and Federal Funds  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 22,919	\$ 22,919	\$ -
Total Revenues	22,919	22,919	-
<b>Expenditures:</b>			
Current:			
Public Safety	106,845	106,844	1
Capital Outlay	46,249	46,249	-
Total Expenditures	153,094	153,093	1
Excess (Deficiency) of Revenues Over (Under) Expenditures	(130,175)	(130,174)	1
<b>Net Change in Fund Balance</b>	(130,175)	(130,174)	1
Fund Balance, Beginning	492,959	492,959	-
Fund Balance, Ending	\$ 362,784	\$ 362,785	\$ 1

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Library Ownership Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 125,000	\$ 150,946	\$ 25,946
Use of money and property	13,356	11,682	(1,674)
Total Revenues	138,356	162,628	24,272
<b>Expenditures:</b>			
Current:			
Public way and facilities	50,250	25,246	25,004
Total Expenditures	50,250	25,246	25,004
Excess (Deficiency) of Revenues Over (Under) Expenditures	88,106	137,382	49,276
<b>Other Financing Sources (Uses):</b>			
Transfers out	(11,759)	(11,759)	-
Total Other Financing Sources (Uses)	(11,759)	(11,759)	-
<b>Net Change in Fund Balance</b>	76,347	125,623	49,276
Fund Balance, Beginning	1,117,309	1,117,309	-
Fund Balance, Ending	\$ 1,193,656	\$ 1,242,932	\$ 49,276



**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
HUD Home Grant  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ -	\$ -	\$ -
Use of money and property	-	-	-
Total Revenues	-	-	-
<b>Expenditures:</b>			
Current:			
Community Development	-	-	-
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, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 61,017	\$ 19,072	\$ (41,945)
Total Revenues	<u>61,017</u>	<u>19,072</u>	<u>(41,945)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	465,500	32,146	433,354
Total Expenditures	<u>465,500</u>	<u>32,146</u>	<u>433,354</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(404,483)</u>	<u>(13,074)</u>	<u>391,409</u>
<b>Net Change in Fund Balance</b>	(404,483)	(13,074)	391,409
Fund Balance, Beginning	<u>753,246</u>	<u>753,246</u>	-
Fund Balance, Ending	<u><u>\$ 348,763</u></u>	<u><u>\$ 740,172</u></u>	<u><u>\$ 391,409</u></u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Measure A Maintenance Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ -	\$ (10,841)	\$ (10,841)
Intergovernmental	5,816,546	5,847,879	31,333
Use of money and property	66,323	236,382	170,059
Total Revenues	5,882,869	6,073,420	190,551
<b>Expenditures:</b>			
Current:			
Public ways and facilities	5,292,878	5,184,502	108,376
Total Expenditures	5,292,878	5,184,502	108,376
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	589,991	888,918	298,927
<b>Other Financing Sources (Uses):</b>			
Transfers out	(729,588)	(729,588)	-
Total Other Financing Sources (Uses)	(729,588)	(729,588)	-
<b>Net Change in Fund Balance</b>	(139,597)	159,330	298,927
Fund Balance, Beginning	7,204,497	7,204,497	-
Fund Balance, Ending	\$ 7,064,900	\$ 7,363,827	\$ 298,927

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Development Services Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 6,382,000	\$ 6,696,550	\$ 314,550
Charges for services	4,644,888	2,910,626	(1,734,262)
Use of money and property	34,510	96,866	62,356
Total Revenues	<u>11,061,398</u>	<u>9,704,042</u>	<u>(1,357,356)</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	539,363	348,470	190,893
Community development	7,799,915	7,239,474	560,441
Debt Service:			
Principal	7,344	7,344	-
Interest	701	701	-
Total Expenditures	<u>8,339,278</u>	<u>7,595,989</u>	<u>743,289</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>2,722,120</u>	<u>2,108,053</u>	<u>(614,067)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	189,572	189,572	-
Transfers out	(758,386)	(809,181)	(50,795)
Total Other Financing Sources (Uses)	<u>(568,814)</u>	<u>(619,609)</u>	<u>(50,795)</u>
<b>Net Change in Fund Balance</b>	2,153,306	1,488,444	(664,862)
Fund Balance, Beginning	<u>3,379,569</u>	<u>3,379,569</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 5,532,875</u>	<u>\$ 4,868,013</u>	<u>\$ (664,862)</u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Performance Bond Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 5,963	\$ 5,963
Total Revenues	<u>-</u>	<u>5,963</u>	<u>5,963</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>5,963</u>	<u>5,963</u>
<b>Net Change in Fund Balance</b>	<b>-</b>	<b>5,963</b>	<b>5,963</b>
Fund Balance, Beginning	<u>(5,963)</u>	<u>(5,963)</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ (5,963)</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 5,963</u></u>

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Donations and Community Programs Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 1,305	\$ 1,305
Other	-	29,384	29,384
Total Revenues	-	30,689	30,689
<b>Expenditures:</b>			
Current:			
Community development	9,400	2,340	7,060
Total Expenditures	9,400	2,340	7,060
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(9,400)	28,349	37,749
<b>Net Change in Fund Balance</b>	(9,400)	28,349	37,749
Fund Balance, Beginning	50,836	50,836	-
Fund Balance, Ending	\$ 41,436	\$ 79,185	\$ 37,749

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Opioid Settlement Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ (5,927)	\$ (5,927)
Other revenue	-	350,328	350,328
Total Revenues	-	344,401	344,401
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	-	344,401	344,401
 <b>Net Change in Fund Balance</b>	-	344,401	344,401
 Fund Balance, Beginning	-	-	-
 Fund Balance, Ending	\$ -	\$ 344,401	\$ 344,401

**CITY OF ELK GROVE**  
Special Revenue Fund  
Budgetary Comparison Schedule  
Transit Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Charges for services	\$ 600,767	\$ 594,818	\$ (5,949)
Other revenue	-	27,965	27,965
Total Revenues	<u>600,767</u>	<u>622,783</u>	<u>22,016</u>
<b>Expenditures:</b>			
Current:			
General government	190,331	135,073	55,258
Total Expenditures	<u>190,331</u>	<u>135,073</u>	<u>55,258</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>410,436</u>	<u>487,710</u>	<u>77,274</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	3,949	3,949	-
Total Other Financing Sources (Uses)	<u>3,949</u>	<u>3,949</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	414,385	491,659	77,274
Fund Balance, Beginning	<u>(3,046,118)</u>	<u>(3,046,118)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (2,631,733)</u>	<u>\$ (2,554,459)</u>	<u>\$ 77,274</u>



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# CAPITAL PROJECTS FUNDS

## DEFINITION

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

### **Nonmajor Capital Projects Funds**

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

**Active Transportation Fee Capital Projects Fund** - Established to account for Citywide, multi-zonal fee program funds used to fund pedestrian and bicycle lanes, paths and trails.

**CITY OF ELK GROVE**  
Major Capital Projects Funds  
Supplemental Budgetary Comparison Schedules  
Federal Capital Grants Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 8,762,614	\$ 792,548	\$ (7,970,066)
Use of money and property	2,860	-	(2,860)
Total Revenues	8,765,474	792,548	(7,972,926)
<b>Expenditures:</b>			
Current:			
Public ways and facilities	3,492,560	3,327,288	165,272
Total Expenditures	3,492,560	3,327,288	165,272
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,272,914	(2,534,740)	(7,807,654)
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	165,272	165,272
Transfers (out)	-	(165,272)	(165,272)
Total Other Financing Sources (Uses)	-	-	-
<b>Net Change in Fund Balance</b>	5,272,914	(2,534,740)	(7,807,654)
Fund Balance, Beginning	(229,640)	(229,640)	-
Fund Balance, Ending	\$ 5,043,274	\$ (2,764,380)	\$ (7,807,654)

**CITY OF ELK GROVE**  
Major Capital Projects Funds  
Supplemental Budgetary Comparison Schedules  
State Grants Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 4,236,373	\$ 4,476,168	\$ 239,795
Total Revenues	4,236,373	4,476,168	239,795
<b>Expenditures:</b>			
Current:			
Public ways and facilities	969,126	544,612	424,514
Total Expenditures	969,126	544,612	424,514
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,267,247	3,931,556	664,309
<b>Other Financing Sources (Uses):</b>			
Transfers in	-	1,647	1,647
Transfers (out)	-	(591,056)	(591,056)
Total Other Financing Sources (Uses)	-	(589,409)	(589,409)
<b>Net Change in Fund Balance</b>	3,267,247	3,342,147	74,900
Fund Balance, Beginning	(4,313,127)	(4,313,127)	-
Fund Balance, Ending	\$ (1,045,880)	\$ (970,980)	\$ 74,900

**CITY OF ELK GROVE**  
Major Capital Projects Funds  
Supplemental Budgetary Comparison Schedules  
Roadway Fee Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 4,792,491	\$ 9,080,821	\$ 4,288,330
Use of money and property	262,534	366,505	103,971
Other revenue	-	10,000	10,000
<b>Total Revenues</b>	<b>5,055,025</b>	<b>9,457,326</b>	<b>4,402,301</b>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	2,574,952	1,542,687	1,032,265
<b>Total Expenditures</b>	<b>2,574,952</b>	<b>1,542,687</b>	<b>1,032,265</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,480,073	7,914,639	5,434,566
<b>Other Financing Sources (Uses):</b>			
Transfers In	-	566,076	566,076
Transfers out	(479,885)	(479,885)	-
<b>Total Other Financing Sources (Uses)</b>	<b>(479,885)</b>	<b>86,191</b>	<b>566,076</b>
<b>Net Change in Fund Balance</b>	<b>2,000,188</b>	<b>8,000,830</b>	<b>6,000,642</b>
Fund Balance, Beginning	37,621,023	37,621,023	-
Fund Balance, Ending	<b>\$ 39,621,211</b>	<b>\$ 45,621,853</b>	<b>\$ 6,000,642</b>

**CITY OF ELK GROVE**  
Major Capital Projects Funds  
Supplemental Budgetary Comparison Schedules  
Mitigation and Fee Funds  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 2,412,807	\$ 8,077,689	\$ 5,664,882
Use of money and property	114,183	99,237	(14,946)
Total Revenues	<u>2,526,990</u>	<u>8,176,926</u>	<u>5,649,936</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	3,907,373	748,892	3,158,481
Total Expenditures	<u>3,907,373</u>	<u>748,892</u>	<u>3,158,481</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,380,383)</u>	<u>7,428,034</u>	<u>8,808,417</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(936,755)	(936,755)	-
Total Other Financing Sources (Uses)	<u>(936,755)</u>	<u>(936,755)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(2,317,138)	6,491,279	8,808,417
Fund Balance, Beginning	<u>5,296,520</u>	<u>5,296,520</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,979,382</u>	<u>\$ 11,787,799</u>	<u>\$ 8,808,417</u>

**CITY OF ELK GROVE**  
Major Capital Projects Funds  
Supplemental Budgetary Comparison Schedules  
Laguna Ridge CFD 2005-1 Fund  
For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 10,000	\$ 3,100,261	\$ 3,090,261
Intergovernmental	-	449,270	449,270
Contribution from Community Facility District	2,371,521	1,701,077	(670,444)
Use of money and property	33,964	(16,163)	(50,127)
Other revenue	-	1,014,124	1,014,124
Total Revenues	<u>2,415,485</u>	<u>6,248,569</u>	<u>3,833,084</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	4,446,707	4,219,466	227,241
Total Expenditures	<u>4,446,707</u>	<u>4,219,466</u>	<u>227,241</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,031,222)</u>	<u>2,029,103</u>	<u>4,060,325</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(851,325)	(873,768)	(22,443)
Total Other Financing Sources (Uses)	<u>(851,325)</u>	<u>(873,768)</u>	<u>(22,443)</u>
<b>Net Change in Fund Balance</b>	(2,882,547)	1,155,335	4,037,882
Fund Balance, Beginning	<u>23,381,718</u>	<u>23,381,718</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 20,499,171</u>	<u>\$ 24,537,053</u>	<u>\$ 4,037,882</u>



