

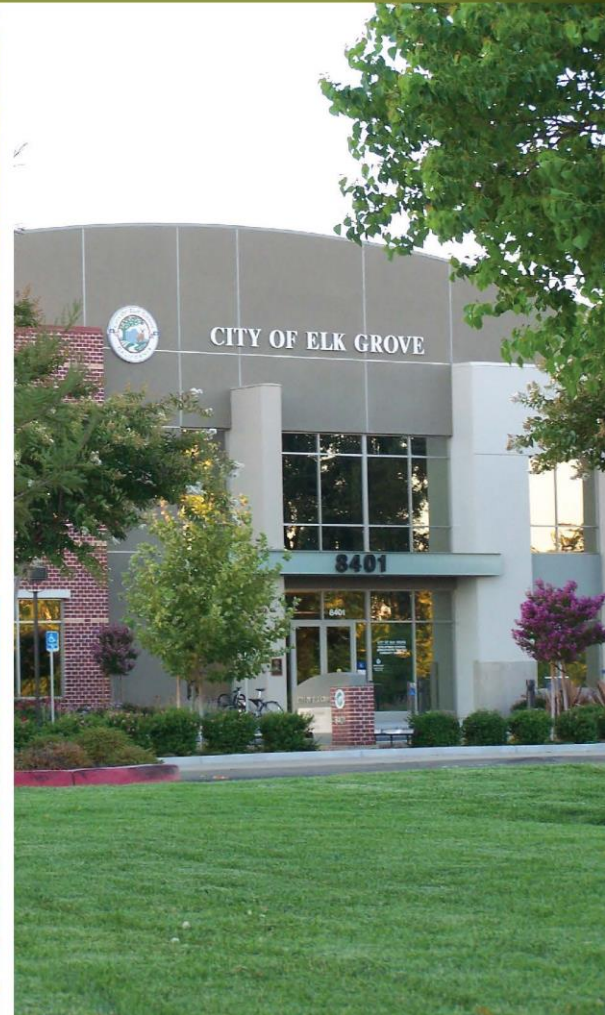


CITY OF
ELK GROVE
CALIFORNIA



COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020



CITY OF ELK GROVE, CALIFORNIA
Incorporated July 1, 2000

COMPREHENSIVE ANNUAL FINANCIAL REPORT

PREPARED BY THE FINANCE DEPARTMENT-
ACCOUNTING DIVISION

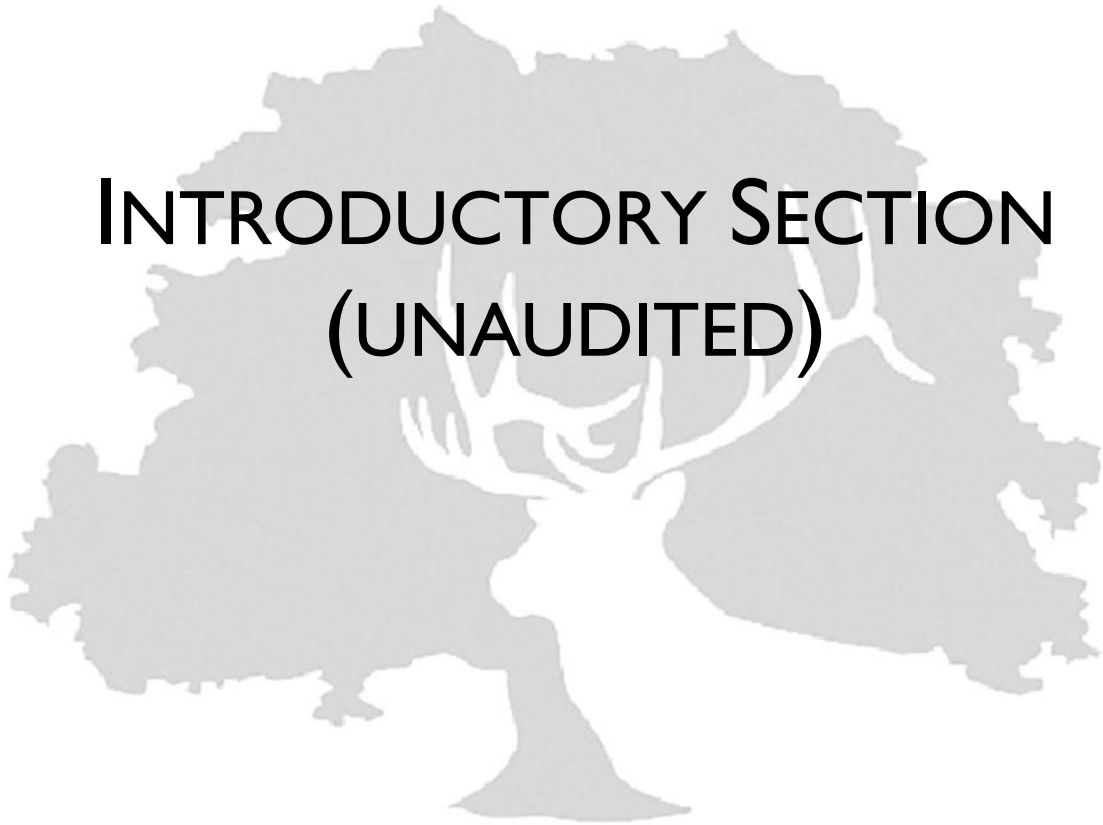
Fiscal Year Ended June 30, 2020



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

INTRODUCTORY SECTION (UNAUDITED)



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December 29, 2020

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

The Comprehensive Annual Financial Report (CAFR) of the City of Elk Grove (City) for the fiscal year ended June 30, 2020, 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 of Elk Grove's financial statements for the fiscal year ended June 30, 2020. The independent auditor's report is located in the front of the financial section of this report.

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

PROFILE OF THE GOVERNMENT

The City of Elk Grove incorporated under California law on July 1, 2000, as a general-law city. The City operates under the City Council/Manager form of government. The City Council is a five member body with a Mayor and four Council Members. The elected mayor serves a two-year term and is elected citywide (at-large). The four Council Members positions are also elected citywide (at-large) and each represent one of four council residency districts where the councilmember must reside within. The City votes by-district (district-based) City Councilmember elections. A by-district approach means that the city is divided into districts with the voters of that district alone electing the councilmember from that district. The November 3, 2020 General Election Districts 1 and 3 were up for consideration, as well as the office of the directly elected mayor.

The City provides a variety of services to its residents which include public safety, animal control, highways and streets, public improvements, planning and zoning, code enforcement, building permits, transit, solid waste, drainage, and general administration. The City's CAFR includes all funds of the City and reports all activities considered to be a part of, controlled by, and dependent on the City. GASB Statement No. 14, *The Financial Reporting Entity* requires the disclosure of blended and discretely presented component units. In fiscal year 2005-06, the City added two blended component units: The City of Elk Grove Finance Authority and the City of Elk Grove Parking Authority. The Elk Grove Finance Authority is shown in the financial statements as a Debt Service Fund. The Elk Grove Parking Authority did not have any financial activity during fiscal year 2019-20.

There were no discretely presented component units.

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

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

FACTORS AFFECTING ECONOMIC CONDITION

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

On March 7, 2000, voters passed Measure J to incorporate the communities of Sheldon, Elk Grove and parts of Laguna into the new City of Elk Grove. This was the third attempt to incorporate since 1986. The City of Elk Grove officially incorporated on July 1, 2000, with the newly elected City Council assuming management of the majority of the governmental aspects of living and doing business within the City. A second annexation occurred on December 15, 2003 to incorporate Laguna West into the City’s boundaries.

The City is approximately 42 square miles with 176,154 residents as of January 2020, a population increase of approximately 1.1% over the previous year. The City is the second largest incorporated city within Sacramento County.

The City, State and Nation had experienced over ten years of consecutive economic growth until early 2020. The recovery from the prior recession had exceeded the average length of economic expansions in the post-World War II era. This recovery differed from past recoveries in the extremity of the preceding downturn and in its slower pace of recovery.

However, starting in March of 2020 the spread of the COVID-19 virus (now declared a pandemic) among the Nation’s population, resulted in the spread of negative economic impacts across multiple sectors and indicators. According to the Bureau of Economic Analysis, the Nation’s Gross Domestic Product (GDP) is estimated to decline by 5% (year-over- year) for the first quarter of the calendar year (4th quarter of the fiscal year). According to the Bureau of Labor Statistics the Nation’s unemployment rate has risen. Before COVID, March’s unemployment rate was 4.4%, but since the start of the pandemic unemployment rates have risen. In the month of April unemployment was 14.7% (16.4% for California), May’s unemployment rate was 13.3% and in June the unemployment rate was 11.1% as seen in the tables below.

United States

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2020	3.6	3.5	4.4	14.7	13.3	11.1	10.2	8.4	7.9	6.9

California

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct
2020	3.9	3.9	5.5	16.4	16.4	14.9	13.5	11.2	11.1	9.3

Sales Tax receipts increased slightly over prior fiscal year by 1.4% and outpaced budget expectations in fiscal year 2019-20 exceeding the budget by \$1 million.

Transient and Occupancy Tax declined 24% and is \$781 thousand less than budget, this decline is due to the lower hotel occupancy rate experienced during the early months of the pandemic.

Utility User Tax declined 4% and is \$622 thousand less than budget, this decline is due to the shelter-in place orders or similar restrictions which caused a significant number of commercial businesses and industrial facilities to stop operating.

Given that the future outcomes of the pandemic are unknown, there is great difficulty in estimating revenues for fiscal year 2020-21. While the City has tried to rely on expert forecasts and recommendations for revenue sources such as Sales Tax and Transient Occupancy Tax, the unprecedented nature of COVID-19 and immediate impacts to the economy make revenue projections particularly challenging.

Development of the 2020-21 budget has incorporated the effects of the COVID-19 recession. General Fund forecast looks different than in prior years. This forecast assumes a decline in most General Fund revenues in fiscal year 2020-21, followed by a modest economic recovery and gradual increase in revenues starting in fiscal year 2021-22. Due to the evolving nature of this COVID-19 related recession, staff will be closely monitoring economic data and revenue sources in the coming months and bring recommended adjustments to the Council as needed.

To help mitigate the impacts of the \$7 million revenue decrease (compared to earlier revenue projections) in projected General Fund revenues for fiscal year 2020-21, staff made efforts during the spring of 2020 (amidst the COVID-19 pandemic) to implement reductions to the fiscal year 2020-21 budget. As a response to the revenue impacts stemming from the COVID-19 pandemic, no new positions are assumed for proposed fiscal year 2020-21. Also not included in the fiscal year 2020-21 Budget is an advance prepayment of the City's PERS unfunded accrued liabilities (UAL) in the amount of \$900 thousand. The 2020-21 Budget does not include the approximately \$1.2 million transfer-out of the Recycling & Waste Franchise Fee revenue to the Capital Reserve Fund as originally projected. Fiscal year 2020-21 Budget also reflects a reduction of nearly \$600,000 in operational costs such as professional service contracts (e.g. studies, research, consulting, and student interns), training, travel, dues & memberships, subscriptions, and publications. Information Technology equipment, such as the purchase of a new server for the Police Department, is being deferred to a future fiscal year, resulting in a reduction of \$600,000 from the fiscal year 2020-21 budget.

Construction permits are down due to the pandemic, there was an expected slowdown in development activity from prior year.

	Residential Permits	Commercial permits
2019-20	642	8
2018-19	819	18
2017-18	546	32
2016-17	315	9
2015-16	625	9

Property assessed valuations increased again during fiscal year 2019-20 an increase of 6.53% in Sacramento County and 5% in Elk Grove over the prior year. Expectations are that the City will continue with assessed valuation increases in fiscal year 2020-21.

LONG-TERM FINANCIAL PLANNING

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 City wants to retain a Stabilization Reserve level of 10% to 25% of revenues in other operating funds for any given budget year. Stabilization Reserves will be set aside each budget year to provide budget stabilization or to fund unanticipated projects deemed necessary. The City Council will approve any fund balance between 10% and 20% of other on-going operating revenues as part of the Annual Budget Resolution. If the level of Stabilization Reserves falls below 10%, the City may over several Fiscal Years restore the level of Reserve to the desirable level of over 10%. These reserves will be reported as part of the committed reserve balance. Considering the COVID impacts for FY 2019-20, City Council suspended the automatic allocation to the Capital Reserves and Economic Development.

In fiscal year 2019-20 the Reserve for Economic Uncertainty is 25% of the adjusted expenditures of \$71 million while the overall expenditure total is \$77.8 million. Opportunity Reserve is \$3.6 million or 4%, capital reserve is \$10.3 million or 13%, and Economic Development program reserve is \$4.2 million or 6% of total General Fund Expenditures. The City is holding \$3.6 million in the "Undesignated" category and adding it to the "Future Reserve Target Support" category in acknowledgment of COVID-19's uncertain impact on City revenues going forward. Reserving fund balance amounts to support the achievement of reserve target levels in future years is in alignment with the intent of the City's Reserve Policy.

The City made an additional payment during fiscal year 2019-2020 of almost \$2.2 million to PERS (over and above the required payment) to accelerate funding towards the City's unfunded pension liability. The City had budgeted an accelerated \$900,000 payment but also realized salary and benefit savings during the course of the fiscal year that were redirected as an additional accelerated payment to the pension liability. These accelerated payments will both reduce the pension liability and also reduce future required unfunded liability payments.

MAJOR INITIATIVES

COVID-19

Reintegration Planning

On March 11, 2020, the World Health Organization (WHO) declared the COVID-19 health crisis a pandemic. State and local health officials issued orders and directives that limited business operations and services and imposed stay-at-home directives to much of the population. This caused the City to cease many in-person public operations and direct the majority of the workforce to telework. The State of California has provided a tiered plan for reopening operations based upon infection and hospitalization rates (the Resilience Roadmap). The City prepared a reintegration plan for reopening City Hall and other City facilities in accordance with the state's recovery roadmap. This plan provides a strategy for returning City administrative services and staffing to traditional levels while addressing potential risks to the public and City staff. Using State planning as a guide, this transition will be implemented in five stages. The City will consider the timing and implementation of a particular stage based upon the overall status of the County, guidance and directives from the State and Sacramento County Public Health. The stages are as follows:

- Stage 1: Emergency Response: Slow the Spread of the COVID-19 virus
- Stage 2: Restricted Operations
- Stage 2.5: Limited Operations

- Stage 3: Expanded Operations
- Stage 4: Full Operations

COVID-19 Coronavirus Guidance

The City of Elk Grove created a COVID-19 Coronavirus Guidance. The City of Elk Grove recognizes the need to formulate good risk management practices in a timely manner based on the evolving circumstances of the coronavirus (COVID-19) pandemic. The strategies and practices outlined in this policy are designed to support the protection of employees and the general public by minimizing the risk of exposure.

Limited Duration Telework

The City implemented an agreement between the City and the staff to be able to telework from home. Teleworking is a limited duration arrangement that allows eligible City employees to work in a designated area outside the office during City designated emergency situations. Teleworking is a supportive arrangement between employees, supervisors, and department heads. Teleworking is a privilege, not a right. All City employees who desire to have Teleworking arrangements must have their specific arrangement pre-approved in writing. A City department may have additional teleworking requirements, guidelines, or procedures, provided they are consistent with the intent of this limited duration program. Eligibility for limited duration Telework is based on both the position and the employee. Not every job, or every employee, is well-suited for teleworking.

Workplace of the Future - Post COVID

The City conducted a survey to see how employees feel about teleworking. 62% of those that took the survey said they would want to take advantage of an updated telework policy and work remotely post-COVID. Key takeaways were many feel equally or more productive at home compared to at work. Allowing employees flexibility to work remotely would be a benefit. Most people who want to work remotely post-COVID have a space they can exclusively use as an office. Some of the cons were scanning and printing are issues. Maintaining interactions with co-workers is one of the biggest negatives with remote work.

City's COVID Response for the Community

The City's COVID-19 Small Business Grant Program has issued 112 grants to small businesses totaling \$458,750. With a partnership with the State, the City has distributed over 21,000 masks to local Elk Grove businesses to assist them with reopening and operating their business safely during the COVID-19 emergency. A rapid response hub website and hotline was created and is updated daily for business and employee assistance. The City sponsored a Dine and Shop Local campaign to encourage residents to support local businesses. Expedited permitting program allowed restaurants to operate outdoors on City-owned and private property. Enhanced Police Department operations to keep residents and employees safe. There have been 93,000 plus meals funded through the Great Plates Delivered program to Elk Grove seniors. The City funded meals prepared by HART and delivered to homeless encampments and grants were awarded to critical non-profit organizations. The City put a moratorium on evictions and utility disconnections and provided rent and utility assistance to residents.

The Preserve at District56 and Pedestrian Trails

The City has been developing a 56-acre site formerly called the Civic Center in Laguna Ridge for a variety of years. This 56-acre site includes the Aquatics Center and Civic Center Commons, Civic Center - Community & Senior Center, Civic Center - Veteran's Hall and Veteran's Grove, dancing fountain, public art, and future home of the District56 Library and Cultural Arts Center. The remaining 30 acres on the south side of the property has been designated for the Preserve, a passive recreational site with expansion of the west and east parking lots. The Preserve will include a beautiful pond which will serve as a focal point of the space. Boardwalks and meandering walkways which will entice visitors to explore the space and lead to a new fitness

court, group picnic area, and children's play area. The project will enhance the great lawn just south of the aquatics center and add a kinetic sculpture to the public art sprinkled throughout District 56. This Project started construction in summer 2020 and is scheduled to be completed by fall 2021 with an additional 12 months of plant establishment.

Old Town Plaza

The City continues to focus on improvements in the Old Town Elk Grove Area that will revitalize and provide an overall economic benefit. The City has completed the design of the Old Town Plaza Phase 2 and 3 Project and Council recently awarded a construction contract for these improvements. These two phases are the final phases of the Old Town Plaza and create a gathering space that celebrates Old Town's rich heritage and railroad history. These plaza improvements will include an entrance plaza, walkways, bike parking, seat wall, lawn/landscaping areas, and a pavilion structure. The City's related project Railroad Street Improvements will provide two new public parking lots in Old Town as well as new street improvements. Construction has begun with completion anticipated in spring 2021.

Ridge Shopping Center

Up to 226,000 square feet of commercial space was approved for the Center with 12 building permits issued through June 30, 2020 for a total of 53,213 square feet. The developer of the project advises the City that leasing activity at the center continues to be strong, and as new leases are executed, construction of tenant spaces will commence, and openings will occur on a continuous basis.

OTHER INITIATIVES

Great Plates Delivered

On April 24, 2020, Governor Gavin Newsom announced the launch of a first-in-the-nation "Great Plates Delivered" program, a meal delivery service for California's older adults. The purpose of the new Great Plates Delivered program is twofold: 1) to provide meals to adults 65 and older and adults 60-64 who are at high-risk, as defined by the CDC and who are unable to access meals while staying at home and are ineligible for other nutrition programs; and 2) to support local restaurants and other food provider/agricultural workers and to support owners who have closed or are struggling to remain open due to COVID-19 mitigation tactics. Program costs are reimbursed by the federal and state government through the Federal Emergency Management Agency's (FEMA) Public Assistance (PA) program. Program cost breakdown is as follows: 75% FEMA share, 18.75% state share, and a required local share of 6.25%. The program runs through January 8, 2021, per FEMA's current approval, however, FEMA has been extending the program in 30 day increments. Based on need, the state will request an extension for the Great Plates Delivered program. Feeding our seniors. Fueling our economy. Introducing Great Plates Delivered. The City decided to join this first-in-the-nation meal delivery service to support Elk Grove's seniors and local food service businesses during the COVID-19 public health crisis. The Great Plates Delivered Program is a partnership between FEMA, the State of California, and the City. All participating seniors are residents of the City. To date the City has fed 629 seniors and currently has 17 restaurants participating and providing two nutritious meals, six days a week. As of June 30, 2020 Great Plates has invested more than \$570 thousand in local restaurants and more than 35,000 meals have been delivered to seniors.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

On March 13, 2020, a presidential emergency was declared for all states, tribes, territories, and the District of Columbia due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The declaration made federal disaster assistance available; through the Coronavirus Aid, Relief, and Economic Security (CARES) Act; to

the State of California to supplement the City's local recovery efforts. The CARES Act funding was approved and disbursed by the federal government to States in May 2020. The State of California developed an allocation schedule for distributing the funding to local governments in May 2020 and adopted a budget amendment effective July 1, 2020 for the State's Fiscal Year 2020-21 budget. As of June 30, 2020, an estimated \$897,931 of costs may be eligible for State and Federal assistance, of which, no CARES Act funding will be recognized as received in fiscal year 2019-20, but would be recognized in fiscal year 2020-21. To receive the funding, the local governments have to incur eligible expenditures from March 1, 2020 to June 30, 2020 and then July 1, 2020 to December 31, 2020. The City was required to file a certification by July 10, 2020 that they would use the funds consistent with federal requirements, adhere to health orders and directives, return unspent funds, and repay any disallowed costs, among other compliance certifications. The City was awarded and has received \$2,174,997.

DEPARTMENT FOCUS

Development

Housing and Public Services

Led the effort to implement the Great Plates Delivered program, providing restaurant meals via delivery to qualifying seniors in response to the COVID-19 pandemic. The division coordinated with Sacramento County to enroll 10 people experiencing homelessness in the County's Flexible Housing Program and additional people in the County's new motel shelters which opened in response to COVID-19. Prepared the 2020-2025 Consolidated Plan for Community Development Block Grant (CDBG) funding for non- profits. Worked with 20+ nonprofits to provide needed funding to the community throughout the year and augmented special funding in the amount of \$200 thousand in response to COVID-19 in fiscal year 2020-21.

Development Engineering

Development Engineering expanded an electronic plan review and submittal option. Most Projects were processed through an electronic plan review and approval process, eliminating the need for paper filed copies. COVID-19 has not decreased City turnaround times, but it has increased the number of electronic plan submittals in planning, engineering and buildings.

Code Enforcement

Volunteers assisted in the field to abate graffiti, deliver notices, abate abandoned signs, follow up on basketball hoop violations and coordinate maintenance to City trucks. Over 400 hours has been contributed to the Code Enforcement Division by volunteers. The year to date value of volunteer time is over \$13,800. Code Enforcement continues to hold an annual landlord education meeting in the fall to educate rental housing owners about best practices and public nuisance issues. This year Code Enforcement continued to perform at high efficiency. 95% of cases closed with voluntary compliance, 100% of illegal dumping calls received a response within one hour.

The City has adopted a licensing and operating framework for short term rentals. Rentals must obtain a license valid for 3 years. The ordinance also contains operating restrictions that prohibit invitation parties, single night rentals, or nuisance activity. Based on the estimated number of short term rentals operating in Elk Grove, estimated license revenue to offset processing and tracking should result in as much as \$85,500 over the three year license period.

Public Works

The City has completed or substantially completed several projects during the fiscal year that enhanced the community or increased public safety. Updated the 2011 Storm Drainage Master Plan to develop a drainage system with multiple benefits including 200-year flood protection, habitat preservation and enhancement,

groundwater recharge, and the use of water as an aesthetic resource. Completed a Systemic Safety Analysis Report (SSAR) identifying existing collision patterns and locations. Evaluated the coordination of the signalized intersections along Bond/Laguna from Big Horn Boulevard to Elk Grove-Florin Road. Completed and opened the Center at District 56. Completed and opened the Elk Grove Animal Shelter. Completed geotechnical analysis of Laguna West Levee System to evaluate structural integrity and refine cost estimates for levee improvements.

Police

A Selective Traffic Enforcement Program (STEP) grant application was submitted in January 2020 through the California Office of Traffic Safety. If awarded, this \$204,000 grant will fund overtime hours to conduct DUI/Driver's License checkpoints along with speed, distracted driver, and pedestrian enforcement operations in Elk Grove between the period of October 2020 and September 2021.

The Department continued to provide support and education to victims of domestic violence through a city-funded partnership with WEAVE. This partnership had been maintained through a series of 3-year Federal grants. In 2019 these grants were awarded to other organizations. In order to continue WEAVE's engaging work, the City developed a new MOU providing alternative State grant funding for staff and education.

The Department was awarded a 2-year, \$145,692 Tobacco Law Enforcement Grant through the California Department of Justice, Division of Law Enforcement Grant and ending in June 2020. Approximately \$73,000 of this grant was spent during fiscal year 2019-20 and was directed towards inspections, enforcement and decoy operations designed to reduce the underage use of tobacco products.

Implemented a Mobile Crisis Support Team (MCST) in partnership with Sacramento County. This specially trained team includes an officer and a licensed mental health professional responding together to emergency calls for service that have a mental health crises component and has become a model for agencies nationwide. Additionally, the partnership has continued to grow with the addition of another mental health professional working directly with this team to enhance follow-up services post crisis.

Officers will continue to participate in regional enforcement operations with a goal of improved community safety throughout the region. Those operations include auto theft, probation/parole, sex offender compliance, and traffic safety. In addition, there will be an increased focus on domestic violence prevention, intervention, enforcement and prosecution.

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 2019-20 fiscal year annual audit.

Awards

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to The City of Elk Grove for its comprehensive annual financial report for the fiscal year ended June 30, 2019. This was the eighteenth consecutive year that the City has achieved this prestigious award.

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

The City of Elk Grove received the GFOA's Distinguished Budget Presentation Award for its annual budget document that was adopted and published on June 12, 2019. To qualify for the distinguished Budget Presentation Award, the government's budget document had to be judged proficient as a policy document, a financial plan, an operations guide, and a communications device.

The City received the GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for fiscal year ended June 30, 2019. To qualify for the Popular Annual Financial Reporting Award a government must publish a report whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

Acknowledgements

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

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

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

Respectfully Submitted,



Brad Koehn
Director of Finance and Administrative Services



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

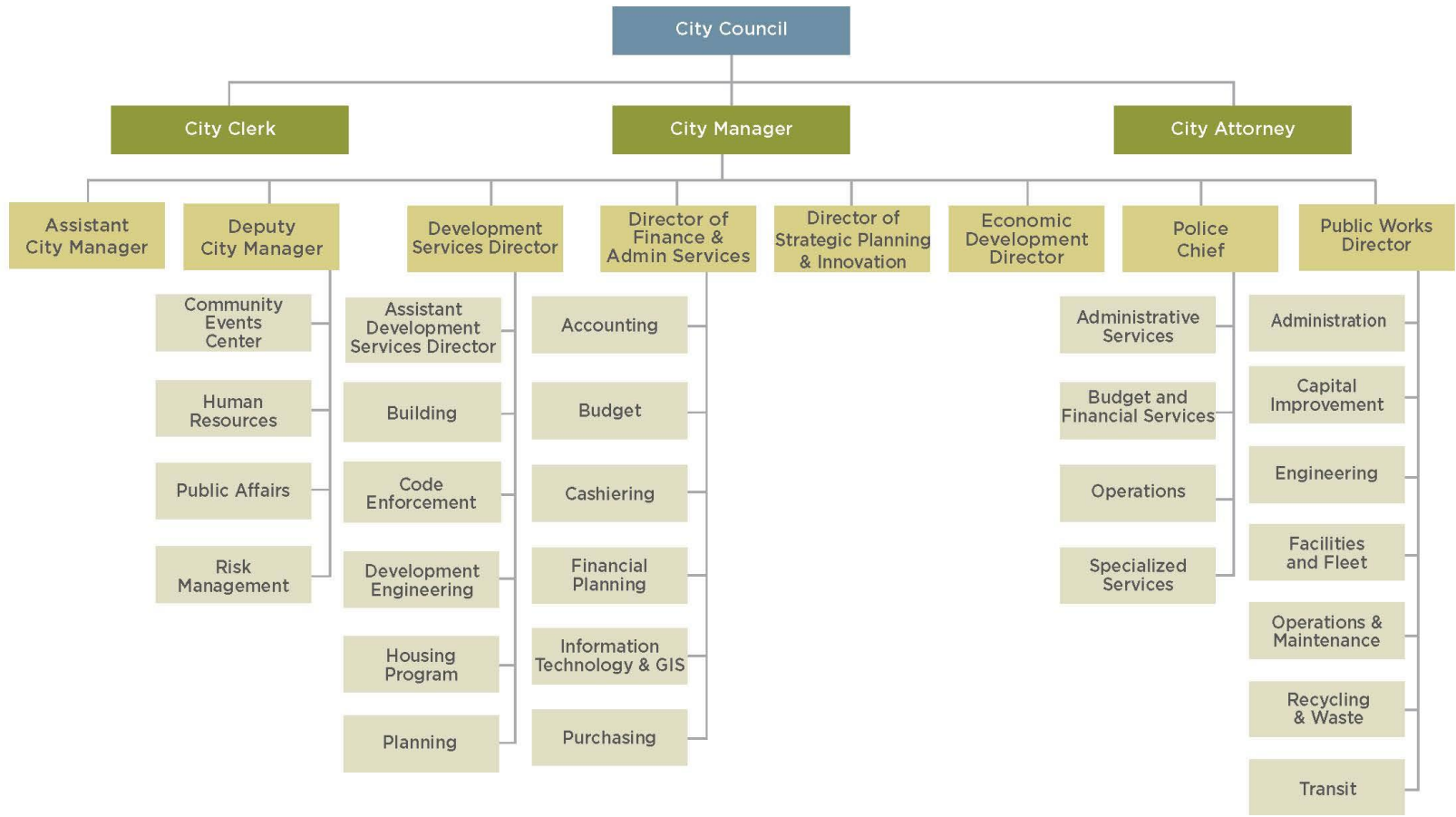
**City of Elk Grove
California**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

CITY COUNCIL



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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

EXECUTIVE TEAM

Jason Behrmann, City Manager

Kara Reddig, Deputy City Manager

Brad Koehn, Director of Finance and
Administrative Services

Tim Albright, Chief of Police

Jonathan Hobbs, City Attorney

Jason Lindgren, City Clerk

Darren Wilson, Development Services Director

Robert Murdoch, Public Works Director

Darrel Doan, Economic Development Director

Christopher Jordan, Director of Strategic Planning
and Innovation



LOCATION MAP



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

ACKNOWLEDGEMENT

Prepared by the City of Elk Grove Finance Department
Accounting Division

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



COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Elk Grove, California, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of June 30, 2020, 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.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Introductory Section, Supplemental Information, and Statistical Section listed in the Table of Contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplemental Information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 29, 2020 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Mane & Associates

Pleasant Hill, California
December 29, 2020

Management's Discussion and Analysis (unaudited)

This section of the City of Elk Grove's (City) Comprehensive Annual Financial Report presents a discussion and analysis of the City's financial performance during the year ended June 30, 2020. Please read it in conjunction with the City's basic financial statements following this section.

FISCAL YEAR 2020 FINANCIAL HIGHLIGHTS

- City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the 2019-20 fiscal year by \$1.4 billion (*Net Position*). Of this amount, \$285 million is restricted for capital projects, debt service and legally segregated taxes, grants, and fees; and \$1.1 billion is invested in capital assets.
- As of June 30, 2020, the governmental funds reported combined fund balances of \$287 million, of which is all available to meet the City's current and future needs (*Restricted, Committed, Assigned and Unassigned balances*).

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

Government-wide Financial Statements

Government-wide Financial Statements are designed to provide readers with a broad overview of the City finances, in a manner similar to a private-sector business.

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

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

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

Fund Financial Statements

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

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

- ***Governmental funds*** are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on *near-term inflows* and *outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a City's near-term financing requirements. The City considers revenue to be available if collected within 60 days after the fiscal year end. Because the information does not encompass the additional long-term focus of the government-wide statements, reconciliations that explain the relationship (or differences) between governmental funds and governmental activities follow the governmental fund statement. **The governmental funds financial statements can be found on pages 22-27 of this report.**
- ***Proprietary funds*** are maintained two ways. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City uses enterprise funds to account for Recycling and Waste, Transit and Drainage enterprises. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its risk management, facilities, fleet and equipment maintenance and improvement, information technology, and GIS services. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements. Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The City's internal service funds are combined into a single, aggregated presentation in the proprietary funds' financial statements. Individual fund data for the internal service funds is provided in the supplementary information section of this report. **The proprietary funds financial statements can be found on pages 28-30 of this report.**
- ***Fiduciary funds*** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. **The fiduciary fund financial statements can be found on page 31-32 of this report.**

Notes to the Basic Financial Statements

Notes to the Basic Financial Statements provide additional information that is essential to comprehend the data provided in the government-wide and fund financial statements. **The notes can be found on pages 33-86 of this report.**

Required Supplementary Information

Required Supplementary Information is presented on the General Fund and major Special Revenue Fund budgetary schedules. The City adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget. **The required supplementary information can be found on pages 87-94 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 95-180 of this report.**

FINANCIAL ANALYSIS OF THE GOVERNMENT-WIDE STATEMENTS

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

City of Elk Grove Net Position

	Governmental activities		Business-type activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 328,402,180	\$ 314,987,460	\$ 45,242,952	\$ 39,704,025	\$ 373,645,132	\$ 354,691,485
Capital assets	1,081,316,703	1,095,188,224	43,499,354	42,440,692	1,124,816,057	1,137,628,916
Total Assets	1,409,718,883	1,410,175,684	88,742,306	82,144,717	1,498,461,189	1,492,320,401
Deferred outflows of resources related to pensions	13,848,295	13,278,752	-	-	13,848,295	13,278,752
Deferred outflows of resources related to OPEB	8,620,342	15,388	-	-	8,620,342	15,388
Total Deferred Outflows of Resources	22,468,637	13,294,140	-	-	22,468,637	13,294,140
Current and other liabilities	18,344,233	28,221,025	4,609,662	4,084,500	22,953,895	32,305,525
Long-term liabilities	62,213,258	43,472,989	8,751,763	8,976,441	70,965,021	52,449,430
Total Liabilities	80,557,491	71,694,014	13,361,425	13,060,941	93,918,916	84,754,955
Deferred inflows of resources related to pensions	1,274,591	1,243,727	-	-	1,274,591	1,243,727
Deferred inflows of resources related to OPEB	349,898	186,358	-	-	349,898	186,358
	1,624,489	1,430,085	-	-	1,624,489	1,430,085
Net Position:						
Net investment in Capital Assets	1,060,332,753	1,076,838,610	34,844,354	34,554,021	1,095,177,107	1,111,392,631
Restricted Net Position	284,980,049	277,972,813	-	1,293,918	284,980,049	279,266,731
Unrestricted Net Position	4,692,738	(4,465,698)	40,536,527	33,235,837	45,229,265	28,770,139
Total Net Position	\$ 1,350,005,540	\$ 1,350,345,725	\$ 75,380,881	\$ 69,083,776	\$ 1,425,386,421	\$ 1,419,429,501

The City's Net Position totaled \$1.43 billion as of June 30, 2020, an increase of \$5.9 million as compared to fiscal year ended 2019.

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

The City's government-wide Net Position as of June 30, 2020, comprised the following:

- Cash and investments comprised of \$271 million in the city treasury and \$6.3 million of restricted cash held by fiscal agents. Substantially all the city treasury amounts were held in relatively short- and medium-term investments in securities to support operating activities, as detailed in Note 2 on pages 43-48 to the financial statements.
- Governmental receivables comprised \$16.4 million of current receivables and long-term receivables of \$70 million, which are over one year or longer time periods. Long-term receivables remained flat from prior year due to development fee deferrals and/or credits and due to the recording of additional Affordable Housing loans and subsidies. The low to moderate housing loans have varying repayment terms and interest rates. The terms and details of these programs can be found in Note 3 on pages 48-50.
- Net capital assets of over \$1 billion include the City's entire infrastructure in addition to all other City assets.
- Deferred outflows of resources related to OPEB increased due to the changes in the actuarial assumption. Refer to Note 10 on pages 62-69.
- City's current liabilities, totaling nearly \$23 million, include accounts payable, refundable deposits, unearned revenue, and other miscellaneous amounts.
- Restricted Net Position, totaling \$285 million; \$81 million to construct specified capital projects, and \$204 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>2020</u>	<u>2019</u>	<u>Change</u>
Current and other assets	\$ 328,402,180	\$ 314,987,460	\$ 13,414,720
Capital assets	1,081,316,703	1,095,188,224	(13,871,521)
Total Assets	<u>1,409,718,883</u>	<u>1,410,175,684</u>	<u>(456,801)</u>
Deferred outflows of resources related to pensions	13,848,295	13,278,752	569,543
Deferred outflows of resources related to OPEB	8,620,342	15,388	8,604,954
Total Deferred Outflows of Resources	<u>22,468,637</u>	<u>13,294,140</u>	<u>9,174,497</u>
Current and other liabilities	18,344,233	28,221,025	(9,876,792)
Long-term liabilities	62,213,258	43,472,989	18,740,269
Total Liabilities	<u>80,557,491</u>	<u>71,694,014</u>	<u>8,863,477</u>
Deferred inflows of resources related to pensions	1,274,591	1,243,727	30,864
Deferred inflows of resources related to OPEB	349,898	186,358	163,540
	<u>1,624,489</u>	<u>1,430,085</u>	<u>194,404</u>
Net Position:			
Net investment in Capital			
Assets	1,060,332,753	1,076,838,610	(16,505,857)
Restricted Net Position	284,980,049	277,972,813	7,007,236
Unrestricted Net Position	<u>4,692,738</u>	<u>(4,465,698)</u>	<u>9,158,436</u>
Total Net Position	<u>\$ 1,350,005,540</u>	<u>\$ 1,350,345,725</u>	<u>\$ (340,185)</u>

Governmental Activities Cash and investments increased by \$21 million primarily due to the issuance of the Lease Revenue debt in the principal amount of \$10 million, the debt will be used to finance the acquisition and construction of the District56 Property and the Old Town Plaza Property. Other factors that contributes to the cash and investment increase was the tax revenue, affordable housing loans repayments, and decrease in Capital Projects expenditures.

