



Annual Financial Report to the Community

Fiscal Year Ended June 30, 2025





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, 2025. 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 2024-25 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 rise and is currently around 4.6%, but the rate in the Sacramento area was above that level for most of 2025.

Property valuations decreased as of January 1, 2025, by 2.9% in Sacramento County and 3.8% in Elk Grove, with expectations that the City will experience increases between 2% and 3% into the future. Construction activity has continued to be strong in Elk Grove as evidenced by the number of building permits estimated to be issued in the current year

Sales tax receipts, which are the City's largest revenue source, increased 7.7% from the last fiscal year and were 11.4% higher than budgeted expectations in fiscal year 2024-25.



Financial Highlights for Fiscal Year 2025

- Assets exceeded liabilities at June 30, 2025 by \$1.6 billion.
- Cash and investments of \$610 million were held in the City treasury and over \$23 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 \$615 million, all of which is available to meet the City's current and future needs.

Elk Grove City Council



Bobbie Singh-Allen
Mayor



Darren Suen
Vice Mayor
District 1



Rod Brewer
Councilmember-
District 2

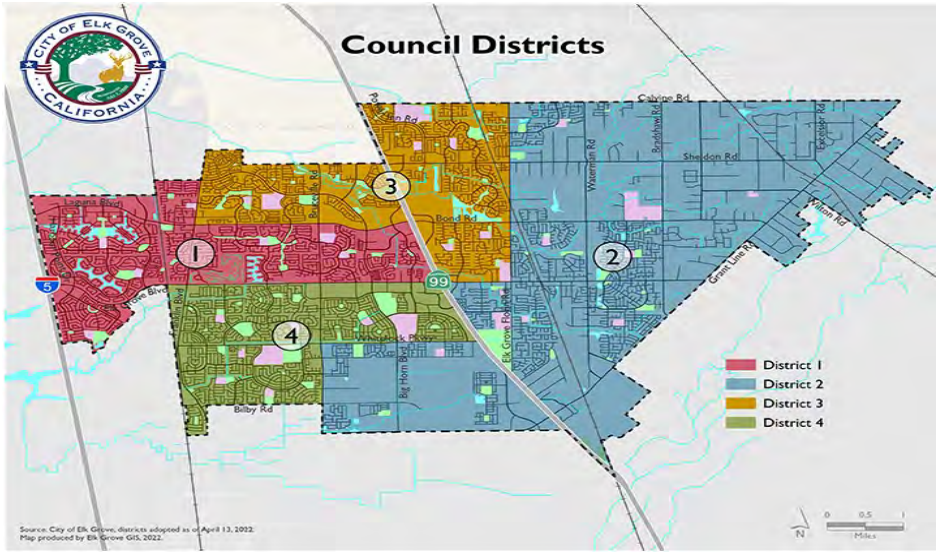


Kevin Spease
Councilmember
District 3



Sergio Robles
Councilmember
District 4

City of Elk Grove Council District Map



City of Elk Grove Executive Team

CITY MANAGER

Jason Behrmann

ASSISTANT CITY MANAGER

Jaqui Guzman

DEPUTY CITY MANAGER

Kara Reddig

CHIEF OF POLICE

Bobby Davis

CHIEF INFORMATION OFFICER

Nicole Guttridge

CITY CLERK

Jason Lindgren

CITY ATTORNEY

Jonathan Hobbs

COMMUNITY DEVELOPMENT DIRECTOR

Christopher Jordan

ECONOMIC DEVELOPMENT DIRECTOR

Darrell Doan

FINANCE DIRECTOR

Rajneil Prasad

HUMAN RESOURCE DIRECTOR (Interim)

Maryam Hussain

PUBLIC WORKS DIRECTOR

Jeff Werner



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.

