

CITY OF LAKE ELSINORE

CALIFORNIA



**Comprehensive
Annual Financial
Report
For Fiscal Year Ended
June, 30 2013**

CITY OF LAKE ELSINORE, CALIFORNIA
COMPREHENSIVE ANNUAL FINANCIAL REPORT

Year Ended June 30, 2013

PREPARED BY THE DEPARTMENT OF FINANCE

City of Lake Elsinore, California
Comprehensive Annual Financial Report
Year Ended June 30, 2013

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INTRODUCTORY SECTION



May 1, 2014

Honorable Mayor and City Council
Lake Elsinore, California

We are pleased to submit the June 30, 2013 Comprehensive Annual Financial Report (CAFR) for the City of Lake Elsinore (City), California. The report consists of management's representations concerning the finances of the City. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the City. We believe the presented data is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP); is accurate in all material aspects; presented in a manner designed to fairly set forth the financial activity of its various funds; and includes all disclosure necessary to enable the reader to gain an understanding of the City's financial affairs.

The significant accounting policies of the City are described in the notes to the financial statements. These accounting policies have been reviewed by the City's independent certified public accountants and are in conformance with the recommendations of the Governmental Accounting Standards Board (GASB).

The City's Financial Statements have been examined by our independent auditors, Teaman, Ramirez & Smith, Inc.

The Financial Reporting Entity

For financial reporting purposes, in conformance with the criteria of Governmental Accounting Standard Board "Defining the Governmental Reporting Entity," this report includes the operating statements and statements of financial position of the City of Lake Elsinore, the Lake Elsinore Public Financing Authority, and the Lake Elsinore Recreation Authority. While each is a separate legal entity, the City Council, acting as Council and Board of Directors, exercises oversight responsibility for each. Each was organized for the benefit of the City and its residents and conducts all activity within its boundaries. They are therefore shown as blended Component Units. The Public Financing Authority is reported as a Debt Service Fund. The Recreation Authority is reported as a Debt Service Fund.

Because of the dissolution of the Redevelopment Agency of the City of Lake Elsinore, the agency is not shown as a component unit of the City of Lake Elsinore's financial statements. The Successor Agency to the Redevelopment Agency continues to carry out remaining activities of the Redevelopment Agency until activities are complete.

Services Provided

The City provides a wide range of municipal services for its citizens, including police protection, fire services, parks, community services, planning and development, public works, street lights, street maintenance, landscaping, capital improvements and general administration. Police and fire services are contracted through the County of Riverside.

Reporting Standards

For reporting purposes, the City has adopted the provisions of GASB Statement No. 1, which established the authoritative status of the pronouncements of its predecessor, the National Council on Governmental Accounting (NCGA), and of the accounting and financial reporting guidance contained in the Industry Audit Guide, Audits of State and Local Governmental Units, issued by the American Institute of Certified Public Accountants. Through widespread acceptance, pronouncements of the NCGA, GASB and the AICPA through its Industry Audit Guide, have long been acknowledged as the primary authoritative statements of GAAP applicable to state and local government.

Financial Statement Format

This report is organized into three sections: introductory, financial and statistical.

The introductory section includes a table of contents, this transmittal letter, the City's principal officers and its table of organization.

The financial section includes: (1) the Auditors' Report, (2) the Management's Discussion and Analysis (MD&A) which is intended to disclose any known significant events or decisions that affect the financial condition of the City, (3) the basic financial statements comprised of government-wide financial statements and fund financial statements which provide an overview of the City's financial position and result of operations, along with "notes" developed to ensure full disclosure and fair presentation, (4) required supplementary information, and (5) combining and individual fund financial statements and schedules designed to present detailed information on individual funds, to demonstrate compliance with finance-related legal and contractual requirements and to assure adequate disclosure at the individual fund entity level.

The statistical section, which is unaudited, provides financial data usually covering more than two years and other non-accounting data. The tables reflect financial trends, revenue capacity, debt capacity, demographics, and operating information of the City government.

Fund Descriptions

The various fund types used by the City and included in this report are as follows:

<u>Fund Category</u>	<u>Fund Type</u>
Governmental Funds	General Fund
	Special Revenue Funds
	Debt Service Funds
	Capital Project Funds
	Permanent Funds
Fiduciary Funds	Private-purpose Trust Funds
	Agency Funds

A description of these funds is included in the "Notes to the Financial Statements."

Budgetary Control and Accounting Basis

Budgetary control is maintained at the departmental level. To facilitate reporting, budgetary control is maintained through computer-generated reports of the financial transactions of all City funds. These reports allow for timely review and continuous assessment of the City's financial condition. Capital Project expenditures are controlled at the project level.

The objective of budgetary control is to ensure compliance with legal provisions embodied in the annual appropriated budget approved by the City Council and various Boards. Budgets are adopted for the General Fund, Special Revenue Funds and certain Capital Project Funds. The level of budgetary control is maintained at the expenditure object level for fixed assets. Schedules of acquisitions of fixed assets at a cost of \$5,000 or more and infrastructure at a cost of \$50,000 or more are included.

Encumbrance accounting is utilized to assure effective budgetary control; purchase orders and contracts are reviewed and a determination is made that valid and sufficient appropriations exist for payment for ordered goods and services. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end, and encumbrances outstanding at that time are reported as a reserve of fund balance for subsequent year expenditures.

In developing and modifying the City's accounting system, consideration has been given to the adequacy of internal accounting controls. Internal accounting controls are designed to provide reasonable, but not absolute, assurance regarding the safeguarding of assets and the reliability of financial records and maintaining accountability of assets.

The concept of reasonable assurance recognizes that the cost of control should not exceed its benefits. The evaluation of this cost benefit relationship rests with management. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse, and to compile sufficient reliable information for the preparation of the financial statements in conformity with GAAP.