City had \$62 million under capital asset additions in prior year in comparison to \$22 million in the current year. Capital assets additions were related to the major projects that occurred last year: Community and Aquatic Centers, Animal Shelter, SEPA Sewer Lift Station, Bilby-Bruceville Shed C Channel, and Bradshaw/Sheldon Intersection.

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

Governmental current and other liabilities are comprised of accounts payable, retention payable, salaries and benefits accruals, refundable deposits, and unearned revenues. The decrease in current and other liabilities was primarily due to the decrease of \$9 million in accounts payable. As mentioned earlier, major projects occurred in the prior year, as the project expenses took place closer to the fiscal year end as such ended in accounts payable balances.

Governmental long-term liabilities consist of bonds payables, compensated absences, net pension liability and net OPEB liability. The increase in long - term liabilities is related to increase in bonds payable due to the Lease Revenue debt issuance, and to increase in net OPEB liability due to the change in the actuarial assumption.

**Changes in Net Position
Governmental Activities**

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<i>Revenues:</i>			
<i>Program revenues:</i>			
Fees, fines and charges for services	\$ 35,262,027	\$ 33,272,391	\$ 1,989,636
Operating grants and contributions	23,446,687	22,117,670	1,329,017
Capital grants and contributions	9,617,430	36,757,932	(27,140,502)
	<u>68,326,144</u>	<u>92,147,993</u>	<u>(23,821,849)</u>
<i>General Revenues:</i>			
Property taxes	27,773,836	26,276,570	1,497,266
Sales and use taxes	29,768,093	29,355,281	412,812
Other taxes	10,785,744	11,756,951	(971,207)
Other revenue	12,631,488	11,754,931	876,557
	<u>80,959,161</u>	<u>79,143,733</u>	<u>1,815,428</u>
Total Revenues	<u>149,285,305</u>	<u>171,291,726</u>	<u>(22,006,421)</u>
<i>Expenses:</i>			
General government	26,290,186	24,142,627	2,147,559
Public safety	45,928,962	41,095,844	4,833,118
Public ways and facilities	66,498,261	81,387,088	(14,888,827)
Community development	10,607,681	10,325,402	282,279
Interest on long-term debt	1,003,870	819,458	184,412
	<u>150,328,960</u>	<u>157,770,419</u>	<u>(7,441,459)</u>
Total Expenses	<u>150,328,960</u>	<u>157,770,419</u>	<u>(7,441,459)</u>
Excess (deficiency) before transfers	<u>(1,043,655)</u>	<u>13,521,307</u>	<u>(14,564,962)</u>
Transfers	703,470	728,196	(24,726)
Change in Net Position	(340,185)	14,249,503	(14,589,688)
Net Position - Beginning	<u>1,350,345,725</u>	<u>1,336,096,222</u>	<u>14,249,503</u>
Net Position - Ending	<u>\$ 1,350,005,540</u>	<u>\$ 1,350,345,725</u>	<u>\$ (340,185)</u>

Program Revenues:

Fees, fines and charges for services increased by approximately \$2 million due to the inflationary rate increase and permit activity increase: multifamily residential units increased from 1 building - 117 units in fiscal year 2019 to 5 buildings-225 units in fiscal year 2020, the industrial square footage increased from 21,550 in fiscal year 2019 to 65,620 in fiscal year 2020.

Operating grants and contributions are revenues that are derived with the transactions with other governments/organization and restricted for use in a particular program. The increase of approximately \$500 thousand was in Highway Users Tax Account, Community Development Block Grant increased by approximately \$360 thousand is due to funding loans for affordable housing projects.

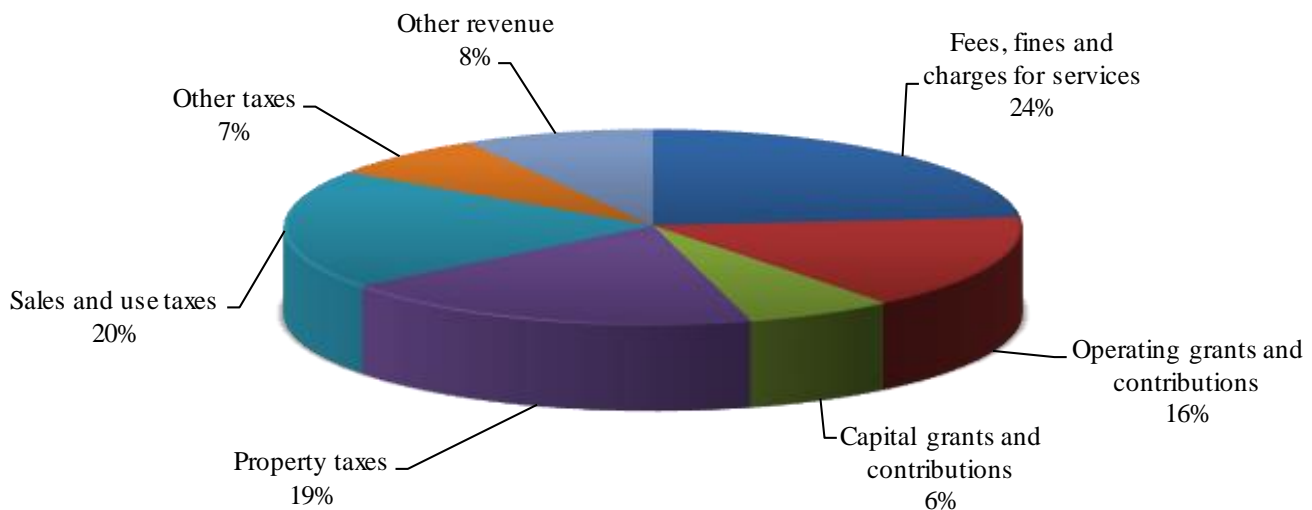
Capital grants and contributions category includes federal, state, local grants, and contributions from the Community Facility District (CFD). Grants and CFD contributions are received for the capital purposes. There is a significant decrease in capital grants and contributions category in the current year due to decreased capital projects activity in fiscal year 2020. Major projects occurred in fiscal year 2019: Community and Aquatic Centers, Animal Shelter, SEPA Sewer Lift Station, Bilby-Bruceville Shed C Channel, and Bradshaw/Sheldon Intersection. Contributions from the Community Facility District (CFD) decreased by \$16 million. The portion of the CFD contributions in fiscal year 2019 were related to developers’ reimbursement for infrastructure improvements.

General Revenue:

General revenues are mainly comprised of property and sales taxes totaling to \$58 million. In fiscal year 2020 property assessed valuations increased by 5.22%. Other taxes are comprised of Utility user, Transient occupancy, and franchise taxes. Other taxes decreased by \$971 thousand in comparison to the prior year. Transient Occupancy Tax has been impacted significantly due to lack of consumer spending.

Other revenues increased \$876,557 from fiscal year 2019 due to increases in interest earnings, change in market value, and new revenues from the sale of sewer fee credits. The City carried a higher cash balance in fiscal year 2020 than in the prior fiscal year, which led to a \$437,670 increase in investment earnings. In addition, the City’s market value adjustment for its investments was \$5,475,355 and \$1,370,604 at June 30, 2020 and 2019; respectively. This generated an increase in unrealized gains of \$4,104,751 over fiscal year 2019. The City received sewer fee credits as part of the SEPA development in the current fiscal year that can be sold to developers. As such, the City sold \$197,921 of these fee credits in fiscal year 2020 that did not occur in fiscal year 2019. The remaining increase is due to smaller changes in miscellaneous receipts, donations ad reimbursements.

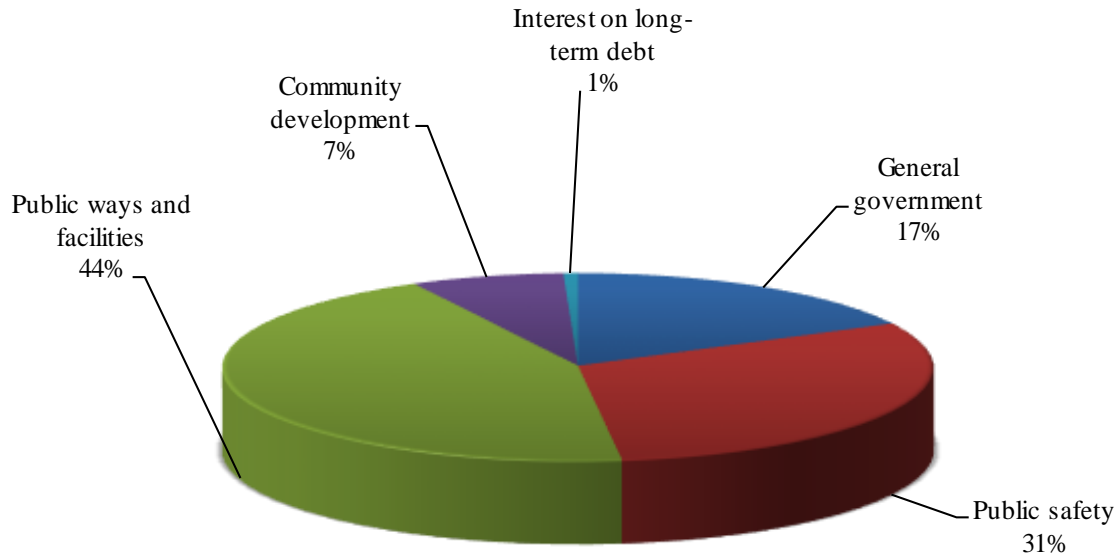
Revenue by Source - Governmental Activities



Functional expenses governmental activities:

Public Safety expense increased as a result of increases in payroll from additional staff hired during the fiscal year. Public ways and facilities expense decrease is attributable to the fact that the City had several significant projects under construction in the prior year such as the Aquatics Center, Community Center, Animal Shelter and Bradshaw/Sheldon intersection.

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>2020</u>	<u>2019</u>	<u>Change</u>
Current and other assets	\$ 45,242,952	\$ 39,704,025	\$ 5,538,927
Capital assets	43,499,354	42,440,692	1,058,662
Total Assets	<u>88,742,306</u>	<u>82,144,717</u>	<u>6,597,589</u>
Current and other liabilities	4,609,662	4,084,500	525,162
Long-term liabilities	8,751,763	8,976,441	(224,678)
Total Liabilities	<u>13,361,425</u>	<u>13,060,941</u>	<u>300,484</u>
Net Position:			
Net investment in Capital Assets	34,844,354	34,554,021	290,333
Restricted Net Position	-	1,293,918	(1,293,918)
Unrestricted Net Position	<u>40,536,527</u>	<u>33,235,837</u>	<u>7,300,690</u>
Total Net Position	<u>\$ 75,380,881</u>	<u>\$ 69,083,776</u>	<u>\$ 6,297,105</u>

Business type activity current assets increased by \$5.5 million. The \$5 million increase in “Due from other Governmental Agencies” account was caused by the entire Local Transportation Fund (LTF) allocation being received after fiscal year end, as such the entire amount was recorded as receivable, in comparison to prior year when the LTF allocations were received evenly throughout the year. Total liabilities remained relatively steady, increasing by \$300 thousand compared to the prior year.

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

	<u>2020</u>	<u>2019</u>	<u>Change</u>
<i>Revenues:</i>			
<i>Program revenues:</i>			
Fees, fines and charges for services	\$ 10,807,374	\$ 10,783,190	\$ 24,184
Operating grants and contributions	11,327,506	11,421,609	(94,103)
	<u>22,134,880</u>	<u>22,204,799</u>	<u>(69,919)</u>
<i>General Revenues:</i>			
Property taxes	1,607,522	1,532,613	\$ 74,909
Other revenue	1,508,654	1,233,757	274,897
	<u>3,116,176</u>	<u>2,766,370</u>	<u>349,806</u>
Total Revenues	<u>25,251,056</u>	<u>24,971,169</u>	<u>279,887</u>
<i>Expenses:</i>			
Recycling & Waste	2,999,283	3,170,889	(171,606)
Transit	10,509,143	11,037,095	(527,952)
Drainage	4,742,055	4,574,416	167,639
	<u>18,250,481</u>	<u>18,782,400</u>	<u>(531,919)</u>
Total Expenses	<u>18,250,481</u>	<u>18,782,400</u>	<u>(531,919)</u>
Excess (deficiency) before transfers	<u>7,000,575</u>	<u>6,188,769</u>	<u>811,806</u>
Transfers	(703,470)	(728,196)	24,726
Change in Net Position	6,297,105	5,460,573	836,532
Net Position - Beginning	<u>69,083,776</u>	<u>63,623,203</u>	<u>5,460,573</u>
Net Position - Ending	<u>\$ 75,380,881</u>	<u>\$ 69,083,776</u>	<u>\$ 6,297,105</u>

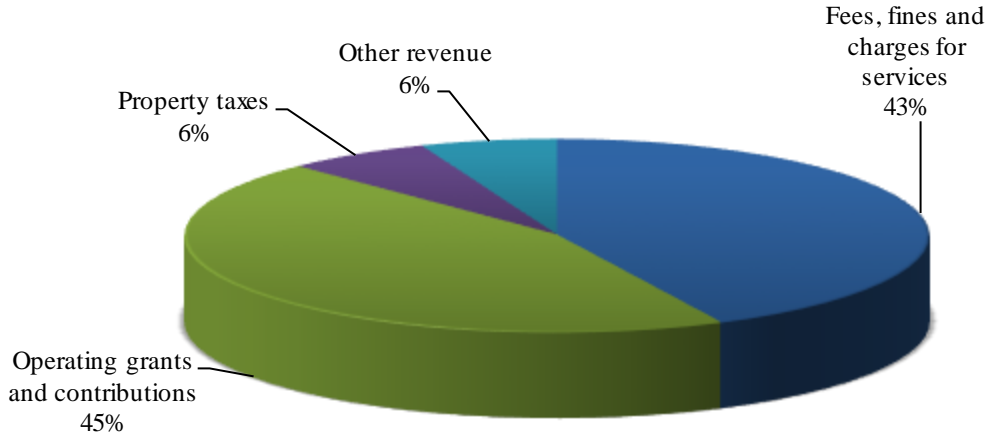
Program and General Revenues:

Business-type Activity programs and general revenues remained relatively steady, program revenue decreased by \$70 thousand and general revenue increased by \$350 thousand in comparison to the prior year.

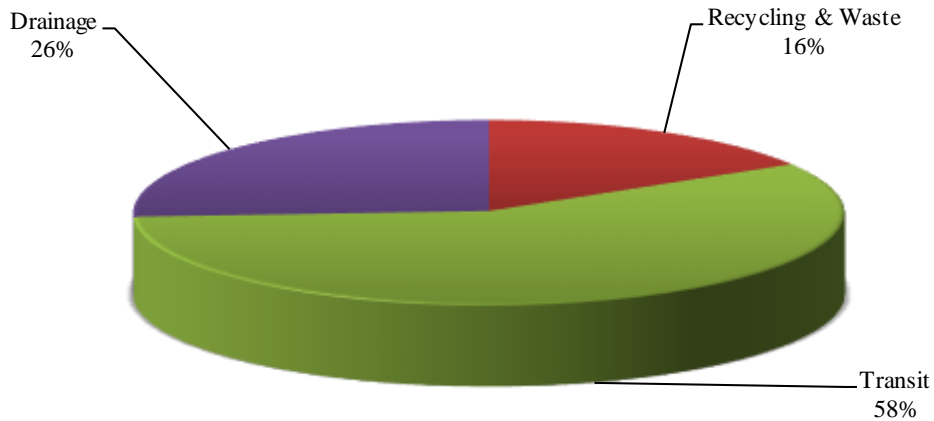
Expenses:

Recycling and Waste expenses decreased slightly in comparison to the prior year. In fiscal year 2019 there was more project activity: The Special Waste Collection Center Maintenance and Unloading Area Improvements. Transit expenses decrease was mainly caused by the decline in the commuter route services as a result of COVID-19 impacts.

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 (one special revenue, three capital project and three debt service funds) and the general fund were included in the city’s governmental fund statements in the 2019-20 fiscal year. An analysis of significant balances and transactions are as follows:

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$287 million, an increase of \$20 million, in comparison with the prior year. The fund balances are intended, and in some cases restricted, committed or assigned, for specific purposes.

The General Fund is the chief operating fund of the City. The net change in the General Fund balance is \$2.4 million. The following revenue factors contributed to the net change in the fund balance. General Fund total revenue increased by \$3.7 million or 5% in comparison with the prior year. Taxes increased by approximately \$940 thousand primarily due to property tax increases from assessed property value increases of 5.22%. Licenses, fees and permits increased by \$780 thousand mostly due to the change in the classification: public works fund was added to the General Fund Classification (the fund was previously presented under the special revenue funds). Use of money and property increased by \$810 thousand and other revenues increased by \$750 thousand. Use of money and property increased \$464 thousand from the reclassification of the public works fund into the general fund while interest income increased \$198 thousand. The City sold sewer credits in the amount of \$198 thousand that did not occur in the prior year and the remaining change is due to changes in the City's unrealized gain in investments value as well as an increase in rental property income. Other revenues increased \$186 thousand from the reclassification of the public works fund into the general fund. Miscellaneous receipts and reimbursements increased \$521 thousand, a one-time donation was made to the City for \$99,000 that did not occur in the prior year and events and sponsorship revenues decreased \$55,000 due to the cancellation of events from COVID-19 actions. \$200 thousand of the miscellaneous receipts and reimbursements was due to additional school resource officer usage during fiscal year 2020, while the remaining \$321 thousand were several different smaller reimbursements and receipts that did not occur in the previous year.

General Fund Other Financing Sources increased by \$4.1 million, the main factor for the increase is the fund classification change, public works fund that was previously reported under the Special Revenue was classified as a part of the General Fund.

General Fund expenditures increased by \$10.5 million. Under the General Government category the increase was partially caused by the special programs the City offered to the public in response to the COVID-19 pandemic. The increase in Economic Development expenditures was related to the increase in the Incentive Program costs. Increases under the Public Safety category were due to the new personnel hired during the current fiscal year. Additionally, fiscal year 2020 is the first full year when Animal Shelter personnel and other expenses are classified under Public Safety category. The other factor that caused the Public Safety expenditure increase in comparison to the prior year was the change in the Internal Service Costs allocations. Prior to the change the Internal Service Costs were recorded as non-departmental costs.

Affordable Housing Fund – The City imposes a fee on residential development to provide financing assistance for adequate low-income housing in the City. Loans are granted and repaid with varied interest rates and prepayment time. In FY 2020, the Agave Apartment Project, a 188 unit low income apartment complex, repaid its loan to the City. This resulted in an increase of \$1.2 million in interest income that did not occur in FY 2019. In addition, the fund realized a \$108 thousand increase in investment interest earnings, unrealized gains on investments and miscellaneous reimbursements. The fund also purchased land in the amount of \$2.9 million for the purpose of developing future affordable housing projects. This increased the affordable housing fund community development expenditures significantly.

Roadway Fee Fund – The City imposes a citywide fee on development to fund center lanes and medians of major roadway, intersections, interchanges, and bridges. The Roadway Fee Fund balance increased by \$6.5 million even though both expenditures and revenues decreased in comparison to the prior year. Intergovernmental revenue decreased by \$3.4 million, in the prior year the City received a federal grant for the Bradshaw/Sheldon intersection project. Expenditures under the public ways and facilities category decreased by \$7 million, due to the decrease in the capital project activity in fiscal year 2020.

Mitigation and Fee Fund – These funds were established to supplement various fees in specific areas, which are paid directly to the City via developer fees. Mitigation and Fee Fund revenues remained relatively steady increasing approximately by \$93 thousand. The overall fund expenditures decreased drastically by \$8 million in

comparison to the prior year. The decrease was under the public ways and facilities category. Capital project activities declined in fiscal year 2020. During the prior fiscal year several major projects occurred: Oasis Park, The Center at District56 and Aquatics Center. Additionally, an early settlement of certain existing reimbursement agreements at a discounted rate happened in fiscal year 2019.

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

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

GENERAL FUND BUDGETARY TO ACTUAL HIGHLIGHTS

Actual revenues exceeded the final amended budget by \$2.3 million.

- Sales and Use Tax revenues were \$1 million over revenue projections. According to the City’s Sales Tax consultants, Sales Tax revenues out-performed projections in the first 9 months of the fiscal year and more than compensated for the impact of COVID 19 caused revenue declines in the second quarter of the calendar year (April through June).
- Use of money and property exceeded the revenue projection amount by \$1.5 million. The increase in use of money and property was due to the changes in the fair value of investments and are unrealized investment gains.

The actual expenditures were \$9.9 million below budget expectations. The main components of the difference between final budget and actuals include:

- Law enforcement actuals were \$1.9 million below expectations partially generated in salary and benefits savings, and professional services. Salary and Benefit savings were realized in the transition between employee terminations and the time needed to recruit and hire new employees. The main factor that caused the budget and actual variance was attributed to the Police IT expenditures associated with a Computer Automated Dispatch (CAD) and Records Management System (RMS), the expenditures did not occur in the current year and were rolled to the next fiscal year.
- City Manager department actuals were \$1.4 million below budget projections. The Community and Special Events division experienced more than \$500,000 in total savings due to cancellations or format changes to the following events a result of the COVID-19 pandemic: Lunar New Year, 60’s Musical Review (Arts Commission), Party on the Palms, Art competition, California Days, Armed Forces Day, Western Festival, Amgen PRIDE parade, Brewfest, Petapalooza and Bounty on the Blvd were cancelled. Strategic Planning division projects were rolled to the next fiscal year: Resiliency plan \$134 thousand, Housing Element Update - \$120 thousand, High Density Feasibility Study - \$50 thousand, objective design study - \$34 thousand, Climate action plan - \$23 thousand, Smart City Implementation Plan - \$275 thousand.
- Capital Outlay actuals were \$5.6 million below the budget projections. The Old Town Plaza Phase 2 and 3 and Railroad Street Improvements projects were budgeted for fiscal year 2019-20, however those capital projects had to be rolled to the next fiscal year.

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, 2020

	Governmental		Business-type		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 209,560,084	\$ 201,939,289	\$ 7,175,448	\$ 6,704,548	\$ 216,735,532	\$ 208,643,837
Construction in progress	71,214,048	143,401,681	5,601,528	5,960,338	76,815,576	149,362,019
Other capital assets	602,590	244,340	-	-	602,590	244,340
Infrastructure	1,519,784,067	1,489,340,147	11,482,781	8,095,650	1,531,266,848	1,497,435,797
Land improvements	892,265	892,265	485,021	485,021	1,377,286	1,377,286
Building and improvements	102,796,358	37,332,233	11,869,051	11,869,051	114,665,409	49,201,284
Vehicles and equipment	17,212,980	15,435,317	26,065,043	25,896,766	43,278,023	41,332,083
Parks and park improvements	6,230,310	6,230,310	-	-	6,230,310	6,230,310
Other capital assets, depreciable	109,752	109,752	-	-	109,752	109,752
Accumulated depreciation	(847,085,751)	(799,737,110)	(19,179,518)	(16,570,682)	(866,265,269)	(816,307,792)
Total	<u>\$ 1,081,316,703</u>	<u>\$ 1,095,188,224</u>	<u>\$ 43,499,354</u>	<u>\$ 42,440,692</u>	<u>\$ 1,124,816,057</u>	<u>\$ 1,137,628,916</u>

The City's investment in capital assets as of June 30, 2020, totaled \$1.12 billion, (net of accumulated depreciation). The investment in capital assets includes land, infrastructure, building and improvements, equipment, parks and park improvements and construction in progress. The increase in the City's investment in capital assets prior to accumulated depreciation for the current year totals \$37 million (\$33 million in Governmental funds) which funded construction in progress, infrastructure, and equipment. Additional information on the City's investment in capital assets can be found in Note 4 to the financial statements on pages 52-54.

Debt Administration

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

Bonds Payable

	Governmental Activities		Business-type Activities		Total		Increase (Decrease) % Change
	2020	2019	2020	2019	2020	2019	
Lease revenue bond debt	\$ 31,655,000	\$ 22,735,000	\$ 8,655,000	\$ 8,915,000	\$ 40,310,000	\$ 31,650,000	27%
Total Governmental Activities	<u>\$ 31,655,000</u>	<u>\$ 22,735,000</u>	<u>\$ 8,655,000</u>	<u>\$ 8,915,000</u>	<u>\$ 40,310,000</u>	<u>\$ 31,650,000</u>	<u>27%</u>

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. The debt is 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 Preserve at District 56 and the Old Town Plaza Property. The information on the City's long-term debt, including the City's Net Pension and OPEB Liabilities can be found in Note 6 to the financial statements on pages 53-57.

Economic Factors and Next Year's Budget

- To help mitigate the impacts of the \$7 million revenue decrease (compared to earlier revenue projections) in projected General Fund revenues for fiscal year 2020-21, staff made efforts during the spring of 2020 (amidst the COVID-19 pandemic) to implement reductions to the fiscal year 2020-21 budget. As a

response to the revenue impacts stemming from the COVID-19 pandemic, no new positions are assumed for proposed fiscal year 2020-21. Also not included in the fiscal year 2020-21 Budget is an advance prepayment of the City's PERS unfunded accrued liabilities (UAL) in the amount of \$915 thousand. The 2020-21 Budget does not include the approximately \$1.2 million transfer-out of the Recycling & Waste Franchise Fee revenue to the Capital Reserve Fund as originally projected. Fiscal year 2020-21 Budget also reflects a reduction of nearly \$600,000 in operational costs such as professional service contracts (e.g. studies, research, consulting, and student interns), training, travel, dues & memberships, subscriptions, and publications. Information Technology equipment, such as the purchase of a new server for the Police Department, is being deferred to a future fiscal year, resulting in a reduction of \$600,000 from the fiscal year 2020-21 budget.

- The City's unemployment rate has risen due to the COVID situation. Before the pandemic in March the City's unemployment rate was 4.0%, but since the start of the pandemic unemployment rates have risen. According to the California Employment Development Department, the City's unemployment rate as of June 2020 was 12.7%. Sacramento County's unemployment rate at 13.6 % as of June 2020 and the Sacramento Metro Area at 12.8%.
- Sales Tax assumptions and forecasts are provided by the City's Sales Tax consultant(s) that forecast a \$4.7 million decline in Sales for fiscal year 2020-21 (when compared to the fiscal year 2020-21 Projection) resulting from the COVID19 pandemic.
- Fiscal year 2020-21 Budgeted revenues for Transient Occupancy Tax reflects a gradual monthly recovery from low occupancy rates during the COVID-19 pandemic. However, even with the gradual recovery, revenues are not expected to reach what was originally projected for fiscal year 2020-21.
- Property Taxes and Property Taxes in Lieu of Vehicle License Fees are projected to be lower than projected in fiscal year 2020-21 due to potential impacts from the COVID-19 pandemic on property related activity. Growth in property tax can be driven by increases in property assessment values, increases in the number of assessed properties, and additional amounts of supplemental property taxes as a result of real estate sales within the City. Assuming expected impacts of the COVID-19 pandemic on real estate activity over the next year, declining or constrained home values combined with a slowdown in new home construction could result in mitigating the drivers of Property Tax growth mentioned above

All these factors were considered in preparing the City's budget for fiscal year 2020-21.

Other Subsequent Events and Economic Factors were:

- Since both the City in 2012 and State in 2013 implemented Pension Reform, the City has realized an increase in the number of employees enrolled in the less expensive Tier 2 and Tier 3 plans. Similarly, there has been a reduction in employees enrolled in the Tier 1 plans as employees leave employment with the City. The table below demonstrates the changes and the fiscal year 2019-20 employer rate that the City pays for each tier. It is also important to note that PERS is an Alternative Retirement System that replaces Social Security for employees. The PERS employer rate that the City pays is instead of the 6.2% Social Security rate and not in addition to.

Year	Misc. Tier 1	Misc. Tier 2	Misc. Tier 3	Safety Tier 1	Safety Tier 2	Safety Tier 3	Total
FY 2012	153	0	0	134	0	0	287
FY 2013	143	9	3	138	2	2	297
FY 2014	126	14	15	113	8	6	282
FY 2015	110	16	34	107	16	14	297
FY 2016	104	20	49	97	22	21	313
FY 2017	100	22	58	85	21	30	316
FY 2018	98	23	64	81	22	33	321
FY 2019	87	29	95	69	27	43	350
FY 2020	82	30	114	63	27	49	365
Employer Rate FY 2020(*)	13.182%	10.221%	6.985%	18.927%	17.073%	10.034%	

*Current fiscal year 2020 employer rate adjusted by 3% employer rate paid for the POA and PMA employees per their MOU agreement

- In response to revenue impacts as a result of the COVID-19 pandemic. Fiscal year 2020-21 budgeted expenditures don't include a prepayment of the City's PERS unfunded accrued liabilities (UAL). Allowances for prepayment of PERS unfunded liabilities are included in fiscal years 2021-22 through fiscal year 2024-25. Recent low returns of CalPERS investments will cause PES payments to increase over what is currently assumed in the forecast. Continued accelerated contributions to these unfunded liabilities will mitigate some of the increase. Although the City did not budget for an accelerated payment in fiscal year 2020-21, PERS charges a required fixed payment that is allocated to the unfunded liability. There is a decline in the payment in fiscal year 2024-25 of almost \$400 thousand, but expectations are than in subsequent years there will still be some growth in the required payment.

Required Fixed Payment to PERS

	<u>FY 20 YE</u>	<u>FY 21</u>	<u>FY 22</u>	<u>FY 23</u>	<u>FY 24</u>	<u>FY 25</u>
PERS Unfunded Accrued Liability	\$ 1,118,431	\$ 1,369,568	\$ 1,591,986	\$ 1,783,776	\$ 1,913,711	\$ 1,514,495

- The Preserve at District56 project will construct a passive recreational site in the remaining 30-acre undeveloped site at the District56 South property along with some expansions of the west and east parking lots.
- Grant Line Road widening (Waterman to Bradshaw) the project will widen Grant Line Road from two to four lanes from Waterman to Bradshaw Road, including signal installation at Mosher Road and Bradshaw Road.
- Old Town Plaza phase 2 and 3 will construct the entrance plaza, trails, bike parking, seat wall and lawn/landscaping areas adjacent to Elk Grove Blvd. The project will also construct the pavilion structure, storage, and lawn area.
- The City and the County of Sacramento (County) entered into a revenue neutrality agreement when the City incorporated to help mitigate the financial impacts on the County regarding property tax revenues. Each year the expense to the City's general fund decreases a minimum of \$700 thousand until fiscal year 2025/26. More information can be found in Note 15 on page 79.
- The issuance and sale of special tax bonds for and on behalf of Community Facilities District No. 2005-1 (Laguna Ridge) occurred during fiscal year 2020. Developers will be eligible to receive 67% of the net bond proceeds as reimbursement for approved public infrastructure (including possible payment of applicable impact fees), and the remaining 33% will be used for City-led projects, including a planned solar array project at District56 which will reduce utility costs.
- Early indications are that City revenues are being impacted less than what was anticipated in the fiscal year 20-21 budget. On-line sales activity and resiliency of auto sales that contribute to the City's largest revenue source-sales tax is positioning the City to have budget flexibility in fiscal year 20-21.
- On March 13, 2020, a presidential emergency was declared for all states, tribes, territories, and the District of Columbia due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The declaration made federal disaster assistance available through the Coronavirus Aid, Relief, and Economic Security (CARES) Act to the State of California to supplement the City's local recovery efforts. The CARES Act funding was approved and disbursed by the federal government to States in May 2020. The State of California developed an allocation schedule for distributing the funding to local governments in May 2020 and adopted a budget amendment effective July 1, 2020 for the State's Fiscal Year 2020-21 budget and the City was awarded and has received \$2,174,997. As of June 30, 2020, an estimated \$897,931 of costs may be eligible for State and Federal assistance, of which, no CARES Act funding was received in fiscal year 2019-20. To receive the funding, the local governments have to incur eligible expenditures from March 1, 2020 to June 30, 2020 and then July 1, 2020 to December 31, 2020. The City was required to file a certification by July 10, 2020 that they would use the funds consistent with federal requirements, adhere to health orders and directives, return unspent funds, and repay any disallowed

costs, among other compliance certifications.

- The City is projecting over the Five-Year Forecast to maintain a Reserve Economic Uncertainty of 25% and 5% balance in the Opportunity Reserve. Fund Balance generation over this combined 30% is expected all years of the forecast. The amount over 30% is deposited in equal shares into the City's Capital Reserve Fund and the Economic Development Fund.

