



City of Elk Grove  
California



## Annual Financial Report to the Community

Fiscal Year Ended June 30, 2024





## To the Residents of Elk Grove

The Finance Department is proud to present you with the City's Annual Financial Report to the Community for the fiscal year (FY) ended June 30, 2024. This report provides an overview of the City's financial condition and a brief analysis of where the City revenues are derived and where those dollars are spent.

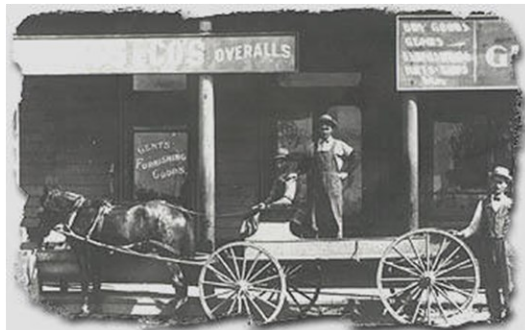
Most of the information in this report is drawn from the financial information appearing in the FY 2023-24 Annual Comprehensive Financial Report (ACFR). The ACFR is a more detailed and complete financial presentation prepared in conformance with Generally Accepted Accounting Principles (GAAP) and was audited by the City's independent auditors, receiving an unmodified opinion. While the financial data in this document is derived from GAAP data, the statistical, economic and demographic data are taken from various sources and are not GAAP-basis data.

We hope you will find this information to be interesting and informative. We welcome your comments and suggestions for future reports. Both the ACFR and this document are available for viewing at the local public libraries, City Hall and on the City's website at <https://www.elkgrovecity.org/finance/accounting>.

## City Overview

In 1850, Elk Grove was established as a hotel and stagecoach stop. Located in the State of California 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 growing and active community.

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 councilmember positions are also elected citywide and each represent one of four council residency districts where the councilmember



must reside and are elected from the residency district they represent rather than City wide.

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, recycling and waste, drainage, and general administration.

According to the Bureau of Labor Statistics, the nation's unemployment rate continues to hover around 4%, but the rate in the Sacramento area was above that level for most of 2024.

Property valuations increased as of January 1, 2024, by 5.2% in Sacramento County and 5.4% in Elk Grove, with expectations that the City will continue to experience increases of around 5% into the future.

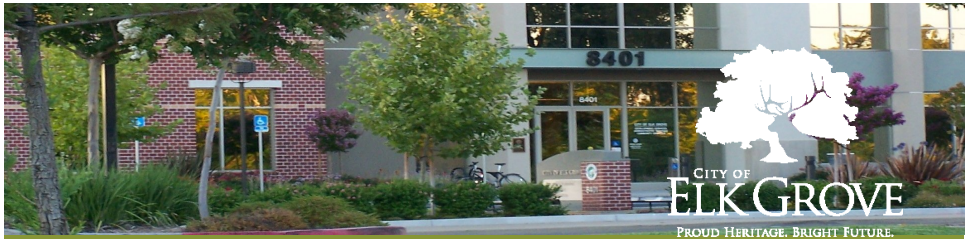
Transaction and use tax revenues exceeded revenue projections by \$6 million, primarily due to Measure E transaction and use (sales) tax revenues coming in significantly higher than originally estimated.

## Financial Highlights for Fiscal Year 2024

The City prepares two types of financial statements that measure its finances. The government-wide statements present a long-term perspective of the City's assets, liabilities and net assets, as well as its operations. The fund statements provide a short-term perspective of individual fund's assets, liabilities and fund balance, as well as the resources flowing in and out during the fiscal year. The General Fund is the main operating fund of the City.

Highlights of the City's financial activities for the fiscal year ending June 30, 2024 include:

- Assets exceeded liabilities at June 30, 2024 by \$1.6 billion.
- Cash and investments of \$479 million were held in the City treasury and over \$49 million of restricted cash were held by fiscal agents.
- Net capital assets of over \$1 billion include the City's entire infrastructure in addition to all other City assets.
- The governmental funds reported combined fund balance is \$491 million, all of which is available to meet the City's current and future needs.



## STATEMENT OF NET POSITION

The Statement of Net Position presents information on all of the City's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the City's financial position is improving or weakening.