All internal control evaluations occur within the bounds as described. We believe that the City's internal accounting controls adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

General Government Operations

Revenue for the governmental fund types totaled \$53,403,787 for fiscal year 2012-13. The amount of revenues from various sources is shown in the following tabulation and represents an overall decrease of \$937,083 or 1.7% from the 2011-12 fiscal year.

Revenue Source	Amount	% of Total	\$ Change from Prior Year	% Change from Prior Year
Taxes	\$ 15,417,173	28.9%	\$ (9,232,811)	-37.5%
Licenses, Permits and Fees	4,999,154	9.4%	2,091,063	71.9%
Intergovernmental Revenues	5,055,511	9.5%	(1,138,266)	-18.4%
Charges for Services	1,746,713	3.3%	372,362	27.1%
Fines and Forfeitures	927,315	1.7%	(923,083)	-49.9%
Investment Income	12,122,739	22.7%	4,942,721	68.8%
Special Assessments	1,585,606	3.0%	7,288	0.5%
Contribution from Property Owners	8,079,739	15.1%	6,858,555	561.6%
Other	3,469,837	6.5%	(3,914,912)	-53.0%
	<u>\$ 53,403,787</u>	<u>100%</u>	<u>\$ (937,083)</u>	<u>-1.7%</u>

Significant revenue increases in the Governmental Fund Types occurred in licenses, permits and fees, investment income, and contribution from property owners. Contribution from property owners relates to bond proceeds received related infrastructure cost for the Summerly and Canyon Hills residential development projects. Decreases which occurred in intergovernmental revenues are related to a decrease in grant funding for program and capital projects. Investment income increased due to the refunding of various tax allocation bonds and other revenue decrease due to the completion of capital projects.

Expenditures for governmental purposes totaled \$55,923,422 for fiscal year 2012-13. Levels of expenditures for major functions of the City are shown in the following tabulation:

<u>Expenditures</u>	<u>Amount</u>	<u>% of Total</u>	<u>\$ Change from Prior Year</u>	<u>% Change from Prior Year</u>
General Government	\$ 5,648,455	10.1%	\$ (1,819,300)	-24.4%
Public Safety	12,339,592	22.1%	428,228	3.6%
Community Development	2,925,329	5.2%	1,316,547	81.8%
Public Services	6,772,010	12.1%	(1,028,085)	-13.2%
Community Services	4,281,401	7.7%	(1,682,472)	-28.2%
Capital Expenditures	10,889,810	19.5%	621,057	6.0%
Bond Issue Costs	1,260,059	2.3%	1,021,769	428.8%
Debt Service and Costs	11,806,766	21.1%	(2,236,783)	-15.9%
	<u>\$ 55,923,422</u>	<u>100%</u>	<u>\$ (3,379,039)</u>	<u>-5.4%</u>

The net overall expenditure decrease for the governmental fund types totaled \$3,379,039. Increases were offset by decreased spending resulting in increased spending controls for general government, public services, and community services.

Cash Management

Cash during the year was invested in State Local Agency Investment Fund and Government-backed securities throughout the year.

<u>Type of Security</u>	<u>% of Portfolio</u>	<u>% Permitted by Policy</u>
U.S. Treasury Bond / Notes	20.87%	100%
Federal Agency Bond / Notes	49.66%	100%
Corporate Notes	29.30%	30%
CAMP - Pooled Sweep Account	0.17%	100%

The City's investment policy continues to rely on safety and liquidity as primary concerns. The following table represents a summary of the investment policy limitations.

<u>Type of Security</u>	<u>Maximum Percentage</u>
U.S. Treasury Bills	Unlimited
U.S. Treasury Bond / Notes	Unlimited
Federal Agency Bond / Notes	*Unlimited
Bankers Acceptances	40.00%
Certificates of Deposit	25.00%
Negotiable Certificates of Deposits	30.00%
Commercial Paper	15.00%
Medium Term Corporate Notes	30.00%
Repurchase Agreements	Unlimited
Reverse Repurchase Agreements	20.00%
LAIF (Local Agency Investment Fund)	Unlimited
CAMP - Pooled Sweep Account	Unlimited

*No more than 40% in any one federal agency.

Risk Management

The City is a member of the Southern California Joint Powers Insurance Authority, which provides coverage for liability, facility, automobile, and workers compensation protection. The Authority utilizes a staff of risk managers to assist member agencies in all aspects of coverage and safety issues.

Debt Administration

The City of Lake Elsinore, not including the component units, has no outstanding bond debt as of June 30, 2013.

The City's Financing Authority, a joint powers authority between the City and Redevelopment Agency, was put in place to provide an economical and cost effective pool of funds to acquire authorized local public obligations.

Certain bonds issued and sold through the Financing Authority were authorized under the Marks-Roos Local Bond Pooling Act of 1985.

Vision Statement

The City Council's visionary statement guides Council and Staff's focus that is in line with Council's budgetary initiatives:

The City of Lake Elsinore will be the ultimate lake destination where all can live, work, play, build futures, and fulfill dreams.

Major Initiatives for the Year and Prospects for the Future

The City Council's budgetary and legislative priorities continue to be public safety and transportation; however, with the vision statement of focus on the "lake" and "play," Council's directive includes building recreation facilities and supporting sport venues. Though public safety and transportation take the lead, Council's dream extreme motto coupled with economic development will facilitate goals to becoming an ultimate lake destination. After all, we are the sports capital of the world where our residents and visitors can dream extreme.

Public Safety

The City Council has made public safety its number one operating budget priority. The public safety budget increased \$428,228 from the 2012 amounting to 3.6% of the total net increase in the governmental expenditures.