Request for Information

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

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

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

CITY OF ELK GROVE

Statement of Net Position
June 30, 2020

	Primary Government		
	Governmental	Business-Type	Total
	Activities	Activities	
<u>ASSETS</u>			
Cash and investments	\$ 234,865,768	\$ 36,001,703	\$ 270,867,471
Cash and investments with fiscal agent	4,652,667	1,042,421	5,695,088
Restricted cash	-	580,852	580,852
Accounts receivable, net	1,699,319	1,882,502	3,581,821
Taxes receivable	7,240,497	-	7,240,497
Interest receivable	1,641,098	25,603	1,666,701
Due from other government agencies	5,856,786	8,627,662	14,484,448
Long-term loans receivable	63,647,339	-	63,647,339
Affordable housing subsidies receivable	2,214,645	-	2,214,645
Long-term development fees receivable	3,666,270	-	3,666,270
Internal balances	2,917,791	(2,917,791)	-
Capital Assets:			
Nondepreciable	281,376,722	12,776,976	294,153,698
Depreciable, net	799,939,981	30,722,378	830,662,359
Total Assets	<u>1,409,718,883</u>	<u>88,742,306</u>	<u>1,498,461,189</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>			
Deferred outflows of resources related to pensions	13,848,295	-	13,848,295
Deferred outflows of resources related to OPEB	8,620,342	-	8,620,342
Total Deferred Outflows of Resources	<u>22,468,637</u>	<u>-</u>	<u>22,468,637</u>
<u>LIABILITIES</u>			
Accounts and retention payable	9,236,361	3,891,880	13,128,241
Accrued salaries and benefits	1,515,879	52,544	1,568,423
Due to other government agencies	6,443	-	6,443
Interest payable	176,812	-	176,812
Refundable deposits	1,494,101	83,969	1,578,070
Unearned revenue	5,914,637	581,269	6,495,906
Long-Term Liabilities:			
Portion due or payable within one year:			
Bonds payable	1,717,440	270,000	1,987,440
Compensated absences	431,598	7,741	439,339
Portion due or payable after one year:			
Bonds payable	29,937,560	8,385,000	38,322,560
Compensated absences	4,963,383	89,022	5,052,405
Claims payable	239,341	-	239,341
Net pension liability	14,729,263	-	14,729,263
Net OPEB liability	10,194,673	-	10,194,673
Total Liabilities	<u>80,557,491</u>	<u>13,361,425</u>	<u>93,918,916</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Deferred inflows of resources related to pensions	1,274,591	-	1,274,591
Deferred inflows of resources related to OPEB	349,898	-	349,898
Total Deferred Inflows of Resources	<u>1,624,489</u>	<u>-</u>	<u>1,624,489</u>
<u>NET POSITION</u>			
Net investment in capital assets	1,060,332,753	34,844,354	1,095,177,107
Restricted for:			
Capital projects	80,790,772	-	80,790,772
Affordable housing projects	152,354,676	-	152,354,676
Special revenue projects	51,834,601	-	51,834,601
Unrestricted	4,692,738	40,536,527	45,229,265
Total Net Position	<u>\$ 1,350,005,540</u>	<u>\$ 75,380,881</u>	<u>\$ 1,425,386,421</u>

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

CITY OF ELK GROVE

Statement of Activities
For the Year Ended June 30, 2020

Functions/Programs	Expenses	Program Revenues		
		Fees, Fines and Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government:				
General Government	\$ 26,290,186	\$ 2,310,388	\$ 557,928	\$ -
Public Safety	45,928,962	6,370	5,465,369	324,239
Public Ways and Facilities	66,498,261	28,705,240	9,663,190	8,427,972
Community Development	10,607,681	4,240,029	7,760,200	865,219
Debt Service - Interest	1,003,870	-	-	-
Total Governmental Activities	150,328,960	35,262,027	23,446,687	9,617,430
Business-Type Activities:				
Solid Waste	2,999,283	3,775,643	616,718	-
Transit	10,509,143	1,049,077	10,710,788	-
Drainage	4,742,055	5,982,654	-	-
Total Business-Type Activities	18,250,481	10,807,374	11,327,506	-
Total Primary Government	\$ 168,579,441	\$ 46,069,401	\$ 34,774,193	\$ 9,617,430
General Revenues:				
Taxes:				
Property taxes				
Sales and use tax				
Utility user tax				
Transient occupancy tax				
Property transfer tax				
Franchise tax				
Other revenue				
Transfers				
Total General Revenues and Transfers				
Change in Net Position				
Net Position - Beginning				
Net Position - Ending				

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

Net (Expense) Revenue and
Changes in Net Position

Primary Government		
Governmental Activities	Business-Type Activities	Total
\$ (23,421,870)	\$ -	\$ (23,421,870)
(40,132,984)	-	(40,132,984)
(19,701,859)	-	(19,701,859)
2,257,767	-	2,257,767
(1,003,870)	-	(1,003,870)
(82,002,816)	-	(82,002,816)
-	1,393,078	1,393,078
-	1,250,722	1,250,722
-	1,240,599	1,240,599
-	3,884,399	3,884,399
(82,002,816)	3,884,399	(78,118,417)
27,773,836	1,607,522	29,381,358
29,768,093	-	29,768,093
5,619,936	-	5,619,936
1,634,182	-	1,634,182
866,113	-	866,113
2,665,513	-	2,665,513
12,631,488	1,508,654	14,140,142
703,470	(703,470)	-
81,662,631	2,412,706	84,075,337
(340,185)	6,297,105	5,956,920
1,350,345,725	69,083,776	1,419,429,501
\$ 1,350,005,540	\$ 75,380,881	\$ 1,425,386,421

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

CITY OF ELK GROVE

Governmental Funds

Balance Sheet

June 30, 2020

	General Fund	Affordable Housing Fund	Federal Capital Grants Fund	Roadway Fee Fund
<u>ASSETS</u>				
Cash and investments	\$ 38,437,265	\$ 20,211,297	\$ -	\$ 38,739,437
Cash and investments with fiscal agent	-	-	-	167,217
Accounts receivable, net	1,249,274	-	-	26,454
Taxes receivable	7,152,081	-	-	-
Interest receivable, net	25,645	1,361,055	-	31,047
Due from other government agencies	1,374,865	-	2,573,643	-
Due from other funds	238,221	-	-	5,700,029
Advances to other funds	1,939,752	-	-	614
Fee credits receivable	5,732,232	-	-	-
Long-term loans receivable	-	63,134,956	-	-
Affordable housing subsidies receivable	-	2,214,645	-	-
Long-term development fees receivable	-	359,668	-	2,548,441
Total Assets	<u>\$ 56,149,335</u>	<u>\$ 87,281,621</u>	<u>\$ 2,573,643</u>	<u>\$ 47,213,239</u>
<u>LIABILITIES</u>				
Accounts payable	\$ 2,064,778	\$ 9,504	\$ 13,252	\$ 907,791
Accrued salaries and benefits	1,368,231	2,025	-	531
Due to other funds	-	-	222,099	-
Due to other government agencies	-	-	-	-
Retention payable	-	-	-	-
Refundable deposits	147,111	-	-	-
Advances from other funds	-	-	2,312,000	-
Unearned revenue	-	279,129	-	5,192,122
Total Liabilities	<u>3,580,120</u>	<u>290,658</u>	<u>2,547,351</u>	<u>6,100,444</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	6,452,483	1,706,611	2,573,643	2,572,192
<u>FUND BALANCES</u>				
Nonspendable	1,939,752	-	-	-
Restricted	-	85,284,352	-	38,540,603
Committed	35,805,778	-	-	-
Assigned	4,765,651	-	-	-
Unassigned	3,605,551	-	(2,547,351)	-
Total Fund Balances	<u>46,116,732</u>	<u>85,284,352</u>	<u>(2,547,351)</u>	<u>38,540,603</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 56,149,335</u>	<u>\$ 87,281,621</u>	<u>\$ 2,573,643</u>	<u>\$ 47,213,239</u>

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

Mitigation and Fee Funds	Elk Grove Finance Authority Debt Service Fund	Elk Grove Finance Authority 2018 Debt Service Fund	Elk Grove Finance Authority 2020 Debt Service Fund	Total Nonmajor Funds	Total
\$ 12,660,684	\$ 329,170	\$ -	\$ 10,607,231	\$ 99,979,145	\$ 220,964,229
-	-	43,028	-	4,442,422	4,652,667
-	230	-	-	1,398,425	2,674,383
-	-	-	-	88,416	7,240,497
9,058	-	-	-	204,718	1,631,523
-	-	-	-	1,908,278	5,856,786
-	-	-	-	-	5,938,250
-	-	-	-	5,000,000	6,940,366
-	-	-	-	2,387,818	8,120,050
-	-	-	-	512,383	63,647,339
-	-	-	-	-	2,214,645
12,397	-	-	-	745,764	3,666,270
<u>\$ 12,682,139</u>	<u>\$ 329,400</u>	<u>\$ 43,028</u>	<u>\$ 10,607,231</u>	<u>\$ 116,667,369</u>	<u>\$ 333,547,005</u>
\$ 36,014	\$ -	\$ -	\$ -	\$ 5,751,137	\$ 8,782,476
1,860	-	-	-	96,045	1,468,692
-	-	3,517	-	482,843	708,459
-	-	-	-	6,443	6,443
15,868	-	-	-	154,323	170,191
-	-	-	-	1,346,990	1,494,101
5,000,000	-	-	-	1,940,366	9,252,366
-	-	-	-	443,386	5,914,637
<u>5,053,742</u>	<u>-</u>	<u>3,517</u>	<u>-</u>	<u>10,221,533</u>	<u>27,797,365</u>
<u>12,397</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,274,715</u>	<u>18,592,041</u>
-	-	-	-	-	1,939,752
7,616,000	329,400	39,511	10,607,231	103,085,597	245,502,694
-	-	-	-	-	35,805,778
-	-	-	-	-	4,765,651
-	-	-	-	(1,914,476)	(856,276)
<u>7,616,000</u>	<u>329,400</u>	<u>39,511</u>	<u>10,607,231</u>	<u>101,171,121</u>	<u>287,157,599</u>
<u>\$ 12,682,139</u>	<u>\$ 329,400</u>	<u>\$ 43,028</u>	<u>\$ 10,607,231</u>	<u>\$ 116,667,369</u>	<u>\$ 333,547,005</u>

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

CITY OF ELK GROVE

Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position - Governmental Activities
June 30, 2020

Fund Balance - total governmental funds	\$ 287,157,599
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.	1,081,316,703
Certain other long-term assets are not available to pay current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds.	9,417,364
Interest on long-term debt is recognized as it accrues, regardless of when it is due in the government-wide statements.	(176,812)
Internal service funds are used by the City to charge the cost of risk management and other services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. Internal service fund net position are:	13,268,924
In governmental funds, deferred outflows and inflows of resources relating to pensions and refunding are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources are reported as follows:	
Deferred outflows of resources related to pensions	13,848,295
Deferred inflows of resources related to pensions	(1,274,591)
Deferred outflows of resources related to OPEB	8,620,342
Deferred inflows of resources related to OPEB	(349,898)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.	
Bonds payable	(31,655,000)
Net pension liability	(14,729,263)
Net OPEB liability	(10,194,673)
Compensated absences (excluding amount recorded in the internal service funds)	(5,243,450)
Net Position of governmental activities	<u>\$ 1,350,005,540</u>

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

CITY OF ELK GROVE

Governmental Funds
Statement of Revenues, Expenditures and
Changes in Fund Balances
For the Year Ended June 30, 2020

	General Fund	Affordable Housing Fund	Federal Capital Grants Fund	Roadway Fee Fund
<u>REVENUES</u>				
Taxes	\$ 68,327,673	\$ -	\$ -	\$ -
Licenses, fees and permits	1,325,532	3,499,723	-	9,589,600
Intergovernmental	388,250	-	1,342,621	-
Fines and forfeitures	504,072	-	-	-
Charges for services	91,330	-	-	-
Use of money and property	2,071,958	2,024,016	4,767	1,788,929
Other revenue	1,816,917	-	-	-
Total Revenues	<u>74,525,732</u>	<u>5,523,739</u>	<u>1,347,388</u>	<u>11,378,529</u>
<u>EXPENDITURES</u>				
Current:				
General government	28,229,779	-	-	-
Public safety	47,203,138	-	-	-
Public ways and facilities	-	-	122,017	4,329,270
Community development	1,637,094	3,080,494	-	-
Capital outlay	3,686,811	-	-	-
Debt service:				
Tax administration	-	-	-	-
Principal	-	-	-	-
Interest	-	-	-	-
Bond issuance costs	-	-	-	-
Total Expenditures	<u>80,756,822</u>	<u>3,080,494</u>	<u>122,017</u>	<u>4,329,270</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(6,231,090)</u>	<u>2,443,245</u>	<u>1,225,371</u>	<u>7,049,259</u>
<u>OTHER FINANCING SOURCES (USES)</u>				
Issuance of debt	-	-	-	-
Transfers in	11,064,082	-	5,939	37,352
Transfers out	<u>(2,442,611)</u>	<u>-</u>	<u>(37,352)</u>	<u>(565,406)</u>
Total Other Financing Sources (Uses)	<u>8,621,471</u>	<u>-</u>	<u>(31,413)</u>	<u>(528,054)</u>
Net Change in Fund Balances	2,390,381	2,443,245	1,193,958	6,521,205
Fund Balances, Beginning, as restated	<u>43,726,351</u>	<u>82,841,107</u>	<u>(3,741,309)</u>	<u>32,019,398</u>
Fund Balances, Ending	<u>\$ 46,116,732</u>	<u>\$ 85,284,352</u>	<u>\$ (2,547,351)</u>	<u>\$ 38,540,603</u>

continued

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

CITY OF ELK GROVE

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

	Mitigation and Fee Funds	Elk Grove Finance Authority Debt Service Fund	Elk Grove Finance Authority 2018 Debt Service Fund	Elk Grove Finance Authority 2020 Debt Service Fund	Total NonMajor Funds	Total Governmental Funds
<u>REVENUES</u>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,327,673
Licenses, fees and permits	3,562,325	-	-	-	13,152,138	31,129,318
Intergovernmental	-	-	-	-	31,743,519	33,474,390
Fines and forfeitures	-	-	-	-	-	504,072
Charges for services	-	-	-	-	2,349,972	2,441,302
Use of money and property	498,687	19,756	1,837	19,731	3,751,621	10,181,302
Other revenue	-	-	-	-	8,658	1,825,575
Total Revenues	4,061,012	19,756	1,837	19,731	51,005,908	147,883,632
<u>EXPENDITURES</u>						
Current:						
General government	-	-	-	-	-	28,229,779
Public safety	-	-	-	-	1,556,019	48,759,157
Public ways and facilities	9,161,932	-	-	-	29,835,066	43,448,285
Community development	-	-	-	-	7,691,629	12,409,217
Capital outlay	-	-	-	-	-	3,686,811
Debt service:						
Tax administration	-	829	226,001	-	37,033	263,863
Principal	-	485,000	595,000	-	-	1,080,000
Interest	-	101,341	706,181	-	-	807,522
Bond issuance costs	-	-	-	172,500	-	172,500
Total Expenditures	9,161,932	587,170	1,527,182	172,500	39,119,747	138,857,134
Excess (Deficiency) of Revenues Over (Under) Expenditures	(5,100,920)	(567,414)	(1,525,345)	(152,769)	11,886,161	9,026,498
<u>OTHER FINANCING SOURCES (USES)</u>						
Issuance of debt	-	-	-	10,000,000	-	10,000,000
Transfers in	-	600,000	1,303,171	760,000	119	13,770,663
Transfers out	(62,203)	-	-	-	(9,357,664)	(12,465,236)
Total Other Financing Sources (Uses)	(62,203)	600,000	1,303,171	10,760,000	(9,357,545)	11,305,427
Net Change in Fund Balances	(5,163,123)	32,586	(222,174)	10,607,231	2,528,616	20,331,925
Fund Balances, Beginning , as restated	12,779,123	296,814	261,685	-	98,642,505	266,825,674
Fund Balances, Ending	\$ 7,616,000	\$ 329,400	\$ 39,511	\$ 10,607,231	\$ 101,171,121	\$ 287,157,599

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, 2020

Net change to fund balances - total governmental funds	\$	20,331,925
<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	\$ 33,772,047	
Less: current year depreciation	<u>(47,643,568)</u>	(13,871,521)
Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		869,658
<p>Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.</p>		
Issuance of Revenue Bonds, including premium	(10,000,000)	
Principal payments on debt	<u>1,080,000</u>	(8,920,000)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>		
Change in accrued interest on debt	(23,848)	
Change in compensated absences (excluding amount reported in the internal service funds)	<u>(641,017)</u>	(664,865)
Long term net OPEB asset (liability) change not paid out of current period resources		(348,993)
<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>		
		(200,368)
<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>2,463,979</u>
Change in net position of governmental activities	\$	<u>(340,185)</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, 2020

	Business-Type Activities				Governmental
	Recycling & Waste Funds	Transit Funds	Drainage Funds	Total Enterprise Funds	Internal Service Funds
<u>ASSETS</u>					
Current Assets:					
Cash and investments	\$ 15,151,599	\$ -	\$ 20,850,104	\$ 36,001,703	\$ 13,901,539
Cash and investments with fiscal agents	1,042,421	-	-	1,042,421	-
Restricted cash and investments - capital	-	580,852	-	580,852	-
Accounts receivable, net	652,077	6,363	1,224,062	1,882,502	79,563
Interest receivable	10,591	417	14,595	25,603	9,575
Due from other government agencies	16,969	8,561,816	48,877	8,627,662	-
Total Current Assets	16,873,657	9,149,448	22,137,638	48,160,743	13,990,677
Noncurrent Assets:					
Capital assets, nondepreciable	4,059,299	-	8,717,677	12,776,976	-
Capital assets, depreciable, net	8,570,123	11,647,670	10,504,585	30,722,378	-
Advance to other funds	-	-	2,312,000	2,312,000	-
Total Noncurrent Assets	12,629,422	11,647,670	21,534,262	45,811,354	-
Total Assets	29,503,079	20,797,118	43,671,900	93,972,097	13,990,677
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	248,075	2,104,191	1,539,614	3,891,880	283,694
Accrued salaries and benefits	22,046	6,836	23,662	52,544	47,187
Recovery zone bonds payable	270,000	-	-	270,000	-
Due to other funds	-	5,229,791	-	5,229,791	-
Customer deposits	83,969	-	-	83,969	-
Unearned revenue	-	581,269	-	581,269	-
Compensated absences	3,346	2,963	1,432	7,741	12,122
Total Current Liabilities	627,436	7,925,050	1,564,708	10,117,194	343,003
Noncurrent Liabilities:					
Recovery zone bonds payable	8,385,000	-	-	8,385,000	-
Compensated absences	38,477	34,077	16,468	89,022	139,409
Claims payable	-	-	-	-	239,341
Total Noncurrent Liabilities	8,423,477	34,077	16,468	8,474,022	378,750
Total Liabilities	9,050,913	7,959,127	1,581,176	18,591,216	721,753
<u>NET POSITION</u>					
Net investment in capital assets	3,974,422	11,647,670	19,222,262	34,844,354	-
Unrestricted	16,477,744	1,190,321	22,868,462	40,536,527	13,268,924
Total Net Position	\$ 20,452,166	\$ 12,837,991	\$ 42,090,724	\$ 75,380,881	\$ 13,268,924

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, 2020

	Business-Type Activities				Governmental
	Recycling & Waste Funds	Transit Funds	Drainage Funds	Total	Internal Service Funds
	Funds	Funds	Funds	Total	Funds
<u>OPERATING REVENUES</u>					
Charges for services	\$ 3,775,643	\$ 1,049,077	\$ 5,982,654	\$ 10,807,374	\$ 14,640,904
Insurance recoveries	-	-	-	-	2,006,921
Total Operating Revenues	3,775,643	1,049,077	5,982,654	10,807,374	16,647,825
<u>OPERATING EXPENSES</u>					
Salaries and benefits	725,438	338,450	562,392	1,626,280	1,965,399
Services and supplies	1,253,376	7,878,612	3,972,237	13,104,225	7,714,139
Other expenses	-	-	-	-	-
Claims expense	-	-	-	-	4,434,366
Depreciation	261,008	2,292,081	207,426	2,760,515	-
Total Operating Expenses	2,239,822	10,509,143	4,742,055	17,491,020	14,113,904
Operating Income (Loss)	1,535,821	(9,460,066)	1,240,599	(6,683,646)	2,533,921
<u>NON-OPERATING REVENUES (EXPENSES)</u>					
Taxes	-	-	1,607,522	1,607,522	-
Intergovernmental	616,718	10,464,326	-	11,081,044	-
Intergovernmental - SB1 State of Good Repair	-	246,462	-	246,462	-
Investment income	615,494	47,919	845,241	1,508,654	532,015
Interest expense	(759,461)	-	-	(759,461)	-
Total Non-Operating Revenues (Expenses)	472,751	10,758,707	2,452,763	13,684,221	532,015
Income Before Contributions and Transfers	2,008,572	1,298,641	3,693,362	7,000,575	3,065,936
Transfers in	19,880	835,304	-	855,184	-
Transfers out	(699,933)	(403,137)	(455,584)	(1,558,654)	(601,957)
Net Contributions and Transfers	(680,053)	432,167	(455,584)	(703,470)	(601,957)
Change in Net Position	1,328,519	1,730,808	3,237,778	6,297,105	2,463,979
Net Position - Beginning	19,123,647	11,107,183	38,852,946	69,083,776	10,804,945
Net Position, Ending	\$ 20,452,166	\$ 12,837,991	\$ 42,090,724	\$ 75,380,881	\$ 13,268,924

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, 2020

	Business-Type Activities				Governmental
	Recycling & Waste	Transit	Drainage	Total	Internal Service
	Funds	Funds	Funds		Funds
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash receipts from customers/other funds	\$ 3,715,278	\$ 1,066,995	\$ 5,956,271	\$ 10,738,544	\$ 14,600,684
Cash receipts from insurance recoveries	-	-	-	-	\$ 2,006,921
Cash paid to suppliers for good and services	(1,149,504)	(7,636,097)	(3,830,750)	(12,616,351)	(12,516,777)
Cash paid to employees for services	(704,648)	(327,674)	(532,229)	(1,564,551)	(1,904,598)
Net Cash Provided (Used) by Operating Activities	1,861,126	(6,896,776)	1,593,292	(3,442,358)	2,186,230
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Taxes	-	-	1,607,522	1,607,522	-
Intergovernmental revenue received	611,850	5,017,914	(3,407)	5,626,357	-
Proceeds from grants	-	36,288	-	36,288	-
Transfers in	19,880	835,304	-	855,184	-
Transfers out	(699,933)	(403,137)	(455,584)	(1,558,654)	(601,957)
Interfund loans - receipts	-	6,538,281	-	6,538,281	-
Interfund loans - payments	-	(4,927,117)	-	(4,927,117)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(68,203)	7,097,533	1,148,531	8,177,861	(601,957)
<u>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</u>					
Interest paid on Capital debt	(759,461)	-	-	(759,461)	-
Repayment of recovery zone bonds	(260,000)	-	-	(260,000)	-
Proceeds from grants	-	10,334	-	10,334	-
Impact fees collected	-	-	7,311	7,311	-
Acquisition of capital assets	-	(253,723)	(3,565,452)	(3,819,175)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(1,019,461)	(243,389)	(3,558,141)	(4,820,991)	-
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment income (loss)	619,455	47,799	852,877	1,520,131	534,752
Increase in restricted cash and investments - capital	-	-	-	-	-
Net Cash Provided by Investing Activities	619,455	47,799	852,877	1,520,131	534,752
Net Increase (Decrease) in Cash and Cash Equivalents	1,392,917	5,167	36,559	1,434,643	2,119,025
Cash and Cash Equivalents, Beginning of Year	14,801,103	575,685	20,813,545	36,190,333	11,782,514
Cash and Cash Equivalents, End of Year	\$ 16,194,020	\$ 580,852	\$ 20,850,104	\$ 37,624,976	\$ 13,901,539
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
Operating income (loss)	\$ 1,535,821	\$ (9,460,066)	\$ 1,240,599	\$ (6,683,646)	\$ 2,533,921
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation	261,008	2,292,081	207,426	2,760,515	-
Changes in assets and liabilities (Increase) decrease in:					
(Increase) decrease in:					
Accounts receivable	(60,912)	17,918	(26,383)	(69,377)	(40,220)
Increase (decrease) in:					
Accounts payable	103,872	242,515	141,487	487,874	(210,613)
Accrued salaries and benefits	8,736	(860)	18,531	26,407	20,279
Deposits	547	-	-	547	-
Compensated absences	12,054	11,636	11,632	35,322	40,522
Claims payable	-	-	-	-	(157,659)
Net Cash Provided (Used) by Operating Activities	\$ 1,861,126	\$ (6,896,776)	\$ 1,593,292	\$ (3,442,358)	\$ 2,186,230
<u>SUPPLEMENTAL DISCLOSURE OF Cash and Cash Equivalents</u>					
Cash and investments	\$ 15,151,599	\$ -	\$ 20,850,104	\$ 36,001,703	\$ 13,901,539
Cash and investments with fiscal agents	1,042,421	-	-	1,042,421	-
Restricted cash and investments - capital	-	580,852	-	580,852	-
Cash and Cash Equivalents, End of Year	\$ 16,194,020	\$ 580,852	\$ 20,850,104	\$ 37,624,976	\$ 13,901,539
<u>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</u>					
Nonreciprocal transfer of capital assets to governmental activities					\$ (1,298,859)

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

CITY OF ELK GROVE

Fiduciary Funds Statement of Fiduciary Net Position June 30, 2020

	Retirement Health Trust Fund	Agency Funds
<u>ASSETS</u>		
Cash and Cash equivalents	\$ 258,900	\$ 9,327,732
Investments	-	12,607,205
Mutual Funds - Equity	5,615,939	-
Mutual Funds - Fixed Income	1,820,007	-
Accounts receivable	-	1,524,439
Interest receivable	-	95,203
	<hr/>	<hr/>
Total Assets	\$ 7,694,846	\$ 23,554,579
	<hr/>	<hr/>
<u>LIABILITIES</u>		
Accounts payable	\$ 96,933	\$ 1,034,381
Interest payable	-	50,686
Due to other member agencies	-	955,384
Due to bondholders and others	-	21,107,462
Deposits	-	406,666
	<hr/>	<hr/>
Total Liabilities	96,933	\$ 23,554,579
	<hr/>	<hr/>
<u>NET POSITION RESTRICTED FOR OPEB</u>		
Restricted for Retiree Health Benefits	\$ 7,597,913	
	<hr/>	

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

CITY OF ELK GROVE

Fiduciary Fund
Statement of Changes in Fiduciary Net Position
For the Year Ended June 30, 2020

	<u>Retirement Health Trust Fund</u>
<u>ADDITIONS</u>	
Net investment income:	
Interest income and net increase (decrease) in the fair value of investments	\$ 374,706
Investment management fees	(35,866)
Employer contributions	869,130
Total additions	<u>1,207,970</u>
<u>DEDUCTIONS</u>	
Benefits	<u>418,050</u>
Total deductions	<u>418,050</u>
Change in plan net position	789,920
<u>NET POSITION</u>	
Restricted for Retiree Health Benefits:	
Beginning of year	<u>6,807,993</u>
End of year	<u>\$ 7,597,913</u>

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

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, 2020

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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

Other Agencies:

Elk Grove Tourism Marketing District

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

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

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

B. Basis of Presentation

Government-Wide Financial Statements

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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

Fund Financial Statements

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

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

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

The City reports the following major governmental funds:

- The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the City that are not accounted for through other funds. For the City, the General Fund includes such activities as general government, public safety, animal services, community services, economic development and a capital reserve.
- The *Affordable Housing Special Revenue Fund* was established to account for affordable housing development impact fees paid by new development and expenditure and loan activity for affordable housing and administration.
- The *Federal Capital Grant Funds* were established to account for grants received from the federal government to fund capital projects.
- The *Roadway Fee Capital Projects Fund* was established to account for development impact fees paid by new development and expenditures for roadway related projects.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

- The *Mitigation and Fee Capital Projects Funds* were established to account for development impact fees and corresponding expenditures, except from those described above.
- The *Elk Grove Finance Authority Debt Service Fund* was established to pay for debt service on outstanding 2017 Lease Revenue Bonds that were issued to finance and re-finance certain City-owned buildings. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.
- The *Elk Grove Finance Authority 2018 Debt Service fund* was established to pay for debt service on Lease Revenue Bonds that were issued to finance the Animal Shelter. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on the outstanding bonds.
- The *Elk Grove Finance Authority 2020 Debt Service Fund* was established to pay for debt service on Lease Revenue Bonds that were issued to finance the construction of The Preserve at District56 and improvements to the Old Town Plaza. The fund accumulates and disburses lease revenues semi-annually to pay for debt service on outstanding bonds.

The City reports the following major enterprise funds:

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

The City reports the following additional fund types:

- *Internal Service Funds* account for the City's facilities, fleet, information technology, and GIS services provided to other departments, unemployment insurance, and insurance programs – workers' compensation and "general liability" - on a cost-estimate basis.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

- *Fiduciary Funds* account for Trust and Agency Funds. The financial activities of these funds are excluded from the Government Wide Financial Statements but are presented in separate Fiduciary Fund Financial Statements. The Trust and Agency Funds consist of:
 - The *Retirement Health Trust Fund* accounts postemployment benefits (OPEB) trust funds used for funding of health insurance for retirees.
 - The *Agency Funds* account for assets held by the City as an agent for various local governments and other entities. The Trust and Agency Funds consist of:
 - **Performance Bonds Fund** – Established to account for surety or cash bonds from contractors, developers, residents or any outside party prior to work being performed for various types of activities. These bonds are to help protect the public and the City from damages.
 - **Community Services District & Sac County Funds** – Established to account for development fees, which are collected and remitted to the Cosumnes Community Services District or to Sacramento County for fire and recreation and transportation facilities as well as landscape maintenance.
 - **Laguna Springs Open Space Preserve** – Established to maintain wetlands.
 - **Elk Grove Employee Sunshine Fund** – Established to account for the donation by payroll deduction of Employee funds which are collected and used for Employee functions and activities.
 - **Donation Community Programs** – Established to account for the donations by citizens for various City programs.
 - **Special Assessment/Community Facility District (CFDs)** – Established to account for the monies collected and disbursed for land-based debt, where the City is not obligated for the debt.
 - **Unclaimed Payments Fund** – Established to account for the Utility bill refund checks which have remained unclaimed by the property owner and have become stale dated. The City publishes an itemized listing of these funds on the website.
 - **EGPD Property & Evidence Fund** – Established to account for the collection for confiscated funds which may become evidence or asset seizures.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

C. Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary funds, internal service funds and the OPEB benefit trust funds. The agency fund financial statements have no measurement focus and use the accrual basis of accounting.

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

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

D. Property Tax

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

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

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

E. 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.

F. 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 \$20,854,051 is offset by an allowance for potential forgiveness of \$19,507,108. Accounts receivable components are in each of the financial statements.

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

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

The California Fish and Wildlife issued the City Swainson's Hawk Fund Mitigation Fee Credits. The City will use these fee credits as mitigation for the construction of public and private projects. The fee credit balance was \$1,054,627 at June 30, 2020.

G. Unearned Revenue

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

H. 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.

I. Capital Assets

Capital assets (including infrastructure) are recorded at historical or estimated cost. Contributed capital assets are valued at their estimated acquisition value on the date contributed. Capital assets include public domain (infrastructure) consisting of certain

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

improvements including roadways, parks, bridges, water/sewer, lighting system, drainage systems, and flood control. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement is recorded at acquisition value rather than fair value.

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

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

The estimated useful lives are as follows:

Infrastructure (other than pavement)	20 to 75 years
Pavement subsystem	40 years
Buildings and improvements	20 to 50 years
Land improvements	20 to 40 years
Equipment	3 to 15 years

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

J. Deferred Outflow/Deferred Inflow of Resources

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

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

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

K. Compensated Absences

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

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

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

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

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

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

L. 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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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

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

M. **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.

N. **Use of Estimates**

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

Note 2: **Cash and Investments**

The City's deposit and investment balances as of June 30, 2020, consist of the following:

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

	Cash and Investments	Restricted and Held by Fiscal Agent	Total Cash and Investments
Cash and deposits	\$ 15,106,483	\$ 1,209,638	\$ 16,316,121
Investments	265,185,653	25,271,420	\$ 290,457,073
Total Cash and Investments	\$ 280,292,136	\$ 26,481,058	\$ 306,773,194

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

	Cash and Investments	Restricted and Held by Fiscal Agent	Total Cash and Investments
Governmental activities	\$ 234,865,768	\$ 4,652,667	\$ 239,518,435
Business-type activities	36,001,703	1,623,273	37,624,976
Fiduciary funds	1,572,864	28,056,919	29,629,783
Total Cash and Investments	\$ 272,440,335	\$ 34,332,859	\$ 306,773,194

Fair Value Measurements

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

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

The City's Investment Pool has the following recurring fair value measurements as of June 30, 2020:

	Fair Value Measurement Using			
	Total Amount	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Investments by fair value level				
Investment Securities				
Certificates of Deposit (Non-Negotiable Time Deposits)	\$ 1,000,000	\$ -	\$ 1,000,000	\$ -
Certificates of Deposit (Negotiable Time Deposits)	18,775,292	-	18,775,292	-
Federal Farm Credit Bank	4,657,623	-	4,657,623	-
Federal Home Loan Bank	11,450,133	-	11,450,133	-
Federal Home Loan Mortgage Corporation	6,597,238	-	6,597,238	-
Federal Agriculture Mortgage Corporation	4,607,491	-	4,607,491	-
Federal National Mortgage Association	12,471,040	-	12,471,040	-
Supranational Securities	15,974,007	-	15,974,007	-
US Treasury Notes	37,517,637	37,517,637	-	-
Municipal Securities (CA State and local agencies)	27,236,154	-	27,236,154	-
Medium Term Corporate Notes	39,344,024	-	39,344,024	-
Total investments measured at fair value	\$ 179,630,639	\$ 37,517,637	\$ 142,113,002	\$ -

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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.

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

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

Investments Authorized by Debt Agreements

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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

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)
Investments in Investment Pool:		
Federal National Mortgage Association	\$ 12,471,040	2.71
Federal Agriculture Mortgage Corporation	4,607,491	1.03
Federal Farm Credit Bank	4,657,623	2.03
Federal Home Loan Bank	11,450,133	2.99
Federal Home Loan Mortgage Corporation	6,597,238	3.60
Supranational Securities	15,974,007	3.89
US Treasury Notes	37,517,637	2.42
Municipal Securities(CA Local Agencies & State of CA)	27,236,154	1.97
Certificates of Deposit (Non-NegotiableTime Deposits)	1,000,000	0.26
Certificates of Deposit (NegotiableTime Deposits)	18,775,292	2.65
Medium Term Corporate Notes	39,344,024	2.19
CalTRUST	14,663,189	2.01
LAIF	70,430,661	0.48
Total Investments in Investment Pool	<u>264,724,489</u>	1.93
Investments outside Investment Pool:		
Money Market Mutual Funds	18,296,647	
Mutual Funds	7,435,937	
Total Investments	<u>\$ 290,457,073</u>	

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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 Poors)				
			AAA/AAAm	AA+/AA/AA-	A+/A	BBB+	Not Rated
Investments in Investment Pool:							
Certificates of Deposit (Non-Negotiable Time Deposits)	\$ 1,000,000	N/A	\$ -	\$ -	\$ -	\$ -	\$ 1,000,000
Certificates of Deposit (Negotiable Time Deposits)	18,775,292	N/A	-	-	-	-	18,775,292
Federal Farm Credit Banks	4,657,623	N/A	-	4,657,623	-	-	-
Federal Home Loan Banks	11,450,133	N/A	-	11,450,133	-	-	-
Federal Home Loan Mortgage Corporation							
Medium Term Notes	6,597,238	N/A	-	2,185,697	-	-	4,411,541
Federal Agriculture Mortgage Corporation	4,607,491	N/A	-	-	-	-	4,607,491
Federal National Mortgage Association	12,471,040	N/A	-	12,471,040	-	-	-
Supranational Securities	15,974,007	AA	14,139,734	-	-	-	1,834,273
US Treasury Notes	37,517,637	N/A	-	-	-	-	37,517,637
Municipal Securities (CA State and local agencies)	27,236,154	A	-	26,716,055	-	-	520,099
Medium Term Corporate Notes	39,344,024	A	7,119,539	11,842,122	20,118,316	264,047	-
CalTRUST	14,663,189	N/A	-	-	14,663,189	-	-
LAIF	70,430,661	N/A	-	-	-	-	70,430,661
Investments outside Investment Pool:							
Mutual Funds	7,435,937		-	-	1,483,417	-	5,952,520
Money Market Funds	18,296,647		1,204,611	-	-	-	17,092,036
Total Investments	<u>\$ 290,457,073</u>		<u>\$ 22,463,884</u>	<u>\$ 69,322,670</u>	<u>\$ 36,264,922</u>	<u>\$ 264,047</u>	<u>\$ 162,141,550</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, 2020

At June 30, 2020, the recorded amount of the City's petty cash and demand deposits was \$8,450 and \$16,232,863, respectively, and the recorded amount of mutual funds classified as cash and deposits was \$74,808. Out of the \$16,920,921 that was deposited in financial institutions \$1,000,000 was insured by the Federal Depository Insurance Corporation (FDIC) and the remaining bank balance at June 30, 2020 was \$15,920,921 and was covered by a financial institution collateral pool that insures public deposits. The City's remaining investments were held by US Bank Trust in the City's name and were not subject to custodial credit risk or invested in LAIF and CalTRUST.

Investment in California Local Agency Investment Fund and CalTRUST

The City is a voluntary participant in the California Local Agency Investment Fund that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. Each regular LAIF account is permitted to have up to 15 transactions per month, with a minimum transaction amount of \$5,000, a maximum transaction amount of \$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, 2020, the City's investment position in LAIF was \$70,430,661.

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, 2020, the City's investment in CalTRUST is \$14,663,189; all of which is invested in the medium term fund.

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

The City has a number of multi-family affordable housing loans and Community Development Block Grant (CDBG) owner occupied and emergency repair loans outstanding at year end. The multi-family affordable housing loans provide gap financing to private developers to construct multi-family housing projects and totaled \$58,404,956 at June 30, 2020. The loans carry interest rates ranging from 0% to 4% and principal and interest are deferred for up to 30 years, subject to various conditions specified in the loan agreements.

The City is a participant in the State of California's Department of Housing and Community Development's Home Investment Partnerships Program (HOME) program. Through this program, the City was awarded \$700,000 to assist new home buyers in the purchase of affordable housing. 30 year-term loans are awarded to individuals based on the HOME programs income and purchase conditions. All loans accrue 3% annual interest for the first 10 years. 1/10th of the accrued interest is then forgiven during years 11 thru 20. In years 21 through 30, loan principal payments are to be made on a 10-year payment term. As of June 30, 2020, the principal amount outstanding was \$40,000.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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, 2020, the total outstanding principal for the down payment assistance program loans is \$296,988.

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 \$670,350 at June 30, 2020. The City also funded the Homebuyers Assistance Program using Affordable Housing funds in Fiscal year 2019-20 under the same conditions. The Affordable Housing loans totaled \$59,650 at June 30, 2020.

The CDBG owner occupied repair and emergency repair loans were made to rehabilitate owner occupied low and moderate income housing. The owner occupied repair loans totaled \$107,605 at June 30, 2020 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 \$67,790 at June 30, 2020, are interest free and may be forgiven if the borrower continuously resides in the subject property for ten years.

In December of 2012, the City purchased property using drainage funds for the purposes of alleviating potential flooding and water quality issues on existing, deficient drainage systems within the City. Subsequently, the City split the parcel into two pieces as only part of the parcel was needed for storm drainage. In October of 2015 the City sold the unused parcel for commercial purposes while retaining the loan. The loan amount of \$200,000 earns interest at 5.5%, with the outstanding principal being amortized over 45 months. This loan was paid off during fiscal year ending June 30, 2020.

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

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

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. Of the Regulated Units, ten shall be restricted at rents affordable to extremely low-income households, fifty-three shall be restricted at rents affordable to very low-income households, and thirty-two shall be restricted at rents affordable to low-income households, and one unit shall be dedicated for the use of the Property Manager and shall not be rent-restricted. As of June 30, 2020, there have been no draw downs on the loan.

Activity in loans receivable for the year ended June 30, 2020, was as follows:

	Balance at July 1, 2019	Additions	Repayments	Adjustments	Balance at June 30, 2020
Major Governmental Funds					
Affordable Housing Special Revenue	\$ 63,711,956	\$ 2,000,000	\$ (2,577,000)	\$ -	\$ 63,134,956
Other Governmental Funds					
HUD Home Grant	40,000	-	-	-	40,000
Neighborhood Stabilization	333,788	-	(36,800)	-	296,988
Community Development Block Grant	180,220	9,000	(13,825)	-	175,395
Major Enterprise Funds					
Drainage	7,312	-	(7,312)	-	-
Totals	\$ 64,273,276	\$ 2,009,000	\$ (2,634,937)	\$ -	\$ 63,647,339

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, 2020, the City had subsidies valued at \$2,214,645.