	2024	2023
<b>Assets</b>		
Current and other assets	\$ 651,863,247	\$ 523,277,694
Capital assets	1,045,039,901	1,072,487,766
<b>Total Assets</b>	<b>1,696,903,148</b>	<b>1,595,765,460</b>
<b>Deferred Outflow of Resources</b>		
Deferred outflows or resources related to pensions	22,731,591	27,808,665
Deferred outflows or resources related to OPEB	8,706,996	9,347,730
	<b>31,438,587</b>	<b>37,156,395</b>
<b>Liabilities</b>		
Current and other liabilities	76,336,480	44,925,251
Long-term liabilities	81,807,737	80,201,888
<b>Total Liabilities</b>	<b>158,144,217</b>	<b>125,127,139</b>
<b>Deferred Inflows of Resources</b>		
Deferred inflows of resources related to pensions	2,957,304	3,486,153
Deferred inflows of resources related to OPEB	5,623,403	1,403,758
Deferred inflows of resources related to leases	2,311,473	2,852,785
	<b>10,892,180</b>	<b>7,742,696</b>
<b>Net Position</b>		
Net investment in Capital assets <sup>1</sup>	1,010,750,498	1,038,724,365
Restricted net position <sup>2</sup>	452,376,020	398,754,394
Unrestricted net position	96,178,814	62,573,261
<b>Total Net Position</b>	<b>\$ 1,559,305,332</b>	<b>\$ 1,500,052,020</b>

<sup>1</sup>Capital Assets less accumulated depreciation and the related debt.

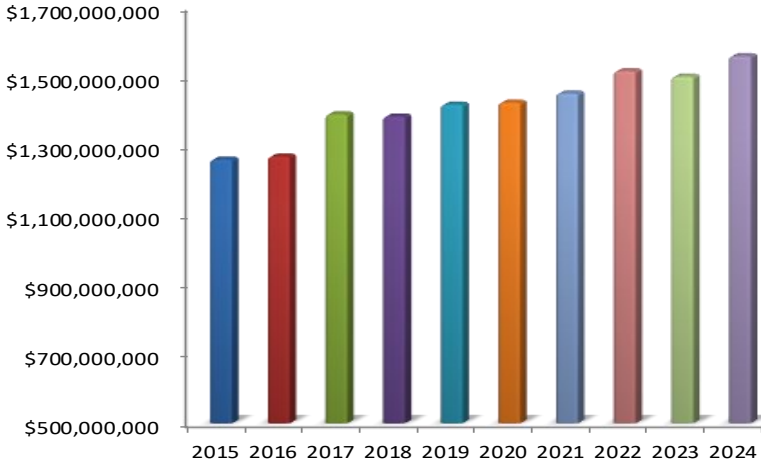
<sup>2</sup>Asset whose use is restricted by statute or law.

What are **your** priorities for our City?  
WE WANT TO HEAR FROM YOU



\*Detailed financial reports can be found in the City's FY 2023-24 ACFR available on the City's website at <https://www.elkgrovecity.org/finance/accounting>, City Hall or local public libraries.

# Total Net Position For Last Ten Years



As noted in the table on the prior page, capital assets are a significant investment for the City. This includes streets, roads, drainage systems and buildings. Since assets are reported net of depreciation, the net position change can decline as the depreciation exceeds reinvestment.

## Accomplishments

In response to community input and to address essential services, the Elk Grove City Council placed Measure E on the November 2022 ballot at its July 27, 2022, meeting. Measure E is a one-cent transactions and use tax estimated to generate approximately \$34 million annually. The tax is a general tax subject to majority voter approval, and approximately 54% of Elk Grove’s voters approved the measure. The tax became effective in April 2023 and is shared between the City and the Cosumnes Community Services District.

In September 2021, the Sacramento Zoological Society and the City of Elk Grove entered into an Exclusive Negotiating Agreement to evaluate creating a new, modern zoological park in Elk Grove. Since then, activities include completing a feasibility study and an economic impact analysis, retaining renowned zoo landscape architecture firm SHR Studios, developing a schematic design and a financing plan, completing an environmental impact review and entering into a cost-sharing agreement with the Society. In 2024, the Planning Commission and City Council formally considered and approved the new zoo project. The City purchased approximately 60 acres for the new zoo.

In February 2024, the City established the Public Agencies Post Employment Benefits Trust (Pension Trust) to help prefund its pension obligations and have more control over when and how prepayment funds are used. In September 2024, the City Council adopted the Pension Funding Policy, which established the goals to achieve a 90% funded status in each of its pension plans and to accumulate an amount in the Pension Trust sufficient to generate investment earnings to cover the City’s Unfunded Accrued Liability payment to CalPERS. The Pension Trust Fund balance as of June 30, 2024, was \$919,000, and the City subsequently contributed \$6.7 million to the Trust.