The City celebrated the grand opening of the Rosetta Canyon Fire Station #97. The new, state-of-the art facility is a three-apparatus bay, nine-person fire station that can expand to house 12 firefighters. The 8,097 square foot fire station will provide quicker response times, improved City coverage and an increased level of service to its residents, businesses, and visitors including fires, medical emergencies, traffic accidents, and hazardous materials incidents.

Transportation

Improving circulation to keep pace with growth is a major City Council goal. The strategies used by the City Council include partnerships with the Riverside County Transportation Commission, Caltrans, Lake Elsinore Unified School District, and other entities to prioritize transportation projects and funding.

The City took the lead as one of the first California Cities to purchase the HEATWURX street repair equipment distributed through Caterpillar. HEATWURX equipment allows City staff to repair street potholes efficiently with reduced costs.

Independent Audit

State statutes require an annual audit by independent certified public accountants. In support of independence, the firm of Teaman, Ramirez & Smith, Inc. was selected by the City Council this year. Auditing standards generally accepted in the United States of America and the standards set forth in the General Accounting Office's Government Auditing Standards were used by the auditors in conducting the engagement. The auditors' report on the basic financial statements is included in the financial section of this report.

Awards

In addition, the City's Budget Office also received the GFOA Distinguished Budget Presentation Award for its fiscal year 2012-13 budget document. In order to qualify for the Distinguished Budget Presentation Award, the government's budget document was judged to be proficient in several categories, including as a policy document, a financial plan, an operations guide, and a communications device.

Honorable Mayor and City Council
May 1, 2014

Acknowledgments

We wish to express appreciation to the Finance Division staff for their dedicated service and contribution to the department during this fiscal year. Their efforts are reflected in this report and in other documents resulting from the annual financial management process. We also would like to thank the City's independent auditors, Teaman, Ramirez, & Smith, Inc. for their knowledge and efficiency.

The Mayor, members of the City Council and Management are to be commended for their interest and support in conducting financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

CITY OF LAKE ELSINORE

Grant Yates

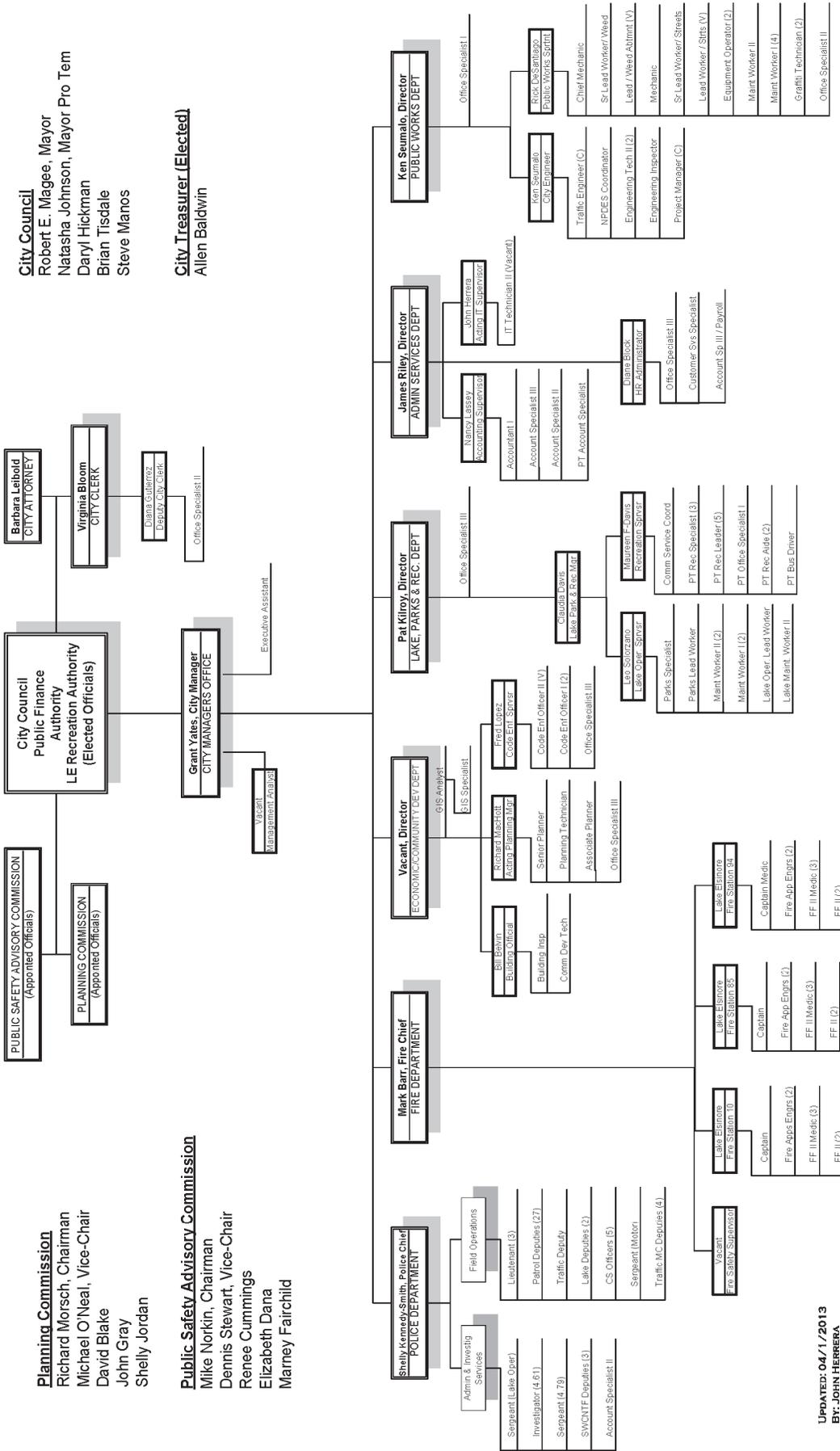
City Manager

Jason Simpson

Director of Administrative Services



City of Lake Elsinore 2012-2013 City-Wide Organizational Chart Effective July 1, 2012