**CITY OF ELK GROVE**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds**  
**June 30, 2023**

	Measure A Construction Funds	LTF Bikes & Pedestrian Fund	Capital Facilities Funds	Laguna West Service Area Fund	Lakeside Service Area Fund
<b><u>ASSETS</u></b>					
Cash and investments	\$ 3,726,942	\$ -	\$ 23,253,695	\$ 657,135	\$ 79,142
Cash with fiscal agent	-	-	-	-	-
Accounts receivable	127,622	-	105,963	4,034	361
Due from other government agencies	-	710,024	-	-	-
Advances to other funds	-	-	898,908	-	-
Long-term development fees receivable	-	-	3,120,818	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Assets	<u>\$ 3,854,564</u>	<u>\$ 710,024</u>	<u>\$ 27,379,384</u>	<u>\$ 661,169</u>	<u>\$ 79,503</u>
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ 200,842	\$ -	\$ 69,512	\$ 50,000	\$ -
Accrued salaries and benefits	-	-	396	-	-
Due to other funds	-	391,212	-	-	-
Retention payable	-	-	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Liabilities	<u>200,842</u>	<u>391,212</u>	<u>69,908</u>	<u>50,000</u>	<u>-</u>
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue	14,242	710,024	3,206,953	2,434	293
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
<b><u>FUND BALANCES</u></b>					
Restricted	3,639,480	-	24,102,523	608,735	79,210
Unassigned	-	(391,212)	-	-	-
	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>
Total Fund Balances	<u>3,639,480</u>	<u>(391,212)</u>	<u>24,102,523</u>	<u>608,735</u>	<u>79,210</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,854,564</u>	<u>\$ 710,024</u>	<u>\$ 27,379,384</u>	<u>\$ 661,169</u>	<u>\$ 79,503</u>

In Lieu Funds	East Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund	District56 Nature Area and OT Plaza Fund	Animal Shelter Fund	Laguna CFD Fund	Laguna West CFD Fund
\$ 3,206,270	\$ 6,599,836	\$ 581,229	\$ 208,824	\$ 26,089	\$ 1,008,521	\$ 139,853
-	-	218	-	-	-	-
1,436,533	30,075	2,649	952	119	4,596	637
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 4,642,803</u>	<u>\$ 6,629,911</u>	<u>\$ 584,096</u>	<u>\$ 209,776</u>	<u>\$ 26,208</u>	<u>\$ 1,013,117</u>	<u>\$ 140,490</u>
\$ -	\$ 73,965	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	36,127	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	73,965	-	-	36,127	-	-
12,812	24,447	2,153	774	97	3,736	518
4,629,991	6,531,499	581,943	209,002	(10,016)	1,009,381	139,972
-	-	-	-	-	-	-
<u>4,629,991</u>	<u>6,531,499</u>	<u>581,943</u>	<u>209,002</u>	<u>(10,016)</u>	<u>1,009,381</u>	<u>139,972</u>
<u>\$ 4,642,803</u>	<u>\$ 6,629,911</u>	<u>\$ 584,096</u>	<u>\$ 209,776</u>	<u>\$ 26,208</u>	<u>\$ 1,013,117</u>	<u>\$ 140,490</u>

continued

**CITY OF ELK GROVE**  
**Combining Balance Sheet**  
**Nonmajor Capital Projects Funds (continued)**  
**June 30, 2023**

	Lakeside CFD Fund	SEPA Mitigation Funds	PD Tenant Improvements Fund	Active Transportation Fee Fund	Total
<b><u>ASSETS</u></b>					
Cash and investments	\$ -	\$ 20,013,034	\$ -	\$ 624,634	\$ 60,125,204
Cash with fiscal agent	-	-	8,720,288	-	8,720,506
Accounts receivable	-	109,120	-	2,847	1,825,508
Due from other government agencies	-	-	-	-	710,024
Advances to other funds	-	-	-	-	898,908
Long-term development fees receivable	-	-	-	-	3,120,818
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ -	\$ 20,122,154	\$ 8,720,288	\$ 627,481	\$ 75,400,968
<b><u>LIABILITIES</u></b>					
Accounts payable	\$ -	\$ 7,735	\$ 364,751	\$ -	\$ 766,805
Accrued salaries and benefits	-	-	-	-	396
Due to other funds	-	-	-	-	391,212
Retention payable	-	-	201,072	-	237,199
Advances from other funds	614	-	515,508	-	516,122
Unearned revenue	-	1,490,870	-	-	1,490,870
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Total Liabilities	614	1,498,605	1,081,331	-	3,402,604
<b><u>DEFERRED INFLOWS OF RESOURCES</u></b>					
Unavailable revenue	-	88,699	-	2,314	4,069,496
<b><u>FUND BALANCES</u></b>					
Restricted	-	18,534,850	7,638,957	625,167	68,320,694
Unassigned	(614)	-	-	-	(391,826)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Fund Balances	(614)	18,534,850	7,638,957	625,167	67,928,868
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 20,122,154	\$ 8,720,288	\$ 627,481	\$ 75,400,968

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**CITY OF ELK GROVE**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2023

	Measure A Construction Funds	LTF Bike & Pedestrian Fund	Capital Facilities Funds	Laguna West Service Area Fund	Lakeside Service Area Fund
<b>Revenues:</b>					
Licenses, fees and permits	\$ -	\$ -	\$ 4,498,721	\$ -	\$ -
Intergovernmental	1,436,060	-	-	60,908	-
Use of money and property	25,601	-	264,097	8,340	1,162
Other Revenue	-	-	250	-	-
<b>Total Revenues</b>	<b>1,461,661</b>	<b>-</b>	<b>4,763,068</b>	<b>69,248</b>	<b>1,162</b>
<b>Expenditures:</b>					
Current:					
Public ways and facilities	651,304	-	17,711	54,328	36
Capital outlay	174	1,147	127,031	-	-
<b>Total Expenditures</b>	<b>651,478</b>	<b>1,147</b>	<b>144,742</b>	<b>54,328</b>	<b>36</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	810,183	(1,147)	4,618,326	14,920	1,126
<b>Other Financing Sources (Uses):</b>					
Transfers out	(96,839)	(7,396)	(788,455)	(4,363)	(1,866)
<b>Total Other Financing Sources (Uses)</b>	<b>(96,839)</b>	<b>(7,396)</b>	<b>(788,455)</b>	<b>(4,363)</b>	<b>(1,866)</b>
<b>Net Change in Fund Balances</b>	<b>713,344</b>	<b>(8,543)</b>	<b>3,829,871</b>	<b>10,557</b>	<b>(740)</b>
Fund Balances, Beginning	2,926,136	(382,669)	20,272,652	598,178	79,950
<b>Fund Balances, End of Year</b>	<b>\$ 3,639,480</b>	<b>\$ (391,212)</b>	<b>\$ 24,102,523</b>	<b>\$ 608,735</b>	<b>\$ 79,210</b>

In Lieu Funds	East Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund	District 56 Nature Area and OT Plaza Fund	Animal Shelter Fund	Laguna CFD Fund	Laguna West CFD Fund
\$ 2,041,474	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
(115,588)	111,539	9,220	6,328	341	13,888	1,925
-	600	-	-	545	-	-
<u>1,925,886</u>	<u>112,139</u>	<u>9,220</u>	<u>6,328</u>	<u>886</u>	<u>13,888</u>	<u>1,925</u>
213,321	-	-	131,208	-	448	61
-	805,560	19,513	-	14	-	-
<u>213,321</u>	<u>805,560</u>	<u>19,513</u>	<u>131,208</u>	<u>14</u>	<u>448</u>	<u>61</u>
<u>1,712,565</u>	<u>(693,421)</u>	<u>(10,293)</u>	<u>(124,880)</u>	<u>872</u>	<u>13,440</u>	<u>1,864</u>
(144,819)	(425,192)	(13,748)	-	(13,830)	-	-
<u>(144,819)</u>	<u>(425,192)</u>	<u>(13,748)</u>	<u>-</u>	<u>(13,830)</u>	<u>-</u>	<u>-</u>
1,567,746	(1,118,613)	(24,041)	(124,880)	(12,958)	13,440	1,864
<u>3,062,245</u>	<u>7,650,112</u>	<u>605,984</u>	<u>333,882</u>	<u>2,942</u>	<u>995,941</u>	<u>138,108</u>
<u>\$ 4,629,991</u>	<u>\$ 6,531,499</u>	<u>\$ 581,943</u>	<u>\$ 209,002</u>	<u>\$ (10,016)</u>	<u>\$ 1,009,381</u>	<u>\$ 139,972</u>

continued

**CITY OF ELK GROVE**  
Combining Statement of Revenues, Expenditures and  
Changes in Fund Balances(continued)  
Nonmajor Capital Projects Funds  
For the Year Ended June 30, 2023

	Lakeside CFD Fund	SEPA Mitigation Funds	PD Tenant Improvements Fund	Active Transportation Fee Fund	Total
<b>Revenues:</b>					
Licenses, fees and permits	\$ -	\$ 4,507,378	\$ -	\$ 644,731	\$ 11,692,304
Intergovernmental	-	-	-	-	1,496,968
Use of money and property	-	77,689	347,523	(19,503)	732,562
Other Revenue	-	-	108	-	1,503
<b>Total Revenues</b>	<b>-</b>	<b>4,585,067</b>	<b>347,631</b>	<b>625,228</b>	<b>13,923,337</b>
<b>Expenditures:</b>					
Current:					
Public ways and facilities	-	38,128	-	61	1,106,606
Capital outlay	-	-	3,544,921	-	4,498,360
<b>Total Expenditures</b>	<b>-</b>	<b>38,128</b>	<b>3,544,921</b>	<b>61</b>	<b>5,604,966</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	4,546,939	(3,197,290)	625,167	8,318,371
<b>Other Financing Sources (Uses):</b>					
Transfers out	-	-	-	-	(1,496,508)
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(1,496,508)</b>
<b>Net Change in Fund Balances</b>	<b>-</b>	<b>4,546,939</b>	<b>(3,197,290)</b>	<b>625,167</b>	<b>6,821,863</b>
Fund Balances, Beginning	(614)	13,987,911	10,836,247	-	61,107,005
Fund Balances, End of Year	\$ (614)	\$ 18,534,850	\$ 7,638,957	\$ 625,167	\$ 67,928,868

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Measure A Construction Funds  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 1,438,460	\$ 1,436,060	\$ (2,400)
Use of money and property	15,990	25,601	9,611
Total Revenues	<u>1,454,450</u>	<u>1,461,661</u>	<u>7,211</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	732,017	651,304	80,713
Capital outlay	50,174	174	50,000
Total Expenditures	<u>782,191</u>	<u>651,478</u>	<u>130,713</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>672,259</u>	<u>810,183</u>	<u>137,924</u>
<b>Other Financing Sources (Uses):</b>			
Transfers out	(96,839)	(96,839)	-
Total Other Financing Sources (Uses)	<u>(96,839)</u>	<u>(96,839)</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	575,420	713,344	137,924
Fund Balance, Beginning	<u>2,926,136</u>	<u>2,926,136</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 3,501,556</u>	<u>\$ 3,639,480</u>	<u>\$ 137,924</u>



**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 LTF Bike & Pedestrian Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 118,159	\$ -	\$ (118,159)
Use of money and property	4,237	-	(4,237)
Total Revenues	122,396	-	(122,396)
<b>Expenditures:</b>			
Capital outlay	1,147	1,147	-
Total Expenditures	1,147	1,147	-
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	121,249	(1,147)	(122,396)
<b>Other Financing Sources (Uses):</b>			
Transfers out	(7,396)	(7,396)	-
Total Other Financing Sources (Uses)	(7,396)	(7,396)	-
<b>Net Change in Fund Balance</b>	113,853	(8,543)	(122,396)
Fund Balance, Beginning	(382,669)	(382,669)	-
Fund Balance, Ending	\$ (268,816)	\$ (391,212)	\$ (122,396)

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Capital Facilities Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 2,262,117	\$ 4,498,721	\$ 2,236,604
Use of money and property	867,696	264,097	(603,599)
Other revenue	-	250	250
Total Revenues	3,129,813	4,763,068	1,633,255
<b>Expenditures:</b>			
Current:			
Public ways and facilities	25,844	17,711	8,133
Capital outlay	259,450	127,031	132,419
Total Expenditures	285,294	144,742	140,552
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	2,844,519	4,618,326	1,773,807
<b>Other Financing Sources (Uses):</b>			
Transfers out	(788,455)	(788,455)	-
Total Other Financing Sources (Uses)	(788,455)	(788,455)	-
<b>Net Change in Fund Balance</b>	2,056,064	3,829,871	1,773,807
Fund Balance, Beginning	20,272,652	20,272,652	-
Fund Balance, Ending	\$ 22,328,716	\$ 24,102,523	\$ 1,773,807