The Statement of Activities provides a record of the money received by the City and spent during the year. Explanations of specific Resources and Services are provided on the following pages.

	<u>2024</u>	<u>2023</u>
<i>Revenues:</i>		
<i>Program revenues:</i> <sup>1</sup>		
Fees, fines and charges for services	\$ 64,487,624	\$ 61,615,982
Operating grants and contributions	49,864,317	42,517,986
Capital grants and contributions, debt proceeds	13,080,283	10,313,084
	<u>127,432,224</u>	<u>114,447,052</u>
<i>General Revenues:</i> <sup>2</sup>		
Property taxes	37,430,968	35,513,260
Sales and use taxes	37,454,184	38,333,652
Transaction and use tax	34,091,217	7,802,655
Other taxes	12,674,312	12,510,480
Other revenue	1,838,744	3,341,284
Investment Income	20,598,485	5,375,146
	<u>144,087,910</u>	<u>102,876,477</u>
<b>Total Revenues</b>	<b><u>271,520,134</u></b>	<b><u>217,323,529</u></b>
<i>Expenses:</i>		
General government	48,615,765	37,839,420
Public safety	63,615,168	74,538,552
Public ways and facilities	75,102,437	80,504,333
Community development	18,329,570	27,683,740
Interest on long-term debt	1,483,666	1,557,181
Recycling & Waste	2,675,734	2,063,587
Drainage	5,635,775	5,684,901
Revenue Neutrality	2,745,017	3,866,941
	<u>218,203,132</u>	<u>233,738,655</u>
<b>Total Expenses</b>	<b><u>218,203,132</u></b>	<b><u>233,738,655</u></b>
Change in Net Position	63,455,181	(16,415,126)
Net Position - Beginning, as previously reported	1,500,052,020	-
Restatement for correction of an error	(4,201,869)	-
	<u>\$ 1,495,850,151</u>	<u>\$ 1,516,467,146</u>
Net Position - Beginning, as restated	<u>\$ 1,495,850,151</u>	<u>\$ 1,516,467,146</u>
Net Position - Ending	<b><u>\$ 1,559,305,332</u></b>	<b><u>\$ 1,500,052,020</u></b>

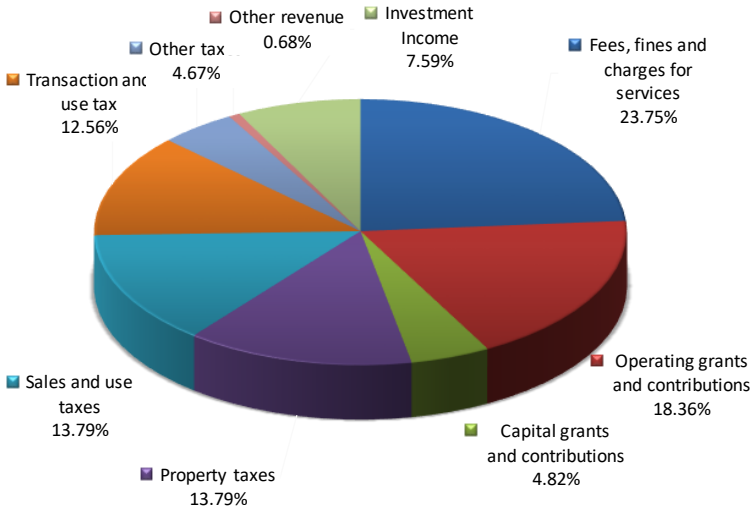
<sup>1</sup>Revenues derived directly from, fees, charges and grants

<sup>2</sup>All revenues that are not related to programs

\*Detailed financial reports can be found in the City's FY 2023-24 ACFR available on the City's website at <https://www.elkgrovecity.org/finance/accounting>, City Hall or local public libraries.