	2025	2024
Assets		
Current and other assets	\$ 740,499,572	\$ 651,863,247
Capital assets	1,026,791,228	1,045,039,901
Total Assets	1,767,290,800	1,696,903,148
Deferred Outflow of Resources		
Deferred outflows or resources related to pensions	17,367,099	22,731,591
Deferred outflows or resources related to OPEB	7,813,036	8,706,996
	25,180,135	31,438,587
Liabilities		
Current and other liabilities	59,288,731	81,218,343
Long-term liabilities	73,510,862	76,925,874
Total Liabilities	132,799,593	158,144,217
Deferred Inflows of Resources		
Deferred inflows of resources related to pensions	2,094,221	2,957,304
Deferred inflows of resources related to OPEB	6,595,165	5,623,403
Deferred inflows of resources related to leases	1,812,879	2,311,473
	10,502,265	10,892,180
Net Position		
Net investment in Capital assets ¹	989,757,022	1,010,750,498
Restricted net position ²	598,924,100	452,376,020
Unrestricted net position	60,487,955	96,178,814
Total Net Position	\$ 1,649,169,077	\$ 1,559,305,332

¹Capital Assets less accumulated depreciation and the related debt.

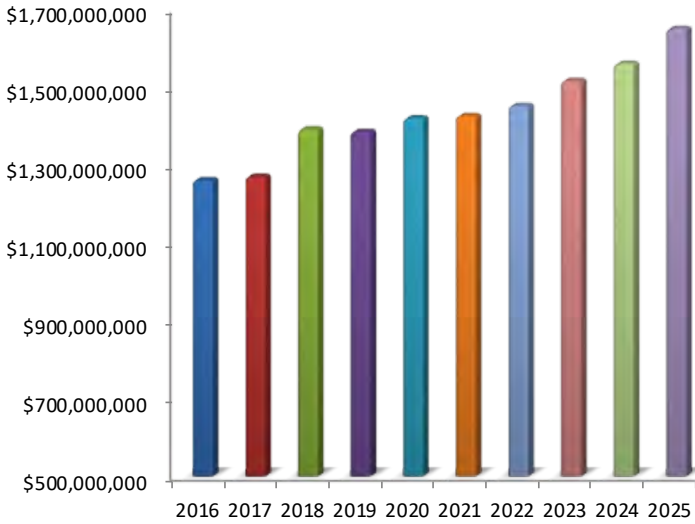
²Asset whose use is restricted by statute or law.



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

*Detailed financial reports can be found in the City's FY 2024-25 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.

City of Elk Grove Facts*

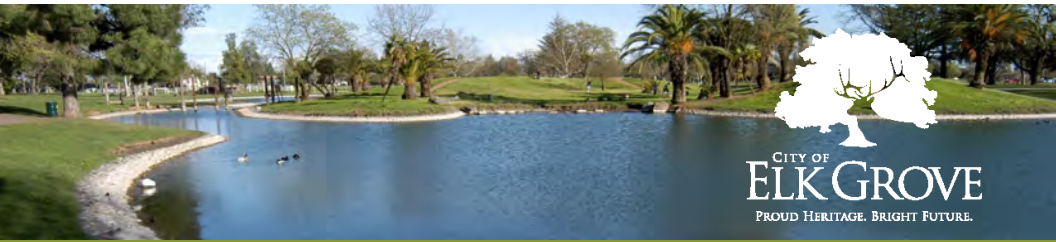
Population	182,842	Area	42 square miles
Elevation	45 feet	Miles of Streets	570
Miles of Sidewalk	949	Streetlights	15,304
Traffic Signs	24,323	Manholes	9,209
Feet of Pipe	2,294,106	Storm Drain Inlets	14,120
Sales Tax Rate	8.75%		

Averages

Low Temperature	24-44 degrees	Median Age	39.00 years
High Temperature	80-115 degrees	Median Home Price -	
Annual Precipitation	12-20" October to April		\$626,000

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





STATEMENT OF ACTIVITIES

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.

	2025	2024
<i>Revenues:</i>		
<i>Program revenues:</i> ¹		
Fees, fines and charges for services	\$ 83,641,659	\$ 73,680,504
Operating grants and contributions	62,651,893	49,864,317
Capital grants and contributions, debt proceeds	17,144,703	14,025,582
	163,438,255	137,570,403
<i>General Revenues:</i> ²		
Property taxes	39,489,355	37,430,968
Sales and use taxes	40,344,609	37,454,184
Transaction and use tax	34,647,585	34,091,217
Other taxes	13,436,624	12,674,312
Other revenue	3,330,161	1,838,744
Investment Income	28,476,115	20,598,485
	159,724,449	144,087,910
Total Revenues	323,162,704	281,658,313
<i>Expenses:</i>		
General government	57,603,374	51,360,782
Public safety	71,106,706	63,615,168
Public ways and facilities	83,353,289	75,102,437
Community development	10,311,188	18,329,570
Interest on long-term debt	1,443,888	1,483,666
Recycling & Waste	3,135,813	2,675,734
Drainage	6,344,701	5,635,775
Total Expenses	233,298,959	218,203,132
Change in Net Position	89,863,745	63,455,181
Net Position - Beginning, as previously reported	1,559,305,332	1,495,850,151
Restatement for correction of an error		
Net Position - Beginning, as restated	\$ 1,559,305,332	\$ 1,495,850,151
Net Position - Ending	\$ 1,649,169,077	\$ 1,559,305,332