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Laguna West Service Area Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Taxes:			
Property taxes	\$ 61,000	\$ 60,908	\$ (92)
Use of money and property	6,235	8,340	2,105
Total Revenues	67,235	69,248	2,013
<b>Expenditures:</b>			
Current:			
Public ways and facilities	57,524	54,328	3,196
Total Expenditures	57,524	54,328	3,196
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,711	14,920	5,209
<b>Other Financing Sources (Uses):</b>			
Transfers out	(4,363)	(4,363)	-
Total Other Financing Sources (Uses)	(4,363)	(4,363)	-
<b>Net Change in Fund Balance</b>	5,348	10,557	5,209
Fund Balance, Beginning	598,178	598,178	-
Fund Balance, Ending	\$ 603,526	\$ 608,735	\$ 5,209

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Lakeside Service Area Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 837	\$ 1,162	\$ 325
Total Revenues	837	1,162	325
 <b>Expenditures:</b>			
Current:			
Public ways and facilities	58	36	22
Total Expenditures	58	36	22
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	779	1,126	347
 <b>Other Financing Sources (Uses):</b>			
Transfers out	(1,866)	(1,866)	-
Total Other Financing Sources (Uses)	(1,866)	(1,866)	-
 <b>Net Change in Fund Balance</b>			
	(1,087)	(740)	347
 Fund Balance, Beginning			
	79,950	79,950	-
 Fund Balance, Ending			
	\$ 78,863	\$ 79,210	\$ 347

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 In Lieu Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses, fees and permits	\$ 100,000	\$ 2,041,474	\$ 1,941,474
Use of money and property	497,000	(115,588)	(612,588)
Total Revenues	597,000	1,925,886	1,328,886
<b>Expenditures:</b>			
Current:			
Public ways and facilities	253,604	213,321	40,283
Total Expenditures	253,604	213,321	40,283
Excess (Deficiency) of Revenues Over (Under) Expenditures	343,396	1,712,565	1,369,169
<b>Other Financing Sources (Uses):</b>			
Transfers out	(104,645)	(144,819)	40,174
Total Other Financing Sources (Uses)	(104,645)	(144,819)	(40,174)
<b>Net Change in Fund Balance</b>	238,751	1,567,746	1,328,995
Fund Balance, Beginning	3,062,245	3,062,245	-
Fund Balance, Ending	\$ 3,300,996	\$ 4,629,991	\$ 1,328,995

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 East Franklin CFD 2002-1 Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 51,008	\$ 111,539	\$ 60,531
Other revenue	-	600	600
Total Revenues	51,008	112,139	61,131
<b>Expenditures:</b>			
Capital outlay	842,377	805,560	36,817
Total Expenditures	842,377	805,560	36,817
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(791,369)	(693,421)	97,948
<b>Other Financing Sources (Uses):</b>			
Transfers out	(425,192)	(425,192)	-
Total Other Financing Sources (Uses)	(425,192)	(425,192)	-
<b>Net Change in Fund Balance</b>	(1,216,561)	(1,118,613)	97,948
Fund Balance, Beginning	7,650,112	7,650,112	-
Fund Balance, Ending	\$ 6,433,551	\$ 6,531,499	\$ 97,948

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Poppy Ridge CFD 2003-1 Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Intergovernmental	\$ 100,000	\$ -	\$ (100,000)
Use of money and property	6,152	9,220	3,068
Total Revenues	106,152	9,220	(96,932)
<b>Expenditures:</b>			
Capital outlay	48,010	19,513	28,497
Total Expenditures	48,010	19,513	28,497
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	58,142	(10,293)	(68,435)
<b>Other Financing Sources (Uses):</b>			
Transfers out	(13,748)	(13,748)	-
Total Other Financing Sources (Uses)	(13,748)	(13,748)	-
<b>Net Change in Fund Balance</b>	44,394	(24,041)	(68,435)
Fund Balance, Beginning	605,984	605,984	-
Fund Balance, Ending	\$ 650,378	\$ 581,943	\$ (68,435)

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 District 56 Nature Area and OT Plaza Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 6,328	\$ 6,328
Total Revenues	-	6,328	6,328
<b>Expenditures:</b>			
Current:			
Public ways and facilities	131,348	131,208	140
Total Expenditures	131,348	131,208	140
Excess (Deficiency) of Revenues Over (Under) Expenditures	(131,348)	(124,880)	6,468
<b>Net Change in Fund Balance</b>	(131,348)	(124,880)	6,468
Fund Balance, Beginning	333,882	333,882	-
Fund Balance, Ending	\$ 202,534	\$ 209,002	\$ 6,468



**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Animal Shelter Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 387	\$ 341	\$ (46)
Other revenue	-	545	545
Total Revenues	387	886	499
<b>Expenditures:</b>			
Capital outlay	500	14	486
Total Expenditures	500	14	486
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(113)	872	985
<b>Net Change in Fund Balance</b>	(113)	872	985
Fund Balance, Beginning	2,942	2,942	-
Fund Balance, Ending	\$ 2,829	\$ 3,814	\$ 985

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Laguna CFD Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 9,693	\$ 13,888	\$ 4,195
Total Revenues	9,693	13,888	4,195
<b>Expenditures:</b>			
Public ways and facilities	250	448	(198)
Total Expenditures	250	448	(198)
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,443	13,440	3,997
<b>Net Change in Fund Balance</b>	9,443	13,440	3,997
Fund Balance, Beginning	995,941	995,941	-
Fund Balance, Ending	\$ 1,005,384	\$ 1,009,381	\$ 3,997

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Laguna West CFD Fund  
 For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Use of money and property	\$ 1,817	\$ 1,925	\$ 108
Total Revenues	<u>1,817</u>	<u>1,925</u>	<u>108</u>
<b>Expenditures:</b>			
Current:			
Public ways and facilities	120	61	59
Total Expenditures	<u>120</u>	<u>61</u>	<u>59</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,697</u>	<u>1,864</u>	<u>167</u>
<b>Net Change in Fund Balance</b>	1,697	1,864	167
Fund Balance, Beginning	<u>138,108</u>	<u>138,108</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 139,805</u>	<u>\$ 139,972</u>	<u>\$ 167</u>

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Lakeside CFD Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Total Revenues	\$ -	\$ -	\$ -
 <b>Net Change in Fund Balance</b>	-	-	-
Fund Balance, Beginning	(614)	(614)	-
Fund Balance, Ending	\$ (614)	\$ (614)	\$ -

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 SEPA Mitigation Fund  
 For the Year Ended June 30, 2023

	<u>Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
<b>Revenues:</b>			
Licenses, fees and permits	\$ 6,895,170	\$ 4,507,378	\$ (2,387,792)
Use of money and property	106,873	77,689	(29,184)
Total Revenues	<u>7,002,043</u>	<u>4,585,067</u>	<u>(2,416,976)</u>
<b>Expenditures:</b>			
Public ways and facilities	1,290,743	38,128	1,252,615
Total Expenditures	<u>1,290,743</u>	<u>38,128</u>	<u>1,252,615</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>5,711,300</u>	<u>4,546,939</u>	<u>(1,164,361)</u>
<b>Net Change in Fund Balance</b>	5,711,300	4,546,939	(1,164,361)
Fund Balance, Beginning	<u>13,987,911</u>	<u>13,987,911</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 19,699,211</u>	<u>\$ 18,534,850</u>	<u>\$ (1,164,361)</u>

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 PD Tenant Improvements Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ 347,523	\$ 347,523
Other revenue	-	108	108
Total Revenues	-	347,631	347,631
<b>Expenditures:</b>			
Capital outlay	3,544,921	3,544,921	-
Total Expenditures	3,544,921	3,544,921	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,544,921)	(3,197,290)	347,631
<b>Net Change in Fund Balance</b>	(3,544,921)	(3,197,290)	347,631
Fund Balance, Beginning	10,836,247	10,836,247	-
Fund Balance, Ending	\$ 7,291,326	\$ 7,638,957	\$ 347,631

**CITY OF ELK GROVE**  
 Capital Projects Funds  
 Budgetary Comparison Schedules  
 Active Transportation Fee Fund  
 For the Year Ended June 30, 2023

	Budget	Actual	Variance Positive (Negative)
<b>Revenues:</b>			
Licenses and permits	\$ -	\$ 644,731	\$ 644,731
Use of money and property	-	(19,503)	(19,503)
Total Revenues	-	625,228	625,228
<b>Expenditures:</b>			
Public ways and facilities	-	61	(61)
Total Expenditures	-	61	(61)
Excess (Deficiency) of Revenues Over (Under) Expenditures	-	625,167	625,167
<b>Net Change in Fund Balance</b>	-	625,167	625,167
Fund Balance, Beginning	-	-	-
Fund Balance, Ending	\$ -	\$ 625,167	\$ 625,167

# DEBT SERVICE FUNDS

## DEFINITION

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

### Major Debt Service Funds

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

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

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

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

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**CITY OF ELK GROVE**  
Major Debt Service Funds  
Budgetary Comparison Schedule  
Elk Grove Finance Authority Debt Service Fund  
For the Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 8,060	\$ 12,226	\$ 4,166
Total Revenues	<u>8,060</u>	<u>12,226</u>	<u>4,166</u>
<b>Expenditures:</b>			
Debt Service:			
Tax administration	4,470	99	(4,371)
Principal	520,000	520,000	-
Interest	65,432	65,158	(274)
Total Expenditures	<u>589,902</u>	<u>585,257</u>	<u>(4,645)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(581,842)</u>	<u>(573,031)</u>	<u>8,811</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	350,000	349,998	(2)
Total Other Financing Sources (Uses)	<u>350,000</u>	<u>349,998</u>	<u>(2)</u>
<b>Net Change in Fund Balance</b>	(231,842)	(223,033)	8,809
Fund Balance, Beginning	<u>285,554</u>	<u>285,554</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 53,712</u>	<u>\$ 62,521</u>	<u>\$ 8,809</u>

**CITY OF ELK GROVE**  
Major Debt Service Funds  
Budgetary Comparison Schedule  
Elk Grove Finance Authority 2018 Debt Service Fund  
For the Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 2,015	\$ (3,239)	\$ (5,254)
Total Revenues	<u>2,015</u>	<u>(3,239)</u>	<u>(5,254)</u>
<b>Expenditures:</b>			
Debt Service:			
Tax administration	10,050	6,570	3,480
Principal	680,000	680,000	-
Interest	623,207	623,206	1
Total Expenditures	<u>1,313,257</u>	<u>1,309,776</u>	<u>3,481</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,311,242)</u>	<u>(1,313,015)</u>	<u>(1,773)</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	1,303,207	1,317,037	13,830
Total Other Financing Sources (Uses)	<u>1,303,207</u>	<u>1,317,037</u>	<u>13,830</u>
<b>Net Change in Fund Balance</b>	(8,035)	4,022	12,057
Fund Balance, Beginning	<u>462,681</u>	<u>462,681</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 454,646</u>	<u>\$ 466,703</u>	<u>\$ 12,057</u>

**CITY OF ELK GROVE**  
Major Debt Service Funds  
Budgetary Comparison Schedule  
Elk Grove Finance Authority 2020 Debt Service Fund  
For the Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ -	\$ (1,705)	\$ (1,705)
Total Revenues	<u>-</u>	<u>(1,705)</u>	<u>(1,705)</u>
<b>Expenditures:</b>			
Debt Service:			
Tax administration	6,000	672	5,328
Principal	571,788	571,789	(1)
Interest	245,330	245,329	1
Total Expenditures	<u>823,118</u>	<u>817,790</u>	<u>5,328</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(823,118)</u>	<u>(819,495)</u>	<u>3,623</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	817,118	817,118	-
Total Other Financing Sources (Uses)	<u>817,118</u>	<u>817,118</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(6,000)	(2,377)	3,623
Fund Balance, Beginning	<u>530,451</u>	<u>530,451</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 524,451</u>	<u>\$ 528,074</u>	<u>\$ 3,623</u>

**CITY OF ELK GROVE**  
Major Debt Service Funds  
Budgetary Comparison Schedule  
Elk Grove Finance Authority 2022 Debt Service Fund  
For the Year Ended June 30, 2023

	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Positive (Negative)
<b>Revenues:</b>			
Use of money and property	\$ 438	\$ 92	\$ (346)
Total Revenues	<u>438</u>	<u>92</u>	<u>(346)</u>
<b>Expenditures:</b>			
Debt Service:			
Tax administration	4,000	2,276	(1,724)
Principal	170,000	170,000	-
Interest	<u>594,157</u>	<u>594,157</u>	<u>-</u>
Total Expenditures	<u>768,157</u>	<u>766,433</u>	<u>(1,724)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(767,719)</u>	<u>(766,341)</u>	<u>1,378</u>
<b>Other Financing Sources (Uses):</b>			
Transfers in	<u>764,157</u>	<u>764,157</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>764,157</u>	<u>764,157</u>	<u>-</u>
<b>Net Change in Fund Balance</b>	(3,562)	(2,184)	1,378
Fund Balance, Beginning	<u>271,112</u>	<u>271,112</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 267,550</u>	<u>\$ 268,928</u>	<u>\$ 1,378</u>

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# INTERNAL SERVICE FUNDS

## DEFINITION

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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.