City Council
Robert E. Magee, Mayor
Natasha Johnson, Mayor Pro Tem
Daryl Hickman
Brian Tisdale
Steve Manos

City Treasurer (Elected)
Allen Baldwin

Planning Commission
Richard Morsch, Chairman
Michael O'Neal, Vice-Chair
David Blake
John Gray
Shelly Jordan

Public Safety Advisory Commission
Mike Norikin, Chairman
Dennis Stewart, Vice-Chair
Renee Cummings
Elizabeth Dana
Marney Fairchild

UPDATED: 04/1/2013
BY: JOHN HERRERA

CITY OF LAKE ELSINORE
DIRECTORY OF OFFICIALS*
June 30, 2013

ELECTED OFFICIALS

City Council members are elected to four-year staggered terms.

NAME	POSITION
Natasha Johnson	Mayor
Steve Manos	Mayor Pro Tem
Daryl Hickman	Councilmember
Robert E. Magee	Councilmember
Brian Tisdale	Councilmember
Allen Baldwin	Treasurer

ADMINISTRATION

NAME	POSITION
Grant Yates	City Manager
Virginia Bloom	City Clerk
Barbara Leibold	City Attorney
Pat Kilroy	Director of Lake, Parks, & Recreation
Jason Simpson	Director of Administrative Services
Ati Eskandari	Acting Director of Public Works
Grant Taylor	Director of Community Development

**At date of issuance*

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FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Members of the City Council
City of Lake Elsinore
Lake Elsinore, California

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the City of Lake Elsinore, California (the "City") as of and for the year ended June 30, 2013, 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 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 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, each major fund, and the aggregate remaining fund information of the City of Lake Elsinore, California, as of June 30, 2013, 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.

Emphasis of Matter

As described in Note 1B to the financial statements, in 2013, the City adopted new accounting guidance, GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Our opinion is not modified with respect to these matters.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information on pages 3-11 and 75-78 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, supplementary section, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The supplementary section is the responsibility of management and was derived from and relate 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 supplementary section 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 May 1, 2014, 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.



Riverside, California
May 1, 2014

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2013

As management of the City of Lake Elsinore (City), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found at the beginning of the Comprehensive Annual Financial Report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Lake Elsinore exceeded its liabilities at the close of the most recent fiscal year by \$219.5 million (*net position*).
- The City's total net position decreased by \$8.6 million. The net decrease is primarily attributable to an increase in long-term liabilities by additions to local agency revenue bonds.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$12 million or 46.7 percent of total General Fund expenditures. City Council has designated \$1.3 million of the \$12 million for future contingencies.
- The City of Lake Elsinore's total debt had a net increase of \$21.8 million during the current fiscal year. The net increase includes \$27.8 million for local agency revenue bonds and \$1.9 million in post-employment obligations. The decreases included \$3.2 million in tax allocation bonds due to refunding.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis section is intended to serve as an introduction to the City's basic financial statement, designed to communicate the information in an easily readable form. The City's Comprehensive Annual Financial Report (CAFR) is intended to provide the reader with information of the City's financial condition, results of operation, and accountability.

The City's basic financial statements comprise of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

The *government-wide financial statements* are designed to provide reader with a broad overview of the City's finances, in a manner similar to a private-sector business. These statements are presented in the accrual basis to reveal if resources were used efficiently and effectively to meet operating objectives.

The *statement of net position* presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, 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 financial position of the City of Lake Elsinore is improving or deteriorating.

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2013

Government-wide Financial Statements - Continued

The *statement of activities* presents information showing how the government's net position changed during the most recent fiscal year. All changes in net assets 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 only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

The governmental activities of the City include general government, public safety, community development, public services and community services.

The government-wide financial statements can be found on pages 12 - 13 of this report.

Fund Financial Statements

A *fund* is a grouping of related accounts that is 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 compliance with finance-related legal requirements. All of the funds of the City of Lake Elsinore can be divided into two categories: governmental funds and fiduciary funds.

Governmental 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 government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The City maintains various individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund, Low and Moderate Income Housing Special Revenue Fund and the Public Financing Authority Debt Service Fund, which are considered to be major funds. Data from other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these other governmental funds is provided in the form of *combining statements* elsewhere in this report.

The City of Lake Elsinore adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, and certain Capital Projects Funds. A budgetary comparison statement has been provided for the General Fund and certain Special Revenue Funds to demonstrate compliance with this budget.

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2013

Governmental Funds - Continued

The basic governmental fund financial statements can be found on pages 14 - 19 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefits of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Lake Elsinore's own programs.

The basic fiduciary fund financial statements can be found on pages 20 - 21 of this report.

Notes to the Basic Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 22 - 74 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information*. Required supplementary information can be found starting on pages 75 - 78 of this report. The combining statements referred to earlier in connecting with other governmental funds are presented immediately following the required supplementary information. Combining and individual fund statements and schedules can be found on pages 79 - 141 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows of resources exceeded liabilities by \$219.5 million at the close of the most recent fiscal year.