Note 4: **Capital Assets**

Capital asset activity for the year ended June 30, 2020, was as follows:

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Balance 6/30/2020</u>
Governmental Activities:					
Capital assets, not being depreciated:					
Land	\$ 201,939,289	\$ 7,620,795	\$ -	\$ -	\$ 209,560,084
Construction in progress	143,401,681	13,761,476	-	(85,949,109)	71,214,048
Other capital assets	244,340	227,000	-	131,250	602,590
Total capital assets, not being depreciated	<u>345,585,310</u>	<u>21,609,271</u>	<u>-</u>	<u>(85,817,859)</u>	<u>281,376,722</u>
Capital assets, being depreciated:					
Infrastructure	1,489,340,147	963,677	-	29,480,243	1,519,784,067
Land Improvements	892,265	-	-	-	892,265
Building and improvements	37,332,233	9,126,509	-	56,337,616	102,796,358
Vehicles and equipment	15,435,317	2,072,590	(294,927)	-	17,212,980
Parks and park improvements	6,230,310	-	-	-	6,230,310
Other capital assets, depreciable	109,752	-	-	-	109,752
Total capital assets, being depreciated	<u>1,549,340,024</u>	<u>12,162,776</u>	<u>(294,927)</u>	<u>85,817,859</u>	<u>1,647,025,732</u>
Less accumulated depreciation for:					
Infrastructure	(775,523,304)	(44,509,599)	-	-	(820,032,903)
Buildings and improvements	(12,050,637)	(1,070,529)	-	-	(13,121,166)
Vehicles and equipment	(10,428,800)	(1,429,919)	294,927	-	(11,563,792)
Parks and park improvements	(1,734,369)	(622,546)	-	-	(2,356,915)
Other capital assets, depreciable	-	(10,975)	-	-	(10,975)
Total accumulated depreciation	<u>(799,737,110)</u>	<u>(47,643,568)</u>	<u>294,927</u>	<u>-</u>	<u>(847,085,751)</u>
Total capital assets, being depreciated, net	<u>749,602,914</u>	<u>(35,480,792)</u>	<u>-</u>	<u>85,817,859</u>	<u>799,939,981</u>
Governmental activities capital assets, net	<u>\$ 1,095,188,224</u>	<u>\$ (13,871,521)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,081,316,703</u>
	<u>Balance 7/1/2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers/ Adjustments</u>	<u>Balance 6/30/2020</u>
Business-type Activities:					
Capital assets, not being depreciated:					
Land	\$ 6,704,548	\$ 470,900	\$ -	\$ -	\$ 7,175,448
Construction in progress	5,960,338	908,498	-	(1,267,308)	5,601,528
Total capital assets, not being depreciated	<u>12,664,886</u>	<u>1,379,398</u>	<u>-</u>	<u>(1,267,308)</u>	<u>12,776,976</u>
Capital assets, being depreciated:					
Infrastructure	8,095,650	2,119,823	-	1,267,308	11,482,781
Land Improvements	485,021	-	-	-	485,021
Buildings and improvements	11,869,051	-	-	-	11,869,051
Vehicles and equipment	25,896,766	319,956	(151,679)	-	26,065,043
Total capital assets, being depreciated	<u>46,346,488</u>	<u>2,439,779</u>	<u>(151,679)</u>	<u>1,267,308</u>	<u>49,901,896</u>
Less accumulated depreciation for:					
Infrastructure	(741,639)	(214,709)	-	-	(956,348)
Buildings and improvements	(1,489,735)	(302,048)	-	-	(1,791,783)
Vehicles and equipment	(14,339,308)	(2,243,758)	151,679	-	(16,431,387)
Total accumulated depreciation	<u>(16,570,682)</u>	<u>(2,760,515)</u>	<u>151,679</u>	<u>-</u>	<u>(19,179,518)</u>
Total capital assets, being depreciated, net	<u>29,775,806</u>	<u>(320,736)</u>	<u>-</u>	<u>1,267,308</u>	<u>30,722,378</u>
Business-type activities capital assets, net	<u>\$ 42,440,692</u>	<u>\$ 1,058,662</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 43,499,354</u>

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

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

Governmental activities:	
General government	\$ 1,387,502
Public safety	1,298,192
Public ways and facilities	44,520,574
Community development	437,300
Total depreciation expense - governmental activities	\$ 47,643,568
Business-type activities:	
Transit	\$ 2,292,081
Drainage	207,426
Recycling and Waste	261,008
Total depreciation expense - business-type activities	\$ 2,760,515

Note 5: Unavailable Revenue

Unavailable Revenue

Governmental funds report unavailable revenue in connection with receivables for revenues considered unavailable to liquidate liabilities of the current period. As of June 30, 2020, the various components of unavailable revenue in the governmental funds are detailed as follows:

Government Activities :		
General Fund:	Intergovernmental receivables	\$ 5,934,101
	Development impact interest Receivable	128,928
	Utility User's Tax Receivable	389,454
Affordable Housing Fund :	Housing project loan interest receivable	1,346,943
	Housing subsidies receivable	359,668
Roadway Fees:	Development impact fees receivable	2,572,192
Mitigation and Fee fund	Development impact fees receivable	12,397
Federal Grant Fund	Intergovernmental receivables	2,573,643
Other Governmental Funds:	Intergovernmental receivables	3,335,564
	Housing project loan interest receivable	138,760
	LT development fees receivable	745,764
	Swainson's Hawk Fund LT mitigation fees receivable	1,054,627
		\$ 18,592,041

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

Note 6: **Long-Term Liabilities**

The following is a summary of long-term liabilities transactions of the City for the fiscal year ended June 30, 2020:

	Balance at 7/1/2019	Additions	Deletions	Balance at 6/30/2020	Amount Due Within One year
Governmental Activities:					
Lease revenue bond debt-Series 2017	\$ 4,205,000	\$ -	\$ (485,000)	\$ 3,720,000	\$ 495,000
Lease revenue bond debt-Series 2018	18,530,000	-	(595,000)	17,935,000	620,000
Lease revenue bond debt-Series 2020	-	10,000,000	-	10,000,000	602,440
Total Bonds Payable	22,735,000	10,000,000	(1,080,000)	31,655,000	1,717,440
Net Pension Liability	13,990,216	7,231,421	(6,492,374)	14,729,263	-
Net OPEB Liability	1,637,331	9,838,629	(1,281,287)	10,194,673	-
Compensated absences	4,413,442	3,284,146	(2,302,607)	5,394,981	431,598
Claims payable	397,000	-	(157,659)	239,341	-
Totals	\$ 43,172,989	\$ 30,354,196	\$ (11,313,927)	\$ 62,213,258	\$ 2,149,038

	Balance at 7/1/2019	Additions	Deletions	Balance at 6/30/2020	Amount Due Within One year
Business-type activities:					
Lease revenue bond debt - Series 2010	\$ 8,915,000	\$ -	\$ (260,000)	\$ 8,655,000	\$ 270,000
Compensated absences	61,441	75,823	(40,501)	96,763	7,741
Totals	\$ 8,976,441	\$ 75,823	\$ (300,501)	\$ 8,751,763	\$ 277,741

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

As of June 30, 2020, 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
2021	\$ 495,000	\$ 89,652	2021	\$ 620,000	\$ 684,856
2022	510,000	77,723	2022	645,000	656,331
2023	520,000	65,432	2023	680,000	623,207
2024	530,000	52,900	2024	715,000	588,331
2025	545,000	40,127	2025	750,000	551,706
2026-2027	1,120,000	40,609	2026-2030	4,365,000	2,145,207
			2031-2035	5,280,000	1,231,395
			2036-2039	4,880,000	333,175
Total	\$ 3,720,000	\$ 366,443	Total	\$ 17,935,000	\$ 6,814,208

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

Governmental Activities
Lease Revenue Debt - Series 2020

Year Ending June 30:	Principal	Interest
2021	\$ 602,440	\$ 817,117
2022	555,998	817,117
2023	571,788	817,117
2024	588,026	817,117
2025	604,725	817,117
2026-2030	3,291,193	4,085,585
2031-2035	3,785,830	4,085,585
Total	\$ 10,000,000	\$ 12,256,755

Individual issues of bonds at June 30, 2020, are as follows:

Governmental Activities

Lease Revenue Bonds and Lease Obligation Debt	Maturity Date	Interest Rates/ Coupon Rate	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2020
2017 Refunding of the Elk Grove Financing Authority Lease Revenue Bonds (2007 Capital Projects)	2027	2.41%	\$265,000 - \$565,000	\$ 4,940,000	\$ 3,720,000
Elk Grove Financing Authority Lease Revenue Bonds (Series 2018)	2039	3.0% - 5.0%	\$595,000 - \$1,280,000	\$ 18,530,000	\$ 17,935,000
Elk Grove Financing Authority Lease Revenue Debt (Series 2020)	2035	2.82%	\$272,215 - \$402,878	\$ 10,000,000	\$ 10,000,000

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

Revenue Bonds

EGFA Series 2010 Lease Revenue Bonds (Capital Facility)

On December 22, 2010, the Elk Grove Financing Authority issued Lease Revenue Bonds in the principal amount of \$10,715,000, which will mature on March 1, 2040. Interest payments are due

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

semi-annually, on March 1 and September 1 of each year, at rates ranging from 3.433% to 8.668%. Principal payments are due annually on March 1. The bond issuance provides for optional redemption at 100% of par on or after March 1, 2020. They are collateralized by revenue received from the City by the Authority under the Lease Agreement for the Special Waste Collection Center, dated July 10, 2015. Proceeds from the Bonds were used to finance the design and construction of the Special Waste Collection Center.

EGFA Series 2017 Lease Revenue Bonds (Capital Facility)

On June 20, 2007, the Elk Grove Financing Authority issued Lease Revenue Bonds in the principal amount of \$18,585,000, which were subsequently refinanced 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 \$973,533.10, respectively. The bond proceeds totaled \$19,503,533.10, which included bond proceeds of \$19,210,000, cost of issuance of \$213,643.10 and underwriters discount of \$79,890.00.

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

CITY OF ELK GROVE

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June 30, 2020

103% to 100% of par depending on the date of prepayment. They are collateralized by revenue received from the City by the Authority under the Lease Agreement for a City-owned property, dated May 1, 2020. The property is located at 8401 Laguna Palms Way. Proceeds from the debt will be used to finance the acquisition and construction of the District 56 Property and the Old Town Plaza Property.

Business Type Activities

As of June 30, 2020, annual debt service requirements of business-type activities to maturity are as follows:

Business-type Activities Recovery Zone Economic Development Bond Debt		
Year Ending June 30:	Principal	Interest
2021	\$ 270,000	\$ 740,744
2022	285,000	718,741
2023	295,000	695,517
2024	310,000	671,477
2025	325,000	646,215
2026-2030	1,860,000	2,797,566
2031-2035	2,345,000	1,914,328
2036-2040	2,965,000	794,856
Total	<u>\$ 8,655,000</u>	<u>\$ 8,979,444</u>

Recovery Zone Economic Development Bond Debt Lease Revenue Bond Debt	Maturity Date	Interest Rates	Annual Principal Installments	Original Issue Amount	Outstanding at 6/30/2020
Elk Grove Finance Authority Series 2010 Lease Revenue Bonds	2040	3.4 - 8.7%	\$205,000 - \$650,000	<u>\$ 10,715,000</u>	<u>\$ 8,655,000</u>

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

On December 22, 2010, the Elk Grove Finance Authority issued the Series 2010 Lease Revenue Bonds in the amount of \$10,715,000 to fund a portion of the costs of construction of a household hazardous waste collection facility, the acquisition of land, furnishing and equipment related to the facility, net a Recovery Zone Economic Development subsidy. Interest rates range from 3.433% to 8.668% and mature beginning March 1, 2012 through March 1, 2040. The IRS reimbursed \$321,081 to the City in fiscal year 2020. The bonds will be payable from and secured by, lease revenues and refundable credits from the Federal government under Section 6431 of the IRS Code of 1986 determined in accordance with Section 1400U-2 of the Tax Code, which the Finance Authority has elected to receive.

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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, 2020 is:

<u>Special Assessment Debt with no Governmental Commitment</u>	<u>Issue Year</u>	<u>Maturity Year</u>	<u>Outstanding at 6/30/2020</u>
E. Franklin Community Facilities District No. 2002-1, Series 2015	2015	2038	\$ 43,820,000
Poppy Ridge Community Facilities District No. 2003-1, Series 2015	2015	2038	\$ 38,890,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2016	2017	2046	\$ 110,870,000
Laguna Ridge Community Facilities District No. 2005-1, Series 2018	2018	2048	\$ 19,110,000

Note 7: Fund Balance Policies

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

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

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

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

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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 CAFR. Any appropriation of the REU below the 20% minimum shall be accompanied by findings articulating the need for the use of the REU and a plan for the replenishment of the REU within a reasonable period not to exceed three (3) budget years. All use of the REU must be approved by a majority (three votes) of the City Council. The exception is the event that a disaster situation is declared. In the event of a declared emergency, the City Manager may expend REU without prior City Council approval. After the emergency, the City Council shall evaluate the current REU level, and if necessary, publish, as an amendment to the current Budget Resolution, findings for the replenishment of the reserves within a reasonable period not to exceed three budget years. When the City successfully retains a REU amount beyond 25% and an Opportunity Reserve beyond 5% of Adjusted Appropriations for a given budget year the close out of the fiscal year will include the reallocation of reserves over the 30% to two purposes: one half to Capital Reserves and one half to economic development programs. Maintaining the target level funding for the projected fund balance amounts in the next fiscal year will be considered before a transfer of reserves is initiated. The City 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 will be reported as part of the committed reserve balance. Considering the COVID impacts for FY 2019-20, City Council suspended the automatic allocation to the Capital Reserves and Economic Development.

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.

CITY OF ELK GROVE

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June 30, 2020

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.

As of June 30, 2020, the fund balance details by classification are on the next page:

	General Fund	Affordable Housing Special Revenue Fund	Federal Capital Grant Fund	Roadway Fee Capital Projects Fund	Mitigation and Fee Funds	Elk Grove Finance Authority	Elk Grove Finance Authority 2018	Elk Grove Finance Authority 2020	Other Governmental Funds	Total
Fund Balance:										
Nonspendable										
Advance to other funds	\$ 1,939,752	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,939,752
Restricted:										
Affordable housing projects	-	85,284,352	-	-	-	-	-	-	831,069	86,115,421
CDBG	-	-	-	-	-	-	-	-	82,356	82,356
Development services fund	-	-	-	-	-	-	-	-	376,632	376,632
State homeless appropriations	-	-	-	-	-	-	-	-	4,614,255	4,614,255
State grants	-	-	-	-	-	-	-	-	19,030	19,030
Public safety	-	-	-	-	-	-	-	-	4,371,356	4,371,356
Public works maintenance	-	-	-	-	-	-	-	-	32,677,884	32,677,884
Agricultural preservation	-	-	-	-	-	-	-	-	2,126,981	2,126,981
Swainson's Hawk	-	-	-	-	-	-	-	-	3,752,458	3,752,458
Tree mitigation	-	-	-	-	-	-	-	-	321,782	321,782
Library	-	-	-	-	-	-	-	-	1,054,394	1,054,394
Capital projects	-	-	-	38,540,603	7,616,000	-	-	-	52,857,400	99,014,003
Debt service	-	-	-	-	-	329,400	39,511	10,607,231	-	10,976,142
Committed:										
Reserve for economic uncertainty	17,766,504	-	-	-	-	-	-	-	-	17,766,504
Opportunity reserves	3,553,301	-	-	-	-	-	-	-	-	3,553,301
Capital reserve	10,328,688	-	-	-	-	-	-	-	-	10,328,688
Economic development programs	4,157,285	-	-	-	-	-	-	-	-	4,157,285
Assigned:										
Appropriation of fund balance	4,765,651	-	-	-	-	-	-	-	-	4,765,651
Unassigned:										
	3,605,551	-	(2,547,351)	-	-	-	-	-	(1,914,476)	(856,276)
Total Fund Balances	<u>\$46,116,732</u>	<u>\$ 85,284,352</u>	<u>\$ (2,547,351)</u>	<u>\$ 38,540,603</u>	<u>\$ 7,616,000</u>	<u>\$ 329,400</u>	<u>\$ 39,511</u>	<u>\$ 10,607,231</u>	<u>\$ 101,171,121</u>	<u>\$ 287,157,599</u>

Note 8: **Interfund Transactions**

Interfund balances as of June 30, 2020, consisted of the following:

Due From/To Other Funds:

Receivable Fund	Payable Fund	Amount
General Fund	EGFA 2018 Debt Service Fund	\$ 3,517
General Fund	Other Governmental Funds	234,704
Roadway Fee Fund	Other Governmental Funds	248,139
Roadway Fee Fund	Federal Capital Grant Funds	222,099
Roadway Fee Fund	Transit Fund	5,229,791
		<u>\$ 5,938,250</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, 2020

Advances From/To Other Funds:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Other Governmental Funds	\$ 1,939,752
Other Governmental Funds	Mitigation Fund	5,000,000
Drainage Fund	Federal Capital Grants Fund	2,312,000
Roadway Fee Fund	Other Governmental Funds	614
		<u>\$ 9,252,366</u>

The City advanced funds between General Fund’s Capital Reserve Fund and Street Lighting Maintenance District Funds Zones 1 and 2 for the LED Streetlight Replacement Capital Project. The remaining balance is \$1,939,752 is reflected as an advance from other funds in the Street Lighting Maintenance District Funds Zones. There are 5 years remaining with variable interest rate, tied to the Local Agency Investment Fund (LAIF) investment earning. The advance is due August 28, 2025.

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

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

The Transit Fund had a series of years prior to fiscal year 2009-10 where the fund operated in a deficit. The General Fund has assisted over the past fiscal years by reducing the Transit unrestricted deficit to the current balance of (\$2,141,955). The interfund transaction of \$6,538,281 included in the due to other funds represents the amount that is considered to be collected within a year. The Transit operations budget has remained stable and more balanced over the last several years slowly reducing the overall negative net position in the Transit Operations fund. Per the forecast above, the negative net position is expected to turn positive in fiscal year 2023 and hence forth no longer rely on the General Fund Deficit Forgiveness contribution amount. Much of the success in reducing the negative fund balance can be attributed to the Comprehensive Operations Analysis (COA) adopted by Council in April of 2017, the anticipation of receiving increased revenues through Senate Bill 1 (SB 1) and the sound fiscal management by the Transit staff.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

Interfund transfers as of June 30, 2020, 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	\$ 460,903	Debt Service
	EG Finance Authority 2018 Debt Service Fund	1,126,524	Debt Service
	Transit Funds	835,304	Transit Deficit Reduction
	Recycling and Waste Funds	19,880	Cost Recovery
		<u>2,442,611</u>	
Federal Capital Grants Fund	Roadway Fee Fund	<u>37,352</u>	Adjustment
Roadway Fee Fund	General Fund	<u>565,406</u>	Cost Recovery
Mitigation and Fee Fund	General Fund	<u>62,203</u>	Cost Recovery
Other Governmental Funds	General Fund	4,993,415	Cost Recovery
	General Fund	3,340,000	Police Funding
	Federal Capital Grants Fund	5,939	Adjustment
	EG Finance Authority Debt Service Fund	81,663	Debt Service
	EG Finance Authority 2020 Debt Service Fund	760,000	Debt Service
	EG Finance Authority 2018 Debt Service Fund	176,647	Debt Service
		<u>9,357,664</u>	
Recycling and Waste Fund	General Fund	600,016	Cost Recovery
	General Fund	87,672	Code Enforcement Services
	Other Governmental Funds	119	Adjustment
	EG Finance Authority Fund	12,126	Debt Service
		<u>699,933</u>	
Transit Fund	General Fund	383,563	Cost Recovery
	EG Finance Authority Debt Service Fund	19,574	Debt Service
		<u>403,137</u>	
Drainage Fund	General Fund	448,709	Cost Recovery
	EG Finance Authority Debt Service Fund	6,875	Debt Service
		<u>455,584</u>	
Internal Service Funds	General Fund	583,098	Cost Recovery
	EG Finance Authority Debt Service Fund	18,859	Debt Service
		<u>601,957</u>	
		<u>\$ 14,625,847</u>	

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

Note 9: Deficit Fund Balances

As of June 30, 2020, the following funds had deficit fund balances. The deficits occurred because expenditures exceeded revenues. The City expects that future funding will reduce the deficits.

<u>Fund</u>	<u>Deficit</u>	
Special Revenue:		
Tire Collection & Disposal Grant Fund	\$ 4,500	Result of timing difference between expenditures and the receipt of Grant funding.
Street Lighting Maintenance District Funds	1,436,504	Result of interfund loan for LED street light replacement
Capital Projects:		
Federal Capital Grants Fund	2,547,351	Result of timing difference between expenditures and the receipt of Grant funding.
State Grants Fund	359,337	Result of timing difference between expenditures and the receipt of Grant funding.
District 56 Nature Area and OT Plaza Fund	68,507	Result of timing difference between expenditures and the receipt of Grant funding.
Lakeside CFD Fund	614	Result of timing difference between expenditures and the receipt of funding.

Note 10: Other Postemployment Benefits Other than Pension Benefits

Plan Descriptions

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

Eligibility and Benefit Information of the HRA Plan

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

The benefit provided by the HRA Plan to eligible retirees of the City (Councilmembers and employees) is an irrevocable contribution of up to \$800 per month for each covered employee deposited into a health reimbursement account for use by the retiree and eligible dependents to

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

pay for medical expenses allowed under the Internal Revenue Code. On December 9, 2009, the City Council amended the HRA plan with Resolution 2009-266 which limited employee eligibility in the HRA plan to employees within six years of CalPERS retirement eligibility at July 1, 2009. The eligibility criteria for employees established under the plan agreement are as follows:

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

Eligibility and Benefit Information of the Defined Contribution Plan

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

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

The plan is administered by Health Secure HRA. Employee contributions for the fiscal year totaled \$323,895. Employer contributions of \$836,060 were paid into the Defined Contribution Plan. No liability for the defined contribution has been included in the report since the City fully paid the annual required contribution. Since the assets held under this plan are not the City's property and are not subject to claims by general creditors of the City, the assets have been excluded from these financial statements.

Eligibility and Benefit Information of the Health Insurance Rate Subsidy Plan

Under the Health Insurance Rate Subsidy Plan, the City provides retirees the ability to continue their healthcare coverage under the City's cafeteria plan at a cost to the retiree equal to current eligible employees, which is administered by CalPERS. The City pays the minimum mandatory Rate Subsidy amount required of State Statute. On February 26, 2014, the Elk Grove City Council adopted Resolution 2014-44 to establish an IRS Section 115 Trust for the City's Health Insurance Rate Subsidy Plan. The fiscal year 2019-20 Budget programmed \$27.50 per employee per pay period as planned funding for the existing plan's liability. The financial

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

statements for the Health Insurance Rate Subsidy Plan are included in the Retirement Health Trust fund statement of fiduciary net position and statement of changes in fiduciary net position. Separate financial statements are not issued for the Health Insurance Rate Subsidy Plan. The current rate subsidy is \$139 per eligible retiree per month.

Funding Policies

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

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

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

Plan Membership – As of the June 30, 2020 actuarial valuation date, membership in the Plans consisted of the following;

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

Investment Policy – PARS and ICMA offer different investment portfolios as part of the investment vehicle. The investments held as of June 30, 2020 are included in Note 2.

Rate of Return - For the year ended June 30, 2020, the annual money-weighted rate of return on investments, net of investment expense, was 5.75% for the HRA Plan 1.82% for the Rate Subsidy Plan. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

Changes in Net OPEB Liability (Asset) – The components of the changes in the net OPEB liability (asset) for each plan for the year ended at June 30, 2020, were as follows:

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

HRA Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2019	\$ 4,997,230	\$ 3,359,899	\$ 1,637,331
Changes Recognized for the Measurement Period:			
Service Cost	15,004	-	15,004
Interest on the total OPEB liability	280,706	-	280,706
Changes in benefit terms	-	-	-
Differences between expected and actual experience	417,875	-	417,875
Changes of assumptions	(92,788)	-	(92,788)
Employer Contributions	-	600,000	(600,000)
Actual Investment Income	-	201,002	(201,002)
Investment Gains/Losses	-	2,656	(2,656)
Administrative expenses	-	(14,784)	14,784
Benefit payments	(373,920)	(373,920)	-
Net changes	246,877	414,954	(168,077)
Balance at June 30, 2020	\$ 5,244,107	\$ 3,774,853	\$ 1,469,254
Rate Subsidy Plan	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
	(a)	(b)	(a) - (b)
Balance at June 30, 2019	\$ 3,215,029	\$ 3,448,094	\$ (233,065)
Changes Recognized for the Measurement Period:			
Service Cost	200,797	-	200,797
Interest on the total OPEB liability	197,602	-	197,602
Changes in benefit terms	-	-	-
Differences between expected and actual experience	(182,962)	-	(182,962)
Changes of assumptions	9,162,143	-	9,162,143
Employer Contributions	-	269,130	(269,130)
Actual Investment Income	-	213,003	(213,003)
Investment Gains/Losses	-	(41,955)	41,955
Administrative expenses	-	(21,082)	21,082
Benefit payments	(44,130)	(44,130)	-
Net changes	9,333,450	374,966	8,958,484
Balance at June 30, 2020	\$ 12,548,479	\$ 3,823,060	\$ 8,725,419

Actuarial Assumptions - The total OPEB liabilities for the HRA Plan and Rate Subsidy Plan were determined by actuarial valuations as of June 30, 2020. The valuations used the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

	HRA Plan	Rate Subsidy Plan
Inflation	2.75%	2.75%
Salary Increases	2.75%	2.75%
Investment Rate of Return	5.8%, net of OPEB plan investment expenses	6.0%, net of OPEB plan investment expenses
Healthcare Cost Trend Rates	4.00%	4.00%
	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, 2020 are summarized in the following table:

Asset Class	HRA Plan		Rate Subsidy Plan	
	Percentage of Portfolio	Assumed Gross Rate of Return	Percentage of Portfolio	Assumed Gross Rate of Return
Equities	50%	7.00%		
Fixed Income	50%	4.00%		
All US Domestic Stock			50%	7.500%
Long-Term Corporate Bonds			50.0%	4.500%

Discount rate - The discount rates used to measure the total OPEB liabilities as of June 30, 2020 were 5.8% and 6.0% for the HRA Plan and Rate Subsidy Plan, respectively. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plans' fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liabilities.

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

	HRA Plan		
	1% Decrease	Discount Rate	1% Increase
	4.80%	5.80%	6.80%
Net OPEB Liability (Asset)	\$ 1,980,288	\$ 1,469,254	\$ 1,034,148
	Rate Subsidy Plan		
	1% Decrease	Discount Rate	1% Increase
	5.00%	6.00%	7.00%
Net OPEB Liability (Asset)	\$ 10,215,492	\$ 8,725,419	\$ 7,454,127

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Notes to Financial Statements
June 30, 2020

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

	HRA Plan		
	Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	\$ 1,469,254	\$ 1,469,254	\$ 1,469,254

	Rate Subsidy Plan		
	Healthcare Cost		
	<u>1% Decrease</u>	<u>Trend Rate</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	\$ 7,027,176	\$ 8,725,419	\$ 10,818,877

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the year ended June 30, 2020, the City recognized OPEB expense of \$446,972 for the HRA Plan and \$771,151 for the Rate Subsidy Plan. At June 30, 2019, the City reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
HRA Plan		
Differences between actual and expected experience	\$ -	\$ -
Changes of assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	(13,213)
Total	<u>\$ -</u>	<u>\$ (13,213)</u>
Rate Subsidy Plan		
Differences between actual and expected experience	\$ -	\$ (336,685)
Changes of assumptions	8,589,509	-
Net differences between projected and actual earnings on plan investments	30,833	-
Total	<u>\$ 8,620,342</u>	<u>\$ (336,685)</u>
Total Both Plans	<u>\$ 8,620,342</u>	<u>\$ (349,898)</u>

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Notes to Financial Statements
June 30, 2020

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
2021	\$ 3,008	\$ 564,674	\$ 567,682
2022	(6,409)	551,233	544,824
2023	(9,284)	549,179	539,895
2024	(528)	555,939	555,411
2025	-	547,548	547,548
Thereafter	-	5,515,084	5,515,084

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 is the first year when the City’s OPEB Plan actuarial included the implicit rate subsidy in the Net OPEB Liability. The change in the actuarial assumption increased the Rate Subsidy OPEB plan liability drastically. The plan had a Net OPEB asset of \$233,065 in the prior year, and in the current year the Net OPEB Liability is \$8,725,418.

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

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

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

Including Implied Rate Subsidy

	TOL	FNP	NOL
Balance at June 30, 2019 Measurement Date	\$ 3,215,029	\$ 3,448,094	\$ (233,065)
Service cost	200,797	-	200,797
Interest on TOL/Return on FNP	197,602	171,048	26,554
Employer Contributions	-	269,130	(269,130)
Benefit Payments	(44,130)	(44,130)	-
Administrative Expenses	-	(21,082)	21,082
Experience (Gains)/Losses	(182,962)	-	(182,962)
Changes in Assumptions	9,162,143	-	9,162,143
Net Changes during 2019-20	9,333,450	374,966	8,958,484
Actual Balance at June 30, 2020 Measurement Date	\$ 12,548,479	\$ 3,823,060	\$ 8,725,419

Funded Status 30%

Without Implied Rate Subsidy

	TOL	FNP	NOL
Balance at June 30, 2019 Measurement Date	\$ 3,215,029	\$ 3,448,094	\$ (233,065)
Service cost	200,796	-	200,796
Interest on TOL/Return on FNP	197,602	171,048	26,554
Employer Contributions	-	269,130	(269,130)
Benefit Payments	(44,130)	(44,130)	-
Administrative Expenses	-	(21,082)	21,082
Experience (Gains)/Losses	(182,962)	-	(182,962)
Changes in Assumptions	-	-	-
Net Changes during 2019-20	171,306	374,966	(203,660)
Actual Balance at June 30, 2020 Measurement Date	\$ 3,386,335	\$ 3,823,060	\$ (436,725)

Funded Status 113%

Note 11: 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.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

Benefits Provided

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

The Plans' provisions and benefits in effect at June 30, 2020, are summarized as follows:

Employer rate plan	Employer Rate Plans in the Miscellaneous Risk Pool		
	Classic	Miscellaneous	PEPRA
	Miscellaneous	Second Tier	Miscellaneous
	Prior to	On or after	On or after
Hire date	August 12, 2012	August 12, 2012*	January 1, 2013*
Benefit formula	2.7% @ 55	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as of % of eligible compensation	2.0% to 2.7%	1.426% - 2.418%	1.0% to 2.5%
Required employee contribution rates	8.00%	7.00%	6.75%
Required employer contribution rates	13.182%	10.221%	6.985%
Requires UAL contribution	\$ 284,333	\$ 1,450	\$ 844

Employer rate plan	Employer Rate Plans in the Safety Risk Pool		
	Safety Police	Safety Police	PEPRA
	Classic	Second Tier	Safety Police
	Prior to	On or after	On or after
Hire date	August 12, 2012	August 12, 2012*	January 1, 2013*
Benefit formula	3.0% @ 50	3.0% @ 55	2.7% @ 57
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life	Monthly for life
Retirement age	50	50-55	50-57
Monthly benefits, as of % of eligible compensation	3.0%	2.4% to 3.0%	2.0% to 2.7%
Required employee contribution rates	9.00%	9.00%	12.00%
Required employer contribution rates	21.927%	20.073%	13.034%
Required UAL contribution	\$ 626,753	\$ 831	\$ 1,081

*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.

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Notes to Financial Statements
June 30, 2020

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 \$915,292 in fiscal year 2020, as shown in the table above.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS' annual actuarial valuation process. Each employer rate plan's actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan's allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The City's contributions to the Plan for the year ended June 30, 2020 were:

	Contributions
Legally required	\$ 5,685,740
Additional contributions	<u>2,245,012</u>
Total contributions	<u><u>\$ 7,930,752</u></u>

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

As of June 30, 2020, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$14,729,263.

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, 2019, 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, 2018 rolled forward to June 30, 2019 using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the Plan relative to the projected contributions of all participating employers, actuarially determined. The City's proportionate share of the net pension liability for the Plan as of June 30, 2018 and 2019 was as follows:

CITY OF ELK GROVE

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June 30, 2020

	<u>Plan</u>
Proportion - June 30, 2018	0.14518%
Proportion - June 30, 2019	<u>0.14374%</u>
Change - increase (decrease)	<u><u>-0.00144%</u></u>

For the year ended June 30, 2020, the City recognized pension expense of \$8,131,120. At June 30, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 7,930,752	\$ -
Changes in assumptions	620,449	(140,055)
Differences between expected and actual experience	972,084	(13,438)
Changes in proportion and differences between the City's contributions and the City's proportionate share of contributions	4,325,010	(909,166)
Net differences between projected and actual earnings on plan investments	-	(211,932)
Total	<u>\$ 13,848,295</u>	<u>\$ (1,274,591)</u>

\$7,930,752 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, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>	<u>Annual Amortization</u>
2021	\$ 3,074,216
2022	1,101,598
2023	425,575
2024	<u>41,563</u>
Total	<u><u>\$ 4,642,952</u></u>

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Notes to Financial Statements
June 30, 2020

Actuarial Assumptions

The total pension liabilities in the June 30, 2018 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous	Safety
Valuation Date	June 30, 2018	June 30, 2018
Measurement Date	June 30, 2019	June 30, 2019
Actuarial Cost Method	Entry-Age Normal	
Actuarial Assumptions:		
Discount Rate	7.15%	7.15%
Inflation	2.50%	2.50%
Projected Salary Increase	Varies by Entry Age and Service	Varies by Entry Age and Service
Investment Rate of Return	7.15% (1) Derived using CalPERS' Membership Data for all Funds (2) Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.	7.15% (1) Derived using CalPERS' Membership Data for all Funds (2) Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.
Mortality Rate Table		
Post Retirement Benefit Increase		

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

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

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

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2018 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability for the Plan was 7.15%. The projection of cash flows used to determine the discount rate for the Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan’s asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated. The expected rate of return was set by calculating the 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 rate of return by asset class.

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

(a) In the CalPERS CAFR, Fixed income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.

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

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

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June 30, 2020

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

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

	Discount Rate –1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
City’s proportionate share of the net pension liability	\$33,015,428	\$14,729,263	\$ (302,974)

Pension Plan Fiduciary Net Position

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

Subsequent Event – CalPERS Pension Contribution Rates

The CalPERS Board of Administration has adopted a new amortization policy effective with the June 30, 2019 actuarial valuation. The new policy shortens the period over which actuarial gains and losses are amortized from 30 years to 20 years with the payments computed using a level dollar amount. In addition, the new policy removes the 5-year ramp-up and ramp-down on UAL bases attributable to assumption changes and non-investment gains/losses. The new policy removed the 5-year ramp-down investment gains/losses. These changes will apply only to new UAL bases established on or after June 30, 2019. As a result of these changes, the City’s contribution rates for the fiscal year ended Jun 30, 2021 are expected to increase over the fiscal year 2020 contribution rates.

Note 12: **Deferred Compensation Plan**

City employees may defer a portion of their compensation under a City sponsored deferred compensation plan created in accordance with Internal Revenue Code Sections 457 and 414(h). Under these plans, participants are not taxed on the deferred portion of their compensation until distributed; distributions may be made only at termination, retirement, death or in an emergency as defined by the plan. Depending on the employee group, the City will match up to 2%, 3%, 4%, 5% or 6% of the covered payroll as a benefit under Internal Revenue Code Section 401(a). For fiscal year 2019-20 the City’s matching contribution was \$998,537.

The laws governing deferred compensation plan assets dictate that they be held in a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this plan are not the City’s property and are not subject to claims by general creditors of the City, they have been excluded from these financial statements.

CITY OF ELK GROVE

Notes to Financial Statements
June 30, 2020

Note 13: **Risk Management**

Insurance Coverage

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

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

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

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

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

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

The City's deductibles and maximum coverage follows:

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Notes to Financial Statements June 30, 2020

	Self-Insured Retention	Limit Per Occurrence	Aggregate
General Liability Coverage	\$ 50,000	\$ 50,000,000	\$ 50,000,000
Property Coverage			
All Risk	5,000	600,000,000	600,000,000
Auto	10,000	25,000,000	600,000,000
Buses	100,000	25,000,000	600,000,000
Crime Coverage	2,500	5,000,000	5,000,000
Pollution Coverage	75,000	10,000,000	50,000,000
Cyber Liability Coverage	50,000	7,000,000	7,000,000
Fiduciary Liability	25,000	2,000,000	2,000,000

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

Changes in the reported liability resulted from the following:

	General Liability
Liability at June 30, 2018	\$ 614,555
Claims and changes in estimates	(217,555)
Liability at June 30, 2019	\$ 397,000
Claims and changes in estimates	(157,659)
Liability at June 30, 2020	\$ 239,341

Crime Coverage

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

Fiduciary Coverage

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

Worker's Compensation Coverage

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

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Alliant Insurance Services
1892 Tribute Rd
Sacramento, CA 95815

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

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

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

Activity for the City’s banking layer administered by NCCSIF for the year ended June 30, 2020 is as follows:

	Balance 6/30/2019	Deposits & other Income	Investment Income & FMV Change	Claims Paid Net of Refunds	Claims Admin. & Other Exp	Balance 6/30/2020
Worker's Compensation	\$ 676,899	\$ 1,105,794	\$ 136,637	\$ (1,288,617)	\$ (62,824)	\$ 567,889

Note 14: **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, 2020. The balances owed on the existing construction and acquisition commitments were \$39,976,250 at June 30, 2020.