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**CITY OF ELK GROVE**

Balance Sheet

Internal Service Funds

June 30, 2023

	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	\$ 4,341,114	\$ 3,656,761	\$ 3,356,498	\$ 247,237	\$ 11,601,610
Accounts Receivable	103,300	16,689	21,331	1,434	142,754
Capital assets, net of amortization	-	-	3,063,139	-	3,063,139
<b>Total Assets</b>	<b>4,444,414</b>	<b>3,673,450</b>	<b>6,440,968</b>	<b>248,671</b>	<b>14,807,503</b>
<b><u>LIABILITIES</u></b>					
Current Liabilities:					
Accounts payable	29,427	130,327	94,254	-	254,008
Unearned revenue	16,076	13,566	12,435	916	42,993
Accrued salaries and benefits	-	26,117	102,287	-	128,404
Compensated absences - current	4,281	6,534	24,565	-	35,380
Lease liabilities	-	-	61,994	-	61,994
Interest payable - Leases	-	-	33,773	-	33,773
Subscription liabilities	-	-	966,578	-	966,578
<b>Total Current Liabilities</b>	<b>49,784</b>	<b>176,544</b>	<b>1,295,886</b>	<b>916</b>	<b>1,523,130</b>
Noncurrent Liabilities:					
Compensated absences - long term	43,523	66,426	249,743	-	359,692
Claims liability - long term	716,110	-	-	-	716,110
Lease liabilities	-	-	74,329	-	74,329
Subscription liabilities	-	-	2,002,202	-	2,002,202
<b>Total Noncurrent Liabilities</b>	<b>759,633</b>	<b>66,426</b>	<b>2,326,274</b>	<b>-</b>	<b>3,152,333</b>
<b>Total Liabilities</b>	<b>809,417</b>	<b>242,970</b>	<b>3,622,160</b>	<b>916</b>	<b>4,675,463</b>
<b><u>Net Position</u></b>					
Net investment in capital assets	-	-	(41,964)	-	(41,964)
Unrestricted	3,634,997	3,430,480	2,860,772	247,755	10,174,004
<b>Total Net Position</b>	<b>\$ 3,634,997</b>	<b>\$ 3,430,480</b>	<b>\$ 2,818,808</b>	<b>\$ 247,755</b>	<b>\$ 10,132,040</b>
<b>Total Liabilities and Net Position</b>	<b>\$ 4,444,414</b>	<b>\$ 3,673,450</b>	<b>\$ 6,440,968</b>	<b>\$ 248,671</b>	<b>\$ 14,807,503</b>

**CITY OF ELK GROVE**  
Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended June 30, 2023

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
<b>Operating Revenues:</b>					
Charges for services	\$ 6,522,688	\$ 2,890,382	\$ 6,801,406	\$ 46,182	\$ 16,260,658
<b>Total Operating Revenues</b>	<u>6,522,688</u>	<u>2,890,382</u>	<u>6,801,406</u>	<u>46,182</u>	<u>16,260,658</u>
<b>Operating Expenses:</b>					
Salaries and benefits	282,086	700,282	2,788,549	-	3,770,917
Services and supplies	4,328,792	2,682,874	3,268,824	-	10,280,490
Claims expense	688,117	-	-	16,886	705,003
Depreciation and amortization	-	-	976,258	-	976,258
<b>Total Operating Expenses</b>	<u>5,298,995</u>	<u>3,383,156</u>	<u>7,033,631</u>	<u>16,886</u>	<u>15,732,668</u>
<b>Operating Income</b>	<u>1,223,693</u>	<u>(492,774)</u>	<u>(232,225)</u>	<u>29,296</u>	<u>527,990</u>
<b>Non-Operating Revenues (Expenses):</b>					
Investment income (expense)	124,629	69,436	33,388	(1,996)	225,457
Gain/(loss) on disposal of capital assets	-	3,675	-	-	3,675
Interest expense	-	-	(65,368)	-	(65,368)
<b>Total Non-Operating     Revenues (Expenses)</b>	<u>124,629</u>	<u>73,111</u>	<u>(31,980)</u>	<u>(1,996)</u>	<u>163,764</u>
<b>Net Income Before Transfers</b>	1,348,322	(419,663)	(264,205)	27,300	691,754
Transfers In	-	39,494	134,281	-	173,775
Transfers Out	(3,112,204)	(230,190)	(338,069)	-	(3,680,463)
<b>Total Other Financing Sources (Uses)</b>	<u>(3,112,204)</u>	<u>(190,696)</u>	<u>(203,788)</u>	<u>-</u>	<u>(3,506,688)</u>
<b>Change in Net Position</b>	(1,763,882)	(610,359)	(467,993)	27,300	(2,814,934)
<b>Net Position - Beginning of Year, as restated</b>	<u>5,398,879</u>	<u>4,040,839</u>	<u>3,286,801</u>	<u>220,455</u>	<u>12,946,974</u>
<b>Net Position - End of Year</b>	<u>\$ 3,634,997</u>	<u>\$ 3,430,480</u>	<u>\$ 2,818,808</u>	<u>\$ 247,755</u>	<u>\$ 10,132,040</u>



**CITY OF ELK GROVE**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended June 30, 2023

	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	\$ 6,709,306	\$ 2,887,259	\$ 6,792,510	\$ 45,996	\$ 16,435,071
Cash paid to suppliers for goods and services	(4,329,490)	(2,678,963)	(3,446,333)	-	(10,454,786)
Cash paid to employees for services	(279,825)	(686,913)	(2,627,279)	-	(3,594,017)
Cash paid for claims	(603,007)	-	-	(16,886)	(619,893)
Net Cash Provided (Used) by Operating Activities	<u>1,496,984</u>	<u>(478,617)</u>	<u>718,898</u>	<u>29,110</u>	<u>1,766,375</u>
<b><u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u></b>					
Transfers in	-	39,494	134,281	-	173,775
Transfers (out)	(3,112,204)	(230,190)	(338,069)	-	(3,680,463)
Net Cash (Used) by Noncapital Financing Activities	<u>(3,112,204)</u>	<u>(190,696)</u>	<u>(203,788)</u>	<u>-</u>	<u>(3,506,688)</u>
<b><u>CASH FLOWS FROM CAPITAL AND RELATED ACTIVITIES</u></b>					
Lease principal payments	-	-	(60,165)	-	(60,165)
Subscription principal payments	-	-	(465,069)	-	(465,069)
Proceeds from leases	-	-	11,420	-	11,420
Proceeds from subscriptions	-	-	347,702	-	347,702
Proceeds from disposal of capital assets	-	3,675	-	-	3,675
Interest and financing fees paid on leases and subscriptions	-	-	(31,634)	-	(31,634)
Acquisition of lease assets	-	-	(11,420)	-	(11,420)
Acquisition of subscription assets	-	-	(341,901)	-	(341,901)
Net Cash Provided (Used) by Capital and Related Activities	<u>-</u>	<u>3,675</u>	<u>(551,067)</u>	<u>-</u>	<u>(547,392)</u>
<b><u>CASH FLOWS FROM INVESTING ACTIVITIES</u></b>					
Investment income (loss)	124,629	69,436	33,388	(1,996)	225,457
Net Cash Provided by Investing Activities	<u>124,629</u>	<u>69,436</u>	<u>33,388</u>	<u>(1,996)</u>	<u>225,457</u>
Net Increase (Decrease) in Cash and Cash Equivalents	(1,490,591)	(596,202)	(2,569)	27,114	(2,062,248)
Cash and Cash Equivalents, Beginning of Year	5,831,705	4,252,963	3,359,067	220,123	13,663,858
Cash and Cash Equivalents, End of Year	<u>\$ 4,341,114</u>	<u>\$ 3,656,761</u>	<u>\$ 3,356,498</u>	<u>\$ 247,237</u>	<u>\$ 11,601,610</u>
<b><u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u></b>					
Operating income (loss)	\$ 1,223,693	\$ (492,774)	\$ (232,225)	\$ 29,296	\$ 527,990
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Depreciation and amortization	-	-	976,258	-	976,258
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	170,542	(16,689)	(21,331)	(1,102)	131,420
Increase (decrease) in:					
Accounts payable	(698)	3,911	(177,509)	-	(174,296)
Accrued salaries and benefits payable	-	2,432	12,578	-	15,010
Compensated absences	2,261	10,937	148,692	-	161,890
Claims liability	85,110	-	-	-	85,110
Unearned revenue	16,076	13,566	12,435	916	42,993
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,496,984</u>	<u>\$ (478,617)</u>	<u>\$ 718,898</u>	<u>\$ 29,110</u>	<u>\$ 1,766,375</u>

# CUSTODIAL FUNDS

## DEFINITION

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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	STA Transportation Fee Fund
East Franklin Park Fee Fund	Laguna West Park Fee Fund
Elk Grove Fire 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	East Franklin CFD 2002-1 Fund
Poppy Ridge CFD 2003-1 Fund	

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

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**CITY OF ELK GROVE**  
Combining Statement of Net Position  
Custodial Funds  
June 30, 2023

	Community Services District & Sac County Funds	Elk Grove Employee Sunshine Fund	CFD 2005-1 Laguna Ridge Fund
<b><u>ASSETS</u></b>			
Cash and investments	\$ 2,006,655	\$ 51,310	\$ 2,501,976
Cash with fiscal agent	-	-	11,761,176
Accounts receivable	659,715	741	-
Interest receivable	9,144	226	11,403
Taxes receivable	-	-	179,362
	<hr/>	<hr/>	<hr/>
Total Assets	2,675,514	52,277	14,453,917
<b><u>LIABILITIES</u></b>			
Accounts payable	2,734,148	-	-
Unearned revenue	7,433	183	9,269
Interest payable	6,444	-	-
Refundable deposits	-	-	-
	<hr/>	<hr/>	<hr/>
Total Liabilities	2,748,025	183	9,269
<b><u>NET POSITION</u></b>			
Restricted for individuals and organizations	<hr/> (72,511)	<hr/> 52,094	<hr/> 14,444,648
	<hr/>	<hr/>	<hr/>
Total Net Position	<u>\$ (72,511)</u>	<u>\$ 52,094</u>	<u>\$ 14,444,648</u>

CFD 2002-1 East Franklin Fund	CFD 2003-1 Poppy Ridge Fund	Property & Evidence Fund	Total
\$ 5,705,173	\$ 2,771,513	\$ 76,064	\$ 13,112,691
-	-	-	11,761,176
-	-	-	660,456
25,999	12,630	-	59,402
155,730	381,155	-	716,247
<u>5,886,902</u>	<u>3,165,298</u>	<u>76,064</u>	<u>26,309,972</u>
-	-	-	2,734,148
21,133	10,267	-	48,285
-	-	126	6,570
-	-	75,938	75,938
<u>21,133</u>	<u>10,267</u>	<u>76,064</u>	<u>2,864,941</u>
<u>5,865,769</u>	<u>3,155,031</u>	<u>-</u>	<u>23,445,031</u>
<u>\$ 5,865,769</u>	<u>\$ 3,155,031</u>	<u>\$ -</u>	<u>\$ 23,445,031</u>