Condensed Statements of Net Position

	Governmental Activities	
	2013	2012
Assets:		
Current and other assets	\$ 247,719,444	\$ 167,729,202
Capital assets	147,176,443	147,951,102
Total Assets	394,895,887	315,680,304
Deferred Outflows of Resources:		
Deferred charges on refunding	1,321,579	-
Total Deferred Outflows of Resources	1,321,579	-

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2013

GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Condensed Statements of Net Position - Continued

	Governmental Activities	
	2013	2012
Liabilities:		
Long-term debt outstanding	158,468,875	79,928,929
Other liabilities	18,246,802	7,679,761
Total Liabilities	176,715,677	87,608,690
Net Position:		
Invested in capital assets, net of related debt	147,176,443	134,976,102
Restricted	75,129,411	141,619,986
Unrestricted	(2,804,065)	(48,524,474)
Total Net Position	\$ 219,501,789	\$ 228,071,614

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

For the City, 67% of the net position reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net assets, 34.2%, represents resources that are subject to external restrictions on how they may be used. The deficit balance of approximately (\$2.8) million in *unrestricted net position* reflect the fact that governmental activities raise resources based on when liabilities are expected to be paid, rather than when they are incurred. Most governments do not have sufficient current resources on hand to cover current and long-term liabilities. The deficit in and of itself should not be considered an economic or financial difficulty; however, it does measure how far the City has committed the government's future tax revenues for purposes other than capital acquisition.

The City's total net position decreased by \$8.6 million. The net decrease is primarily attributable to an increase in long-term liabilities by additions to local agency revenue bonds.

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2013

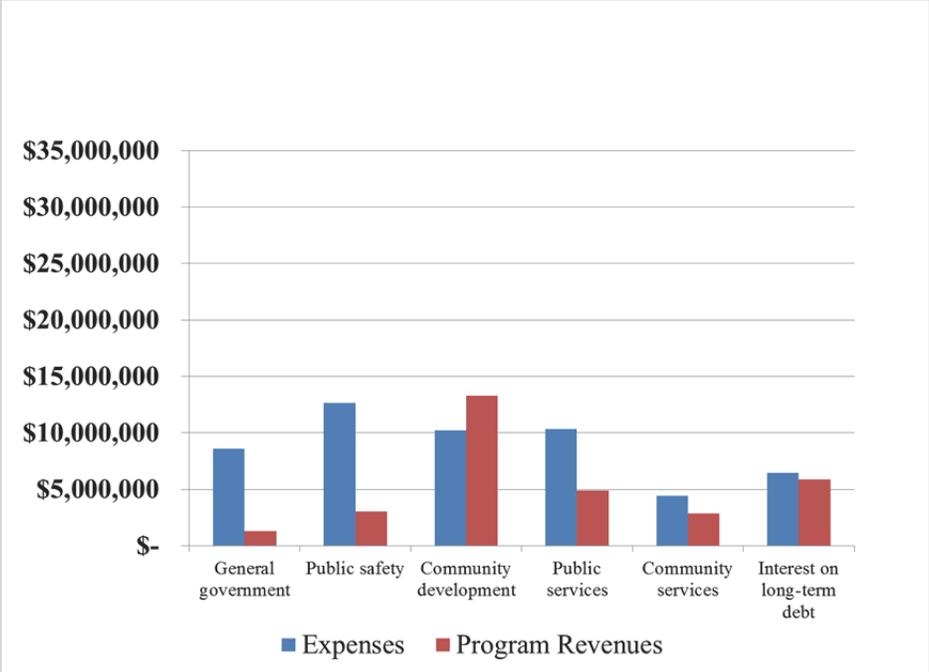
GOVERNMENT-WIDE FINANCIAL ANALYSIS - Continued

Condensed Statements of Revenues,
Expenses and Changes in Net Position

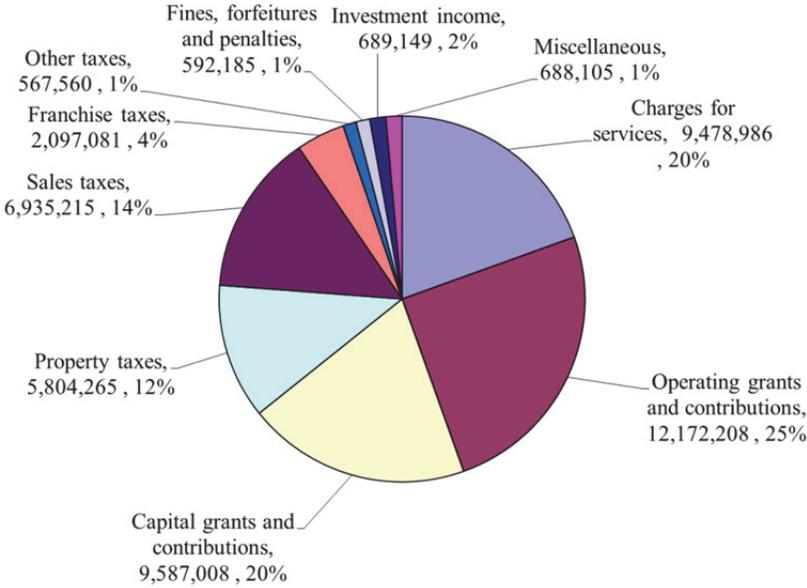
	Governmental Activities	
	2013	2012
Revenues:		
Program Revenues:		
Charges for services	\$ 9,478,986	\$ 5,860,759
Operating grants and contributions	12,172,208	3,306,452
Capital grants and contributions	9,587,008	4,539,293
General Revenues:		
Taxes:		
Property taxes	5,804,265	14,698,032
Sales taxes	6,935,215	7,444,947
Franchise taxes	2,097,081	2,002,550
Other taxes	567,560	538,402
Fines, forfeitures and penalties	592,185	1,850,398
Investment income	689,149	8,031,256
Miscellaneous	688,105	6,992,813
	48,611,762	55,264,902
Expenses:		
General government	8,833,983	11,944,507
Public safety	12,684,631	11,911,363
Community development	10,242,652	4,989,313
Public services	10,359,134	9,834,764
Community services	4,416,500	7,010,026
Interest on long-term debt	6,451,470	8,835,312
	52,988,370	54,525,285
Change in net assets, before Extraordinary Item	(4,376,608)	739,617
Extraordinary Item-Gain on Dissolution of Redevelopment Agency	-	61,700,316
Net position at beginning of year	228,071,614	165,631,681
Prior period adjustment	(4,193,217)	-
Net position at beginning of year, as restated	223,878,397	165,631,681
Net position at end of year	\$ 219,501,789	\$ 228,071,614