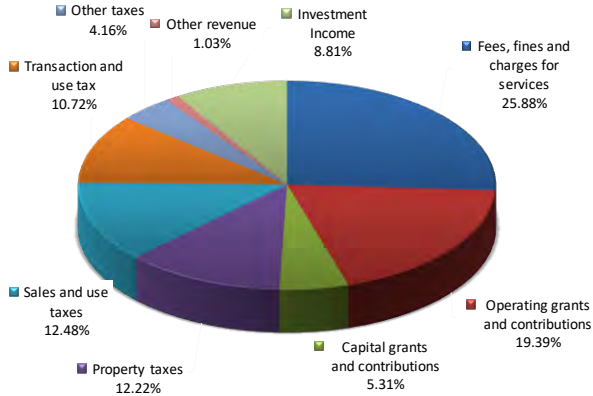
¹ Revenues derived directly from fees, charges and grants









² All revenues that are not related to programs

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Revenues

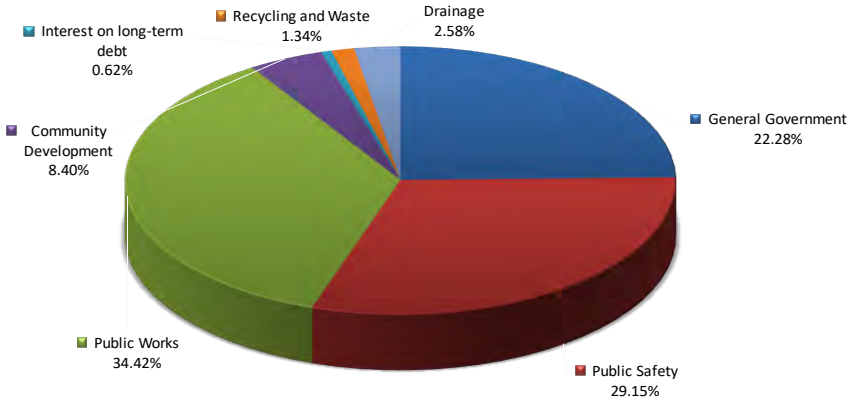
Where the money comes from...











-  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

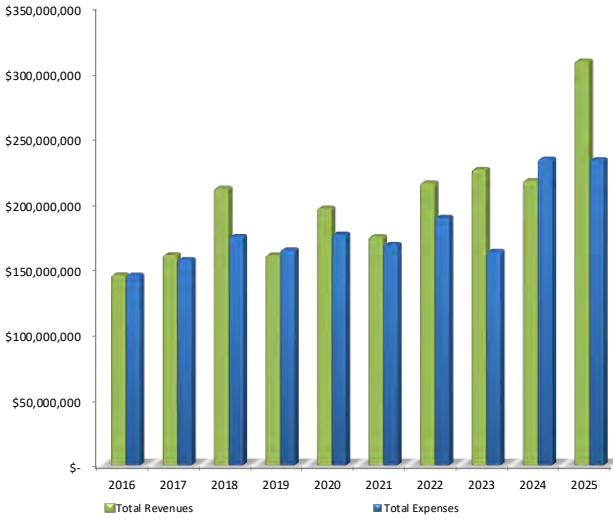
Where the money goes...



-  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.

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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.

Visit the City of Elk Grove Website at

<http://www.elkgrove.gov>

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
- Apply for City Jobs



Government Finance Officers Association

Award for
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Popular Annual
Financial Reporting

Presented to

City of Elk Grove
California

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill
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, 2024. 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 Annual 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

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