**CITY OF ELK GROVE**  
Combining Statement of Changes in Net Position  
Custodial Funds  
For the Year Ended June 30, 2023

	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	\$ (7,323)	\$ 1,776	\$ (61,241)
Interest, dividends, and other	11,946	1,128	8,825
Total investment earnings	4,623	2,904	(52,416)
Less investment costs:			
Investment activity costs	-	(25)	-
Net investment earnings	4,623	2,879	(52,416)
Fees, taxes and special assessments for other governments	5,430,665	-	9,990,811
Activity fees	-	20,296	-
Miscellaneous	-	4,243	-
Total additions	5,435,288	27,418	9,938,395
<b>DEDUCTIONS</b>			
Administrative expense	46,274	-	8,639
Payment of fees, taxes and special assessments to other governments	5,400,323	-	-
Development and construction expense	-	-	1,701,077
Activities and events	-	33,742	-
Debt service	-	-	8,450,456
Total deductions	5,446,597	33,742	10,160,172
Net increase (decrease) in fiduciary net position	(11,309)	(6,324)	(221,777)
Net Position - Beginning of Year	(61,202)	58,418	14,666,425
Net Position - End of Year	\$ (72,511)	\$ 52,094	\$ 14,444,648

CFD 2002-1 East Franklin Fund	CFD 2003-1 Poppy Ridge Fund	Property & Evidence Fund	Total
\$ (58,508)	\$ (36,177)	\$ -	\$ (161,473)
54,369	16,446	-	92,714
<u>(4,139)</u>	<u>(19,731)</u>	-	<u>(68,759)</u>
-	-	-	(25)
<u>(4,139)</u>	<u>(19,731)</u>	-	<u>(68,784)</u>
4,496,675	3,971,048	-	23,889,199
-	-	-	20,296
-	-	-	4,243
<u>4,492,536</u>	<u>3,951,317</u>	-	<u>23,844,954</u>
9,215	7,600	-	71,728
-	-	-	5,400,323
-	-	-	1,701,077
-	-	-	33,742
<u>3,580,570</u>	<u>3,237,557</u>	-	<u>15,268,583</u>
<u>3,589,785</u>	<u>3,245,157</u>	-	<u>22,475,453</u>
902,751	706,160	-	1,369,501
4,963,018	2,448,871	-	22,075,530
<u>\$ 5,865,769</u>	<u>\$ 3,155,031</u>	<u>\$ -</u>	<u>\$ 23,445,031</u>

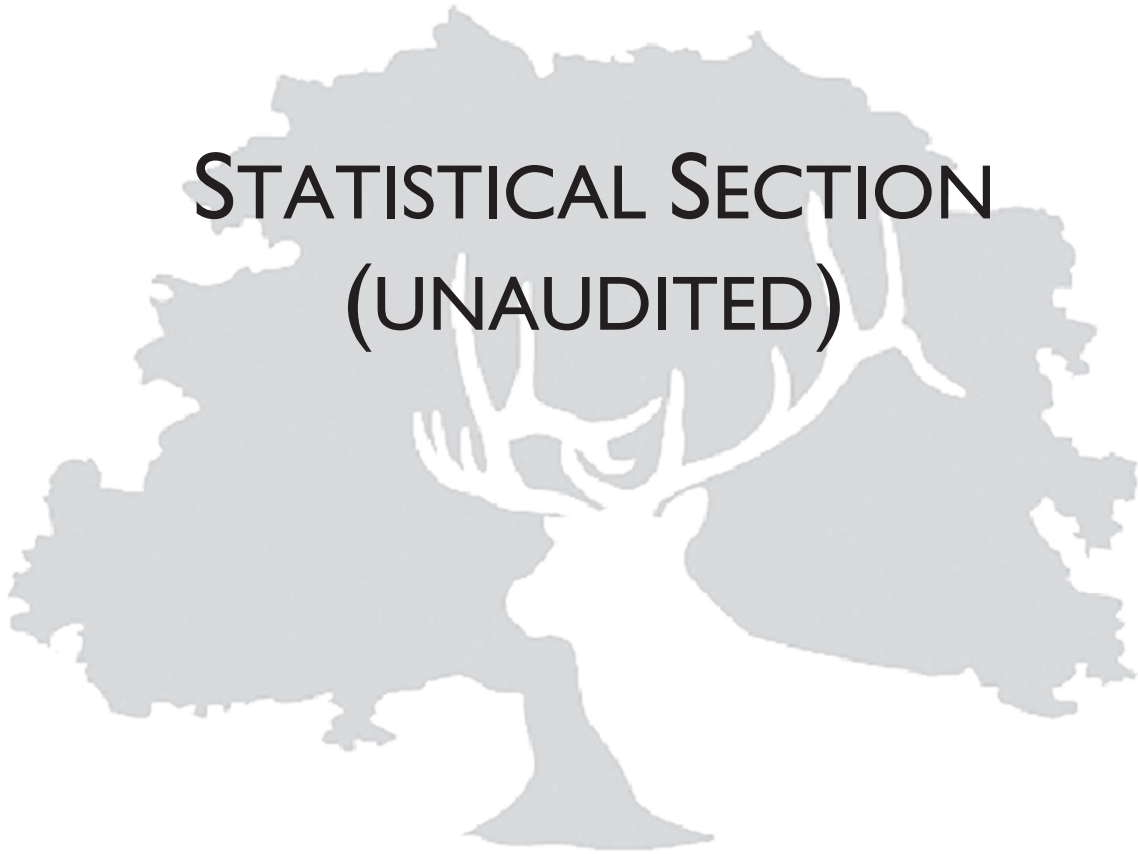
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# ANNUAL COMPREHENSIVE FINANCIAL REPORT

## Fiscal Year Ended June 30, 2023

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### STATISTICAL SECTION (UNAUDITED)



CITY OF  
**ELK GROVE**

— PROUD HERITAGE. BRIGHT FUTURE. —





# STATISTICAL SECTION

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

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Financial Trends.....	216
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 .....	224
These schedules contain information to help the reader assess the City’s most significant local revenue sources, sales tax and property tax.	
Debt Capacity.....	231
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.....	236
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 .....	238
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, 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 1,039,981,256	\$ 1,022,527,119	\$ 976,664,371	\$ 1,053,280,603
Restricted	186,903,329	189,080,327	215,829,204	257,008,259
Unrestricted	<u>11,298,487</u>	<u>196,869</u>	<u>20,295,785</u>	<u>22,513,816</u>
Total governmental activities net position	<u>1,238,183,072</u>	<u>1,211,804,315</u>	<u>1,212,789,360</u>	<u>1,332,802,678</u>
<b>Business-type activities</b>				
Net investment in capital assets	22,023,121	22,404,646	28,132,236	28,608,561
Restricted	-	1,180,453	1,398,464	272,077
Unrestricted	<u>22,689,582</u>	<u>24,944,050</u>	<u>27,615,148</u>	<u>29,735,624</u>
Total business-type activities net position	<u>44,712,703</u>	<u>48,529,149</u>	<u>57,145,848</u>	<u>58,616,262</u>
<b>Primary government</b>				
Net investment in capital assets	1,062,004,377	1,045,953,748	1,004,796,607	1,081,889,164
Restricted	186,903,329	190,260,780	217,227,668	257,280,336
Unrestricted	<u>33,988,069</u>	<u>25,140,918</u>	<u>47,910,933</u>	<u>52,249,440</u>
Total primary government net position	<u>\$ 1,282,895,775</u>	<u>\$ 1,261,355,446</u>	<u>\$ 1,269,935,208</u>	<u>\$ 1,391,418,940</u>

Source: The City of Elk Grove ACFR

2018	2019	2020	2021	2022	2023
\$ 1,110,618,821	\$ 1,076,838,610	\$ 1,060,332,753	\$ 1,047,211,028	\$ 1,039,686,886	\$ 1,000,347,920
280,624,842	277,972,813	284,980,049	292,185,610	255,036,872	398,754,394
(69,766,957)	(4,465,698)	4,692,738	33,000,422	154,445,985	30,715,694
<u>1,321,476,706</u>	<u>1,350,345,725</u>	<u>1,350,005,540</u>	<u>1,372,397,060</u>	<u>1,449,169,743</u>	<u>1,429,818,008</u>
32,936,365	34,554,021	34,844,354	40,541,319	35,348,429	38,376,445
187,918	1,293,918	35,348,429	35,348,429	-	-
<u>30,498,920</u>	<u>33,235,837</u>	<u>40,536,527</u>	<u>38,712,765</u>	<u>31,465,091</u>	<u>31,857,567</u>
<u>63,623,203</u>	<u>69,083,776</u>	<u>110,729,310</u>	<u>114,602,513</u>	<u>66,813,520</u>	<u>70,234,012</u>
1,143,555,186	1,111,392,631	1,095,177,107	1,087,752,347	1,075,035,315	1,038,724,365
280,812,760	279,266,731	320,328,478	327,534,039	255,036,872	398,754,394
<u>(39,268,037)</u>	<u>28,770,139</u>	<u>45,229,265</u>	<u>71,713,187</u>	<u>185,911,076</u>	<u>62,573,261</u>
<u>\$ 1,385,099,909</u>	<u>\$ 1,419,429,501</u>	<u>\$ 1,460,734,850</u>	<u>\$ 1,486,999,573</u>	<u>\$ 1,515,983,263</u>	<u>\$ 1,500,052,020</u>

**CITY OF ELK GROVE, CALIFORNIA**

Changes in Net Position, Last Ten Fiscal Years (accrual basis)  
For The Years Ended June 30, 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Expenses</b>										
<b>Governmental activities</b>										
General government	\$ 16,175,748	\$ 14,105,998	\$ 18,070,372	\$ 19,975,018	\$ 25,593,798	\$ 24,142,627	\$ 26,290,186	\$ 33,790,534	\$ 21,824,841	\$ 41,706,361
Public safety	33,121,110	34,793,685	32,251,277	33,957,641	38,640,457	41,095,844	45,928,962	52,721,661	29,476,434	74,538,552
Public ways and facilities	58,379,175	57,464,510	60,661,733	79,170,655	71,142,386	81,387,088	66,498,261	68,792,816	64,270,550	80,504,333
Community development	7,810,427	7,375,422	9,688,271	9,373,576	9,714,155	10,325,402	10,607,681	13,712,896	20,776,727	27,683,740
Interest on long-term debt	4,845,038	4,875,918	6,364,518	501,705	565,679	819,458	1,003,870	1,408,694	1,323,673	1,557,181
Total governmental activities expenses	120,331,498	118,615,533	127,036,171	142,978,595	145,656,475	157,770,419	150,328,960	170,056,601	137,672,225	225,990,167
<b>Business-type activities</b>										
Solid Waste	13,106,912	14,142,088	15,688,146	16,025,115	3,295,078	3,170,889	2,999,283	3,046,795	2,446,042	2,065,587
Transit	9,589,073	9,030,560	10,827,002	11,549,568	10,985,466	11,037,095	10,509,143	10,027,298	15,585,396	-
Drainage	3,087,492	3,374,484	3,427,573	4,195,296	4,534,163	4,574,416	4,742,055	6,169,730	5,783,561	5,684,901
Total business-type activities expenses	25,783,477	26,547,132	29,942,721	31,769,979	18,814,707	18,782,400	18,250,481	19,243,823	23,814,999	7,748,488
<b>Total primary government expenses</b>	146,114,975	145,162,665	156,978,892	174,748,574	164,471,182	176,552,819	168,579,441	189,300,424	161,487,224	233,738,655
<b>Program Revenues</b>										
<b>Governmental activities</b>										
Charges for services										
General government	1,585,802	1,203,963	1,152,599	1,062,583	910,363	847,681	2,310,388	3,001,983	1,863,899	4,105,100
Public safety	8,745,249	12,932,599	15,141,731	13,173,695	27,601,261	26,637,537	28,705,240	33,889,089	44,859,708	43,471,604
Public ways and facilities	9,174,547	8,831,340	9,963,980	2,206,419	4,048,193	5,772,373	4,240,029	5,615,428	14,370,204	5,089,496
Other activities	34,884,138	35,982,947	27,881,745	15,651,340	22,515,041	22,117,670	23,446,687	32,590,579	37,732,695	42,517,986
Operating grants, interest, and contributions	10,639,110	4,724,172	16,286,252	79,906,262	12,679,620	36,757,932	9,617,430	35,594,106	31,306,505	9,333,202
Capital grants, interest and contributions	65,028,846	63,675,021	70,426,307	112,007,599	67,775,178	92,147,993	68,326,144	110,701,385	130,163,511	104,553,138
Total governmental activities program revenues	15,261,474	15,139,025	17,080,638	16,863,927	3,634,335	3,791,031	3,775,643	3,897,190	3,780,165	2,595,331
<b>Business-type activities</b>										
Charges for services										
Solid Waste	1,583,621	1,618,573	1,454,582	1,430,071	1,319,149	1,289,226	1,049,077	2,40,620	-	-
Transit	5,257,252	5,359,836	5,448,108	5,632,309	5,706,721	5,702,933	5,982,654	6,119,877	6,170,356	6,318,701
Drainage	8,803,329	8,737,006	12,468,916	8,869,845	12,576,884	11,421,609	11,327,506	13,402,350	717,637	-
Operating grants, interest, and contributions	30,905,676	30,854,440	36,432,244	32,796,152	23,237,089	22,204,799	22,134,880	23,660,037	10,668,158	979,882
Capital grants, interest and contributions	95,934,522	94,529,461	106,878,551	144,803,751	91,012,267	114,352,792	90,461,024	134,361,422	140,831,669	9,893,914
Total business-type activities program revenues	114,447,052	114,447,052	114,447,052	114,447,052	114,447,052	114,447,052	114,447,052	114,447,052	114,447,052	114,447,052