City of Lake Elsinore, California
Management's Discussion and Analysis
 June 30, 2013

Expenses and Program Revenues – Governmental Activities



Revenues by Sources – Governmental Activities



City of Lake Elsinore, California
Management's Discussion and Analysis
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FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

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

Governmental Funds

The focus of the City's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$216.1 million, an increase of \$35.2 million in comparison with the prior year. Of the \$216.1 million ending fund balance, a net \$12 million related to the general fund, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is either *nonspendable, \$1.8 million; restricted, \$202.1 million; or assigned, \$1.0 million* to indicate that it is not available for new spending because it has already been committed.

The General Fund is the chief operating fund of the City of Lake Elsinore. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$12 million, while total fund balance was \$13.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned general fund balance represents 46.7% of total General Fund expenditures, while total fund balance represents 53.8% of that same amount.

The fund balance of the City's General Fund increased by \$506,835 during the current fiscal year. Key factors in this increase are as follows:

- Revenues from licenses, permits and fees increased by \$1.3 million partly as a result of increased issuance of building permits for single family homes.
- Property taxes increased by \$556,918 as a result from increased property values.

GENERAL FUND BUDGETARY HIGHLIGHTS

The difference between the original budget and the final amended budget reflects a \$168,000 net increase in appropriations, including transfers in and out and can be briefly summarized as follows:

- \$129,504 increase in general government activities
- \$63,508 decrease for public safety
- \$15,984 increase in community development
- \$94,309 decrease in public services
- \$114,964 increase to community services
- \$14,541 increase in capital outlay
- \$48,891 increase in transfers out

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2013 amounts to \$147.2 million (net of accumulated depreciation). This investment in capital assets included land, buildings, improvements, machinery and equipment, and infrastructure. The total decrease in the City of Lake Elsinore's investment in capital assets for the current fiscal year was 1%.

Major or notable capital asset events during the current fiscal year included the following:

- Completion of the Wetlands & Riparian Enhancement Project
- Completion of the Sumner & Heald Ave. Pavement Rehabilitation Project
- Docks for the Seaport Boat Launch

Capital Assets at Year-End
(Net of Depreciation)

	Governmental Activities	
	2013	2012
Land	\$ 2,926,422	\$ 2,926,422
Construction in progress	2,304,346	12,063,686
Buildings and structures	12,658,773	12,607,406
Improvements other than buildings	11,984,662	3,288,347
Machinery and equipment	548,691	590,598
Furniture and fixtures	289,164	167,293
Automotive equipment	195,486	158,739
Infrastructure	116,268,899	116,148,611
Totals	\$ 147,176,443	\$ 147,951,102

Additional information on the City of Lake Elsinore's capital assets can be found in note 6 of this report.

Long-Term Debt

At year-end, the City has a number of debt issues outstanding. These issues include \$83.5 million of local agency revenue bonds, \$56.1 million of tax allocation bonds, \$12.6 million of revenue refunding bonds, and \$6.1 in OPEB obligation. Changes in long-term obligations result from defeasance of 2008 Series B bonds and new four new issues of local agency revenue bonds 2012 Series A through C and 2013 Series A.

City of Lake Elsinore, California
Management's Discussion and Analysis
June 30, 2013

CAPITAL ASSETS AND DEBT ADMINISTRATION - Continued

Long-Term Debt - Continued

	Outstanding Debt	
	Governmental Activities	
	2013	2012
Local agency revenue bonds	\$ 83,470,000	\$ 61,835,000
Tax allocation bonds	56,125,000	58,580,000
Deferred amounts	(464,968)	(2,026,446)
Revenue refunding bonds	12,565,000	12,975,000
Other post-employment benefit obligation	6,136,940	4,706,761
Compensated absences	636,903	644,691
 Totals	 \$ 158,468,875	 \$ 136,715,006

Additional information on the City of Lake Elsinore's long-term debt can be found in note 7 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- Property taxes are estimated to increase slightly for the next fiscal year due to anticipated growth as the housing market improves and property values increase.
- The retail sales trends increased each quarter in fiscal year 2014 and the projections are expecting this growth to continue during the next year.
- Investment earnings are estimated to remain low due to low interest rates.

These factors were considered in preparing the City of Lake Elsinore's budget for fiscal year 2013-14.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Lake Elsinore'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 the City of Lake Elsinore, Department of Administrative Services, 130 South Main Street, Lake Elsinore, California, 92530 or jsimpson@lake-elsinore.org.

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BASIC FINANCIAL STATEMENTS

City of Lake Elsinore, California
Statement of Net Position
June 30, 2013

	<u>Governmental Activities</u>
ASSETS	
Cash and Investments	\$ 41,203,798
Restricted Cash and Investments	97,415,737
Accounts Receivable	1,209,238
Accrued Interest Receivable	2,032,482
Loans Receivable from Successor Agency	89,719,070
Notes Receivable	11,837,000
Interest Receivable on Notes	776,581
Due from Other Governments	2,655,264
Prepaid Items	821,906
Land Held for Resale	48,368
Capital Assets, Not Depreciated	
Land	2,926,422
Construction in Progress	2,304,346
Capital Assets, Net of Accumulated Depreciation	<u>141,945,675</u>
Total Assets	<u>394,895,887</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Charges on Refunding	<u>1,321,579</u>
Total Deferred Outflows of Resources	<u>1,321,579</u>
LIABILITIES	
Accounts Payable	5,779,364
Other Accrued Liabilities	354,505
Deposits and Other Liabilities	9,123,004
Interest Payable	2,028,709
Unearned Revenue	961,220
Noncurrent Liabilities:	
Due Within One Year	6,118,690
Due in More Than One Year	<u>152,350,185</u>
Total Liabilities	<u>176,715,677</u>
NET POSITION	
Net Investment in Capital Assets	147,176,443
Restricted for:	
Debt Service	4,631,264
Low and Moderate Income Housing	51,954,960
Transportation and Public Works	12,297,891
Development	1,533,260
Public Facilities and Improvements	4,318,412
Other Purposes	393,624
Unrestricted (Deficit)	<u>(2,804,065)</u>
Total Net Position	<u><u>\$ 219,501,789</u></u>

The accompanying notes are an integral part of this statement.