The City also contracts out its public works department for project management on the construction agreements. The City pays the contractor based on hourly rates ranging from \$32 to \$149 per hour for Federal/State funded project management services. For non-Federal/State, the hourly rates range from \$57 to \$222 per hour.

Revenue Neutrality Agreement

The City and the County of Sacramento (County) entered into an agreement pursuant to Government Code Section 56845. As a means of mitigating the financial impacts of the incorporation upon the County’s general fund, the City shall share its secured and unsecured ad

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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, 2021 through June 30, 2026:

Year	Fiscal Year	County Share	City Share
21	2020/2021	50%	50%
22	2021/2022	40%	60%
23	2022/2023	30%	70%
24	2023/2024	20%	80%
25	2024/2025	10%	90%
26	2025/2026	00%	100%

As part of the revenue neutrality agreement, the City paid to the County \$6,295,158 during the fiscal year ended June 30, 2020.

The Ridge EG East, LP Tax Incentive

On April 12, 2017 City Council adopted a resolution authorizing the City Manager to execute an Economic Development Incentive Agreement with a developer. The total amount of the incentive relating to the construction of Costco is \$8,000,000 at a present value with a 6% annual discount rate. As of June 30, 2020, the City has paid \$802,075 with a present value of \$765,454. 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, 2020, the City has paid a total of \$802,075 of this incentive.

Fee Credits

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

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of the outstanding commitment and fund in which the fee credits are associated with.

Elk Grove Roadway Fee Program (Fund 328)

- \$5,895,728 in earned fee credits
- \$771,839 in unearned fee credits

LRSP Supplemental Park Fee – Land Acquisition (Fund 331)

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

Sterling Meadows

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

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

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

Site improvements and residential construction are on-going.

Old Town Plaza

The City continues to focus on improvements in the Old Town Elk Grove Area that will revitalize and provide an overall economic benefit. The City has completed the design of the Old Town Plaza Phase 2 and 3 Project and Council recently awarded a construction contract for these improvements. These two phases are the final phases of the Old Town Plaza and create a gathering space that celebrates Old Town's rich heritage and railroad history. These plaza improvements will include an entrance plaza, walkways, bike parking, seat wall,

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lawn/landscaping areas, and a pavilion structure. The City's related project Railroad Street Improvements will provide two new public parking lots in Old Town as well as new street improvements. Construction is expected to start in the summer of 2020 with completion anticipated in Spring 2021.

The Preserve at District56 and Pedestrian Trails

The City has been developing a 56-acre site formerly called the Civic Center in Laguna Ridge for a variety of years. This 56-acre site includes the Aquatics Center and Commons, Community & Senior Center, Veteran's Hall and Veteran's Grove, dancing fountain, public art, and future home of the District56 Library and Cultural Arts Center. The remaining 30 acres on the south side of the property has been designated for the Preserve at District56 as a passive recreational site with expansion of the west and east parking lots. The Preserve will include a beautiful pond which will serve as a focal point of the space. Boardwalks and meandering walkways which will entice visitors to explore the space and lead to a new fitness court, group picnic area, and children's play area. The project will enhance the great lawn just south of the Aquatics Center and add a kinetic sculpture to the public art sprinkled throughout District56. This Project will start construction in summer 2020 and be complete by fall 2021 with an additional 12 months of plant establishment.

Wilton Rancheria

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

The proposed project consists of a 608,756 square foot hospitality and entertainment facility, including a 12-story 302 room hotel, pool, spa, 47,634-square foot convention center, six restaurants and bars, and a 110,260 square foot gaming floor. In order to mitigate the potential impacts of the Project, the City and the Tribe have executed a Memorandum of Understanding, approved by the City Council in September 2016, that provides funding to the City of Elk Grove, Elk Grove Unified School District, and local non-profit organizations to pay for services such as law enforcement and traffic impacts and compensate for loss of tax revenue. The total cumulative payment from the Tribe to the community over 20 years is approximately \$132 million.

Coronavirus Aid, Relief, and Economic Security (CARES) Act

On March 13, 2020, a presidential emergency was declared for all states, tribes, territories, and the District of Columbia due to the ongoing Coronavirus Disease 2019 (COVID-19) pandemic. The declaration made federal disaster assistance available; through the Coronavirus Aid, Relief, and Economic Security (CARES) Act; to the State of California to supplement the City's local recovery efforts. The CARES Act funding was approved and disbursed by the federal government to States in May 2020. The State of California developed an allocation schedule for distributing the funding to local governments in May 2020 and adopted a budget amendment effective July 1,

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

2020 for the State's Fiscal Year 2020-21 budget. As of June 30, 2020, an estimated \$897,931 of costs may be eligible for State and Federal assistance, of which no CARES Act funding was received in fiscal year 2019-20. To receive the funding, the local governments have to incur eligible expenditures from March 1, 2020 to June 30, 2020 and then July 1, 2020 to December 31, 2020. The City was required to file a certification by July 10, 2020 that they would use the funds consistent with federal requirements, adhere to health orders and directives, return unspent funds, and repay any disallowed costs, among other compliance certifications. The City was awarded and has received \$2,174,997.

Litigation

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

Note 15: **Subsequent Events**

Elk Grove Finance Authority Series 2020 Special Tax Revenue Bonds

On October 8, 2020, the Elk Grove Finance Authority issued Special Tax Revenue Bonds under the Mello-Roos Community Facilities Act of 1982 in the amount of \$11,495,000 to provide new funding in Laguna Ridge for payment of developer impact fees and roadways, landscaping and lighting, sewer and drainage improvements and to fund reserves. The bonds have interest rates of 2.75% to 4.0% and mature beginning September 1, 2021, through September 1, 2050.

Elk Grove Town Center (EGTC) Roadway Fee Credits and Other Capital Facility Fee Credits

On September 5, 2001, Elk Grove City Council adopted a Development Agreement for the Lent Ranch Marketplace Project. Which was going to be 1.1 million square-foot open-air regional mall. Due to an economic downturn, the Lent Ranch Marketplace did not come to fruition within the time frame contemplated by the original Development Agreement. Only 574,403 square feet in partial shell buildings were built. The Development Agreement established an agreed upon amount for development impact fees, which were paid by Elk Grove Town Center (EGTC) prior to commencement of construction. This included both City and non-City fees. In addition, there was a pre-payment of roadway fees for additional square footage not contemplated in the first phase of construction. In February 2017, EGTC sold an approximately 36-acre portion of the Project Site to the Wilton Rancheria for development as a casino resort. Following the sale of property to the Wilton Rancheria, EGTC retained approximately 64.42 acres of the Project Site and subsequently demolished the partially constructed buildings.

On October 14, 2020, City Council approved the resolution authorizing the City Manager to execute the Agreement Regarding Applicable Fees and Credits – Elk Grove Promenade by and between the City of Elk Grove and Elk Grove Town Center, L.P (EGTC). EGTC will receive Roadway Fee credits in the amount of \$4,382,721, which reflects the prepaid Roadway fees, less \$35,500 the City retains as a monument bond for the project. Since these fees were not tied to any buildings constructed, the fees will be credited as a dollar amount and the credits will not accrue

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

interest. Regarding other developer impact fees, including Roadway paid at building permit issuance, EGTC will receive credits based on square footage of the buildings constructed. Should a new project be approved at the EGTC Retained Property, it would be able to use these fee credits to offset fees owed. These specific credits have no cash value and may only be used for future development of the EGTC Retained Property. Should the fee for the actual use be less than the fee credits, there will be no refund, nor shall the credits be transferable to any other properties. The fees retained by the City are available for any projects identified in the most current version of the applicable fee nexus studies. Since there are currently no active projects at the site, the Agreement allows for conversion of the commercial square footage credits to different use categories, including other non-residential and residential uses.

Note 16: **Restatement of Fund Balance**

The Public Works Fund was established to record revenue and expenditures directly related to the administrative cost of the Public Works Department including its Divisions of Administration, Capital Improvement Program and Engineering Support. Expenditures in this fund are supported by overhead allocation revenue from the General Fund, Special Revenue Funds and Capital Funds. Since Special Revenue accounts must be self-sufficient and cannot consistently be negative, and public work fees cannot self-sustain the fund balance, management decided to move this fund into the General Fund, since the General Fund is providing the most to keep it stable.

The implementation of this accounting policy change and prior year revenue required the City to make prior period adjustments. As a result, the beginning fund balance of the General Fund was restated and increased \$1,359,228.

Note 17: **Future GASB Pronouncements**

In January 2017, the GASB approved Statement No. 84. *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less. This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

aggregate that combined information with the primary government's fiduciary funds. This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

In June 2017, the GASB approved Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In August 2018 the GASB approved Statement No. 90 *Majority Equity Interests*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019.

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

In January 2020 the GASB approved Statement No. 92 *Omnibus 2020*. The primary objectives of

CITY OF ELK GROVE

Notes to Financial Statements June 30, 2020

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

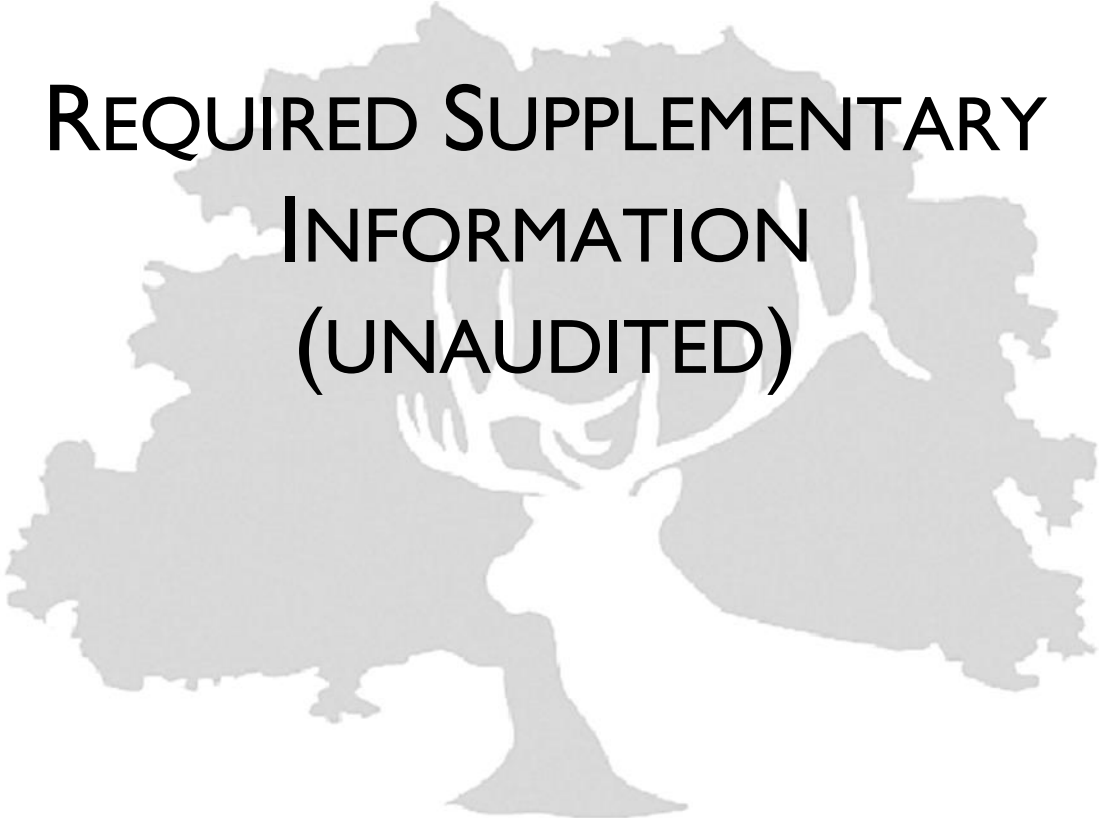
In March 2020 the GASB approved Statement No. 94 *Public-Private and Public-Public Partnership and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs).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

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

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COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2020

**REQUIRED SUPPLEMENTARY
INFORMATION
(UNAUDITED)**



CITY OF ELK GROVE

Budgetary Comparison Schedule
General Fund
For the Year Ended June 30, 2020

REVENUES	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
Taxes:				
Property taxes	\$ 27,859,518	\$ 27,859,518	\$ 27,773,836	\$ (85,682)
Sales and use tax	28,766,677	28,766,677	29,768,093	1,001,416
Utility users' tax	6,242,000	6,242,000	5,619,936	(622,064)
Transient occupancy tax	2,415,968	2,415,968	1,634,182	(781,786)
Property transfer tax	1,018,000	1,018,000	866,113	(151,887)
Franchise tax	2,435,501	2,435,501	2,665,513	230,012
Licenses, fees and permits	610,317	750,317	1,325,532	575,215
Intergovernmental	95,000	705,000	388,250	(316,750)
Fines and forfeitures	256,268	256,268	504,072	247,804
Charges for services	91,250	91,250	91,330	80
Use of money and property	533,233	533,233	2,071,958	1,538,725
Other revenue	945,780	1,110,530	1,816,917	706,387
Total Revenues	<u>71,269,512</u>	<u>72,184,262</u>	<u>74,525,732</u>	<u>2,341,470</u>
EXPENDITURES				
General Government:				
City Council	512,542	512,542	426,944	85,598
Planning Commission	9,782	9,782	5,527	4,255
Planning	150,048	150,048	155,277	(5,229)
Economic Development	1,807,879	2,207,879	1,638,020	569,859
City Manager	5,120,674	5,780,674	4,376,110	1,404,564
City Attorney	1,533,151	1,533,151	1,593,618	(60,467)
City Clerk	595,367	635,367	619,581	15,786
Finance	3,357,758	3,357,759	3,229,699	128,060
Human Resources	1,286,241	1,286,241	1,135,625	150,616
Public Works	4,974,912	5,109,912	4,527,587	582,325
Other - Non-Departmental	3,267,752	3,520,230	4,155,146	(634,916)
Revenue Neutrality	6,482,296	6,482,296	6,366,645	115,651
Total General Government	<u>29,098,402</u>	<u>30,585,881</u>	<u>28,229,779</u>	<u>2,356,102</u>
Public Safety:				
Law Enforcement	48,700,864	49,096,855	47,203,138	1,893,717
Total Public Safety	<u>48,700,864</u>	<u>49,096,855</u>	<u>47,203,138</u>	<u>1,893,717</u>
Community Development				
Code Enforcement	1,308,014	1,308,014	1,282,501	25,513
Community Grants	399,552	405,795	354,593	51,202
Total Community Development	<u>1,707,566</u>	<u>1,713,809</u>	<u>1,637,094</u>	<u>76,715</u>
Capital Outlay	7,095,933	9,242,572	3,686,811	5,555,761
Total Expenditures	<u>86,602,765</u>	<u>90,639,117</u>	<u>80,756,822</u>	<u>9,882,295</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,333,253)</u>	<u>(18,454,855)</u>	<u>(6,231,090)</u>	<u>12,223,765</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	13,413,002	11,064,082	11,064,082	-
Transfers out	(4,791,531)	(2,442,611)	(2,442,611)	-
Total Other Financing Sources (Uses)	<u>8,621,471</u>	<u>8,621,471</u>	<u>8,621,471</u>	<u>-</u>
Net Change in Fund Balance	<u>(6,711,782)</u>	<u>(9,833,384)</u>	<u>2,390,381</u>	<u>12,223,765</u>
Fund Balance, Beginning, as restated	<u>43,726,351</u>	<u>43,726,351</u>	<u>43,726,351</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 37,014,569</u>	<u>\$ 33,892,967</u>	<u>\$ 46,116,732</u>	<u>\$ 12,223,765</u>

CITY OF ELK GROVE

Major Special Revenue Fund
 Budgetary Comparison Schedule
 Affordable Housing Fund
 For the Year Ended June 30, 2020

	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
Revenues:				
Licenses, fees and permits	\$ 3,128,528	\$ 3,128,528	\$ 3,499,723	\$ 371,195
Use of money and property	305,122	305,122	2,024,016	1,718,894
Total Revenues	<u>3,433,650</u>	<u>3,433,650</u>	<u>5,523,739</u>	<u>2,090,089</u>
Expenditures:				
Current:				
Community development	5,159,291	5,160,406	3,080,494	2,079,912
Total Expenditures	<u>5,159,291</u>	<u>5,160,406</u>	<u>3,080,494</u>	<u>2,079,912</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,725,641)</u>	<u>(1,726,756)</u>	<u>2,443,245</u>	<u>4,170,001</u>
Net Change in Fund Balance	(1,725,641)	(1,726,756)	2,443,245	4,170,001
Fund Balance, Beginning	<u>82,841,107</u>	<u>82,841,107</u>	<u>82,841,107</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$81,115,466</u></u>	<u><u>\$81,114,351</u></u>	<u><u>\$85,284,352</u></u>	<u><u>\$ 4,170,001</u></u>

CITY OF ELK GROVE

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

BUDGETS AND BUDGETARY ACCOUNTING

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

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

CITY OF ELK GROVE

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

For the Measurement Period Ended June 30

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

Notes:

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

CITY OF ELK GROVE

Schedule of City Contributions
Last Ten Fiscal Years (1)

For the Fiscal Year Ended June 30	2020		2019		2018		2017	
	Rate Subsidy		Rate Subsidy		Rate Subsidy		Rate Subsidy	
	HRA Plan	Plan	HRA Plan	Plan	HRA Plan	Plan	HRA Plan	Plan
Contractually Required Contributions	\$ 600,000	\$ 269,130	\$ 366,252	\$ 40,026	\$ 470,000	\$ 296,762	\$ 344,299	\$ 194,712
Employer Contributions	600,000	269,130	470,332	240,026	470,000	296,762	400,000	200,000
Contribution Deficiency (Excess)	\$ -	\$ -	\$ (104,080)	\$ (200,000)	\$ -	\$ -	\$ (55,701)	\$ (5,288)
Covered-Employee Payroll	\$ 743,816	\$ 42,730,280	\$ 943,329	\$ 31,827,961	\$ 1,183,755	\$ 26,020,439	\$ 1,495,962	\$ 27,743,749
Contributions as percentage of covered-employee payroll	80.67%	0.63%	49.86%	0.75%	39.70%	1.14%	26.74%	0.72%

Notes to Schedule:

Methods and assumptions used to determine contribution rates:

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

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

CITY OF ELK GROVE

**Schedule of Investment Returns
Last Ten Fiscal Years (1)**

For the Fiscal Year Ended June 30	2020		2019		2018		2017	
	HRA Plan	Rate Subsidy Plan	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	5.75%	1.82%	7.05%	3.65%	4.90%	2.80%	5.64%

Notes:

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

CITY OF ELK GROVE

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

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

Measurement Date	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
City's Proportion of the Net Pension Liability	0.14374%	0.14518%	0.16676%	0.16786%	0.16807%	0.17173%
City's Proportionate Share of the Net Pension Liability/(Asset)	\$ 14,729,263	\$ 13,990,216	\$ 16,537,686	\$ 14,525,447	\$ 11,536,416	\$ 10,686,132
City's Covered Payroll	\$ 31,747,871	\$ 29,962,680	\$ 27,840,009	\$ 33,456,412	\$ 34,404,915	\$ 31,212,147
City's Proportionate Share of the Net Pension Liability/(Asset) as a Percentage of its Covered Payroll	46.39%	46.69%	59.40%	43.42%	33.53%	34.24%
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	75.26%	75.26%	73.31%	74.06%	78.40%	79.82%

Notes to Schedule:

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

CITY OF ELK GROVE

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

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

For the year Ended June 30	2020	2019	2018	2017	2016	2015
Actuarially determined contribution	\$ 5,685,740	\$ 4,539,174	\$ 4,283,503	\$ 3,518,175	\$ 3,181,199	\$ 5,006,117
Contributions in relation to the actuarially determined contributions	(5,685,740)	(4,539,174)	(4,283,503)	(3,518,175)	(3,181,199)	(5,006,117)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 35,222,709	\$ 31,747,871	\$ 29,962,680	\$ 27,840,009	\$ 33,456,412	\$ 34,404,915
Contributions as a percentage of covered payroll	16.14%	14.30%	14.30%	12.64%	9.51%	14.55%

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

COMPREHENSIVE ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 2020

COMBINING AND INDIVIDUAL FUND STATEMENTS AND SCHEDULES



CITY OF ELK GROVE

Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total
<u>ASSETS</u>			
Cash and investments	\$ 51,495,307	\$ 48,483,838	\$ 99,979,145
Cash with fiscal agent	-	4,442,422	4,442,422
Accounts receivable	1,353,808	44,617	1,398,425
Interest receivable	178,032	26,686	204,718
Taxes Receivable	88,416	-	88,416
Due from other government agencies	1,382,715	525,563	1,908,278
Advances to other funds	3,500,000	1,500,000	5,000,000
Fee credits receivable	-	2,387,818	2,387,818
Long-term loans receivable	512,383	-	512,383
Long-term development fees receivable	-	745,764	745,764
Total Assets	<u>\$ 58,510,661</u>	<u>\$ 58,156,708</u>	<u>\$ 116,667,369</u>
<u>LIABILITIES</u>			
Accounts payable	\$ 4,264,403	\$ 1,486,734	\$ 5,751,137
Accrued salaries and benefits	94,172	1,873	96,045
Due to other funds	234,704	248,139	482,843
Due to other government agencies	6,443	-	6,443
Retention payable	94,123	60,200	154,323
Refundable deposits	1,346,990	-	1,346,990
Advances from other funds	1,939,752	614	1,940,366
Unearned revenue	181,491	261,895	443,386
Total Liabilities	<u>8,162,078</u>	<u>2,059,455</u>	<u>10,221,533</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>			
Unavailable revenue	<u>1,606,404</u>	<u>3,668,311</u>	<u>5,274,715</u>
<u>FUND BALANCES</u>			
Restricted	50,228,197	52,857,400	103,085,597
Unassigned	(1,486,018)	(428,458)	(1,914,476)
Total Fund Balances	<u>48,742,179</u>	<u>52,428,942</u>	<u>101,171,121</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 58,510,661</u>	<u>\$ 58,156,708</u>	<u>\$ 116,667,369</u>

CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Governmental Funds For the Year Ended June 30, 2020

	Special Revenue Funds	Capital Projects Funds	Total
Revenues:			
Licenses, fees and permits	\$ 6,110,142	\$ 7,041,996	\$ 13,152,138
Intergovernmental	26,091,232	5,652,287	31,743,519
Charges for services	2,349,972	-	2,349,972
Use of money and property	2,057,536	1,694,085	3,751,621
Other revenue		8,658	8,658
Total Revenues	36,608,882	14,397,026	51,005,908
Expenditures:			
Current:			
Public safety	1,556,019	-	1,556,019
Public ways and facilities	16,311,289	13,523,777	29,835,066
Community development	7,691,629	-	7,691,629
Debt Service:			
Tax administration	37,033	-	37,033
Total Expenditures	25,595,970	13,523,777	39,119,747
Excess (Deficiency) of Revenues Over (Under) Expenditures	11,012,912	873,249	11,886,161
Other Financing Sources (Uses):			
Transfers in	119	-	119
Transfers out	(6,480,285)	(2,877,379)	(9,357,664)
Total Other Financing Sources (Uses)	(6,480,166)	(2,877,379)	(9,357,545)
Net Change in Fund Balances	4,532,746	(2,004,130)	2,528,616
Fund Balances, Beginning	44,209,433	54,433,072	98,642,505
Fund Balances, End of Year	\$ 48,742,179	\$ 52,428,942	\$ 101,171,121

SPECIAL REVENUE FUNDS

DEFINITION

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

Nonmajor Special Revenue Funds

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Asset Seizure Funds

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

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

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

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

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

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

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

CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Special Revenue Funds
 June 30, 2020

	Recycling Grant Fund	Used Oil Grant Fund	Tire Collection & Disposal Grant Fund	BSCC Local Police Grant Fund	OTS Grants Fund
<u>ASSETS</u>					
Cash and investments	\$ 48,623	\$63,218	\$ -	\$ 111,734	\$ -
Accounts receivable	-	3,007	-	-	-
Interest receivable	34	44	-	-	-
Taxes Receivable	-	-	-	-	-
Due from other government agencies	-	475	4,500	-	113,448
Advance to other funds	-	-	-	-	-
Long term loans receivable	-	-	-	-	-
Total Assets	\$ 48,657	\$66,744	\$ 4,500	\$ 111,734	\$ 113,448
<u>LIABILITIES</u>					
Accounts payable	\$ -	\$12,412	\$ -	\$ -	\$ -
Accrued salaries and benefits	-	-	-	-	5,924
Due to other funds	-	-	4,500	-	11,783
Due to other government agencies	-	-	-	-	-
Retention payable	-	-	-	-	-
Refundable deposits	-	-	-	-	-
Advance from other funds	-	-	-	-	-
Unearned revenue	37,222	46,737	-	-	-
Total Liabilities	37,222	59,149	4,500	-	17,707
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue	-	-	4,500	-	13,850
<u>FUND BALANCES</u>					
Restricted	11,435	7,595	-	111,734	81,891
Unassigned	-	-	(4,500)	-	-
Total Fund Balances	11,435	7,595	(4,500)	111,734	81,891
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 48,657	\$66,744	\$ 4,500	\$ 111,734	\$ 113,448

Local Police Grants Fund	CA Law Enforcement Equipment Fund	Gas Tax Fund	SB1 Streets and Roads Fund	Agricultural Preservation Fund	Swainson's Hawk Fund	Tree Mitigation Fund	Street Trench Cut Fee Fund
\$ -	\$ 113,678	\$3,516,587	\$ 3,685,587	\$ 2,125,493	\$ 3,752,205	\$ 321,011	\$ 530,464
-	-	8,561	-	-	1,054,627	-	-
-	80	2,463	2,572	1,488	2,627	771	371
-	-	-	-	-	-	-	-
182,142	149,611	-	701,568	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>\$ 182,142</u>	<u>\$ 263,369</u>	<u>\$3,527,611</u>	<u>\$ 4,389,727</u>	<u>\$ 2,126,981</u>	<u>\$ 4,809,459</u>	<u>\$ 321,782</u>	<u>\$ 530,835</u>
\$ -	\$ 573	\$ 976,063	\$ 853,129	\$ -	\$ 2,019	\$ -	\$ -
-	5,260	17,375	-	-	355	-	-
176,419	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	6,191	44,200	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
176,419	5,833	999,629	897,329	-	2,374	-	-
3,755	149,611	-	241,300	-	1,054,627	-	-
46,982	107,925	2,527,982	3,251,098	2,126,981	3,752,458	321,782	530,835
(45,014)	-	-	-	-	-	-	-
1,968	107,925	2,527,982	3,251,098	2,126,981	3,752,458	321,782	530,835
<u>\$ 182,142</u>	<u>\$ 263,369</u>	<u>\$3,527,611</u>	<u>\$ 4,389,727</u>	<u>\$ 2,126,981</u>	<u>\$ 4,809,459</u>	<u>\$ 321,782</u>	<u>\$ 530,835</u>

continued

CITY OF ELK GROVE

Combining Balance Sheet (continued)
Nonmajor Special Revenue Funds
June 30, 2020

	Community Development Block Grant Fund	State Homeless Appropriations Fund	Police Services CFD Funds	Maintenance Services CFD Funds	Street Maintenance District Funds
<u>ASSETS</u>					
Cash and investments	\$ 501	\$ 4,616,666	\$ 2,543,767	\$ 12,714,776	\$ 4,861,919
Accounts receivable	-	-	-	47,328	8,039
Interest receivable	41,269	3,232	1,781	8,899	3,405
Taxes Receivable	-	-	47,581	14,501	11,474
Due from other government agencies	97,532	-	-	-	-
Advance to other funds	-	-	-	-	3,500,000
Long term loans receivable	175,395	-	-	-	-
Total Assets	<u>\$ 314,697</u>	<u>\$ 4,619,898</u>	<u>\$ 2,593,129</u>	<u>\$ 12,785,504</u>	<u>\$ 8,384,837</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 50,487	\$ 4,256	\$ 150	\$ 605,008	\$ 12,015
Accrued salaries and benefits	1,066	1,387	362	14,200	3,014
Due to other funds	42,002	-	-	-	-
Due to other government agencies	-	-	-	-	-
Retention payable	-	-	-	-	290
Refundable deposits	-	-	-	15,681	-
Advance from other funds	-	-	-	-	-
Unearned revenue	97,532	-	-	-	-
Total Liabilities	<u>191,087</u>	<u>5,643</u>	<u>512</u>	<u>634,889</u>	<u>15,319</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue	41,254	-	-	-	-
<u>FUND BALANCES</u>					
Restricted	82,356	4,614,255	2,592,617	12,150,615	8,369,518
Unassigned	-	-	-	-	-
Total Fund Balances	<u>82,356</u>	<u>4,614,255</u>	<u>2,592,617</u>	<u>12,150,615</u>	<u>8,369,518</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 314,697</u>	<u>\$ 4,619,898</u>	<u>\$ 2,593,129</u>	<u>\$ 12,785,504</u>	<u>\$ 8,384,837</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	Total
\$ 551,860	\$ 1,430,653	\$1,016,540	\$ -	\$ 493,736	\$ 6,769,969	\$ 2,226,320	\$ 51,495,307
-	-	-	-	-	37,289	194,957	1,353,808
386	-	712	8,133	89,719	8,487	1,559	178,032
14,860	-	-	-	-	-	-	88,416
-	-	133,439	-	-	-	-	1,382,715
-	-	-	-	-	-	-	3,500,000
-	-	-	40,000	296,988	-	-	512,383
<u>\$ 567,106</u>	<u>\$ 1,430,653</u>	<u>\$1,150,691</u>	<u>\$ 48,133</u>	<u>\$ 880,443</u>	<u>\$ 6,815,745</u>	<u>\$ 2,422,836</u>	<u>\$ 58,510,661</u>
\$ 62,260	\$ 446	\$ 92,405	\$ -	\$ -	\$ 931,364	\$ 661,816	\$ 4,264,403
1,598	-	-	-	-	4,999	38,632	94,172
-	-	-	-	-	-	-	234,704
-	-	-	-	-	-	6,443	6,443
-	-	3,892	-	-	31,546	8,004	94,123
-	-	-	-	-	-	1,331,309	1,346,990
1,939,752	-	-	-	-	-	-	1,939,752
-	-	-	-	-	-	-	181,491
<u>2,003,610</u>	<u>446</u>	<u>96,297</u>	<u>-</u>	<u>-</u>	<u>967,909</u>	<u>2,046,204</u>	<u>8,162,078</u>
-	-	-	8,133	89,374	-	-	1,606,404
-	1,430,207	1,054,394	40,000	791,069	5,847,836	376,632	50,228,197
(1,436,504)	-	-	-	-	-	-	(1,486,018)
<u>(1,436,504)</u>	<u>1,430,207</u>	<u>1,054,394</u>	<u>40,000</u>	<u>791,069</u>	<u>5,847,836</u>	<u>376,632</u>	<u>48,742,179</u>
<u>\$ 567,106</u>	<u>\$ 1,430,653</u>	<u>\$1,150,691</u>	<u>\$ 48,133</u>	<u>\$ 880,443</u>	<u>\$ 6,815,745</u>	<u>\$ 2,422,836</u>	<u>\$ 58,510,661</u>

CITY OF ELK GROVE

Combining Statement of Revenues, Expenditures and Changes in Fund Balances Nonmajor Special Revenue Funds For the Year Ended June 30, 2020

	Recycling Grant Fund	Used Oil Grant Fund	Tire Collection & Disposal Grant Fund	BSCC Local Police Grant Fund	OTS Grants Fund
Revenues:					
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	5,000	39,290	24,492	-	337,086
Charges for services	-	-	-	-	-
Use of money and property	1,716	2,148	-	2,827	-
Total Revenues	<u>6,716</u>	<u>41,438</u>	<u>24,492</u>	<u>2,827</u>	<u>337,086</u>
Expenditures:					
Current:					
Public Safety	-	-	-	31,257	345,944
Public ways and facilities	-	-	-	-	-
Community development	5,000	39,290	6,300	-	-
Debt Service:					
Tax administration	-	-	-	-	-
Total Expenditures	<u>5,000</u>	<u>39,290</u>	<u>6,300</u>	<u>31,257</u>	<u>345,944</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>1,716</u>	<u>2,148</u>	<u>18,192</u>	<u>(28,430)</u>	<u>(8,858)</u>
Other Financing Sources (Uses):					
Transfers in	-	-	119	-	-
Transfers out	-	-	-	-	-
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>119</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balance	1,716	2,148	18,311	(28,430)	(8,858)
Fund Balances, Beginning	<u>9,719</u>	<u>5,447</u>	<u>(22,811)</u>	<u>140,164</u>	<u>90,749</u>
Fund Balances, End of Year	<u>\$ 11,435</u>	<u>\$ 7,595</u>	<u>\$ (4,500)</u>	<u>\$ 111,734</u>	<u>\$ 81,891</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
\$ -	\$ -	\$ 26,673	\$ -	\$ -	\$ 469,396	\$ 73,100	\$ 112,109
230,123	410,093	4,105,018	3,281,494	-	-	-	-
-	-	-	-	-	-	-	3,619
-	5,785	135,894	152,559	84,860	148,094	22,120	20,403
230,123	415,878	4,267,585	3,434,053	84,860	617,490	95,220	136,131
183,141	538,287	-	-	-	-	-	-
-	-	3,829,560	4,028,350	1,133	-	-	249
-	-	-	-	-	36,515	534	7,387
-	-	-	-	-	-	-	-
183,141	538,287	3,829,560	4,028,350	1,133	36,515	534	7,636
46,982	(122,409)	438,025	(594,297)	83,727	580,975	94,686	128,495
-	-	-	-	-	-	-	-
-	-	(419,845)	(1,174)	-	-	(760,000)	(11,467)
-	-	(419,845)	(1,174)	-	-	(760,000)	(11,467)
46,982	(122,409)	18,180	(595,471)	83,727	580,975	(665,314)	117,028
(45,014)	230,334	2,509,802	3,846,569	2,043,254	3,171,483	987,096	413,807
\$ 1,968	\$ 107,925	\$ 2,527,982	\$ 3,251,098	\$ 2,126,981	\$ 3,752,458	\$ 321,782	\$ 530,835

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, 2020

	Community Development Block Grant Fund	State Homeless Appropriations Fund	Police Services CFD Funds	Maintenance Services CFD Funds	Street Maintenance District Funds
Revenues:					
Licenses, fees and permits	\$ -	\$ -	\$ 6,370	\$ 45,391	\$ 9,024
Intergovernmental	1,011,183	-	4,210,845	4,330,006	1,955,720
Charges for services	-	-	-	100,542	-
Use of money and property	855	185,326	79,889	499,235	179,525
Total Revenues	<u>1,012,038</u>	<u>185,326</u>	<u>4,297,104</u>	<u>4,975,174</u>	<u>2,144,269</u>
Expenditures:					
Current:					
Public safety	-	-	22,262	-	-
Public ways and facilities	-	-	-	4,002,078	680,729
Community development	1,139,699	138,727	-	-	-
Debt Service:					
Tax administration	-	-	3,386	1,130	2,419
Total Expenditures	<u>1,139,699</u>	<u>138,727</u>	<u>25,648</u>	<u>4,003,208</u>	<u>683,148</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(127,661)</u>	<u>46,599</u>	<u>4,271,456</u>	<u>971,966</u>	<u>1,461,121</u>
Other Financing Sources (Uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	(3,377,948)	(220,937)	(171,237)
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>(3,377,948)</u>	<u>(220,937)</u>	<u>(171,237)</u>
Net Change in Fund Balance	(127,661)	46,599	893,508	751,029	1,289,884
Fund Balances, Beginning	<u>210,017</u>	<u>4,567,656</u>	<u>1,699,109</u>	<u>11,399,586</u>	<u>7,079,634</u>
Fund Balances, End of Year	<u>\$ 82,356</u>	<u>\$ 4,614,255</u>	<u>\$ 2,592,617</u>	<u>\$ 12,150,615</u>	<u>\$ 8,369,518</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	Total
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,368,079	\$ 6,110,142
1,126,289	620,449	133,439	-	-	4,246,753	23,952	26,091,232
-	-	-	-	-	-	2,245,811	2,349,972
17,171	-	40,831	-	30,254	355,310	92,734	2,057,536
1,143,460	620,449	174,270	-	30,254	4,602,063	7,730,576	36,608,882
-	435,128	-	-	-	-	-	1,556,019
402,956	-	152,295	-	446	2,696,136	517,357	16,311,289
-	-	-	-	-	-	6,318,177	7,691,629
30,098	-	-	-	-	-	-	37,033
433,054	435,128	152,295	-	446	2,696,136	6,835,534	25,595,970
710,406	185,321	21,975	-	29,808	1,905,927	895,042	11,012,912
-	-	-	-	-	-	-	119
(83,775)	-	(4,054)	-	-	(306,818)	(1,123,030)	(6,480,285)
(83,775)	-	(4,054)	-	-	(306,818)	(1,123,030)	(6,480,166)
626,631	185,321	17,921	-	29,808	1,599,109	(227,988)	4,532,746
(2,063,135)	1,244,886	1,036,473	40,000	761,261	4,248,727	604,620	44,209,433
\$ (1,436,504)	\$ 1,430,207	\$ 1,054,394	\$ 40,000	\$ 791,069	\$ 5,847,836	\$ 376,632	\$ 48,742,179