**CITY OF ELK GROVE, CALIFORNIA**

Changes in Net Position, Last Ten Fiscal Years (accrual basis)  
For The Years Ended June 30, 2023

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Net (Expense) Revenue</b>										
Governmental activities	(55,302,652)	(54,940,512)	(56,609,864)	(30,970,996)	(77,881,297)	(65,622,426)	(82,002,816)	(59,355,216)	(7,508,714)	(12,143,029)
Business-type activities	5,122,199	4,307,308	6,509,523	1,026,173	4,422,382	3,422,399	3,884,399	4,416,214	(13,146,841)	2,145,426
Total primary government net revenue (expense)	\$ (50,180,453)	\$ (50,633,204)	\$ (50,100,341)	\$ (29,944,823)	\$ (73,458,915)	\$ (62,200,027)	\$ (78,118,417)	\$ (54,939,002)	\$ (20,655,555)	\$ (119,291,603)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities										
Property taxes	\$ 9,680,843	\$ 10,748,517	\$ 11,443,260	\$ 23,670,228	\$ 25,079,951	\$ 26,276,570	\$ 27,773,836	\$ 29,511,750	\$ 31,175,469	\$ 33,636,077
Sales & Use tax	15,365,390	16,567,321	20,504,422	25,635,498	27,320,405	29,355,281	29,768,093	34,975,729	38,501,983	38,333,652
In-Lieu sales tax	4,845,534	5,583,730	4,704,053	5,681,559	-	-	-	-	-	-
Transaction and use tax	-	-	-	-	-	-	-	-	-	7,802,655
Other taxes	8,905,914	9,319,299	10,174,956	4,510,259	11,580,750	11,756,951	10,785,744	11,305,394	12,720,908	12,510,480
Investment Income	3,933,612	7,107,416	4,671,926	-	-	-	-	-	-	(2,002,595)
Gain on sale of capital assets	-	-	-	-	-	-	-	-	-	3,313,623
Other Revenue	-	-	-	5,727,764	3,946,919	11,754,931	12,631,488	3,664,095	640,781	3,341,284
Transfers	908,351	868,712	1,096,291	1,098,174	1,010,576	728,196	703,470	2,172,721	(68,772)	1,129,092
Total governmental activities	43,639,644	50,194,995	52,594,908	66,223,482	68,938,601	79,871,929	81,662,631	81,629,689	84,281,397	101,601,411
Business-type activities										
Other taxes	1,129,497	1,235,074	1,301,708	1,379,717	1,456,673	1,532,613	1,607,522	1,685,060	1,769,562	2,414,525
Unrestricted interest income	243,254	1,647,758	879,777	-	-	-	-	-	(1,132,057)	(10,367)
Other	-	-	-	162,698	138,462	1,233,757	1,508,654	(55,350)	-	-
Transfers	(908,351)	(868,712)	(1,096,291)	(1,098,174)	(1,010,576)	(728,196)	(703,470)	(2,172,721)	68,772	(1,129,092)
Total business-type activities	464,400	531,120	1,085,194	444,241	584,559	2,038,174	2,412,706	(543,011)	706,277	1,275,066
Total primary government	44,104,044	50,726,115	53,680,102	66,667,723	69,523,160	81,910,103	84,075,337	81,086,678	84,987,674	102,876,477
Change in governmental activities net position before special item	(11,663,008)	(4,745,517)	(4,014,956)	35,252,486	(8,942,696)	14,249,503	(340,185)	22,274,473	76,772,683	(19,835,618)
Special item:										
Loss on sale of Vineyard Property	-	-	-	-	-	-	-	-	-	-
Bad debt expense	(14,373,966)	(12,141,141)	-	-	-	-	-	-	-	-
Change in Net Position:										
Governmental activities	(26,036,974)	(16,886,658)	(4,014,956)	35,252,486	(8,942,696)	14,249,503	(340,185)	22,274,473	76,772,683	(19,835,618)
Business-type activities	5,586,599	4,838,428	7,594,717	1,470,414	5,006,941	5,460,573	6,297,105	3,873,203	(12,440,564)	3,420,492
Total primary government	\$ (20,450,375)	\$ (12,048,230)	\$ 3,579,761	\$ 36,722,900	\$ (3,935,755)	\$ 19,710,076	\$ 5,956,920	\$ 26,147,676	\$ 64,332,119	\$ (16,415,126)

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, 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
General Fund				
Nonspendable	\$ -	\$ -	\$ -	\$ 3,510,730
Committed	18,604,618	19,227,947	20,096,678	21,000,138
Assigned	-	1,649,271	346,141	357,858
Unassigned	<u>5,995,555</u>	<u>1,381,845</u>	<u>7,498,226</u>	<u>9,447,603</u>
Total General Fund	<u>\$ 24,600,173</u>	<u>\$ 22,259,063</u>	<u>\$ 27,941,045</u>	<u>\$ 34,316,329</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ 65,738,124	\$ 66,458,363	\$ -
Restricted	113,819,244	124,249,316	151,376,738	242,335,680
Committed	-	-	20,096,678	-
Assigned	-	-	346,141	-
Unassigned	<u>(14,415,146)</u>	<u>(14,415,146)</u>	<u>(3,262,256)</u>	<u>(4,644,863)</u>
Total All Other Governmental Funds	<u>\$ 99,404,098</u>	<u>\$ 175,572,294</u>	<u>\$ 235,015,664</u>	<u>\$ 237,690,817</u>

Source: The City of Elk Grove ACFR

2018	2019	2020	2021	2022	2023
\$ 2,801,341	\$ 2,372,795	\$ 1,939,752	\$ 1,544,352	\$ 4,046,810	\$ 3,162,543
22,407,940	37,444,232	35,805,778	45,856,905	68,864,439	85,388,301
373,349	2,359,382	4,765,651	634,036	150,276	589,487
11,794,420	190,714	3,605,551	6,102,376	703,902	7,559,876
<u>\$ 37,377,050</u>	<u>\$ 42,367,123</u>	<u>\$ 46,116,732</u>	<u>\$ 54,137,669</u>	<u>\$ 73,765,427</u>	<u>\$ 96,700,207</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
234,660,067	230,471,851	245,502,694	252,216,752	281,344,183	312,776,606
-	-	-	-	-	-
-	-	-	13,445	56,100	-
(7,799,419)	(6,013,300)	(4,461,827)	(7,682,562)	(5,419,755)	(7,059,316)
<u>\$ 226,860,648</u>	<u>\$ 224,458,551</u>	<u>\$ 241,040,867</u>	<u>\$ 244,547,635</u>	<u>\$ 275,980,528</u>	<u>\$ 305,717,290</u>



CITY OF ELK GROVE, CALIFORNIA

Changes in Fund Balances, Governmental Funds  
 Last Ten Fiscal Years Ending June 30, 2023  
 (modified accrual basis of accounting)

	2014	2015	2016	2017
<b>REVENUES</b>				
Taxes	\$ 38,797,684	\$ 42,218,867	\$ 46,826,691	\$ 59,397,544
Licenses, fees and permits	15,574,986	19,444,219	23,521,281	13,741,076
Intergovernmental	44,698,377	40,589,946	42,846,356	24,099,150
Fines and forfeitures	1,319,758	488,299	387,185	354,504
Charges for services	3,083,121	3,308,827	2,481,403	1,804,824
Investment earnings	1,985,204	3,122,257	4,040,144	5,097,917
Contribution from Community Facility District	-	-	-	-
Contributions from property owners	-	-	-	72,700,000
Contributions and donations	-	-	-	30,000
Other Revenue	356,980	1,352,612	970,243	947,939
<b>Total revenues</b>	<u>105,816,110</u>	<u>110,525,027</u>	<u>121,073,303</u>	<u>178,172,954</u>
<b>EXPENDITURES:</b>				
General government	18,789,272	19,891,965	19,971,477	23,312,594
Public safety	32,537,512	34,796,247	35,356,689	36,067,903
Public ways and facilities	15,306,831	15,453,017	15,331,077	59,011,979
Community development	8,433,339	7,329,328	9,444,746	9,193,193
Capital outlay	20,853,268	22,636,496	19,170,128	488,306
Debt service:				
Principal retirement	3,460,000	3,620,000	1,315,000	2,335,000
Interest and fiscal charges	4,968,805	4,803,957	5,121,900	679,930
Tax administration	-	-	-	-
Bond issue costs	-	-	1,356,411	104,578
<b>Total expenditures</b>	<u>104,349,027</u>	<u>108,531,010</u>	<u>107,067,428</u>	<u>131,193,483</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES</b>	<u>1,467,083</u>	<u>1,994,017</u>	<u>14,005,875</u>	<u>46,979,471</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Long-term liabilities issued	-	-	90,630,000	-
Premium (discount) on debt issued	-	-	9,594,496	-
Refunding bonds issued	-	-	-	4,940,000
Payments to refunded bond escrow agent	-	-	(89,402,398)	(7,200,000)
Issuance of debt	-	-	-	-
Proceeds from sale of property	-	-	-	-
Transfers from other funds	11,695,534	17,862,895	35,802,601	13,408,691
Transfers to other funds	(9,423,825)	(15,470,054)	(33,280,777)	(10,827,097)
<b>Total other financing sources (uses)</b>	<u>2,271,709</u>	<u>2,392,841</u>	<u>13,343,922</u>	<u>321,594</u>
<b>Net Change in Fund Balances before special item</b>	3,738,792	4,386,858	27,349,797	47,301,065
Special Item:				
Sale of Vineyard Property	<u>3,347,156</u> <sup>(1)</sup>	<u>-</u>	<u>-</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCES</b>	<u>\$ 7,085,948</u>	<u>\$ 4,386,858</u>	<u>\$ 27,349,797</u>	<u>\$ 47,301,065</u>
Debt service as a percentage of noncapital expenditures.	10.09%	9.81%	7.32%	2.31%