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City of Lake Elsinore, California
Statement of Activities
Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General Government	\$ 8,833,983	\$ 456,760	\$ 448,386	\$ 400,620	\$ (7,528,217)
Public Safety	12,684,631	700,069	2,340,179		(9,644,383)
Community Development	10,242,652	4,381,899	1,556,970	7,333,114	3,029,331
Public Services	10,359,134	1,117,800	1,893,591	1,853,274	(5,494,469)
Community Services	4,416,500	2,822,458	60,527		(1,533,515)
Interest on Long-term Debt	6,451,470		5,872,555		(578,915)
	<u>\$ 52,988,370</u>	<u>\$ 9,478,986</u>	<u>\$ 12,172,208</u>	<u>\$ 9,587,008</u>	<u>(21,750,168)</u>
General Revenues:					
Taxes:					
Property Taxes					5,804,265
Sales Taxes					6,935,215
Franchise Taxes					2,097,081
Other Taxes					567,560
Fines, Forfeitures and Penalties					592,185
Investment Earnings					689,149
Miscellaneous					688,105
					<u>17,373,560</u>
					<u>(4,376,608)</u>
Net Position - Beginning of Year, As Previously Reported					228,071,614
Prior Period Adjustment					<u>(4,193,217)</u>
Net Position - Beginning of Year, As Restated					<u>223,878,397</u>
Net Position - End of Year					<u>\$ 219,501,789</u>

The accompanying notes are an integral part of this statement.

City of Lake Elsinore, California
Balance Sheet
Governmental Funds
June 30, 2013

	General Fund	Special Revenue Low and Moderate Income Housing	Debt Service Public Financing Authority
ASSETS			
Cash and Investments	\$ 13,437,560	\$ 5,545,629	\$ 513,018
Cash with Fiscal Agent			96,709,352
Accounts Receivable	652,763	527,296	
Accrued Interest Receivable	1,108	24	198
Loans Receivable from Successor Agency		33,594,070	56,125,000
Notes Receivable	1,000,000	10,837,000	
Interest Receivable on Notes	90,000	686,581	
Due from Other Funds	985,026		
Due from Other Governments	1,196,881		
Prepaid Items	821,906		
Land Held for Resale		48,368	
Total Assets	<u>\$ 18,185,244</u>	<u>\$ 51,238,968</u>	<u>\$ 153,347,568</u>
LIABILITIES			
Accounts Payable	\$ 3,926,945	\$ 791,779	\$
Other Accrued Liabilities	315,597	1,460	
Deposits and Other Liabilities			9,121,304
Due to Other Funds			
Unearned Revenue - Grants			
Unearned Revenue - Other	13,479		
Total Liabilities	<u>4,256,021</u>	<u>793,239</u>	<u>9,121,304</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Interest on Loans Receivable		11,803,630	
Unavailable Revenue - Interest on Notes Receivable	90,000	686,581	
Unavailable Revenue - Grants			
Total Deferred Inflows of Resources	<u>90,000</u>	<u>12,490,211</u>	<u>0</u>
FUND BALANCES			
Nonspendable	1,821,906		
Restricted		37,955,518	144,226,264
Assigned			
Unassigned	12,017,317		
Total Fund Balances	<u>13,839,223</u>	<u>37,955,518</u>	<u>144,226,264</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 18,185,244</u>	<u>\$ 51,238,968</u>	<u>\$ 153,347,568</u>

Other Governmental Funds	Total Governmental Funds
\$ 21,707,591	\$ 41,203,798
706,385	97,415,737
29,179	1,209,238
2,443	3,773
	89,719,070
	11,837,000
	776,581
	985,026
1,261,886	2,458,767
	821,906
	48,368
<u>\$ 23,707,484</u>	<u>\$ 246,479,264</u>
\$ 1,060,640	\$ 5,779,364
37,448	354,505
1,700	9,123,004
985,026	985,026
95,957	95,957
851,784	865,263
<u>3,032,555</u>	<u>17,203,119</u>
	11,803,630
	776,581
572,641	572,641
<u>572,641</u>	<u>13,152,852</u>
20,003	1,841,909
19,953,030	202,134,812
1,034,681	1,034,681
(905,426)	11,111,891
<u>20,102,288</u>	<u>216,123,293</u>
<u>\$ 23,707,484</u>	<u>\$ 246,479,264</u>

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City of Lake Elsinore, California
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2013

Fund Balances of Governmental Funds	\$	216,123,293
<p>Amounts reported for governmental activities in the Statement of Net Position are different because:</p>		
<p>Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.</p>		147,176,443
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the funds.</p>		
Unavailable Revenue - Interest		12,580,211
Unavailable Revenue - Grants		572,641
<p>Other long-term assets are not available to pay for current period expenditures and, therefore, are not reported in the funds.</p>		
Due from Other Governments		196,497
Interest on Loans and Investments		2,028,709
<p>Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.</p>		
Deferred Charges on Refunding		1,321,579
Interest Payable		(2,028,709)
Long-term Liabilities		(158,468,875)
		219,501,789
Net Position of Governmental Activities	\$	219,501,789

The accompanying notes are an integral part of this statement.