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Recycling Grant Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 42,222	\$ 5,000	\$ (37,222)
Use of money and property	1,001	1,716	715
Total Revenues	43,223	6,716	(36,507)
Expenditures:			
Current:			
Community development	42,222	5,000	37,222
Total Expenditures	42,222	5,000	37,222
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,001	1,716	715
Net Change in Fund Balance	1,001	1,716	715
Fund Balance, Beginning	9,719	9,719	-
Fund Balance, Ending	\$ 10,720	\$ 11,435	\$ 715

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Used Oil Grant Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 86,027	\$ 39,290	\$ (46,737)
Use of money and property	438	2,148	1,710
Total Revenues	86,465	41,438	(45,027)
Expenditures:			
Current:			
Community development	86,027	39,290	46,737
Total Expenditures	86,027	39,290	46,737
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	438	2,148	1,710
Net Change in Fund Balance	438	2,148	1,710
Fund Balance, Beginning	5,447	5,447	-
Fund Balance, Ending	\$ 5,885	\$ 7,595	\$ 1,710

Special Revenue Fund
 Budgetary Comparison Schedule
 Tire Collection & Disposal Grant
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ -	\$ 24,492	\$ 24,492
Total Revenues	-	24,492	24,492
Expenditures:			
Current:			
Community development	\$ 35,100	\$ 6,300	\$ 28,800
Total Expenditures	35,100	6,300	28,800
Other Financing Sources (Uses):			
Transfers in	-	119	119
Total Other Financing Sources (Uses)	-	119	119
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(35,100)	18,192	(4,308)
Net Change in Fund Balance	(35,100)	18,311	53,411
Fund Balance, Beginning	(22,811)	(22,811)	-
Fund Balance, Ending	\$ (57,911)	\$ (4,500)	\$ 53,411

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 BSCC Local Police Grant
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Use of money and property	\$ -	\$ 2,827	\$ 2,827
Total Revenues	-	2,827	2,827
Expenditures:			
Current:			
Public safety	\$ 140,164	\$ 31,257	\$ 108,907
Total Expenditures	140,164	31,257	108,907
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(140,164)	(28,430)	111,734
Net Change in Fund Balance	(140,164)	(28,430)	111,734
Fund Balance, Beginning	140,164	140,164	-
Fund Balance, Ending	\$ -	\$ 111,734	\$ 111,734

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 OTS Grants Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 425,489	\$ 337,086	\$ (88,403)
Total Revenues	425,489	337,086	(88,403)
 Expenditures:			
Current:			
Public safety	420,694	345,944	74,750
Total Expenditures	420,694	345,944	74,750
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	4,795	(8,858)	(13,653)
Net Change in Fund Balance	4,795	(8,858)	(13,653)
Fund Balance, Beginning	90,749	90,749	-
Fund Balance, Ending	\$ 95,544	\$ 81,891	\$ (13,653)

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Local Police Grants Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
	<u> </u>	<u> </u>	<u> </u>
Revenues:			
Current:			
Intergovernmental	\$ 250,998	\$ 230,123	\$ (20,875)
Total Revenues	<u>250,998</u>	<u>230,123</u>	<u>(20,875)</u>
 Expenditures:			
Current:			
Public safety	250,998	183,141	67,857
Total Expenditures	<u>250,998</u>	<u>183,141</u>	<u>67,857</u>
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>-</u>	<u>46,982</u>	<u>46,982</u>
 Net Change in Fund Balance	-	46,982	46,982
 Fund Balance, Beginning	<u>(45,014)</u>	<u>(45,014)</u>	<u>-</u>
 Fund Balance, Ending	<u>\$ (45,014)</u>	<u>\$ 1,968</u>	<u>\$ 46,982</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 CA Law Enforcement Equipment Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 410,093	\$ 410,093	\$ -
Use of money and property	-	5,785	5,785
Total Revenues	410,093	415,878	5,785
Expenditures:			
Current:			
Public safety	891,942	538,287	353,655
Total Expenditures	891,942	538,287	353,655
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(481,849)	(122,409)	359,440
Net Change in Fund Balance	(481,849)	(122,409)	359,440
Fund Balance, Beginning	230,334	230,334	-
Fund Balance, Ending	\$ (251,515)	\$ 107,925	\$ 359,440

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Gas Tax Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ -	\$ 26,673	\$ 26,673
Intergovernmental	4,371,973	4,105,018	(266,955)
Use of money and property	194,096	135,894	(58,202)
Total Revenues	4,566,069	4,267,585	(298,484)
Expenditures:			
Current:			
Public ways and facilities	5,659,407	3,829,560	1,829,847
Total Expenditures	5,659,407	3,829,560	1,829,847
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,093,338)	438,025	1,531,363
Other Financing Sources (Uses):			
Transfers out	(419,845)	(419,845)	-
Total Other Financing Sources (Uses)	(419,845)	(419,845)	-
Net Change in Fund Balance	(1,513,183)	18,180	1,531,363
Fund Balance, Beginning	2,509,802	2,509,802	-
Fund Balance, Ending	\$ 996,619	\$ 2,527,982	\$ 1,531,363

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 SB1 Streets and Roads Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,102,801	\$ 3,281,494	\$ 178,693
Use of money and property	-	152,559	152,559
Total Revenues	<u>3,102,801</u>	<u>3,434,053</u>	<u>331,252</u>
Expenditures:			
Current:			
Public ways and facilities	7,410,879	4,028,350	3,382,529
Total Expenditures	<u>7,410,879</u>	<u>4,028,350</u>	<u>3,382,529</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(4,308,078)</u>	<u>(594,297)</u>	<u>3,713,781</u>
Other Financing Sources (Uses):			
Transfers out	(1,174)	(1,174)	-
Total Other Financing Sources (Uses)	<u>(1,174)</u>	<u>(1,174)</u>	<u>-</u>
Net Change in Fund Balance	(4,309,252)	(595,471)	3,713,781
Fund Balance, Beginning	<u>3,846,569</u>	<u>3,846,569</u>	<u>-</u>
Fund Balance, Ending	<u>\$ (462,683)</u>	<u>\$ 3,251,098</u>	<u>\$ 3,713,781</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Agricultural Preservation Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 17,829	\$ 84,860	\$ 67,031
Total Revenues	17,829	84,860	67,031
Expenditures:			
Current:			
Public ways and facilities	1,901,000	1,133	1,899,867
Total Expenditures	1,901,000	1,133	1,899,867
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,883,171)	83,727	1,966,898
Net Change in Fund Balance	(1,883,171)	83,727	1,966,898
Fund Balance, Beginning	2,043,254	2,043,254	-
Fund Balance, Ending	\$ 160,083	\$ 2,126,981	\$ 1,966,898

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Swainson's Hawk Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 300,701	\$ 469,396	\$ 168,695
Use of money and property	20,601	148,094	127,493
Total Revenues	321,302	617,490	296,188
Expenditures:			
Current:			
Community development	594,073	36,515	557,558
Total Expenditures	594,073	36,515	557,558
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(272,771)	580,975	853,746
Net Change in Fund Balance	(272,771)	580,975	853,746
Fund Balance, Beginning	3,171,483	3,171,483	-
Fund Balance, Ending	\$ 2,898,712	\$ 3,752,458	\$ 853,746

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Tree Mitigation Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 141,691	\$ 73,100	\$ (68,591)
Use of money and property	8,685	22,120	13,435
Total Revenues	<u>150,376</u>	<u>95,220</u>	<u>(55,156)</u>
Expenditures:			
Current:			
Community development	1,500	534	966
Total Expenditures	<u>1,500</u>	<u>534</u>	<u>966</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>148,876</u>	<u>94,686</u>	<u>(54,190)</u>
Other Financing Sources (Uses):			
Transfers out	<u>(760,000)</u>	<u>(760,000)</u>	-
Total Other Financing Sources (Uses)	<u>(760,000)</u>	<u>(760,000)</u>	-
Net Change in Fund Balance	(611,124)	(665,314)	(54,190)
Fund Balance, Beginning	<u>987,096</u>	<u>987,096</u>	-
Fund Balance, Ending	<u>\$ 375,972</u>	<u>\$ 321,782</u>	<u>\$ (54,190)</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Trench Cut Fee Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 90,000	\$ 112,109	\$ 22,109
Charges for services	-	3,619	3,619
Use of money and property	7,270	20,403	13,133
Total Revenues	<u>97,270</u>	<u>136,131</u>	<u>38,861</u>
Expenditures:			
Current:			
Public ways and facilities	400	249	151
Community development	100,000	7,387	92,613
Total Expenditures	<u>100,400</u>	<u>7,636</u>	<u>92,764</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>(3,130)</u>	<u>128,495</u>	<u>131,625</u>
Other Financing Sources (Uses):			
Transfers out	<u>(11,467)</u>	<u>(11,467)</u>	-
Total Other Financing Sources (Uses)	<u>(11,467)</u>	<u>(11,467)</u>	-
Net Change in Fund Balance	(14,597)	117,028	131,625
Fund Balance, Beginning	<u>413,807</u>	<u>413,807</u>	-
Fund Balance, Ending	<u><u>\$ 399,210</u></u>	<u><u>\$ 530,835</u></u>	<u><u>\$ 131,625</u></u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Community Development Block Grants Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 2,150,000	\$ 1,011,183	\$ (1,138,817)
Use of money and property	-	855	855
Total Revenues	2,150,000	1,012,038	(1,137,962)
Expenditures:			
Current:			
Community development	2,308,850	1,139,699	1,169,151
Total Expenditures	2,308,850	1,139,699	1,169,151
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(158,850)	(127,661)	31,189
Net Change in Fund Balance	(158,850)	(127,661)	31,189
Fund Balance, Beginning	210,017	210,017	-
Fund Balance, Ending	\$ 51,167	\$ 82,356	\$ 31,189

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 State Homeless Appropriations Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 43,931	\$ 185,326	\$ 141,395
Total Revenues	<u>43,931</u>	<u>185,326</u>	<u>141,395</u>
Expenditures:			
Current:			
Community development	2,198,574	138,727	2,059,847
Total Expenditures	<u>2,198,574</u>	<u>138,727</u>	<u>2,059,847</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,154,643)</u>	<u>46,599</u>	<u>2,201,242</u>
Net Change in Fund Balance	(2,154,643)	46,599	2,201,242
Fund Balance, Beginning	<u>4,567,656</u>	<u>4,567,656</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 2,413,013</u></u>	<u><u>\$ 4,614,255</u></u>	<u><u>\$ 2,201,242</u></u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Police Services CFD Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 10,000	\$ 6,370	\$ (3,630)
Intergovernmental	3,797,600	4,210,845	413,245
Use of money and property	6,959	79,889	72,930
Total Revenues	<u>3,814,559</u>	<u>4,297,104</u>	<u>482,545</u>
Expenditures:			
Current:			
Public safety	35,370	22,262	13,108
Debt Service:			
Tax administration	13,500	3,386	10,114
Total Expenditures	<u>48,870</u>	<u>25,648</u>	<u>23,222</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>3,765,689</u>	<u>4,271,456</u>	<u>505,767</u>
Other Financing Sources (Uses):			
Transfers out	(3,377,948)	(3,377,948)	-
Total Other Financing Sources (Uses)	<u>(3,377,948)</u>	<u>(3,377,948)</u>	<u>-</u>
Net Change in Fund Balance	387,741	893,508	505,767
Fund Balance, Beginning	<u>1,699,109</u>	<u>1,699,109</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 2,086,850</u>	<u>\$ 2,592,617</u>	<u>\$ 505,767</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Maintenance Services CFD Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 261,000	\$ 45,391	\$ (215,609)
Intergovernmental	4,200,000	4,330,006	130,006
Charges for services	230,892	100,542	(130,350)
Use of money and property	84,825	499,235	414,410
Total Revenues	4,776,717	4,975,174	198,457
Expenditures:			
Current:			
Public ways and facilities	4,933,168	4,002,078	931,090
Debt Service:			
Tax administration	6,000	1,130	4,870
Total Expenditures	4,939,168	4,003,208	935,960
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(162,451)	971,966	1,134,417
Other Financing Sources (Uses):			
Transfers out	(220,937)	(220,937)	-
Total Other Financing Sources (Uses)	(220,937)	(220,937)	-
Net Change in Fund Balance	(383,388)	751,029	1,134,417
Fund Balance, Beginning	11,399,586	11,399,586	-
Fund Balance, Ending	\$ 11,016,198	\$ 12,150,615	\$ 1,134,417

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Maintenance District Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 11,500	\$ 9,024	\$ (2,476)
Intergovernmental	1,784,250	1,955,720	171,470
Use of money and property	450,419	179,525	(270,894)
Total Revenues	<u>2,246,169</u>	<u>2,144,269</u>	<u>(101,900)</u>
Expenditures:			
Current:			
Public ways and facilities	1,914,988	680,729	1,234,259
Debt Service:			
Tax administration	9,000	2,419	6,581
Total Expenditures	<u>1,923,988</u>	<u>683,148</u>	<u>1,240,840</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>322,181</u>	<u>1,461,121</u>	<u>1,138,940</u>
Other Financing Sources (Uses):			
Transfers out	(171,237)	(171,237)	-
Total Other Financing Sources (Uses)	<u>(171,237)</u>	<u>(171,237)</u>	<u>-</u>
Net Change in Fund Balance	150,944	1,289,884	1,138,940
Fund Balance, Beginning	<u>7,079,634</u>	<u>7,079,634</u>	<u>-</u>
Fund Balance, Ending	<u><u>\$ 7,230,578</u></u>	<u><u>\$ 8,369,518</u></u>	<u><u>\$ 1,138,940</u></u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Street Lighting Maintenance District Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,100,000	\$ 1,126,289	\$ 26,289
Use of money and property	1,268	17,171	15,903
Total Revenues	<u>1,101,268</u>	<u>1,143,460</u>	<u>42,192</u>
Expenditures:			
Current:			
Public ways and facilities	547,565	402,956	144,609
Debt Service:			
Tax administration	37,500	30,098	7,402
Total Expenditures	<u>585,065</u>	<u>433,054</u>	<u>152,011</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>516,203</u>	<u>710,406</u>	<u>194,203</u>
Other Financing Sources (Uses):			
Transfers out	<u>(83,775)</u>	<u>(83,775)</u>	-
Total Other Financing Sources (Uses)	<u>(83,775)</u>	<u>(83,775)</u>	-
Net Change in Fund Balance	432,428	626,631	194,203
Fund Balance, Beginning	<u>(2,063,135)</u>	<u>(2,063,135)</u>	-
Fund Balance, Ending	<u><u>\$ (1,630,707)</u></u>	<u><u>\$ (1,436,504)</u></u>	<u><u>\$ 194,203</u></u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Asset Seizure State and Federal Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 620,449	\$ 620,449	\$ -
Total Revenues	620,449	620,449	-
Expenditures:			
Current:			
Public Safety	1,927,183	435,128	1,492,055
Total Expenditures	1,927,183	435,128	1,492,055
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,306,734)	185,321	1,492,055
Net Change in Fund Balance	(1,306,734)	185,321	1,492,055
Fund Balance, Beginning	1,244,886	1,244,886	-
Fund Balance, Ending	\$ (61,848)	\$ 1,430,207	\$ 1,492,055

CITY OF ELK GROVE

Special Revenue Fund

Budgetary Comparison Schedule

Library Ownership Fund

For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 120,000	\$ 133,439	\$ 13,439
Use of money and property	8,108	40,831	32,723
Total Revenues	128,108	174,270	46,162
Expenditures:			
Current:			
Public way and facilities	301,339	152,295	149,044
Total Expenditures	301,339	152,295	149,044
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(173,231)	21,975	195,206
Other Financing Sources (Uses):			
Transfers out	(4,054)	(4,054)	-
Total Other Financing Sources (Uses)	(4,054)	(4,054)	-
Net Change in Fund Balance	(177,285)	17,921	195,206
Fund Balance, Beginning	1,036,473	1,036,473	-
Fund Balance, Ending	\$ 859,188	\$ 1,054,394	\$ 195,206

CITY OF ELK GROVE

Special Revenue Fund

Budgetary Comparison Schedule

HUD Home Grant

For the Year Ended June 30, 2020

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

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Neighborhood Stabilization Program Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 58,683	\$ 30,254	\$ (28,429)
Total Revenues	<u>58,683</u>	<u>30,254</u>	<u>(28,429)</u>
Expenditures:			
Current:			
Public ways and facilities	415,580	446	415,134
Total Expenditures	<u>415,580</u>	<u>446</u>	<u>415,134</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(356,897)</u>	<u>29,808</u>	<u>386,705</u>
Net Change in Fund Balance	(356,897)	29,808	386,705
Fund Balance, Beginning	<u>761,261</u>	<u>761,261</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 404,364</u>	<u>\$ 791,069</u>	<u>\$ 386,705</u>

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Measure A Maintenance Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 4,399,698	\$ 4,246,753	\$ (152,945)
Use of money and property	-	355,310	355,310
Total Revenues	4,399,698	4,602,063	202,365
Expenditures:			
Current:			
Public ways and facilities	6,199,935	2,696,136	3,503,799
Total Expenditures	6,199,935	2,696,136	3,503,799
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,800,237)	1,905,927	3,706,164
Other Financing Sources (Uses):			
Transfers out	(306,818)	(306,818)	-
Total Other Financing Sources (Uses)	(306,818)	(306,818)	-
Net Change in Fund Balance	(2,107,055)	1,599,109	3,706,164
Fund Balance, Beginning	4,248,727	4,248,727	-
Fund Balance, Ending	\$ 2,141,672	\$ 5,847,836	\$ 3,706,164

CITY OF ELK GROVE

Special Revenue Fund
 Budgetary Comparison Schedule
 Development Services Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 6,519,000	\$ 5,368,079	\$ (1,150,921)
Intergovernmental	-	23,952	23,952
Charges for services	3,653,100	2,245,811	(1,407,289)
Use of money and property	12,319	92,734	80,415
Total Revenues	10,184,419	7,730,576	(2,453,843)
Expenditures:			
Current:			
Public ways and facilities	1,054,859	517,357	537,502
Community development	7,945,990	6,318,177	1,627,813
Total Expenditures	9,000,849	6,835,534	2,165,315
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,183,570	895,042	(288,528)
Other Financing Sources (Uses):			
Transfers out	(1,123,030)	(1,123,030)	-
Total Other Financing Sources (Uses)	(1,123,030)	(1,123,030)	-
Net Change in Fund Balance	60,540	(227,988)	(288,528)
Fund Balance, Beginning	604,620	604,620	-
Fund Balance, Ending	\$ 665,160	\$ 376,632	\$ (288,528)

CAPITAL PROJECTS FUNDS

DEFINITION

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

Nonmajor Capital Projects Funds

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

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

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

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

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

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

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

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

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

Laguna Ridge CFD 2005-1 Fund – Established to account for special taxes to fund the cost of infrastructure and a portion of police protection operational costs within the boundaries of this finance district.

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

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

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

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

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

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

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Federal Capital Grants Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 15,643,863	\$ 1,342,621	\$ (14,301,242)
Use of money and property	3,379	4,767	1,388
Total Revenues	<u>15,647,242</u>	<u>1,347,388</u>	<u>(14,299,854)</u>
Expenditures:			
Current:			
Public ways and facilities	10,875,913	122,017	10,753,896
Total Expenditures	<u>10,875,913</u>	<u>122,017</u>	<u>10,753,896</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,771,329</u>	<u>1,225,371</u>	<u>(3,545,958)</u>
Other Financing Sources (Uses):			
Transfers In	-	5,939	5,939
Transfers out	-	(37,352)	(37,352)
Total Other Financing Sources (Uses)	<u>-</u>	<u>(31,413)</u>	<u>(31,413)</u>
Net Change in Fund Balance	4,771,329	1,193,958	(3,577,371)
Fund Balance, Beginning	<u>(3,741,309)</u>	<u>(3,741,309)</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 1,030,020</u>	<u>\$ (2,547,351)</u>	<u>\$ (3,577,371)</u>

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Roadway Fee Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 8,148,758	\$ 9,589,600	\$ 1,440,842
Use of money and property	306,576	1,788,929	1,482,353
Total Revenues	<u>8,455,334</u>	<u>11,378,529</u>	<u>2,923,195</u>
Expenditures:			
Current:			
Public ways and facilities	27,573,979	4,329,270	23,244,709
Total Expenditures	<u>27,573,979</u>	<u>4,329,270</u>	<u>23,244,709</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(19,118,645)</u>	<u>7,049,259</u>	<u>26,167,904</u>
Other Financing Sources (Uses):			
Transfers In	-	37,352	37,352
Transfers out	<u>(565,406)</u>	<u>(565,406)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>(565,406)</u>	<u>(528,054)</u>	<u>37,352</u>
Net Change in Fund Balance	(19,684,051)	6,521,205	26,205,256
Fund Balance, Beginning	<u>32,019,398</u>	<u>32,019,398</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 12,335,347</u>	<u>\$ 38,540,603</u>	<u>\$ 26,205,256</u>

CITY OF ELK GROVE

Major Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Mitigation and Fee Funds
 For the Year Ended June 30, 2020

	<u>Budget</u>	<u>Actual</u>	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 9,804,448	\$ 3,562,325	\$ (6,242,123)
Use of money and property	1,092,415	498,687	(593,728)
Total Revenues	<u>10,896,863</u>	<u>4,061,012</u>	<u>(6,835,851)</u>
Expenditures:			
Current:			
Public ways and facilities	16,875,346	9,161,932	7,713,414
Total Expenditures	<u>16,875,346</u>	<u>9,161,932</u>	<u>7,713,414</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,978,483)</u>	<u>(5,100,920)</u>	<u>877,563</u>
Other Financing Sources (Uses):			
Transfers out	(62,203)	(62,203)	-
Total Other Financing Sources (Uses)	<u>(62,203)</u>	<u>(62,203)</u>	<u>-</u>
Net Change in Fund Balance	(6,040,686)	(5,163,123)	877,563
Fund Balance, Beginning	<u>12,779,123</u>	<u>12,779,123</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 6,738,437</u>	<u>\$ 7,616,000</u>	<u>\$ 877,563</u>

CITY OF ELK GROVE

Combining Balance Sheet Nonmajor Capital Projects Funds June 30, 2020

	State Grants Fund	Measure A Construction Funds	LTF Bikes & Pedestrian Fund	Capital Facilities Funds	Laguna West Service Area Fund
<u>ASSETS</u>					
Cash and investments	\$ -	\$ 2,896,737	\$ 72,285	\$ 14,019,088	\$ 591,465
Cash with fiscal agent	-	-	-	-	-
Accounts receivable	22,235	-	-	22,382	-
Interest receivable	-	2,029	51	9,818	414
Due from other government agencies	364,623	-	160,035	-	905
Advances to other funds	-	-	-	1,500,000	-
Fee credits receivable	-	-	-	-	-
Long-term development fees receivable	-	-	-	745,764	-
Total Assets	<u>\$ 386,858</u>	<u>\$ 2,898,766</u>	<u>\$ 232,371</u>	<u>\$ 16,297,052</u>	<u>\$ 592,784</u>
<u>LIABILITIES</u>					
Accounts payable	\$ 126,828	\$ 95,098	\$ 19,486	\$ 53,104	\$ 54
Accrued salaries and benefits	-	-	-	205	-
Due to other funds	248,139	-	-	-	-
Retention payable	6,605	2,121	-	-	-
Advances from other funds	-	-	-	-	-
Unearned revenue	-	-	-	261,895	-
Total Liabilities	<u>381,572</u>	<u>97,219</u>	<u>19,486</u>	<u>315,204</u>	<u>54</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>					
Unavailable revenue	<u>364,623</u>	<u>-</u>	<u>154,898</u>	<u>760,972</u>	<u>-</u>
<u>FUND BALANCES</u>					
Restricted	-	2,801,547	57,987	15,220,876	592,730
Unassigned	<u>(359,337)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>(359,337)</u>	<u>2,801,547</u>	<u>57,987</u>	<u>15,220,876</u>	<u>592,730</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 386,858</u>	<u>\$ 2,898,766</u>	<u>\$ 232,371</u>	<u>\$ 16,297,052</u>	<u>\$ 592,784</u>

Lakeside Service Area Fund	In Lieu Funds	East Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund	Laguna Ridge CFD 2005-1 Fund	District56			Laguna CFD Fund
					Nature Area and OT Plaza Fund	Animal Shelter Fund		
\$ 85,936	\$ 4,898,416	\$ 19,796,458	\$ 643,542	\$ 1,305,748	\$ -	\$ 228,121	\$ 762,519	
-	-	-	213	4,378,390	-	63,819	-	
-	-	-	-	-	-	-	-	
60	-	11,845	-	-	-	-	534	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	2,387,818	-	-	-	
-	-	-	-	-	-	-	-	
<u>\$ 85,996</u>	<u>\$ 4,898,416</u>	<u>\$ 19,808,303</u>	<u>\$ 643,755</u>	<u>\$ 8,071,956</u>	<u>\$ -</u>	<u>\$ 291,940</u>	<u>\$ 763,053</u>	
\$ -	\$ -	\$ 542,944	\$ 10,983	\$ 555,699	\$ 65,082	\$ 16,524	\$ -	
-	-	544	544	580	-	-	-	
-	-	-	-	-	-	-	-	
-	-	-	-	11,922	3,425	36,127	-	
-	-	-	-	-	-	-	-	
-	-	-	-	-	-	-	-	
-	-	543,488	11,527	568,201	68,507	52,651	-	
-	-	-	-	2,387,818	-	-	-	
85,996	4,898,416	19,264,815	632,228	5,115,937	-	239,289	763,053	
-	-	-	-	-	(68,507)	-	-	
<u>85,996</u>	<u>4,898,416</u>	<u>19,264,815</u>	<u>632,228</u>	<u>5,115,937</u>	<u>(68,507)</u>	<u>239,289</u>	<u>763,053</u>	
<u>\$ 85,996</u>	<u>\$ 4,898,416</u>	<u>\$ 19,808,303</u>	<u>\$ 643,755</u>	<u>\$ 8,071,956</u>	<u>\$ -</u>	<u>\$ 291,940</u>	<u>\$ 763,053</u>	

CITY OF ELK GROVE

Combining Balance Sheet
 Nonmajor Capital Projects Funds
 June 30, 2020

	Laguna West CFD Fund	Lakeside CFD Fund	SEPA Mitigation Funds	Total
<u>ASSETS</u>				
Cash and investments	\$ 142,367	\$ -	\$ 3,041,156	\$ 48,483,838
Cash with fiscal agent	-	-	-	4,442,422
Accounts receivable	-	-	-	44,617
Interest receivable	100	-	1,835	26,686
Due from other government agencies	-	-	-	525,563
Advances to other funds	-	-	-	1,500,000
Fee credits receivable	-	-	-	2,387,818
Long-term development fees receivable	-	-	-	745,764
Total Assets	\$ 142,467	\$ -	\$ 3,042,991	\$ 58,156,708
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 932	\$ 1,486,734
Accrued salaries and benefits	-	-	-	1,873
Due to other funds	-	-	-	248,139
Retention payable	-	-	-	60,200
Advances from other funds	-	614	-	614
Unearned revenue	-	-	-	261,895
Total Liabilities	-	614	932	2,059,455
<u>DEFERRED INFLOWS OF RESOURCES</u>				
Unavailable revenue	-	-	-	3,668,311
<u>FUND BALANCES</u>				
Restricted	142,467	-	3,042,059	52,857,400
Unassigned	-	(614)	-	(428,458)
Total Fund Balances	142,467	(614)	3,042,059	52,428,942
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 142,467	\$ -	\$ 3,042,991	\$ 58,156,708

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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, 2020

	State Grants Fund	Measure A Construction Funds	LTF Bike & Pedestrian Fund	Capital Facilities Funds	Laguna West Service Area Fund
Revenues:					
Licenses, fees and permits	\$ -	\$ -	\$ -	\$ 3,099,772	\$ -
Intergovernmental	45,136	1,011,154	-	-	61,099
Use of money and property	-	112,513	4,974	551,449	23,141
Other Revenue	-	-	-	-	-
Total Revenues	45,136	1,123,667	4,974	3,651,221	84,240
Expenditures:					
Current:					
Public ways and facilities	264,056	537,105	508,666	1,950,474	4,688
Total Expenditures	264,056	537,105	508,666	1,950,474	4,688
Excess (Deficiency) of Revenues Over (Under) Expenditures	(218,920)	586,562	(503,692)	1,700,747	79,552
Other Financing Sources (Uses):					
Transfers out	-	(97,174)	(3,502)	(497,337)	(5,953)
Total Other Financing Sources (Uses)	-	(97,174)	(3,502)	(497,337)	(5,953)
Net Change in Fund Balances	(218,920)	489,388	(507,194)	1,203,410	73,599
Fund Balances, Beginning	(140,417)	2,312,159	565,181	14,017,466	519,131
Fund Balances, End of Year	<u>\$ (359,337)</u>	<u>\$ 2,801,547</u>	<u>\$ 57,987</u>	<u>\$ 15,220,876</u>	<u>\$ 592,730</u>

Lakeside Service Area Fund	In Lieu Funds	East Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund	Laguna Ridge CFD 2005-1 Fund	District 56			Laguna CFD Fund
					Nature Area and OT Plaza Fund	Animal Shelter Fund		
\$ -	\$ 1,756,400	\$ -	\$ -	\$ -	\$ -	\$ 225,000	\$ -	
-	-	1,400,000	1,000,000	2,134,898	-	-	-	
3,442	102,855	693,753	16,477	39,703	-	9,939	30,433	
-	-	-	8,658	-	-	-	-	
3,442	1,859,255	2,093,753	1,025,135	2,174,601	-	234,939	30,433	
45	-	2,933,072	240,298	4,392,351	68,507	2,622,601	-	
45	-	2,933,072	240,298	4,392,351	68,507	2,622,601	-	
3,397	1,859,255	(839,319)	784,837	(2,217,750)	(68,507)	(2,387,662)	30,433	
(916)	(795)	(76,926)	(903,304)	(1,291,472)	-	-	-	
(916)	(795)	(76,926)	(903,304)	(1,291,472)	-	-	-	
2,481	1,858,460	(916,245)	(118,467)	(3,509,222)	(68,507)	(2,387,662)	30,433	
83,515	3,039,956	20,181,060	750,695	8,625,159	-	2,626,951	732,620	
\$ 85,996	\$ 4,898,416	\$ 19,264,815	\$ 632,228	\$ 5,115,937	\$ (68,507)	\$ 239,289	\$ 763,053	

continued

CITY OF ELK GROVE

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

	Laguna West CFD Fund	Lakeside CFD Fund	SEPA Mitigation Funds	Total
Revenues:				
Licenses, fees and permits	\$ -	\$ -	\$ 1,960,824	\$ 7,041,996
Intergovernmental	-	-	-	5,652,287
Use of money and property	5,694	-	99,712	1,694,085
Other Revenue	-	-	-	8,658
Total Revenues	5,694	-	2,060,536	14,397,026
Expenditures:				
Current:				
Public ways and facilities	76	-	1,838	13,523,777
Total Expenditures	76	-	1,838	13,523,777
Excess (Deficiency) of Revenues Over (Under) Expenditures	5,618	-	2,058,698	873,249
Other Financing Sources (Uses):				
Transfers out	-	-	-	(2,877,379)
Total Other Financing Sources (Uses)	-	-	-	(2,877,379)
Net Change in Fund Balances	5,618	-	2,058,698	(2,004,130)
Fund Balances, Beginning	136,849	(614)	983,361	54,433,072
Fund Balances, End of Year	\$ 142,467	\$ (614)	\$ 3,042,059	\$ 52,428,942

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 State Grants Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 11,430,871	\$ 45,136	\$ (11,385,735)
Total Revenues	11,430,871	45,136	(11,385,735)
Expenditures:			
Current:			
Public ways and facilities	14,290,454	264,056	14,026,398
Total Expenditures	14,290,454	264,056	14,026,398
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,859,583)	(218,920)	2,640,663
Net Change in Fund Balance	(2,859,583)	(218,920)	2,640,663
Fund Balance, Beginning	(140,417)	(140,417)	-
Fund Balance, Ending	\$ (3,000,000)	\$ (359,337)	\$ 2,640,663

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Measure A Construction Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,061,900	\$ 1,011,154	\$ (50,746)
Use of money and property	-	112,513	112,513
Total Revenues	1,061,900	1,123,667	61,767
Expenditures:			
Current:			
Public ways and facilities	2,281,019	537,105	1,743,914
Total Expenditures	2,281,019	537,105	1,743,914
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,219,119)	586,562	1,805,681
Other Financing Sources (Uses):			
Transfers out	(91,235)	(97,174)	(5,939)
Total Other Financing Sources (Uses)	(91,235)	(97,174)	(5,939)
Net Change in Fund Balance	(1,310,354)	489,388	1,799,742
Fund Balance, Beginning	2,312,159	2,312,159	-
Fund Balance, Ending	\$ 1,001,805	\$ 2,801,547	\$ 1,799,742

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 LTF Bike & Pedestrian Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 155,000	\$ -	\$ (155,000)
Use of money and property	3,942	4,974	1,032
Total Revenues	158,942	4,974	(153,968)
Expenditures:			
Current:			
Public ways and facilities	552,872	508,666	44,206
Total Expenditures	552,872	508,666	44,206
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(393,930)	(503,692)	(109,762)
Other Financing Sources (Uses):			
Transfers out	(3,502)	(3,502)	-
Total Other Financing Sources (Uses)	(3,502)	(3,502)	-
Net Change in Fund Balance	(397,432)	(507,194)	(109,762)
Fund Balance, Beginning	565,181	565,181	-
Fund Balance, Ending	\$ 167,749	\$ 57,987	\$ (109,762)

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Capital Facilities Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 3,128,076	\$ 3,099,772	\$ (28,304)
Use of money and property	157,601	551,449	393,848
Total Revenues	3,285,677	3,651,221	365,544
Expenditures:			
Current:			
Public ways and facilities	2,196,051	1,950,474	245,577
Total Expenditures	2,196,051	1,950,474	245,577
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	1,089,626	1,700,747	611,121
Other Financing Sources (Uses):			
Transfers out	(497,337)	(497,337)	-
Total Other Financing Sources (Uses)	(497,337)	(497,337)	-
Net Change in Fund Balance	592,289	1,203,410	611,121
Fund Balance, Beginning	14,017,466	14,017,466	-
Fund Balance, Ending	\$ 14,609,755	\$ 15,220,876	\$ 611,121

CITY OF ELK GROVE
Capital Projects Fund
Budgetary Comparison Schedule
Laguna West Service Area Fund
For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 61,000	\$ 61,099	\$ 99
Use of money and property	4,091	23,141	19,050
Total Revenues	65,091	84,240	19,149
Expenditures:			
Current:			
Public ways and facilities	157,500	4,688	152,812
Total Expenditures	157,500	4,688	152,812
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(92,409)	79,552	171,961
Other Financing Sources (Uses):			
Transfers out	(5,953)	(5,953)	-
Total Other Financing Sources (Uses)	(5,953)	(5,953)	-
Net Change in Fund Balance	(98,362)	73,599	171,961
Fund Balance, Beginning	519,131	519,131	-
Fund Balance, Ending	\$ 420,769	\$ 592,730	\$ 171,961

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Lakeside Service Area Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 732	\$ 3,442	\$ 2,710
Total Revenues	<u>732</u>	<u>3,442</u>	<u>2,710</u>
Expenditures:			
Current:			
Public ways and facilities	50	45	5
Total Expenditures	<u>50</u>	<u>45</u>	<u>5</u>
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	<u>682</u>	<u>3,397</u>	<u>2,715</u>
Other Financing Sources (Uses):			
Transfers out	(916)	(916)	-
Total Other Financing Sources (Uses)	<u>(916)</u>	<u>(916)</u>	<u>-</u>
Net Change in Fund Balance	(234)	2,481	2,715
Fund Balance, Beginning	<u>83,515</u>	<u>83,515</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 83,281</u>	<u>\$ 85,996</u>	<u>\$ 2,715</u>

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 In Lieu Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 2,632,955	\$ 1,756,400	\$ (876,555)
Use of money and property	1,000	102,855	101,855
Total Revenues	2,633,955	1,859,255	(774,700)
Expenditures:			
Current:			
Public ways and facilities	4,237,767	-	4,237,767
Total Expenditures	4,237,767	-	4,237,767
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(1,603,812)	1,859,255	3,463,067
Other Financing Sources (Uses):			
Transfers out	(795)	(795)	-
Total Other Financing Sources (Uses)	(795)	(795)	-
Net Change in Fund Balance	(1,604,607)	1,858,460	3,463,067
Fund Balance, Beginning	3,039,956	3,039,956	-
Fund Balance, Ending	\$ 1,435,349	\$ 4,898,416	\$ 3,463,067