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

2018	2019	2020	2021	2022	2023
\$ 63,981,106	\$ 67,388,802	\$ 68,327,673	\$ 75,792,873	\$ 82,398,360	\$ 92,282,864
29,558,628	32,430,388	31,129,318	39,845,008	42,652,817	46,808,244
30,160,655	41,196,733	33,474,390	43,187,367	61,022,287	49,283,670
281,523	245,488	504,072	909,033	609,151	1,260,318
3,219,568	2,036,472	2,441,302	2,826,699	3,037,421	4,084,590
1,882,216	9,196,276	10,181,302	3,036,689	(3,461,070)	4,840,294
-	-	-	7,452,238	15,579,344	1,701,077
1,400,000	16,030,000	-	-	-	-
1,000,000	-	-	-	-	-
991,515	1,067,530	1,825,575	1,330,827	640,781	3,115,827
<u>132,475,211</u>	<u>169,591,689</u>	<u>147,883,632</u>	<u>174,380,734</u>	<u>202,479,091</u>	<u>203,376,884</u>
26,431,508	26,866,864	28,229,779	32,229,265	35,265,452	36,764,068
37,703,232	39,898,125	48,759,157	50,117,147	50,786,209	56,142,900
80,059,131	100,760,979	43,448,285	62,246,726	61,266,814	36,000,825
9,522,145	10,718,894	12,409,217	11,866,414	17,791,162	16,358,905
6,752,813	3,272,922	3,686,811	6,594,030	444,712	6,394,096
265,000	470,000	1,080,000	1,717,440	1,710,998	2,300,321
194,439	940,136	1,071,385	989,185	994,766	1,557,419
-	-	-	64,912	138,038	9,617
275,440	-	172,500	-	244,428	-
<u>161,203,708</u>	<u>182,927,920</u>	<u>138,857,134</u>	<u>165,825,119</u>	<u>168,642,579</u>	<u>155,528,151</u>
<u>(28,728,497)</u>	<u>(13,336,231)</u>	<u>9,026,498</u>	<u>8,555,615</u>	<u>33,836,512</u>	<u>47,848,733</u>
18,530,000	-	10,000,000	-	12,035,000	-
973,533	-	-	-	1,501,125	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	187,029
-	-	-	-	5,138,446	-
29,617,243	12,391,641	13,770,663	26,438,237	31,330,036	22,859,928
<u>(28,161,727)</u>	<u>(11,086,950)</u>	<u>(12,465,236)</u>	<u>(23,583,194)</u>	<u>(32,780,468)</u>	<u>(18,224,148)</u>
<u>20,959,049</u>	<u>1,304,691</u>	<u>11,305,427</u>	<u>2,855,043</u>	<u>17,224,139</u>	<u>4,822,809</u>
(7,769,448)	(12,031,540)	20,331,925	11,410,658	51,060,651	52,671,542
-	-	-	-	-	-
<u>\$ (7,769,448)</u>	<u>\$ (12,031,540)</u>	<u>\$ 20,331,925</u>	<u>\$ 11,410,658</u>	<u>\$ 51,060,651</u>	<u>\$ 52,671,542</u>
0.30%	0.78%	2.05%	2.51%	1.48%	3.75%

**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
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	21,308,349,622	0.06434
2021	19,147,318,733	2,412,556,407	572,237,899	975,152,542	508,124,010	22,599,141,571	0.06418
2022	20,263,052,471	2,465,719,342	594,442,627	965,320,208	543,280,121	23,745,254,527	0.06393
2023	21,800,832,206	2,600,582,983	669,167,419	1,155,014,930	594,057,660	25,631,539,878	0.06382

Source: HdL from the Sacramento County Assessor 2013/14-2022/23 Combined Tax Rolls

**CITY OF ELK GROVE, CALIFORNIA**

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

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<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	0.38218	0.38219	0.38219	0.38218
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	0.22141	0.22140	0.22139	0.22139	0.20130
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	0.03730	0.03570	0.03490	0.03520	0.03670	0.03030
Los Rios College Bond	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Los Rios College Gob	0.01810	0.01130	0.00910	0.01410	0.01300	0.01310	0.02320	0.02230	0.02490	0.02260
Sacramento Unified Gob	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Sacto City Unified Gob	0.12250	0.12120	0.13350	0.12770	0.12350	0.11640	0.11390	0.11710	0.09180	0.12800
<b>Total Direct &amp; Overlapping<sup>2</sup> Tax Rates</b>	<b>1.14060</b>	<b>1.13250</b>	<b>1.14260</b>	<b>1.14180</b>	<b>1.17380</b>	<b>1.16520</b>	<b>1.17200</b>	<b>1.17460</b>	<b>1.15340</b>	<b>1.18090</b>
 General Obligation Debt Rate										
 <b>Total Direct Rate<sup>4</sup></b>	<b>0.06487</b>	<b>0.03648</b>	<b>0.06473</b>	<b>0.06467</b>	<b>0.06456</b>	<b>0.06448</b>	<b>0.06434</b>	<b>0.06418</b>	<b>0.06393</b>	<b>0.06382</b>

Source: Prepared by HdL, Coren & Cone

Data source: Sacramento County Assessor 2013/14 - 2022/23 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	2023			2014		
	Rank	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation	Rank	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation
Apple Computer Inc	1	\$ 252,781,040	0.99%	1	\$ 147,576,261	1.01%
Laguna Gateway Phase 2 LP	2	100,182,221	0.39%			
PF Portfolio 1 LP	3	99,315,958	0.39%			
Oakmont Properties II LP	4	78,734,051	0.31%	4	45,713,800	0.31%
CD Lake Point LLC JD Lake Point LLC Etal	5	72,300,000	0.28%			
PF Portfolio 2 LP	6	70,134,496	0.27%			
MG Somerfield At Lakeside Apartments	7	67,274,957	0.26%			
Elk Grove Independent Living LLC	8	65,598,521	0.26%			
Elk Grove Owner LP (KOHLS)	9	63,050,870	0.25%			
MG Bella Vista Apartments EKG LLC	10	62,019,533	0.24%			
Pappas Laguna 2 LP				3	87,907,407	0.60%
Donahue Schriber Realty Group LP				2	145,756,813	1.00%
Jackson II LLC				5	38,972,381	0.27%
9130 Nolan Street LLC				6	35,428,800	0.24%
Kaiser Foundation Health Plan Inc.				7	34,026,820	0.23%
JJD HOV Elk Grove LLC				8	30,291,816	0.21%
Orion Citrus Grove Associates LLC				9	25,803,500	0.18%
Elk Grove Franklin Retail				10	25,494,559	0.17%
		<u>\$ 931,391,647</u>	<u>3.64%</u>		<u>\$ 616,972,157</u>	<u>4.22%</u>

Source: HDL, Coren & Cone, Sacramento County Assessor 2022-23 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
2014	\$ 17,910,846	\$ 17,842,391	99.62%	\$ 68,455	\$ 17,910,846	100.00%
2015	20,085,162	20,021,250	99.68%	63,912	20,085,162	100.00%
2016	22,492,684	22,421,589	99.68%	71,095	22,492,684	100.00%
2017	24,198,311	24,000,095	99.18%	198,216	24,198,311	100.00%
2018	24,778,708	24,650,410	99.48%	128,298	24,778,708	100.00%
2019	27,469,694	27,364,210	99.62%	105,484	27,469,694	100.00%
2020	29,353,226	29,067,981	99.03%	285,245	29,353,226	100.00%
2021	31,585,603	31,427,396	99.50%	158,207	31,585,603	100.00%
2022	33,592,664	33,495,020	99.71%	97,644	33,592,664	100.00%
2023	35,599,428	35,335,837	99.26%	263,591	35,599,428	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)

	2014	2015	2016	2017	2018
Apparel Stores	\$ 72,656	\$ 76,039	\$ 79,512	\$ 80,587	\$ 80,771
General Merchandise	178,709	184,822	187,807	185,515	180,858
Food Stores	60,816	64,028	65,466	66,083	66,359
Eating and Drinking Places	187,234	201,084	228,559	250,348	265,459
Building Materials	67,783	63,315	76,102	86,754	98,934
Auto Dealers and Supplies	576,870	637,312	736,551	850,020	905,658
Service Stations	202,295	202,900	175,264	165,039	191,409
Other Retail Stores	276,132	285,513	294,492	318,251	315,468
All Other Outlets	<u>377,509</u>	<u>441,461</u>	<u>474,317</u>	<u>514,399</u>	<u>598,642</u>
<b>Total</b>	<b><u><u>\$ 2,000,004</u></u></b>	<b><u><u>\$ 2,156,474</u></u></b>	<b><u><u>\$ 2,318,070</u></u></b>	<b><u><u>\$ 2,516,996</u></u></b>	<b><u><u>\$ 2,703,558</u></u></b>

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>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
\$ 79,920	\$ 76,895	\$ 51,311	\$ 82,074	\$ 81,389
207,432	321,230	313,642	372,887	416,079
67,259	67,617	76,403	75,003	76,611
273,225	290,727	255,110	346,204	393,141
110,519	113,665	148,896	196,088	208,918
881,314	880,071	936,454	1,110,249	1,083,872
216,404	204,840	147,261	223,885	269,174
306,892	292,294	430,389	537,537	544,303
613,474	801,939	795,364	786,204	814,229
<u>\$ 2,756,439</u>	<u>\$ 3,049,278</u>	<u>\$ 3,154,830</u>	<u>\$ 3,730,131</u>	<u>\$ 3,887,716</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	Measure E	Total
2014	1.00	0.25	0.50	6.25	-	8.00
2015	1.00	0.25	0.50	6.25	-	8.00
2016	1.00	0.25	0.50	6.25	-	8.00
2017	1.00	0.25	0.50	6.00 (a)	-	7.75
2018	1.00	0.25	0.50	6.00	-	7.75
2019	1.00	0.25	0.50	6.00	-	7.75
2020	1.00	0.25	0.50	6.00	-	7.75
2021	1.00	0.25	0.50	6.00	-	7.75
2022	1.00	0.25	0.50	6.00	-	7.75
2023	1.00	0.25	0.50	6.00	1.00 (b)	8.75

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

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

(b) April 1, 2023, the Measure E 1 cent City Sales Tax began.

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			
2014	104,833,363	10,090,000	114,923,363	2.53%	715
2015	101,130,102	9,870,000	111,000,102	2.36%	661
2016	109,611,895	9,645,000	119,256,895	2.53%	710
2017	4,940,000 <sup>(3)</sup>	9,410,000	14,350,000	0.30%	84
2018	23,205,000	9,165,000	32,370,000	0.62%	188
2019	22,735,000	8,915,000	31,650,000	0.60%	182
2020	31,655,000	8,655,000	40,310,000	0.69%	229
2021	29,937,560	8,385,000	38,322,560	0.62%	215
2022	40,261,562	-	40,261,562 <sup>(4)</sup>	0.62%	228
2023	38,319,773	-	38,319,773	0.56%	216

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.

<sup>(4)</sup> The City redeemed the 2010 Lease Revenue Recovery Zone Economic Development Bonds on August 26, 2021.