# Revenues

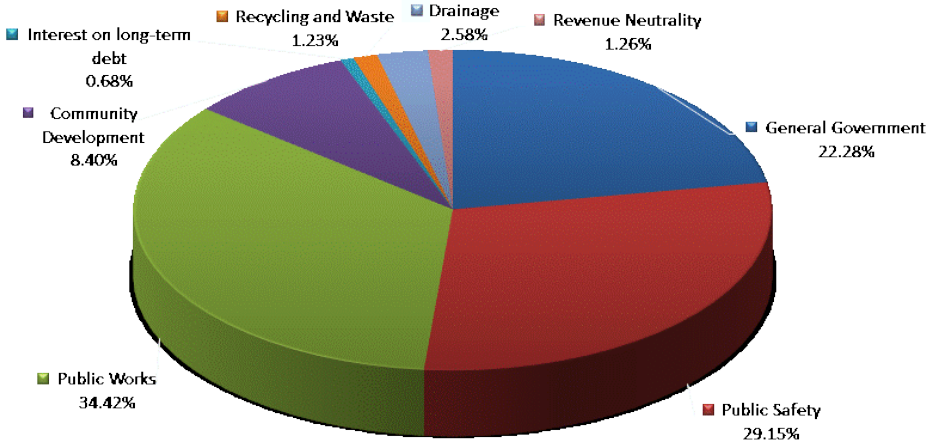
## Where the money comes from...











- Fees, fines and charges for services** - payments received directly by the City for services performed. Includes fees such as development services fees, code enforcement fines, utility payments and business licenses.
- Operating grants and contributions** - monies received from parties outside the City and are generally restricted to one or more specific programs. Includes revenue types such as Transit funding, street funding like Measure A and assessments, vehicle licensing fees from the State and Police Grants from other governmental agencies for public safety.
- Capital grants and contributions** - monies received for capital purposes, to purchase, construct, or renovate capital assets associated with a specific program. Includes items such as Measure A financing for constructing roadways and highway interchanges.
- Property taxes** - 5 to 6% of property tax collected by the County and allocated to the City. The City further shares 20% of the property taxes with the County of Sacramento per the Revenue Neutrality agreement implemented at incorporation that decreases to 10% in FY 2024-25. See expense on the following page.
- Sales and use taxes** - 1% sales tax collected on retail sales in the City.
- Transaction and use tax** - 1% local sales tax to help address City services.
- Other taxes** - smaller taxes collected by the City such as Utility User Tax and Transient Occupancy Tax.
- Other revenue** - interest earned on investments of idle funds and any revenue that does not readily fit into a previously listed category.

# Expenses

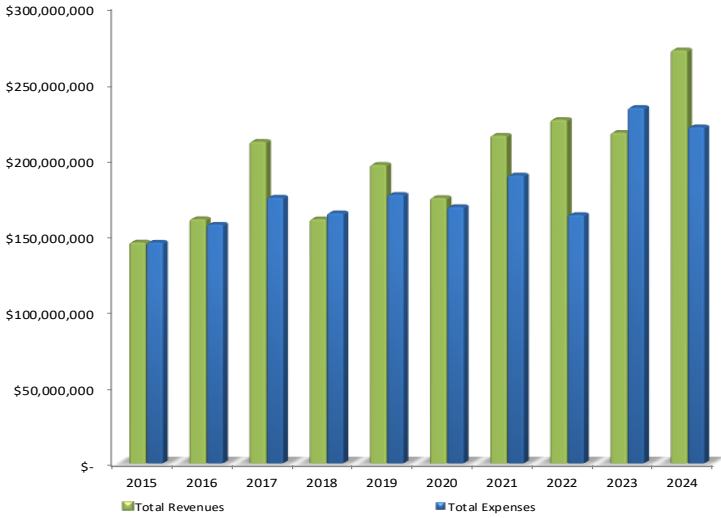
## Where the money goes...



-  Public ways and facilities - reflects expenses associated with the repair, construction, acquisition and maintenance of public roads and bicycle overcrossing.
-  Public safety - includes all aspects of law enforcement.
-  Recycling and Waste - expenses associated with refuse and recycling.
-  General government - includes expenses for the administrative offices including the City Council, City Manager, City Attorney, Finance, Human Resources, City Clerk, Insurance and general administration of the City.
-  Community development - reflects services provided to residents and businesses including Planning, Building, Code Enforcement, Communications and Youth Commission.
-  Revenue Neutrality - agreement between City and County at incorporation lasting 25 years to ensure the County remains revenue neutral by receiving a portion of the City's property tax.
-  Interest on long-term debt - indirect expense of interest paid on general long-term debt incurred by governmental capital improvements.
-  Drainage - maintenance of storm water drainage system.

\*Detailed financial reports can be found in the City's FY 2023-24 ACFR available on the City's website at <https://www.elkgrovecity.org/finance/accounting>, City Hall or local public libraries.