CITY OF ELK GROVE
Capital Project Fund
Budgetary Comparison Schedule
East Franklin CFD 2002-1 Fund
For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,400,000	\$ 1,400,000	\$ -
Use of money and property	84,865	693,753	608,888
Contribution from Community Facility District	-	-	-
Total Revenues	1,484,865	2,093,753	608,888
Expenditures:			
Current:			
Public ways and facilities	14,634,811	2,933,072	11,701,739
Total Expenditures	14,634,811	2,933,072	11,701,739
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(13,149,946)	(839,319)	12,310,627
Other Financing Sources (Uses):			
Transfers out	(76,926)	(76,926)	-
Total Other Financing Sources (Uses)	(76,926)	(76,926)	-
Net Change in Fund Balance	(13,226,872)	(916,245)	12,310,627
Fund Balance, Beginning	20,181,060	20,181,060	-
Fund Balance, Ending	\$ 6,954,188	\$ 19,264,815	\$ 12,310,627

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Poppy Ridge CFD 2003-1 Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 1,000,000	\$ 1,000,000	\$ -
Use of money and property	13,443	16,477	3,034
Other Revenue	-	8,658	8,658
Total Revenues	1,013,443	1,025,135	11,692
Expenditures:			
Current:			
Public ways and facilities	502,165	240,298	261,867
Total Expenditures	502,165	240,298	261,867
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	511,278	784,837	273,559
Other Financing Sources (Uses):			
Transfers out	(903,304)	(903,304)	-
Total Other Financing Sources (Uses)	(903,304)	(903,304)	-
Net Change in Fund Balance	(392,026)	(118,467)	273,559
Fund Balance, Beginning	750,695	750,695	-
Fund Balance, Ending	\$ 358,669	\$ 632,228	\$ 273,559

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Laguna Ridge CFD 2005-1 Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Intergovernmental	\$ 3,600,000	\$ 2,134,898	\$ (1,465,102)
Use of money and property	89,773	39,703	(50,070)
Total Revenues	3,689,773	2,174,601	(1,515,172)
Expenditures:			
Current:			
Public ways and facilities	9,142,725	4,392,351	4,750,374
Total Expenditures	9,142,725	4,392,351	4,750,374
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(5,452,952)	(2,217,750)	3,235,202
Other Financing Sources (Uses):			
Transfers out	(1,291,472)	(1,291,472)	-
Total Other Financing Sources (Uses)	(1,291,472)	(1,291,472)	-
Net Change in Fund Balance	(6,744,424)	(3,509,222)	3,235,202
Fund Balance, Beginning	8,625,159	8,625,159	-
Fund Balance, Ending	\$ 1,880,735	\$ 5,115,937	\$ 3,235,202

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 District56 Nature Area and OT Plaza
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
Current:			
Public ways and facilities	\$ 9,732,078	\$ 68,507	\$ 9,663,571
Total Expenditures	9,732,078	68,507	9,663,571
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(9,732,078)	(68,507)	9,663,571
 Net Change in Fund Balance	(9,732,078)	(68,507)	9,663,571
 Fund Balance, Beginning	-	-	-
 Fund Balance, Ending	\$ (9,732,078)	\$ (68,507)	\$ 9,663,571

CITY OF ELK GROVE

Capital Projects Fund
 Supplemental Budgetary Comparison Schedule
 Animal Shelter Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 225,000	\$ 225,000	\$ -
Use of money and property	1,124	9,939	8,815
Total Revenues	226,124	234,939	8,815
 Expenditures:			
Current:			
Public ways and facilities	2,623,257	2,622,601	656
Total Expenditures	2,623,257	2,622,601	656
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(2,397,133)	(2,387,662)	9,471
 Net Change in Fund Balance	 (2,397,133)	 (2,387,662)	 9,471
 Fund Balance, Beginning	 2,626,951	 2,626,951	 -
 Fund Balance, Ending	 \$ 229,818	 \$ 239,289	 \$ 9,471

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Laguna CFD Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 6,391	\$ 30,433	\$ 24,042
Total Revenues	6,391	30,433	24,042
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	6,391	30,433	24,042
Net Change in Fund Balance	6,391	30,433	24,042
Fund Balance, Beginning	732,620	732,620	-
Fund Balance, Ending	\$ 739,011	\$ 763,053	\$ 24,042

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Laguna West CFD Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Use of money and property	\$ 1,194	\$ 5,694	\$ 4,500
Total Revenues	1,194	5,694	4,500
Expenditures:			
Current:			
Public ways and facilities	120	76	44
Total Expenditures	120	76	44
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,074	5,618	4,544
Net Change in Fund Balance	1,074	5,618	4,544
Fund Balance, Beginning	136,849	136,849	-
Fund Balance, Ending	\$ 137,923	\$ 142,467	\$ 4,544

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 Lakeside CFD Fund
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Expenditures:			
Public ways and facilities	\$ 157,903	\$ -	\$ 157,903
Total Expenditures	157,903	-	157,903
 Excess (Deficiency) of Revenues			
Over (Under) Expenditures	(157,903)	-	157,903
 Net Change in Fund Balance	(157,903)	-	157,903
 Fund Balance, Beginning	(614)	(614)	-
 Fund Balance, Ending	\$ (158,517)	\$ (614)	\$ 157,903

CITY OF ELK GROVE

Capital Projects Fund
 Budgetary Comparison Schedule
 SEPA Mitigation Funds
 For the Year Ended June 30, 2020

	Budget	Actual	Variance Positive (Negative)
Revenues:			
Licenses, fees and permits	\$ 3,498,945	\$ 1,960,824	\$ (1,538,121)
Use of money and property	-	99,712	99,712
Total Revenues	3,498,945	2,060,536	(1,438,409)
Expenditures:			
Public ways and facilities	1,250,000	1,838	1,248,162
Total Expenditures	1,250,000	1,838	1,248,162
Excess (Deficiency) of Revenues			
Over (Under) Expenditures	2,248,945	2,058,698	(190,247)
Net Change in Fund Balance	2,248,945	2,058,698	(190,247)
Fund Balance, Beginning	983,361	983,361	-
Fund Balance, Ending	\$ 3,232,306	\$ 3,042,059	\$ (190,247)

DEBT SERVICE FUNDS

DEFINITION

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

Major Debt Service Funds

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

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

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

CITY OF ELK GROVE

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

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
Revenues:			
Use of money and property	\$ 3,444	\$ 19,756	\$ 16,312
Total Revenues	3,444	19,756	16,312
Expenditures:			
Debt Service:			
Tax administration	4,170	829	3,341
Principal	485,000	485,000	-
Interest	101,341	101,341	-
Total Expenditures	590,511	587,170	3,341
Excess (Deficiency) of Revenues Over (Under) Expenditures	(587,067)	(567,414)	19,653
Other Financing Sources (Uses):			
Transfers in	600,000	600,000	-
Total Other Financing Sources (Uses)	600,000	600,000	-
Net Change in Fund Balance	12,933	32,586	19,653
Fund Balance, Beginning	296,814	296,814	-
Fund Balance, Ending	\$ 309,747	\$ 329,400	\$ 19,653

CITY OF ELK GROVE

Major Debt Service Fund
 Budgetary Comparison Schedule
 Elk Grove Finance Authority 2018 Debt Service Fund
 For the Year Ended June 30, 2020

	Budgeted Amounts	Actual Amounts	Variance with Final Budget Positive (Negative)
	Final		
Revenues:			
Use of money and property	\$ 18,600	\$ 1,837	\$ (16,763)
Total Revenues	18,600	1,837	(16,763)
Expenditures:			
Debt Service:			
Tax administration	245,000	226,001	18,999
Principal	595,000	595,000	-
Interest	706,181	706,181	-
Total Expenditures	1,546,181	1,527,182	18,999
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,527,581)	(1,525,345)	2,236
Other Financing Sources (Uses):			
Transfers in	1,303,171	1,303,171	-
Total Other Financing Sources (Uses)	1,303,171	1,303,171	-
Net Change in Fund Balance	(224,410)	(222,174)	2,236
Fund Balance, Beginning	261,685	261,685	-
Fund Balance, Ending	\$ 37,275	\$ 39,511	\$ 2,236

CITY OF ELK GROVE

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

	Budgeted Amounts		Variance with Final Budget Positive (Negative)
	Final	Actual Amounts	
Revenues:			
Use of money and property	\$ -	\$ 19,731	\$ 19,731
Total Revenues	<u>-</u>	<u>19,731</u>	<u>19,731</u>
Expenditures:			
Debt Service:			
Bond issuance costs	122,500	172,500	(50,000)
Total Expenditures	<u>122,500</u>	<u>172,500</u>	<u>(50,000)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(122,500)</u>	<u>(152,769)</u>	<u>(30,269)</u>
Other Financing Sources (Uses):			
Issuance of Debt	-	10,000,000	10,000,000
Transfers in	760,000	760,000	-
Total Other Financing Sources (Uses)	<u>760,000</u>	<u>10,760,000</u>	<u>10,000,000</u>
Net Change in Fund Balance	637,500	10,607,231	9,969,731
Fund Balance, Beginning	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balance, Ending	<u>\$ 637,500</u>	<u>\$ 10,607,231</u>	<u>\$ 9,969,731</u>

INTERNAL SERVICE FUNDS

DEFINITION

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

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

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

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

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

CITY OF ELK GROVE

Balance Sheet Internal Service Funds June 30, 2020

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
<u>ASSETS</u>					
Current Assets:					
Cash and Investments	\$ 6,241,170	\$ 4,449,570	\$ 2,981,513	\$ 229,286	\$ 13,901,539
Accounts Receivable	55,627	23,698	-	238	79,563
Interest Receivable	4,370	3,117	2,088	-	9,575
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	6,301,167	4,476,385	2,983,601	229,524	13,990,677
<u>LIABILITIES</u>					
Current Liabilities:					
Accounts payable	35,301	179,412	68,981	-	283,694
Accrued salaries and benefits	-	17,285	29,902	-	47,187
Compensated absences - current	2,744	2,473	6,905	-	12,122
Total Current Liabilities	<hr/> 38,045	<hr/> 199,170	<hr/> 105,788	<hr/> -	<hr/> 343,003
Noncurrent Liabilities:					
Compensated absences - long term	31,561	28,444	79,404	-	139,409
Claims payable - long term	239,341	-	-	-	239,341
Total Noncurrent Liabilities	<hr/> 270,902	<hr/> 28,444	<hr/> 79,404	<hr/> -	<hr/> 378,750
Total Liabilities	<hr/> 308,947	<hr/> 227,614	<hr/> 185,192	<hr/> -	<hr/> 721,753
<u>Net Position</u>					
Unrestricted	<hr/> 5,992,220	<hr/> 4,248,771	<hr/> 2,798,409	<hr/> 229,524	<hr/> 13,268,924
Total Net Position	<hr/> <u>\$ 5,992,220</u>	<hr/> <u>\$ 4,248,771</u>	<hr/> <u>\$ 2,798,409</u>	<hr/> <u>\$ 229,524</u>	<hr/> <u>\$ 13,268,924</u>

CITY OF ELK GROVE

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

Internal Service Funds

For the Year Ended June 30, 2020

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
Operating Revenues:					
Charges for services	\$ 6,782,266	\$ 4,299,021	\$ 3,518,069	\$ 41,548	\$ 14,640,904
Insurance recoveries	2,006,921	-	-	-	\$ 2,006,921
Total Operating Revenues	<u>8,789,187</u>	<u>4,299,021</u>	<u>3,518,069</u>	<u>41,548</u>	<u>16,647,825</u>
Operating Expenses:					
Salaries and benefits	269,986	616,250	1,079,163	-	1,965,399
Services and supplies	2,948,084	3,084,000	1,682,055	-	7,714,139
Claims expense	4,389,925	-	-	44,441	4,434,366
Total Operating Expenses	<u>7,607,995</u>	<u>3,700,250</u>	<u>2,761,218</u>	<u>44,441</u>	<u>14,113,904</u>
Operating Income	<u>1,181,192</u>	<u>598,771</u>	<u>756,851</u>	<u>(2,893)</u>	<u>2,533,921</u>
Non-Operating Revenues (Expenses):					
Interest income	198,588	220,847	108,340	4,240	532,015
Total Non-Operating Revenues (Expenses)	<u>198,588</u>	<u>220,847</u>	<u>108,340</u>	<u>4,240</u>	<u>532,015</u>
Net Income Before Transfers	1,379,780	819,618	865,191	1,347	3,065,936
Transfers Out	(201,210)	(211,449)	(189,298)	-	(601,957)
Total Other Financing Sources (Uses)	<u>(201,210)</u>	<u>(211,449)</u>	<u>(189,298)</u>	<u>-</u>	<u>(601,957)</u>
Change in Net Position	<u>1,178,570</u>	<u>608,169</u>	<u>675,893</u>	<u>1,347</u>	<u>2,463,979</u>
Net Position - Beginning of Year	<u>4,813,650</u>	<u>3,640,602</u>	<u>2,122,516</u>	<u>228,177</u>	<u>10,804,945</u>
Net Position - End of Year	<u>\$ 5,992,220</u>	<u>\$ 4,248,771</u>	<u>\$ 2,798,409</u>	<u>\$ 229,524</u>	<u>\$ 13,268,924</u>

CITY OF ELK GROVE

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Self-Insurance Fund	Facilities and Fleet Fund	IT and GIS Fund	State Unemployment Insurance Fund	Totals
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>					
Cash receipts from customers/ other funds	\$ 6,765,652	\$ 4,275,323	\$ 3,518,069	\$ 41,640	\$ 14,600,684
Cash receipts from insurance recoveries	2,006,921	-	-	-	2,006,921
Cash paid to suppliers for goods and services	(7,737,256)	(3,075,870)	(1,659,210)	(44,441)	(12,516,777)
Cash paid to employees for services	(265,194)	(607,873)	(1,031,531)	-	(1,904,598)
Net Cash Provided (Used) by Operating Activities	<u>770,123</u>	<u>591,580</u>	<u>827,328</u>	<u>(2,801)</u>	<u>2,186,230</u>
<u>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</u>					
Transfers (Out)	<u>(201,210)</u>	<u>(211,449)</u>	<u>(189,298)</u>	<u>-</u>	<u>(601,957)</u>
Net Cash (Used) by Noncapital Financing Activities	<u>(201,210)</u>	<u>(211,449)</u>	<u>(189,298)</u>	<u>-</u>	<u>(601,957)</u>
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>					
Investment income (loss)	<u>200,050</u>	<u>221,834</u>	<u>108,628</u>	<u>4,240</u>	<u>534,752</u>
Net Cash Provided by Investing Activities	<u>200,050</u>	<u>221,834</u>	<u>108,628</u>	<u>4,240</u>	<u>534,752</u>
Net Increase (Decrease) in Cash and Cash Equivalents	768,963	601,965	746,658	1,439	2,119,025
Cash and Cash Equivalents, Beginning of Year	<u>5,472,207</u>	<u>3,847,605</u>	<u>2,234,855</u>	<u>227,847</u>	<u>11,782,514</u>
Cash and Cash Equivalents, End of Year	<u>\$ 6,241,170</u>	<u>\$ 4,449,570</u>	<u>\$ 2,981,513</u>	<u>\$ 229,286</u>	<u>\$ 13,901,539</u>
<u>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</u>					
Operating income (loss)	\$ 1,181,192	\$ 598,771	\$ 756,851	\$ (2,893)	\$ 2,533,921
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:					
Changes in assets and liabilities:					
(Increase) decrease in:					
Accounts receivable	(16,614)	(23,698)	-	92	(40,220)
Increase (decrease) in:					
Accounts payable	(241,588)	8,130	22,845	-	(210,613)
Accrued salaries and benefits payable	-	7,063	13,216	-	20,279
Compensated absences	4,792	1,314	34,416	-	40,522
Claims payable	(157,659)	-	-	-	(157,659)
Net Cash Provided (Used) by Operating Activities	<u>\$ 770,123</u>	<u>\$ 591,580</u>	<u>\$ 827,328</u>	<u>\$ (2,801)</u>	<u>\$ 2,186,230</u>
<u>SUPPLEMENTAL DISCLOSURE OF NON-CASH ACTIVITIES</u>					
Nonreciprocal transfer of capital assets to governmental activities	<u>\$ (100,175)</u>	<u>\$ (1,095,409)</u>	<u>\$ (103,275)</u>	<u>\$ -</u>	<u>\$ (1,298,859)</u>

AGENCY FUNDS

DEFINITION

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

Agency Funds

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

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

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

STA Transportation Fee Fund
Laguna West Park Fee Fund

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

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

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

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

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

East Franklin CFD 2002-1 Fund

Unclaimed Payment Fund – Established to account for the checks which have remained unclaimed by the recipient and have become stale dated. The City publishes an itemized listing of these funds on the website which is kept current.

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

CITY OF ELK GROVE

Combining Statement of Assets and Liabilities
Agency Funds
June 30, 2020

	Performance Bonds Fund	Community Service District & Sac County Funds	Laguna Springs Open Space Preserve	Elk Grove Employee Sunshine Funds
ASSETS:				
Cash and cash equivalents	\$ 126,076	\$ 1,062,894	\$ 91,665	\$ 48,053
Investments	-	-	-	-
Accounts receivable	-	862,123	-	-
Interest receivable	88	92,253	64	540
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 126,164</u>	<u>\$ 2,017,270</u>	<u>\$ 91,729</u>	<u>\$ 48,593</u>
LIABILITIES:				
Accounts payable	\$ -	\$ 1,034,209	\$ -	\$ 172
Interest payable	7,215	27,677	10,556	-
Due to member agencies	-	955,384	-	-
Due to bondholders and others	-	-	81,173	-
Deposits	118,949	-	-	48,421
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 126,164</u>	<u>\$ 2,017,270</u>	<u>\$ 91,729</u>	<u>\$ 48,593</u>

Special Assessment/Community Facility Districts
(CFD's)

	Donation Community Programs	Laguna Ridge CFD 2005-1 Fund	E Franklin CFD 2002-1 Fund	Poppy Ridge CFD 2003-1 Fund
ASSETS:				
Cash and cash equivalents	\$ 17,458	\$ 3,227,783	\$ 3,272,332	\$ 1,254,395
Investments	-	12,607,164	21	20
Accounts receivable	-	154,899	146,051	361,366
Interest receivable	-	2,258	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	<u>\$ 17,458</u>	<u>\$ 15,992,104</u>	<u>\$ 3,418,404</u>	<u>\$ 1,615,781</u>
LIABILITIES:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Interest payable	442	-	-	-
Due to member agencies	-	-	-	-
Due to bondholders and others	-	15,992,104	3,418,404	1,615,781
Deposits	17,016	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	<u>\$ 17,458</u>	<u>\$ 15,992,104</u>	<u>\$ 3,418,404</u>	<u>\$ 1,615,781</u>

continued

CITY OF ELK GROVE

Combining Statement of Assets and Liabilities

Agency Funds

June 30, 2020

	<u>Unclaimed Payments Fund</u>	<u>EGPD Property & Evidence Fund</u>	<u>Total</u>
ASSETS:			
Cash and cash equivalents	\$ 184,564	\$ 42,512	\$ 9,327,732
Investments	-	-	12,607,205
Accounts receivable	-	-	1,524,439
Interest receivable	-	-	95,203
Total Assets	\$ 184,564	\$ 42,512	\$ 23,554,579
LIABILITIES:			
Accounts payable	\$ -	\$ -	\$ 1,034,381
Interest payable	4,670	126	50,686
Due to member agencies	-	-	955,384
Due to bondholders and others	-	-	21,107,462
Deposits	179,894	42,386	406,666
Total Liabilities	\$ 184,564	\$ 42,512	\$ 23,554,579

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance at June 30, 2020
PERFORMANCE BONDS FUND				
ASSETS:				
Cash and cash equivalents	\$ 345,350	\$ 43,580	\$ 262,854	\$ 126,076
Interest receivable	378	88	378	88
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 345,728	\$ 43,668	\$ 263,232	\$ 126,164
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES:				
Accounts payable	-	\$ 175,458	\$ 175,458	\$ -
Interest payable	2,284	8,168	3,237	7,215
Deposits	343,444	35,500	259,995	118,949
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 345,728	\$ 219,126	\$ 438,690	\$ 126,164
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

Community Service District & Sac County Funds
EAST ELK GROVE PARK FEE FUND

Cash and cash equivalents	\$ 405,982	\$ 1,658,764	\$ 1,786,598	\$ 278,148
Interest receivable	432	195	432	195
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 406,414	\$ 1,658,959	\$ 1,787,030	\$ 278,343
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES:				
Accounts Payable	\$ 402,813	\$ 1,651,428	\$ 1,783,676	\$ 270,565
Interest payable	3,600	14,381	10,205	7,776
Due to member agencies	1	1,648,597	1,648,596	2
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 406,414	\$ 3,314,406	\$ 3,442,477	\$ 278,343
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

continued

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities Agency Funds(continued) For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance at June 30, 2020
EAST FRANKLIN PARK FEE FUND				
ASSETS:				
Cash and cash equivalents	\$ 437,352	\$ 441,380	\$ 878,370	\$ 362
Accounts receivable	-	530,629	-	530,629
Interest receivable	458	2	459	1
Total Assets	<u>\$ 437,810</u>	<u>\$ 972,011</u>	<u>\$ 878,829</u>	<u>\$ 530,992</u>
LIABILITIES:				
Accounts payable	\$ 433,936	\$ 441,751	\$ 875,333	\$ 354
Interest payable	-	9	-	9
Due to member agencies	3,874	971,999	445,244	530,629
Total Liabilities	<u>\$ 437,810</u>	<u>\$ 1,413,759</u>	<u>\$ 1,320,577</u>	<u>\$ 530,992</u>
 ELK GROVE FIRE FEE				
ASSETS:				
Cash and cash equivalents	\$ 1,027,463	\$ 1,663,944	\$ 2,393,157	\$ 298,250
Accounts receivable	196,897	148,292	13,695	331,494
Interest receivable	1,080	209	1,080	209
Total Assets	<u>\$ 1,225,440</u>	<u>\$ 1,812,445</u>	<u>\$ 2,407,932</u>	<u>\$ 629,953</u>
LIABILITIES:				
Accounts payable	\$ 1,019,441	\$ 1,652,562	\$ 2,381,919	\$ 290,084
Interest payable	-	7,547	-	7,547
Due to member agencies	205,999	1,806,854	1,680,531	332,322
Total Liabilities	<u>\$ 1,225,440</u>	<u>\$ 3,466,963</u>	<u>\$ 4,062,450</u>	<u>\$ 629,953</u>

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance			Balance at
	July 1, 2019	Additions	Deductions	June 30, 2020
STA TRANSPORTATION FEE FUND				
ASSETS:				
Cash and cash equivalents	\$ 729,056	\$ 976,778	\$ 1,220,342	\$ 485,492
Interest receivable	-	91,848	-	91,848
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 729,056	\$ 1,068,626	\$ 1,220,342	\$ 577,340
LIABILITIES:				
Accounts payable	\$ 724,057	\$ 1,928,983	\$ 2,179,834	\$ 473,206
Interest payable	4,999	12,289	5,000	12,288
Due to member agencies	-	91,846	-	91,846
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 729,056	\$ 2,033,118	\$ 2,184,834	\$ 577,340
LAGUNA WEST PARK FEE FUND				
ASSETS:				
Cash and cash equivalents	\$ 616	\$ 30	\$ 4	\$ 642
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 616	\$ 30	\$ 4	\$ 642
LIABILITIES:				
Interest payable	\$ 31	\$ 31	\$ 5	\$ 57
Due to member agencies	585	-	-	585
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 616	\$ 31	\$ 5	\$ 642
<i>Total Community Service District & Sac County Funds</i>				
ASSETS:				
Cash and cash equivalents	\$ 2,600,469	\$ 4,740,896	\$ 6,278,471	\$ 1,062,894
Accounts receivable	196,897	678,921	13,695	862,123
Interest receivable	1,970	92,254	1,971	92,253
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 2,799,336	\$ 5,512,071	\$ 6,294,137	\$ 2,017,270
LIABILITIES:				
Accounts payable	\$ 2,580,247	\$ 5,674,724	\$ 7,220,762	\$ 1,034,209
Interest payable	8,630	34,257	15,210	27,677
Due to member agencies	210,459	4,519,296	3,774,371	955,384
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 2,799,336	\$ 10,228,277	\$ 11,010,343	\$ 2,017,270

continued

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
 Agency Funds (continued)
 For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance at June 30, 2020
LAGUNA SPRINGS OPEN SPACE PRESERVE				
ASSETS:				
Cash and cash equivalents	\$ 87,976	\$ 4,350	\$ 661	\$ 91,665
Interest receivable	81	64	81	64
Total Assets	\$ 88,057	\$ 4,414	\$ 742	\$ 91,729
LIABILITIES:				
Interest payable	\$ 6,884	\$ 4,415	\$ 743	\$ 10,556
Due to bondholders and others	81,173	-	-	81,173
Total Liabilities	\$ 88,057	\$ 4,415	\$ 743	\$ 91,729
 ELK GROVE EMPLOYEE SUNSHINE FUND				
ASSETS:				
Cash and cash equivalents	\$ 36,713	\$ 30,915	\$ 19,575	\$ 48,053
Interest receivable	376	540	376	540
Total Assets	\$ 37,089	\$ 31,455	\$ 19,951	\$ 48,593
LIABILITIES:				
Accounts payable	\$ 4	\$ 19,471	\$ 19,303	\$ 172
Deposits	37,085	31,456	20,120	48,421
Total Liabilities	\$ 37,089	\$ 50,927	\$ 39,423	\$ 48,593

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance at June 30, 2020
DONATION - COMMUNITY PROGRAMS				
ASSETS:				
Cash and cash equivalents	\$ 10,128	\$ 7,399	\$ 69	\$ 17,458
Total Assets	<u>\$ 10,128</u>	<u>\$ 7,399</u>	<u>\$ 69</u>	<u>\$ 17,458</u>
LIABILITIES:				
Interest payable	\$ 69	\$ 442	\$ 69	\$ 442
Deposits	10,059	6,977	20	17,016
Total Liabilities	<u>\$ 10,128</u>	<u>\$ 7,419</u>	<u>\$ 89</u>	<u>\$ 17,458</u>

Special Assesment/Community Facility District Funds (CFDs)

LAGUNA RIDGE CFD 2005-1 FUND

ASSETS:				
Cash and cash equivalents	\$ 3,198,143	\$ 8,314,700	\$ 8,285,060	\$ 3,227,783
Investments	12,578,062	31,019	1,917	12,607,164
Accounts receivable	109,649	107,564	62,314	154,899
Interest receivable	3,402	2,258	3,402	2,258
Total Assets	<u>\$ 15,889,256</u>	<u>\$ 8,455,541</u>	<u>\$ 8,352,693</u>	<u>\$ 15,992,104</u>
LIABILITIES:				
Due to bondholders and others	\$ 15,889,256	\$ 19,127,443	\$ 19,024,595	\$ 15,992,104
Total Liabilities	<u>\$ 15,889,256</u>	<u>\$ 19,127,443</u>	<u>\$ 19,024,595</u>	<u>\$ 15,992,104</u>

continued

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds (continued)
For the Year Ended June 30, 2020

	Balance July 1, 2019	Additions	Deductions	Balance at June 30, 2020
CFD 2002-1 E FRANKLIN FUND				
ASSETS:				
Cash and cash equivalents	\$ 3,824,598	\$ 4,473,341	\$ 5,025,607	\$ 3,272,332
Investments	60	178	217	21
Accounts receivable	151,609	56,269	61,827	146,051
Total Assets	\$ 3,976,267	\$ 4,529,788	\$ 5,087,651	\$ 3,418,404
LIABILITIES:				
Interest payable	\$ 26,227	\$ -	\$ 26,227	\$ -
Due to bondholders and others	3,950,040	10,103,986	10,635,622	3,418,404
Total Liabilities	\$ 3,976,267	\$ 10,103,986	\$ 10,661,849	\$ 3,418,404
 CFD 2003-1 POPPY RIDGE FUND				
ASSETS:				
Cash and cash equivalents	\$ 1,545,638	\$ 3,978,253	\$ 4,269,496	\$ 1,254,395
Investments	60	101	141	20
Accounts receivable	358,160	47,820	44,615	361,366
Total Assets	\$ 1,903,858	\$ 4,026,174	\$ 4,314,252	\$ 1,615,781
LIABILITIES:				
Interest payable	\$ 10,599	\$ -	\$ 10,599	\$ -
Due to bondholders and others	1,893,259	7,590,329	7,867,807	1,615,781
Total Liabilities	\$ 1,903,858	\$ 7,590,329	\$ 7,878,406	\$ 1,615,781

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

	Balance			Balance at
	July 1, 2019	Additions	Deductions	June 30, 2020
<u>Total Special Assesment/Community Facility District Funds (CFDs)</u>				
ASSETS:				
Cash and cash equivalents	\$ 8,568,379	\$ 16,766,294	\$ 17,580,163	\$ 7,754,510
Investments	12,578,182	31,298	2,275	12,607,205
Accounts receivable	619,418	211,653	168,756	662,316
Interest receivable	3,402	2,258	3,402	2,258
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 21,769,381	\$ 17,011,503	\$ 17,754,596	\$ 21,026,289
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES:				
Due to bondholders and others	\$ 21,732,555	\$ 36,821,758	\$ 37,528,024	\$ 21,026,289
Interest payable	36,826	-	36,826	-
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 21,769,381	\$ 36,821,758	\$ 37,564,850	\$ 21,026,289
	<hr/>	<hr/>	<hr/>	<hr/>
UNCLAIMED PAYMENTS FUND				
ASSETS:				
Cash and cash equivalents	\$ 210,442	\$ 20,603	\$ 46,481	\$ 184,564
	<hr/>	<hr/>	<hr/>	<hr/>
Total Assets	\$ 210,442	\$ 20,603	\$ 46,481	\$ 184,564
	<hr/>	<hr/>	<hr/>	<hr/>
LIABILITIES:				
Accounts payable	\$ 187	\$ 3,002	\$ 3,189	\$ -
Interest payable	1,443	4,670	1,443	4,670
Deposits	208,812	16,038	44,956	179,894
	<hr/>	<hr/>	<hr/>	<hr/>
Total Liabilities	\$ 210,442	\$ 23,710	\$ 49,588	\$ 184,564
	<hr/>	<hr/>	<hr/>	<hr/>

continued

CITY OF ELK GROVE

Combining Statement of Changes in Assets and Liabilities
 Agency Funds (continued)
 For the Year Ended June 30, 2020

	Balance			Balance at
	July 1, 2019	Additions	Deductions	June 30, 2020
EGPD PROPERTY & EVIDENCE FUND				
ASSETS:				
Cash and cash equivalents	\$ 46,562	\$ 5,198	\$ 9,248	\$ 42,512
Total Assets	<u>\$ 46,562</u>	<u>\$ 5,198</u>	<u>\$ 9,248</u>	<u>\$ 42,512</u>
LIABILITIES:				
Interest payable	\$ 126	\$ -	\$ -	\$ 126
Deposits	46,436	9,248	13,298	42,386
Total Liabilities	<u>\$ 46,562</u>	<u>\$ 9,248</u>	<u>\$ 13,298</u>	<u>\$ 42,512</u>
TOTAL ALL AGENCY FUNDS				
ASSETS:				
Cash and cash equivalents	\$ 11,906,019	\$ 21,619,235	\$ 24,197,522	\$ 9,327,732
Investments	12,578,182	31,298	2,275	12,607,205
Accounts receivable	816,315	890,574	182,451	1,524,439
Interest receivable	6,207	95,204	6,208	95,203
Total Assets	<u>\$ 25,306,723</u>	<u>\$ 22,636,311</u>	<u>\$ 24,388,456</u>	<u>\$ 23,554,579</u>
LIABILITIES:				
Accounts payable	\$ 2,580,438	\$ 5,872,655	\$ 7,418,712	\$ 1,034,381
Interest payable	56,262	51,952	57,528	50,686
Due to member agencies	210,459	4,519,296	3,774,371	955,384
Due to bondholders	21,813,728	36,821,758	37,528,024	21,107,462
Deposits	645,836	99,219	338,389	406,666
Total Liabilities	<u>\$ 25,306,723</u>	<u>\$ 47,364,880</u>	<u>\$ 49,117,024</u>	<u>\$ 23,554,579</u>

COMPREHENSIVE ANNUAL FINANCIAL REPORT
Fiscal Year Ended June 30, 2020



STATISTICAL SECTION
(UNAUDITED)



STATISTICAL SECTION

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

<u>Contents</u>	<u>Page</u>
Financial Trends.....	182
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	190
These schedules contain information to help the reader assess the City’s most significant local revenue sources, sales tax and property tax.	
Debt Capacity.....	196
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.....	202
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	206
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, 2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Governmental activities				
Net investment in capital assets	\$ 1,140,771,925	\$ 1,111,694,296	\$ 1,078,400,474	\$ 1,039,981,256
Restricted	185,275,736	175,800,872	180,771,790	186,903,329
Unrestricted	<u>5,023,205</u>	<u>6,493,570</u>	<u>5,047,782</u>	<u>11,298,487</u>
Total governmental activities net position	<u>1,331,070,866</u>	<u>1,293,988,738</u>	<u>1,264,220,046</u>	<u>1,238,183,072</u>
Business-type activities				
Net investment in capital assets	18,645,141	18,799,468	21,427,305	22,023,121
Restricted	-	-	-	-
Unrestricted	<u>8,508,066</u>	<u>15,187,176</u>	<u>17,698,799</u>	<u>22,689,582</u>
Total business-type activities net position	<u>27,153,207</u>	<u>33,986,644</u>	<u>39,126,104</u>	<u>44,712,703</u>
Primary government				
Net investment in capital assets	1,159,417,066	1,130,493,764	1,099,827,779	1,062,004,377
Restricted	185,275,736	175,800,872	180,771,790	186,903,329
Unrestricted	<u>13,531,271</u>	<u>21,680,746</u>	<u>22,746,581</u>	<u>33,988,069</u>
Total primary government net position	<u>\$ 1,358,224,073</u>	<u>\$ 1,327,975,382</u>	<u>\$ 1,303,346,150</u>	<u>\$ 1,282,895,775</u>

Source: The City of Elk Grove CAFR

2015	2016	2017	2018	2019	2020
\$ 1,022,527,119	\$ 976,664,371	\$ 1,053,280,603	\$ 1,110,618,821	\$ 1,076,838,610	\$ 1,060,332,753
189,080,327	215,829,204	257,008,259	280,624,842	277,972,813	284,980,049
196,869	20,295,785	22,513,816	(69,766,957)	(4,465,698)	4,692,738
<u>1,211,804,315</u>	<u>1,212,789,360</u>	<u>1,332,802,678</u>	<u>1,321,476,706</u>	<u>1,350,345,725</u>	<u>1,350,005,540</u>
22,404,646	28,132,236	28,608,561	32,936,365	34,554,021	34,844,354
1,180,453	1,398,464	272,077	187,918	1,293,918	-
<u>24,944,050</u>	<u>27,615,148</u>	<u>29,735,624</u>	<u>30,498,920</u>	<u>33,235,837</u>	<u>40,536,527</u>
<u>48,529,149</u>	<u>57,145,848</u>	<u>58,616,262</u>	<u>63,623,203</u>	<u>69,083,776</u>	<u>75,380,881</u>
1,045,953,748	1,004,796,607	1,081,889,164	1,143,555,186	1,111,392,631	1,095,177,107
190,260,780	217,227,668	257,280,336	280,812,760	279,266,731	284,980,049
25,140,918	47,910,933	52,249,440	(39,268,037)	28,770,139	45,229,265
<u>\$ 1,261,355,446</u>	<u>\$ 1,269,935,208</u>	<u>\$ 1,391,418,940</u>	<u>\$ 1,385,099,909</u>	<u>\$ 1,419,429,501</u>	<u>\$ 1,425,386,421</u>