**CITY OF ELK GROVE**

Direct and Overlapping Governmental Activities Debt  
June 30, 2023

2022-23 Assessed Valuation: \$25,589,433,335

	Total Debt	6/30/2023	City's Share of
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>	<u>6/30/2023</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/23</u>
Los Rios Community College District	\$448,500,000	10.296%	\$46,177,560
Elk Grove Unified School District	431,600,000	54.804%	236,534,064
Sacramento Unified School District	683,827,966	0.174%	1,189,861
City of Elk Grove Community Facilities District No. 2002-1	39,195,000	100.000%	39,195,000
City of Elk Grove Community Facilities District No. 2003-1	34,575,000	100.000%	34,575,000
City of Elk Grove Community Facilities District No. 2005-1	148,070,000	100.000%	148,070,000
Elk Grove Unified School District Community Facilities District No. 1	171,651,133	54.804%	94,071,687
Sacramento County Community Facilities Districts	2,502,860	100.000%	2,502,860
California Municipal Finance Authority Community Facilities Districts	16,231,000	100.000%	16,231,000
California Statewide Community Development Authority 1915 Act Bonds	18,448,152	100.000%	<u>18,448,152</u>
<b>TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT</b>			<b>\$636,995,184</b>
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Sacramento County General Fund Obligations	\$116,785,623	12.377%	\$14,454,556
Sacramento County Pension Obligation Bonds	540,586,779	12.377%	66,908,426
Sacramento County Board of Education Certificates of Participation	2,150,000	12.377%	266,106
Elk Grove Unified School District Certificates of Participation	10,872,000	54.804%	5,958,291
Sacramento Unified School District Certificates of Participation	52,060,000	0.175%	90,584
Cosumnes Community Services District Certificates of Participation	60,719,000	87.058%	52,860,747
<b>City of Elk Grove Lease Revenue Bonds</b>	<b>38,319,774</b>	<b>100.000%</b>	<b><u>40,261,562</u></b>
<b>TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$178,858,484</b>
Less: Sacramento County supported obligations			\$1,541,014
<b>TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT</b>			<b>\$177,317,470</b>
 <b>TOTAL GROSS DIRECT DEBT</b>			 <b>\$38,319,774</b>
<b>TOTAL OVERLAPPING DEBT</b>			<b>\$791,787,880</b>
 GROSS COMBINED TOTAL DEBT			 \$831,648,668 (2)
NET COMBINED TOTAL DEBT			\$830,107,654

- (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	2.55%
<b>Total Gross Direct Debt (\$38,319,774)</b>	<b>0.15%</b>
Gross Combined Total Debt	3.25%
Net Combined Total Debt	3.24%

Source: California Municipal Statistics, Inc., Oakland, CA

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**CITY OF ELK GROVE, CALIFORNIA**

Legal Debt Margin  
For the Last Ten Years Ended June 30, 2023

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>
Assessed value <sup>(1)</sup>	\$ 14,606,310,971	\$ 16,119,227,237	\$ 16,893,165,344	\$ 18,008,023,600
Less: Exemptions <sup>(1)</sup>	<u>(359,424,853)</u>	<u>(398,318,801)</u>	<u>(430,877,261)</u>	<u>(426,240,108)</u>
	14,246,886,118	15,720,908,436	16,462,288,083	17,581,783,492
<b>Legal debt margin</b>				
Debt Limit (15% of Assessed Value)	2,137,032,918	2,358,136,265	2,469,343,212	2,637,267,524
Debt applicable to limit:				
Total Bonded Debt (including Special Assessment Bonds)	114,923,363	111,000,102	119,256,895	14,350,000
Less:				
Special Assessment Bonds	-	-	-	-
Tax Allocation Bonds	-	-	-	-
Total Amount of Debt Applicable to Debt Limit	<u>114,923,363</u>	<u>111,000,102</u>	<u>119,256,895</u>	<u>14,350,000</u>
Legal Debt Margin	<u>\$ 2,022,109,555</u>	<u>\$ 2,247,136,163</u>	<u>\$ 2,350,086,317</u>	<u>\$ 2,622,917,524</u>
Total debt applicable to limit as a percentage of debt limit	5.68%	4.94%	5.07%	0.55%

Source: <sup>(1)</sup> HdL from the Sacramento County Assessor 2013/14-2022/23 Combined Tax Rolls

2018	2019	2020	2021	2022	2023
\$ 19,462,619,410	\$ 20,637,300,411	\$ 21,084,337,304	\$ 23,107,265,581	\$ 24,288,534,648	\$ 26,225,597,538
(487,229,789)	(451,113,557)	(495,987,672)	(508,124,010)	(543,280,121)	(594,057,660)
<u>18,975,389,621</u>	<u>20,186,186,854</u>	<u>20,588,349,632</u>	<u>22,599,141,571</u>	<u>23,745,254,527</u>	<u>25,631,539,878</u>
2,846,308,443	3,027,928,028	3,088,252,445	3,389,871,236	3,561,788,179	3,844,730,982
32,370,000	31,650,000	40,310,000	38,322,560	40,261,562	38,319,773
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>32,370,000</u>	<u>31,650,000</u>	<u>40,310,000</u>	<u>38,322,560</u>	<u>40,261,562</u>	<u>38,319,773</u>
<u>\$ 2,813,938,443</u>	<u>\$ 2,996,278,028</u>	<u>\$ 3,047,942,445</u>	<u>\$ 3,351,548,676</u>	<u>\$ 3,521,526,617</u>	<u>\$ 3,806,411,209</u>
1.15%	1.06%	1.32%	1.14%	1.14%	1.01%

## 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>
2014	160,688	1,454,406	\$ 4,447,843,840	\$ 27,680	62,499	33.90	5.00%
2015	162,899	1,470,912	4,550,094,868	27,932	62,888	33.80	4.50%
2016	167,965	1,495,297	4,705,371,510	28,014	62,767	34.50	4.20%
2017	171,059	1,514,770	4,838,916,992	28,288	63,061	35.10	4.10%
2018	172,116	1,529,501	5,224,409,064	30,354	63,297	35.40	3.60%
2019	174,025	1,546,174	5,516,940,550	31,702	63,917	36.00	3.40%
2020	176,154	1,555,365	5,837,743,560	33,140	64,480	36.60	12.70%
2021	178,124	1,561,014	6,161,309,160	34,590	63,947	37.50	6.60%
2022	176,972	1,576,618	6,458,416,168	36,494	63,041	37.70	3.10%
2023	177,005	1,573,366	6,816,639,555	38,511	62,957	38.10	4.00%

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	2023		2014	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Elk Grove Unified School District	5,986	7.00%	5,000	14.01%
Apple Computer Inc. *	5,000	5.85%	1,800	5.05%
California Correctional Health Care Services <sup>(1)</sup>	1,800	2.11%		
Cosumnes Community Services District	813	0.95%	330	0.93%
Walmart (3 locations)	585	0.68%	273	0.77%
Kaiser Permanente Med Ctr (2 locations)	500	0.58%	1,468	4.12%
City of Elk Grove	412	0.48%	289	0.81%
Raley's/Bel Air Markets (4 locations)	386	0.45%		
Alldata LLC	285	0.33%	400	1.12%
Safeway (2 locations)	275	0.32%		
Methodist Hospital of Sacramento			550	1.54%
Bimbo Bakeries, Inc.			265	0.74%
Elk Grove Bank of Stockton			237	0.66%
<b>Total Top 10 Employers</b>	<b>16,042</b>	<b>18.75%</b>	<b>10,612</b>	<b>29.76%</b>
<b>Total City Labor Force <sup>(2)</sup></b>	<b>85,500</b>		<b>35,643</b>	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2013-14, previously published ACFR

\*Approximate headcount based on previous Journal publications. Note: Employer Declined Headcount Request.

(1) State of California employees

(2) Employment Development Department - EDD



## CITY OF ELK GROVE

### Government Employment Information Last Ten Fiscal Years

Function/Program	2014	2015	2016	2017
City Council	5	5	5	5
City Manager	11	13	13	20
City Attorney	4	4	5	5
City Clerk	3	3	3	3
Development Services	11	7	9	9
Finance	14	16	19	18
Code Enforcement - Community Development	9	9	9	8
Animal Services	7	7	7	7
Human Resources	4	3	5	4
Police Department	211	205	211	221
Public Works	6	6	10	12
Utilities*	5	5	0	0
Solid Waste	3	3	3	4
Transit	4	5	5	5
Risk Management	1	1	1	2
Information Technology	4	4	4	6
Facilities/Fleet	4	4	5	4
<b>Total employees</b>	<b>306</b>	<b>300</b>	<b>314</b>	<b>333</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>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
5	5	4	4	2	0
21	20	20	26	30	26
6	6	6	6	6	6
3	3	3	3	3	3
14	13	14	13	15	15
18	21	21	22	22	22
8	9	8	9	9	10
7	23	23	26	26	28
5	4	5	5	6	6
224	231	223	237	245	250
12	12	24	25	29	31
0	0	0	0	0	0
4	4	5	5	5	6
5	4	2	5	2	3
1	2	2	2	2	2
7	7	8	8	8	9
4	5	5	5	5	4
<u>344</u>	<u>369</u>	<u>373</u>	<u>401</u>	<u>415</u>	<u>421</u>

## CITY OF ELK GROVE

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

Function/Program	2014	2015	2016	2017
<b>General Government</b>				
Residential Building Permits Issued	378	568	625	315
Commercial Building Permits Issued	11	14	9	9
<b>Refuse Collection<sup>(1)</sup></b>				
Total Tons Disposed	82,795	88,053	78,473	76,577
Total Tons Diverted	73,540	48,305	50,151	53,182
<b>Transit<sup>(3)(4)</sup></b>				
Total Route Miles	1,032,906	1,080,819	1,073,588	1,085,711
Total Passengers	1,043,906	1,032,039	945,262	860,773
<b>Police<sup>(5)</sup></b>				
Calls for service	95,107	98,098	95,677	94,677
Average Emergency Response Time	6.1	5.8	5.2	4.9
Clearance Rate of all Part I Crimes	35%	30%	28%	26%
Category A Arrests	0	0	0	0
<b>Utility Billing<sup>(2)</sup></b>				
Residential Customers	47,161	47,985	49,845	50,332
<b>Community Enhancement</b>				
Calls for Service	2,664	3,236	4,258	2,880
Average Emergency Response Time	24 Hours	24 Hours	24 Hours	24 Hours
Number of Inspectors	6	6	6	6
Average Number of Cases Per Inspector	444	539	710	480

Sources: City of Elk Grove, Republic Services

<sup>(1)</sup>Based on calendar year. State switched to per pound/person tracking and no longer tracks 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.

<sup>(4)</sup>2021-2022 City of Elk Grove no longer has a Transit service. Transferred to Regional Transit effective July 1, 2021.

<sup>(5)</sup>In 2021, California Department of Justice began the transition from Uniform Crime Reporting (UCR) to the National Incident Based Reporting System (NIBRS). In 2023, Category A Crimes is more expansive, showing approximately 23 sections in total, while the previous UCR Part 1 Crimes only captured 8 categories.

2018	2019	2020	2021	2022	2023
546	819	642	752	567	702
32	18	8	27	24	24
76,233	83,879	80,920	93,023	82,838	88,159
55,528	57,309	57,753	59,433	75,462	80,578
1,025,867	1,037,044	955,309	769,566	0	0
783,893	774,736	610,875	121,817	0	0
94,776	97,528	96,109	88,362	85,273	85,403
5.0	5.2	4.7	5.2	5.6	6.0
22%	21%	21%	19%	21%	0%
0	0	0	0	0	1544
50,723	50,264	50,110	50,502	52,391	52,317
2,833	2,802	2,706	2,438	2,297	2,237
24 Hours	24 Hours	24 Hours	24 Hours	24 Hours	24 Hours
6	5	6	5	5	4
472	560	451	488	459	559

## CITY OF ELK GROVE

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

Function/Program	2014	2015	2016	2017	2018
Public Safety					
Police:					
Stations	1	1	1	1	1
Patrol units <sup>(1)</sup>	74	74	75	63	60
Highways and Streets					
Streets (miles) <sup>(2)</sup>	555	555	560	545	545
Streetlights <sup>(3)</sup>	13,830	14,082	14,195	14,195	14,195
Traffic signals <sup>(4)</sup>	167	161	168	151	151
Traffic signs <sup>(5)</sup>	10,057	10,465	10,873	25,000	25,000
Bridges <sup>(6)</sup>	67	81	89	89	89
Sidewalk (miles)	794	800	829	829	899
Drainage					
Manholes <sup>(7)</sup>	8,490	8,686	9,027	9,147	9,215
Feet of pipe <sup>(8)</sup>	2,361,500	2,404,418	2,063,846	2,116,599	2,122,948
Storm drain inlets <sup>(7)</sup>	14,907	15,180	15,836	15,903	16,192

<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> Starting in 2023, the actual number of traffic signals in intersections is listed.

Previously, all signals, including pedestrian crossings and radar signals were included.

<sup>(5)</sup> Traffic signs were corrected after an inventory count in 2017.

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

<sup>(6)</sup> Bridge GIS data was including retired assets previously, 2022 represents an accurate count.

As of 2023, number represents current City owned and maintained bridges. Previous numbers included bridges on Hwy 99 that are CalTrans maintained.

<sup>(7)</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>(8)</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 stations.

Source: Departments within the City of Elk Grove

<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>
1	1	1	1	1
58	56	57	61	66
553	553	553	555	564
13,435	13,799	13,885	14,551	14,674
151	159	161	187	156
23,369	23,619	23,657	23,404	23,630
89	92	92	69	65
899	899	899	899	899
9,287	8,184	8,162	8,724	8,829
2,144,206	2,164,297	2,121,685	2,189,387	2,206,919
16,265	13,716	12,745	13,444	13,596

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