# Total Revenues & Expenses Last Ten Fiscal Years



Operational expenses have balanced each year or have been less than operations, but capital projects typically span multiple years and may expend funds that have accumulated over time.

## Where Your Property Tax Dollar Goes...

Revenue Neutrality—Property owners are levied one percent of appraised value for annual property tax payment. Of this payment, an average of 5.7 cents is allocated to the City annually to provide services. At incorporation, the City accepted that a portion of the property taxes generated within City would be retained by the County to hold them revenue neutral. As a result, the City nets only 80% of those funds (4.5 cents of total tax payment) as available for services. This agreement will end in fiscal year 2026.



\*The dollar bill chart includes the Educational Revenue Augmentation Fund (ERAF) distribution.

# City of Elk Grove Facts\*

Population	178,679	Area	42 square miles
Elevation	45 feet	Miles of Streets	564
Miles of Sidewalk	945	Streetlights	15,183
Traffic Signs	23,999	Manholes	9,118
Feet of Pipe	2,293,934	Storm Drain Inlets	13,967
Sales Tax Rate	8.75%		

## Averages

Low Temperature	24-44 degrees	Median Age	38.70 years
High Temperature	80-115 degrees	Median Home Price -	
Annual Precipitation	20" October to April	\$643,000	

\*Estimates

The City is the second largest incorporated city within Sacramento County.

## Current City Council as of December 31, 2024



**Bobbie Singh-Allen**  
Mayor



**Sergio Robles**  
Councilmember  
District 4



**Darren Suen**  
Councilmember  
District 1

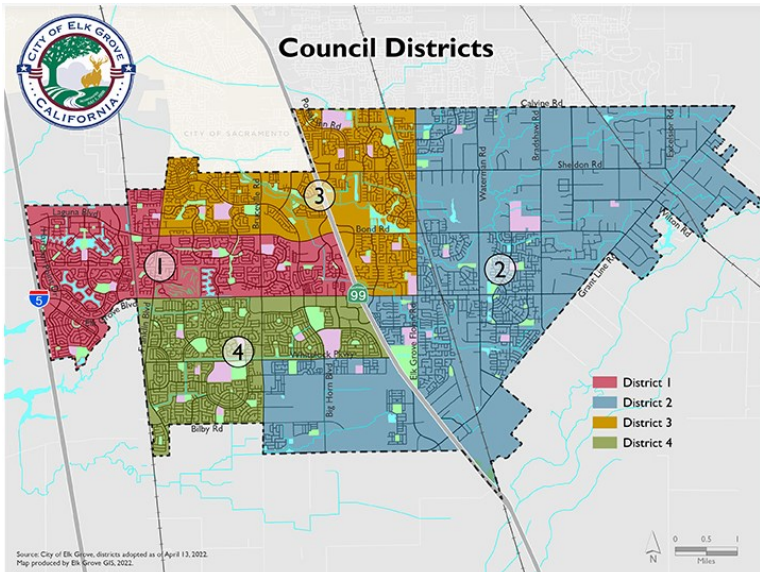


**Rod Brewer**  
Vice Mayor  
District 2



**Kevin Spease**  
Councilmember  
District 3

## City of Elk Grove Council District Map



Visit the City of Elk Grove Website at

<http://www.elkgrovecity.org>

### The City's website includes information about:

- Councilmembers
- Council Meetings
- Council Agenda
- Job Opportunities
- City Permits and Forms
- City Newsletter
- Department Contact Information
- Purchasing Bid Solicitation

### Financial Information

- Annual Budget
- Annual Financial Statements
- Measure E
- Development Related Fee Information
- Special Tax Districts
- Development Impact Fee Deferral Program

### Online Services

- Elk Grove Police Department Daily Watch Summary
- GIS Mapping Tool
- Apply for Pet License
- SeeClickFix
- Submit & View Building Permits
- Apply or Renew Business Licenses
- Track your Code Enforcement Case
- Pay Utility Bill
- Apply for City Jobs



Government Finance Officers Association

Award for  
Outstanding  
Achievement in  
Popular Annual  
Financial Reporting

Presented to

City of Elk Grove  
California

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2023

*Christina P. Merrill*  
Executive Director/CEO

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the City of Elk Grove for its Popular Annual Financial Report for the fiscal year ended June 30, 2023. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to receive an Award for Outstanding Achievement in Popular Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we are submitting it to GFOA.

# **City of Elk Grove Finance Department**

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

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