CITY OF ELK GROVE, CALIFORNIA

Changes in Net Position, Last Ten Fiscal Years (accrual basis)
For The Years Ended June 30, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental activities										
General government	\$ 17,209,695	\$ 16,861,125	\$ 20,774,018	\$ 16,175,748	\$ 14,105,998	\$ 18,070,372	\$ 19,975,018	\$ 25,593,798	\$ 24,142,627	\$ 26,290,186
Public safety	28,802,715	30,872,143	31,181,737	33,121,110	34,793,685	32,251,277	33,957,641	38,640,457	41,095,844	45,928,962
Public ways and facilities	52,292,021	74,520,124	52,655,196	58,379,175	57,464,510	60,661,733	79,170,655	71,142,386	81,387,088	66,498,261
Community development	6,944,808	6,510,594	6,636,749	7,810,427	7,375,422	9,688,271	9,373,576	9,714,155	10,325,402	10,607,681
Interest on long-term debt	5,645,665	5,478,761	5,285,258	4,845,038	4,875,918	6,364,518	501,705	565,679	819,458	1,003,870
Total governmental activities expenses	<u>110,894,904</u>	<u>134,242,747</u>	<u>116,532,958</u>	<u>120,331,498</u>	<u>118,615,533</u>	<u>127,036,171</u>	<u>142,978,595</u>	<u>145,656,475</u>	<u>157,770,419</u>	<u>150,328,960</u>
Business-type activities										
Solid Waste	10,748,028	12,035,454	11,881,280	13,106,912	14,142,088	15,688,146	16,025,115	3,295,078	3,170,889	2,999,283
Transit	8,871,403	9,175,116	9,515,572	9,589,073	9,030,560	10,827,002	11,549,568	10,985,466	11,037,095	10,509,143
Drainage	3,260,816	3,170,283	3,261,545	3,087,492	3,374,484	3,427,573	4,195,296	4,534,163	4,574,416	4,742,055
Other activities	-	-	-	-	-	-	-	-	-	-
Total business-type activities expenses	<u>22,880,247</u>	<u>24,380,853</u>	<u>24,658,397</u>	<u>25,783,477</u>	<u>26,547,132</u>	<u>29,942,721</u>	<u>31,769,979</u>	<u>18,814,707</u>	<u>18,782,400</u>	<u>18,250,481</u>
Total primary government expenses	<u>133,775,151</u>	<u>158,623,600</u>	<u>141,191,355</u>	<u>146,114,975</u>	<u>145,162,665</u>	<u>156,978,892</u>	<u>174,748,574</u>	<u>164,471,182</u>	<u>176,552,819</u>	<u>168,579,441</u>
Program Revenues										
Governmental activities										
Charges for services										
General government	312,771	-	-	-	-	-	1,062,583	910,363	847,681	2,310,388
Public safety	2,142,992	2,650,254	2,608,338	1,585,802	1,203,963	1,152,599	7,300	20,700	14,800	6,370
Public ways and facilities	4,050,967	11,816,787	6,162,251	8,745,249	12,932,599	15,141,731	13,173,695	27,601,261	26,637,537	28,705,240
Other activities	3,909,310	7,430,163	7,954,482	9,174,547	8,831,340	9,963,980	2,206,419	4,048,193	5,772,373	4,240,029
Operating grants, interest, and contributions	29,380,039	32,863,969	30,507,890	34,884,138	35,982,947	27,881,745	15,651,340	22,515,041	22,117,670	23,446,687
Capital grants, interest and contributions	7,889,875	3,420,832	2,502,248	10,639,110	4,724,172	16,286,252	79,906,262	12,679,620	36,757,932	9,617,430
Total governmental activities program revenues	<u>47,685,954</u>	<u>58,182,005</u>	<u>49,735,209</u>	<u>65,028,846</u>	<u>63,675,021</u>	<u>70,426,307</u>	<u>112,007,599</u>	<u>67,775,178</u>	<u>92,147,993</u>	<u>68,326,144</u>
Business-type activities										
Charges for services										
Solid Waste	12,622,145	13,547,383	14,586,613	15,261,474	15,139,025	17,080,638	16,863,927	3,634,335	3,791,031	3,775,643
Transit	1,271,734	1,567,661	1,560,881	1,583,621	1,618,573	1,454,582	1,430,071	1,319,149	1,289,226	1,049,077
Drainage	4,423,385	4,992,891	5,163,800	5,257,252	5,359,836	5,448,108	5,632,309	5,706,721	5,702,933	5,982,654
Operating grants, interest, and contributions	4,570,588	9,705,378	6,261,715	8,803,329	8,737,006	12,468,916	8,869,845	12,576,884	11,421,609	11,327,506
Capital grants, interest and contributions	3,975,118	1,080,600	-	-	-	-	-	-	-	-
Total business-type activities program revenues	<u>26,862,970</u>	<u>30,893,913</u>	<u>27,573,009</u>	<u>30,905,676</u>	<u>30,854,440</u>	<u>36,452,244</u>	<u>32,796,152</u>	<u>23,237,089</u>	<u>22,204,799</u>	<u>22,134,880</u>
Total primary government program revenues	<u>74,548,924</u>	<u>89,075,918</u>	<u>77,308,218</u>	<u>95,934,522</u>	<u>94,529,461</u>	<u>106,878,551</u>	<u>144,803,751</u>	<u>91,012,267</u>	<u>114,352,792</u>	<u>90,461,024</u>

CITY OF ELK GROVE, CALIFORNIA

Changes in Net Position, Last Ten Fiscal Years (accrual basis)
For The Years Ended June 30, 2020

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental activities	(63,208,950)	(76,060,742)	(66,797,749)	(55,302,652)	(54,940,512)	(56,609,864)	(30,970,996)	(77,881,297)	(65,622,426)	(82,002,816)
Business-type activities	3,982,723	6,513,060	2,914,612	5,122,199	4,307,308	6,509,523	1,026,173	4,422,382	3,422,399	3,884,399
Total primary government net revenue (expense)	\$ (59,226,227)	\$ (69,547,682)	\$ (63,883,137)	\$ (50,180,453)	\$ (50,633,204)	\$ (50,100,341)	\$ (29,944,823)	\$ (73,458,915)	\$ (62,200,027)	\$ (78,118,417)
General Revenues and Other Changes in Net Position										
Governmental activities										
Property taxes	\$ 9,242,320	\$ 9,089,959	\$ 10,174,450	\$ 9,680,843	\$ 10,748,517	\$ 11,443,260	\$ 23,670,228	\$ 25,079,951	\$ 26,276,570	\$ 27,773,836
Sales & Use tax	11,797,182	13,169,204	13,708,848	15,365,390	16,567,321	20,504,422	25,535,498	27,320,405	29,355,281	29,768,093
In-Lieu sales tax	3,785,803	3,955,955	4,710,293	4,845,534	5,583,730	4,704,053	5,681,559	-	-	-
Other taxes	7,254,112	8,829,483	8,591,465	8,905,914	9,319,299	10,174,956	4,510,259	11,580,750	11,756,951	10,785,744
Unrestricted interest income	3,393,386	3,098,231	3,611,324	3,933,612	7,107,416	4,671,926	-	-	-	-
Other Revenue	-	-	-	-	-	-	5,727,764	3,946,919	11,754,931	12,631,488
Transfers	463,014	835,752	(479,287)	908,351	868,712	1,096,291	1,098,174	1,010,576	728,196	703,470
Total governmental activities	35,935,817	38,978,584	40,317,093	43,639,644	50,194,995	52,594,908	66,223,482	68,938,601	79,871,929	81,662,631
Business-type activities										
Other taxes	1,125,885	1,073,091	1,014,591	1,129,497	1,235,074	1,301,708	1,379,717	1,456,673	1,532,613	1,607,522
Unrestricted interest income	196,955	83,038	165,275	243,254	164,758	879,777	-	-	-	-
Other	100,000	-	-	-	-	-	162,698	138,462	1,233,757	1,508,654
Transfers	(463,014)	(835,752)	479,287	(908,351)	(868,712)	(1,096,291)	(1,098,174)	(1,010,576)	(728,196)	(703,470)
Total business-type activities	959,826	320,377	1,659,153	464,400	531,120	1,085,194	444,241	584,559	2,038,174	2,412,706
Total primary government	36,895,643	39,298,961	41,976,246	44,104,044	50,726,115	53,680,102	66,667,723	69,523,160	81,910,103	84,075,337
Change in governmental activities net position before special item	(27,273,133)	(37,082,158)	(26,480,656)	(11,663,008)	(4,745,517)	(4,014,956)	35,252,486	(8,942,696)	14,249,503	(340,185)
Special item:										
Loss on sale of Vineyard Property	-	-	-	(14,373,966)	-	-	-	-	-	-
Bad debt expense	-	-	-	-	(12,141,141)	-	-	-	-	-
Change in Net Position:										
Governmental activities	(27,273,133)	(37,082,158)	(26,480,656)	(26,036,974)	(16,886,658)	(4,014,956)	35,252,486	(8,942,696)	14,249,503	(340,185)
Business-type activities	4,942,549	6,833,437	4,573,765	5,586,599	4,838,428	7,594,717	1,470,414	5,006,941	5,460,573	6,297,105
Total primary government	\$ (22,330,584)	\$ (30,248,721)	\$ (21,906,891)	\$ (20,450,375)	\$ (12,048,230)	\$ 3,579,761	\$ 36,722,900	\$ (3,935,755)	\$ 19,710,076	\$ 5,956,920

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

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

Source: The City of Elk Grove CAFR

CITY OF ELK GROVE, CALIFORNIA

Fund Balances, Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)
For The Years Ended June 30, 2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
General Fund				
Nonspendable	\$ 13,869	\$ -	\$ -	\$ -
Committed	19,363,473	19,151,034	18,950,057	18,604,618
Assigned	287,779	-	-	-
Unassigned	4,772,737	7,369,071	4,876,432	5,995,555
Total General Fund	<u>\$ 24,437,858</u>	<u>\$ 26,520,105</u>	<u>\$ 23,826,489</u>	<u>\$ 24,600,173</u>
All Other Governmental Funds				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	123,223,457	107,450,983	109,716,431	113,819,244
Committed	501,453	-	-	-
Assigned	-	-	-	-
Unassigned	(10,077,779)	(8,379,471)	(5,952,761)	(14,415,146)
Total All Other Governmental Funds	<u>\$ 113,647,131</u>	<u>\$ 99,071,512</u>	<u>\$ 103,763,670</u>	<u>\$ 99,404,098</u>

Source: The City of Elk Grove CAFR

2015	2016	2017	2018	2019	2020
\$ -	\$ -	\$ 3,510,730	\$ 2,801,341	\$ 2,372,795	\$ 1,939,752
19,227,947	20,096,678	21,000,138	22,407,940	37,444,232	35,805,778
1,649,271	346,141	357,858	373,349	2,359,382	4,765,651
1,381,845	7,498,226	9,447,603	11,794,420	190,714	3,605,551
<u>\$ 22,259,063</u>	<u>\$ 27,941,045</u>	<u>\$ 34,316,329</u>	<u>\$ 37,377,050</u>	<u>\$ 42,367,123</u>	<u>\$ 46,116,732</u>
\$ 65,738,124	\$ 66,458,363	\$ -	\$ -	\$ -	\$ -
124,249,316	151,376,738	242,335,680	234,660,067	230,471,851	245,502,694
-	20,096,678	-	-	-	-
-	346,141	-	-	-	-
(14,415,146)	(3,262,256)	(4,644,863)	(7,799,419)	(6,013,300)	(4,461,827)
<u>\$ 175,572,294</u>	<u>\$ 235,015,664</u>	<u>\$ 237,690,817</u>	<u>\$ 226,860,648</u>	<u>\$ 224,458,551</u>	<u>\$ 241,040,867</u>

CITY OF ELK GROVE, CALIFORNIA

Changes in Fund Balances, Governmental Funds
 Last Ten Fiscal Years Ending June 30, 2020
 (modified accrual basis of accounting)

	2011	2012	2013	2014
REVENUES				
Taxes	\$ 32,079,417	\$ 35,044,601	\$ 37,185,056	\$ 38,797,684
Licenses, fees and permits	7,699,245	17,066,136	12,925,467	15,574,986
Intergovernmental	38,799,953	36,944,835	33,646,054	44,698,377
Fines and forfeitures	1,709,371	1,748,945	1,525,078	1,319,758
Charges for services	1,768,835	1,920,769	2,234,212	3,083,121
Investment earnings	1,687,347	2,568,929	1,294,280	1,985,204
Contributions from property owners	-	-	-	-
Contributions and donations	-	-	-	-
Other Revenue	193,731	360,233	459,128	356,980
Total revenues	<u>83,937,899</u>	<u>95,654,448</u>	<u>89,269,275</u>	<u>105,816,110</u>
EXPENDITURES:				
General government	16,331,869	16,379,380	19,017,525	18,789,272
Public safety	27,594,225	30,040,279	30,592,175	32,537,512
Public ways and facilities	11,101,470	31,766,320	9,277,761	15,306,831
Community development	16,627,411	10,151,471	7,868,412	8,433,339
Capital outlay	17,768,992	13,179,940	12,525,633	20,853,268
Debt service:				
Principal retirement	3,000,000	3,145,000	3,290,000	3,460,000
Interest and fiscal charges	5,512,967	5,353,597	5,290,067	4,968,805
Bond issue costs	-	-	-	-
Total expenditures	<u>97,936,934</u>	<u>110,015,987</u>	<u>87,861,573</u>	<u>104,349,027</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>(13,999,035)</u>	<u>(14,361,539)</u>	<u>1,407,702</u>	<u>1,467,083</u>
OTHER FINANCING SOURCES (USES)				
Long-term liabilities issued	-	-	-	-
Premium (discount) on debt issued	-	-	-	-
Refunding bonds issued	-	-	-	-
Payments to refunded bond escrow agent	-	-	-	-
Transfers from other funds	13,375,223	8,504,158	11,008,485	11,695,534
Transfers to other funds	(12,349,044)	(6,635,991)	(10,417,645)	(9,423,825)
Total other financing sources (uses)	<u>1,026,179</u>	<u>1,868,167</u>	<u>590,840</u>	<u>2,271,709</u>
Net Change in Fund Balances before special item	(12,972,856)	(12,493,372)	1,998,542	3,738,792
Special Item:				
Sale of Vineyard Property	-	-	-	3,347,156
NET CHANGE IN FUND BALANCES	<u>\$ (12,972,856)</u>	<u>\$ (12,493,372)</u>	<u>\$ 1,998,542</u>	<u>\$ 7,085,948</u>

Debt service as a percentage of noncapital expenditures.

10.62%	8.78%	11.39%	10.09%
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(1) On April 9, 2014, the City sold Vineyard land for \$3,347,156.

Source: The City of Elk Grove CAFR

2015	2016	2017	2018	2019	2020
\$ 42,218,867	\$ 46,826,691	\$ 59,397,544	\$ 63,981,106	\$ 67,388,802	\$ 68,327,673
19,444,219	23,521,281	13,741,076	29,558,628	32,430,388	31,129,318
40,589,946	42,849,356	24,099,150	30,160,655	41,196,733	33,474,390
488,299	387,185	354,504	281,523	245,488	504,072
3,308,827	2,481,403	1,804,824	3,219,568	2,036,472	2,441,302
3,122,257	4,040,144	5,097,917	1,882,216	9,196,276	10,181,302
-	-	72,700,000	1,400,000	16,030,000	-
-	-	30,000	1,000,000	-	-
1,352,612	970,243	947,939	991,515	1,067,530	1,825,575
<u>110,525,027</u>	<u>121,076,303</u>	<u>178,172,954</u>	<u>132,475,211</u>	<u>169,591,689</u>	<u>147,883,632</u>
19,891,965	19,971,477	23,312,594	26,431,508	26,866,864	28,229,779
34,796,247	35,356,689	36,067,903	37,703,232	39,898,125	48,759,157
15,453,017	15,331,077	59,011,979	80,059,131	100,760,979	43,448,285
7,329,328	9,444,746	9,193,193	9,522,145	10,718,894	12,409,217
22,636,496	19,170,128	488,306	6,752,813	3,272,922	3,686,811
3,620,000	1,315,000	2,335,000	265,000	470,000	1,080,000
4,803,957	5,121,900	679,930	194,439	940,136	1,071,385
-	1,356,411	104,578	275,440	-	172,500
<u>108,531,010</u>	<u>107,067,428</u>	<u>131,193,483</u>	<u>161,203,708</u>	<u>182,927,920</u>	<u>138,857,134</u>
<u>1,994,017</u>	<u>14,008,875</u>	<u>46,979,471</u>	<u>(28,728,497)</u>	<u>(13,336,231)</u>	<u>9,026,498</u>
-	90,630,000	-	18,530,000	-	10,000,000
-	9,594,496	-	973,533	-	-
-	-	4,940,000	-	-	-
-	(89,402,398)	(7,200,000)	-	-	-
17,862,895	35,802,601	13,408,691	29,617,243	12,391,641	13,770,663
<u>(15,470,054)</u>	<u>(33,280,777)</u>	<u>(10,827,097)</u>	<u>(28,161,727)</u>	<u>(11,086,950)</u>	<u>(12,465,236)</u>
<u>2,392,841</u>	<u>13,343,922</u>	<u>321,594</u>	<u>20,959,049</u>	<u>1,304,691</u>	<u>11,305,427</u>
4,386,858	27,352,797	47,301,065	(7,769,448)	(12,031,540)	20,331,925
-	-	-	-	-	-
<u>\$ 4,386,858</u>	<u>\$ 27,352,797</u>	<u>\$ 47,301,065</u>	<u>\$ (7,769,448)</u>	<u>\$ (12,031,540)</u>	<u>\$ 20,331,925</u>
9.81%	7.32%	2.31%	0.30%	0.78%	1.59%

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
2011	12,094,994,805	1,909,454,205	439,941,669	776,945,046	296,152,644	14,925,183,081	0.06474
2012	11,825,574,057	1,692,436,063	431,092,987	675,131,790	333,570,758	14,290,664,139	0.64360
2013	11,029,428,330	1,532,669,836	385,075,524	608,914,724	346,233,652	13,209,854,762	0.06453
2014	12,146,070,163	1,500,346,050	392,460,053	567,434,705	359,424,853	14,246,886,118	0.06480
2015	13,492,526,952	1,587,754,482	419,089,413	619,856,390	398,318,801	15,720,908,436	0.06460
2016	14,087,121,936	1,687,253,176	442,986,037	675,804,195	430,877,261	16,462,288,083	0.06451
2017	14,979,885,692	1,836,489,273	465,865,942	725,782,693	426,240,108	17,581,783,492	0.06443
2018	16,057,715,795	2,134,418,574	489,962,755	780,522,286	487,229,789	18,975,389,621	0.06432
2019	16,984,457,684	2,232,189,341	516,630,510	904,022,876	451,113,557	20,186,186,854	0.06421
2020	18,085,070,381	2,244,668,823	554,425,205	920,172,885	495,987,672	21,804,337,304	0.06434

Source: HdL from the Sacramento County Assessor 2010/11-2019/20 Combined Tax Rolls

CITY OF ELK GROVE, CALIFORNIA

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
City's Share of 1% Levy Per Prop 13/ City of Elk Grove Direct Rate³	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740	0.05740
Overlapping Rates:										
Sacramento County General	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38220	0.38218
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	0.22140	0.22140	0.22140	0.22141	0.22140
Los Rios Community College District	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640	0.03640
Sacramento County Library	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040	0.02040
Sacramento -Yolo Mosquito	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866	0.00866
Physically Handicapped-unified	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459	0.00459
Childrens Institution	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447	0.00447
Elk Grove - Cosumnes Cemetery	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275	0.00275
Sacramento County Superintendent Admin.	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259	0.00259
Development Center Handicapped	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145	0.00145
Sacramento County Wide Equalization	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131	0.00131
Sacramento County Regional Occupational Center	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096	0.00096
Sacramento County Juvenile Hall	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055	0.00055
Infant Developmentally-physically Handicapped	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006
Infant Developmentally Retarded	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006	0.00006
Total Proposition 13 Rate (Basic Levy)¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Elk Grove Unified Gob 2017	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.03730	0.03570	0.03490
Los Rios College Bond	0.00000	0.01920	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Los Rios College Gob	0.00900	0.00000	0.01930	0.01810	0.01130	0.00910	0.01410	0.01300	0.01310	0.02320
Sacramento Unified Gob	0.09790	0.00000	0.09990	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Sacto City Unified Gob	0.00000	0.00000	0.00000	0.12250	0.12120	0.13350	0.12770	0.12350	0.11640	0.11390
Total Direct & Overlapping² Tax Rates	<u>1.10690</u>	<u>1.11740</u>	<u>1.11920</u>	<u>1.14060</u>	<u>1.13250</u>	<u>1.14260</u>	<u>1.14180</u>	<u>1.17380</u>	<u>1.16520</u>	<u>1.17200</u>

General Obligation Debt Rate

Total Direct Rate⁴	0.06474	0.06436	0.64530	0.64530	0.06460	0.06451	0.06443	0.06432	0.06421	0.06434
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Source: Prepared by HdL, Coren & Cone

Data source: Sacramento County Assessor 2010/11 - 2019/20 Tax Rate Table

Notes:

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

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

³City's Share of 1% Levy is based on the City's share of the general fund tax rate area with the largest net taxable value within the city. ERAF general fund tax shifts may not be included in tax ratio figures.

⁴Because basic and debt rates vary by tax rate area individual rates cannot be summed. Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information. GASB S44 Q&A 9.19.1

CITY OF ELK GROVE, CALIFORNIA

Principal Property Taxpayers
Current Year and Ten Years Ago

Taxpayer	2020			2011		
	Rank	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation	Rank	Taxable Assessed Value	Approximate Percentage of Taxable Assessed Valuation
Apple Computer Inc	1	\$ 234,575,597	1.12%	3	\$ 115,277,555	0.79%
Pappas Laguna 2 LP	2	134,577,145	0.64%	5	46,082,993	0.31%
Laguna Springs Corporation Center	3	97,800,715	0.47%			
Oakmont Properties II LP	4	74,900,743	0.36%	4	64,728,485	0.44%
DS Properties 18 LP	5	71,054,759	0.34%			
MG Somerfield At Lakeside Apartments	6	64,000,000	0.30%			
Elk Grove Owner LP (KOHL'S)	7	59,981,142	0.29%			
MG Bella Vista Apartments EKG LLC	8	59,000,000	0.28%			
9130 Nolan Street LLC	9	52,560,705	0.25%	6	45,422,446	0.31%
WSI Poppy Ridge LLC	10	50,839,447	0.24%			
Donahue Schriber Realty Group LP				1	179,386,269	1.22%
Elk Grove Town Center				2	119,352,158	0.81%
Jackson II LLC				7	43,017,195	0.29%
Laguna Gateway Phase 2 LP				8	40,067,213	0.27%
Elk Grove Franklin Retail				9	37,847,914	0.26%
LV Apartments LLC				10	37,339,175	0.25%
		<u>\$ 899,290,253</u>	<u>4.29%</u>		<u>\$ 728,521,403</u>	<u>4.95%</u>

Source: HDL, Coren & Cone, Sacramento County Assessor 2019-20 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
2011	\$ 16,576,394	\$ 15,809,653	95.37%	\$ 766,741	\$ 16,576,394	100.00%
2012	15,904,472	15,102,178	94.96%	802,294	15,904,472	100.00%
2013	17,065,239	16,808,942	98.50%	256,297	17,065,239	100.00%
2014	17,910,846	17,842,391	99.62%	68,455	17,910,846	100.00%
2015	20,085,162	20,021,250	99.68%	63,912	20,085,162	100.00%
2016	22,492,684	22,421,589	99.68%	71,095	22,492,684	100.00%
2017	24,198,311	24,000,095	99.18%	198,216	24,198,311	100.00%
2018	24,778,708	24,650,410	99.48%	128,298	24,778,708	100.00%
2019	27,469,694	27,364,210	99.62%	105,484	27,469,694	100.00%
2020	29,353,226	29,067,981	99.03%	285,245	29,353,226	99.03%

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

CITY OF ELK GROVE, CALIFORNIA

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

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

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

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

<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 79,512	\$ 80,587	\$ 80,771	\$ 79,920	\$ 76,895
187,807	185,515	180,858	207,432	321,230
65,466	66,083	66,359	67,259	67,617
228,559	250,348	265,459	273,225	290,727
76,102	86,754	98,934	110,519	113,665
736,551	850,020	905,658	881,314	880,071
175,264	165,039	191,409	216,404	204,840
294,492	318,251	315,468	306,892	292,294
<u>474,317</u>	<u>514,399</u>	<u>598,642</u>	<u>613,474</u>	<u>801,939</u>
<u>\$ 2,318,070</u>	<u>\$ 2,516,996</u>	<u>\$ 2,703,558</u>	<u>\$ 2,756,439</u>	<u>\$ 3,049,278</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
2011	1.00	0.25	0.50	7.00
2012	1.00	0.25	0.50	6.00 (a)
2013	1.00	0.25	0.50	6.25 (b)
2014	1.00	0.25	0.50	6.25
2015	1.00	0.25	0.50	6.25
2016	1.00	0.25	0.50	6.25
2017	1.00	0.25	0.50	6.00 (c)
2018	1.00	0.25	0.50	6.00
2019	1.00	0.25	0.50	6.00
2020	1.00	0.25	0.50	6.00

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

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

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

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

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

CITY OF ELK GROVE

Ratios of Outstanding Debt by Type Last Ten Fiscal Years

Fiscal Year	Governmental Activities	Business-Type Activities	Total Primary Government	Percentage of Personal Income ⁽²⁾	Per Capita ⁽²⁾
	Special Assessment Bonds ⁽¹⁾	Economic Development Bonds			
2011	\$ 113,160,000	\$ 10,715,000	\$ 123,875,000	3.06%	810
2012	110,015,000	10,510,000	120,525,000	2.93%	773
2013	108,376,624	10,300,000	118,676,624	2.77%	746
2014	104,833,363	10,090,000	114,923,363	2.58%	715
2015	101,130,102	9,870,000	111,000,102	2.44%	681
2016	109,611,895 ⁽³⁾	9,645,000	119,256,895	2.53%	710
2017	4,940,000	9,410,000	14,350,000	0.30%	84
2018	23,205,000	9,165,000	32,370,000	0.62%	188
2019	22,735,000	8,915,000	31,650,000	0.60%	182
2020	31,655,000	8,655,000	40,310,000	0.69%	229

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

Source: ⁽¹⁾ City of Elk Grove CAFR

⁽²⁾ See Schedule of Demographic and Economic Statistics for personal and population data

⁽³⁾ In fiscal year 2017, the City determined that bonds in the amount of \$107,076,895 should be reported as debt without city commitment. Amounts prior to 2017 have not been restated.

CITY OF ELK GROVE

Direct and Overlapping Governmental Activities Debt
June 30,2020

2019-20 Assessed Valuation: \$21,272,312,082

	Total Debt		City's Share of
	<u>6/30/2020</u>	<u>% Applicable (1)</u>	<u>Debt 6/30/20</u>
<u>OVERLAPPING TAX AND ASSESSMENT DEBT:</u>			
Los Rios Community College District	\$455,515,000	10.242%	\$46,653,846
Elk Grove Unified School District	182,550,000	55.444%	\$101,213,022.00
Sacramento Unified School District	482,492,966	0.157%	757,514
City of Elk Grove Community Facilities District No. 2002-1	43,820,000	100.000%	43,820,000
City of Elk Grove Community Facilities District No. 2003-1	38,890,000	100.000%	38,890,000
City of Elk Grove Community Facilities District No. 2005-1	129,980,000	100.000%	129,980,000
Elk Grove Unified School District Community Facilities District No. 1	191,731,133	55.444%	106,303,409
Sacramento County Community Facilities Districts	4,744,475	100.000%	4,744,475
California Statewide Community Development Authority 1915 Act Bonds	14,885,955	100.000%	<u>14,885,955</u>
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$487,248,221
 <u>DIRECT AND OVERLAPPING GENERAL FUND DEBT:</u>			
Sacramento County General Fund Obligations	\$159,847,468	12.393%	\$19,809,897
Sacramento County Pension Obligation Bonds	791,614,052	12.393%	98,104,729
Sacramento County Board of Education Certificates of Participation	3,545,000	12.393%	439,332
Elk Grove Unified School District Certificates of Participation	12,195,000	55.444%	6,761,396
Sacramento Unified School District Certificates of Participation	60,550,000	0.157%	95,064
Cosumnes Community Services District Certificates of Participation	22,434,000	87.107%	19,541,584
City of Elk Grove Lease Revenue Bonds	31,655,000	100.000%	<u>31,655,000</u>
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$176,407,002
Less: Sacramento County supported obligations			\$1,986,284
TOTAL NET DIRECT AND OVERLAPPING GENERAL FUND DEBT			\$174,420,718
 TOTAL GROSS DIRECT DEBT			 \$31,655,000
TOTAL OVERLAPPING DEBT			\$630,013,939
 GROSS COMBINED TOTAL DEBT			 \$672,310,223 (2)
NET COMBINED TOTAL DEBT			\$661,668,939

- (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	2.29%
Total Gross Direct Debt (\$40,310,000)	0.15%
Total General Fund Obligated Debt (\$31,655,000)	0.15%
Gross Combined Total Debt	3.16%

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, 2020

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Assessed value ⁽¹⁾	\$ 15,221,335,725	\$ 14,624,234,897	\$ 13,556,088,414	\$ 14,606,310,971
Less: Exemptions ⁽¹⁾	<u>(296,152,644)</u>	<u>(333,570,758)</u>	<u>(346,233,652)</u>	<u>(359,424,853)</u>
	14,925,183,081	14,290,664,139	13,209,854,762	14,246,886,118
Legal debt margin				
Debt Limit (15% of Assessed Value)	2,238,777,462	2,143,599,621	1,981,478,214	2,137,032,918
Debt applicable to limit:				
Total Bonded Debt (including Special Assessment Bonds)	123,875,000	120,525,000	118,676,624	114,923,363
Less:				
Special Assessment Bonds	-	-	-	-
Tax Allocation Bonds	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Amount of Debt Applicable to Debt Limit	<u>123,875,000</u>	<u>120,525,000</u>	<u>118,676,624</u>	<u>114,923,363</u>
Legal Debt Margin	<u>\$ 2,114,902,462</u>	<u>\$ 2,023,074,621</u>	<u>\$ 1,862,801,590</u>	<u>\$ 2,022,109,555</u>
Total debt applicable to limit as a percentage of debt limit	5.86%	5.96%	6.37%	5.68%

Source: ⁽¹⁾ HdL from the Sacramento County Assessor 2010/11-2019/20 Combined Tax Rolls

2015	2016	2017	2018	2019	2020
\$ 16,119,227,237	\$ 16,893,165,344	\$ 18,008,023,600	\$ 19,462,619,410	\$ 20,637,300,411	\$ 22,300,324,976
(398,318,801)	(430,877,261)	(426,240,108)	(487,229,789)	(451,113,557)	(495,987,672)
15,720,908,436	16,462,288,083	17,581,783,492	18,975,389,621	20,186,186,854	21,804,337,304
2,358,136,265	2,469,343,212	2,637,267,524	2,846,308,443	3,027,928,028	3,270,650,596
111,000,102	119,256,895	14,350,000	32,370,000	31,650,000	40,310,000
-	-	-	-	-	-
-	-	-	-	-	-
111,000,102	119,256,895	14,350,000	32,370,000	31,650,000	40,310,000
\$ 2,247,136,163	\$ 2,350,086,317	\$ 2,622,917,524	\$ 2,813,938,443	\$ 2,996,278,028	\$ 3,230,340,596
4.94%	5.07%	0.55%	1.15%	1.06%	1.25%

CITY OF ELK GROVE, CALIFORNIA

Demographic and Economic Statistics Last Ten Fiscal Years

Year	Population ⁽¹⁾	County Population ⁽¹⁾	Personal Income	Per Capita Personal Income ⁽²⁾	Public School Enrollment ⁽³⁾	Median Age ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2011	153,015	1,428,355	\$ 4,051,684,185	\$ 26,479	62,483	34.50	10.40%
2012	155,937	1,435,153	4,117,828,359	26,407	62,126	33.00	9.80%
2013	159,074	1,450,121	4,277,022,638	26,887	62,137	33.30	6.70%
2014	160,688	1,454,406	4,447,843,840	27,680	62,499	33.90	5.00%
2015	162,899	1,470,912	4,550,094,868	27,932	62,888	33.80	4.50%
2016	167,965	1,495,297	4,705,371,510	28,014	62,767	34.50	4.20%
2017	171,059	1,514,770	4,838,916,992	28,288	63,061	35.10	4.10%
2018	172,116	1,529,501	5,224,409,064	30,354	63,297	35.40	3.60%
2019	174,025	1,546,174	5,516,940,550	31,702	63,917	36.00	3.40%
2020	176,154	1,555,365	5,837,743,560	33,140	64,480	36.60	12.70%

Sources: ⁽¹⁾ California Department of Finance

⁽²⁾ HdL, Coren & Cone, US Census Bureau

⁽³⁾ California Department of Education

⁽⁴⁾ U.S. Census Bureau, American FactFinder, 2011 American Community Survey

⁽⁵⁾ www.labormarketinfo.edd.ca.gov

City of Elk Grove

Principal Employers Last Fiscal Year & Nine Years Ago

Business Name	2020		2011	
	Number of Employees	Percent of Total Employment (%)	Number of Employees	Percent of Total Employment (%)
Apple Computer Inc. ⁽¹⁾	5,000	6.20%	1,800	2.42%
Elk Grove Unified School District ⁽²⁾	3,884	4.81%	5,000	6.71%
CA Correctional Health Care Services ⁽³⁾	1,371	1.70%		
Walmart (3 locations)	596	0.74%	273	
Kaiser Permanente Med Ctr (2 locations)	530	0.66%	1,468	1.97%
Raley's/Bel Air Markets (4 locations)	442	0.55%		0.00%
City of Elk Grove	375	0.46%	250	
Cosumnes Community Services District*	343	0.43%	330	0.44%
Alldata LLC	300	0.37%	400	0.54%
Safeway (2 locations)	265	0.33%		
Methodist Hospital of Sacramento			550	0.74%
Bimbo Bakeries, Inc.			265	0.36%
Elk Grove Bank of Stockton			237	0.32%
Total Top 10 Employers	13,106	16.24%	10,573	13.49%
Total City Labor Force ⁽⁴⁾	80,700		74,500	

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2010-11, previously published CAFR

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

Count includes Corporate office, Distribution Center & Warehouse

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

(3) State of CA employees

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

* Employee count decreased from 779 in 2019 due to the COVID-19 pandemic.

CITY OF ELK GROVE

Government Employment Information Last Ten Fiscal Years

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

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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
5	5	5	5	5	4
13	13	20	21	20	20
4	5	5	6	6	6
3	3	3	3	3	3
7	9	9	14	13	14
16	19	18	18	21	21
9	9	8	8	9	8
7	7	7	7	23	23
3	5	4	5	4	5
205	211	221	224	231	223
6	10	12	12	12	24
5	0	0	0	0	0
3	3	4	4	4	5
5	5	5	5	4	2
1	1	2	1	2	2
4	4	6	7	7	8
4	5	4	4	5	5
<u>300</u>	<u>314</u>	<u>333</u>	<u>344</u>	<u>369</u>	<u>373</u>

CITY OF ELK GROVE

Operating Indicators by Function/Program Last Ten Fiscal Years

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

Sources: City of Elk Grove, Republic Services

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

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

2015	2016	2017	2018	2019	2020
568	625	315	546	819	642
14	9	9	32	18	8
88,053	78,473	76,577	76,233	83,879	80,920
48,305	50,151	53,182	55,528	57,309	57,753
1,080,819	1,073,588	1,085,711	1,025,867	1,037,044	955,309
1,032,039	945,262	860,773	783,893	774,736	610,875
98,098	95,677	94,677	94,776	97,528	96,109
5.8	5.2	4.9	5.0	5.2	4.7
30%	28%	26%	22%	21%	21%
47,985	49,845	50,332	50,723	50,264	50,110
3,236	4,258	2,880	2,833	2,802	2,706
24 Hours	24 Hours	24 Hours	24 Hours	24 Hours	24 Hours
6	6	6	6	5	6
539	710	480	472	560	451

CITY OF ELK GROVE

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

Function/Program	2011	2012	2013	2014	2015	2016
Public Safety						
Police:						
Stations	1	1	1	1	1	1
Patrol units ⁽¹⁾	72	73	75	74	74	75
Highways and Streets						
Streets (miles) ⁽²⁾	502	550	574	555	555	560
Streetlights ⁽³⁾	11,133	11,706	11,706	13,830	14,082	14,195
Traffic signals	126	128	130	167	161	168
Traffic signs ⁽⁴⁾	9,909	9,987	10,000	10,057	10,465	10,873
Bridges	64	65	67	67	81	89
Sidewalk (miles) ⁽⁵⁾	995	996	997	794	800	829
Drainage						
Manholes ⁽⁷⁾	7,630	8,315	8,315	8,490	8,686	9,027
Feet of pipe ⁽⁶⁾	2,076,428	2,336,038	2,336,043	2,361,500	2,404,418	2,063,846
Storm drain inlets ⁽⁷⁾	11,915	14,574	14,588	14,907	15,180	15,836

⁽¹⁾ Previously included

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

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

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

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

⁽⁶⁾ During GIS data clean up, pipelines were found to be mapped in error and/or were discovered as not city-maintained assets. These were removed from the estimates. 2017 data has been updated to reflect the GIS data clean up.

⁽⁷⁾ Manhole and inlet counts were incorrect and data corrected starting in 2020. The count prior to 2020 included assets outside City limits and privately maintained.

Cosumnes Community Services District is the provider for Parks and Recreation Facilities and Fire stations

Source: Departments within the City of Elk Grove

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
1	1	1	1
63	60	58	56
545	545	553	553
14,195	14,195	13,435	13,799
151	151	151	159
25,000	25,000	23,369	23,619
89	89	89	92
829	899	899	899
9,147	9,215	9,287	8,184
2,116,599	2,122,948	2,144,206	2,164,297
15,903	16,192	16,265	13,716