City of Lake Elsinore, California
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
June 30, 2013

	General Fund	Special Revenue Low and Moderate Income Housing	Debt Service Public Financing Authority
REVENUES			
Property Taxes	\$ 5,844,498	\$	\$
Other Taxes	9,572,675		
Licenses, Permits and Fees	3,015,962		
Intergovernmental Revenues	1,200,889		
Charges for Services	1,746,713		
Fines, Forfeitures and Penalties	592,185		
Investment Earnings	9,010	5,636,289	6,455,006
Special Assessments			
Contributions from Property Owners	298,239		448,386
Miscellaneous	3,061,025		
Total Revenues	<u>25,341,196</u>	<u>5,636,289</u>	<u>6,903,392</u>
EXPENDITURES			
Current:			
General Government	5,450,399		150,094
Public Safety	11,484,210		
Community Development	2,440,192	4,260	
Public Services	3,186,797		
Community Services	3,112,975		
Capital Outlay	32,977		
Debt Service:			
Bond Issuance Costs			1,260,059
Principal Retirement			5,315,000
Interest and Fiscal Charges		254,471	5,806,929
Total Expenditures	<u>25,707,550</u>	<u>258,731</u>	<u>12,532,082</u>
Excess of Revenues Over (Under) Expenditures	<u>(366,354)</u>	<u>5,377,558</u>	<u>(5,628,690)</u>
OTHER FINANCING SOURCES (USES)			
Local Agency Revenue Bonds Issued			27,760,000
Payment to Refunding Bond Escrow Agent			(3,244,386)
Premiums on Bonds			120,640
Discounts on Bonds			(23,125)
Transfers In	126,988		
Transfers Out	(1,106,699)		
Total Other Financing Sources (Uses)	<u>(979,711)</u>	<u>0</u>	<u>24,613,129</u>
Net Change in Fund Balances	<u>(1,346,065)</u>	<u>5,377,558</u>	<u>18,984,439</u>
Fund Balances - Beginning, As Previously Reported	13,332,388	17,990,960	128,347,413
Prior Period Adjustments	1,852,900	14,587,000	(3,105,588)
Fund Balances - Beginning, As Restated	<u>15,185,288</u>	<u>32,577,960</u>	<u>125,241,825</u>
Fund Balances - End of Year	<u>\$ 13,839,223</u>	<u>\$ 37,955,518</u>	<u>\$ 144,226,264</u>

Other Governmental Funds	Total Governmental Funds
\$	\$ 5,844,498
	9,572,675
1,983,192	4,999,154
3,854,622	5,055,511
	1,746,713
335,130	927,315
22,434	12,122,739
1,585,606	1,585,606
7,333,114	8,079,739
408,812	3,469,837
<u>15,522,910</u>	<u>53,403,787</u>
271,156	5,871,649
855,382	12,339,592
480,877	2,925,329
3,585,213	6,772,010
1,168,426	4,281,401
10,856,833	10,889,810
	1,260,059
410,000	5,725,000
20,366	6,081,766
<u>17,648,253</u>	<u>56,146,616</u>
<u>(2,125,343)</u>	<u>(2,742,829)</u>
	27,760,000
	(3,244,386)
	120,640
	(23,125)
2,108,309	2,235,297
(1,128,598)	(2,235,297)
<u>979,711</u>	<u>24,613,129</u>
<u>(1,145,632)</u>	<u>21,870,300</u>
21,203,953	180,874,714
43,967	13,378,279
<u>21,247,920</u>	<u>194,252,993</u>
<u>\$ 20,102,288</u>	<u>\$ 216,123,293</u>

City of Lake Elsinore, California
Reconciliation of the Statement of Revenues, Expenditures and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
Year Ended June 30, 2013

Net change in fund balances - total governmental funds \$ 21,870,300

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

Governmental funds report capital outlay as an expenditure in the full amount as current financial resources are used. However, in the Statement of Activities the cost of these assets is allocated over the estimated useful life as depreciation expense.

Capital Outlay	4,480,880
Depreciation	(5,255,539)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. These amounts are the effect of these differences in the treatment of long-term debt.

Long-term Debt Principal Payments	5,725,000
Local Agency Revenue Bonds Issued	(27,760,000)
Bond Premiums	(120,640)
Payment to Refunding Bond Escrow Agent	3,244,386
Gain on Debt Refunding	20,614

Some expenses reported in the Statement of Activities do not require the use of current financial resources and are not reported as governmental fund expenditures.

Amortization of Deferred Charges on Refunding	(92,713)
Amortization Bond Premium	23,950
Amortization of Bond Discount	(50,496)
Interest and Fiscal Charges	(227,320)
Other Post-Employment Benefit Obligation	(1,430,179)
Compensated Absences	7,788

Some revenues reported in Statement of Activities are not considered to be available to finance current expenditures. These are the net effect of amounts accrued in the Statement of Activities in the prior year and revenues not reported in the governmental funds.

Property Taxes	(23,484)
Intergovernmental Revenue	(236,127)
Investment Earnings	(4,543,980)
Special Assessments	(9,048)

Change in Net Position of Governmental Activities \$ (4,376,608)

City of Lake Elsinore, California
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Successor Agency Private-purpose Trust Fund	Total Agency Funds
ASSETS		
Cash and Investments	\$ 17,270,993	\$ 3,195,787
Cash and Investments with Fiscal Agent		40,587,074
Interest Receivable	3,653	169
Due from Other Governments		307,059
Deposits with Other Agencies	5,276,363	3,844,939
Land Held for Resale	6,088,480	
Capital Assets:		
Land	2,426,392	
Buildings and Structures	14,753,288	
Improvements Other than Buildings	568,927	
Machinery and Equipment	1,137,208	
Furniture and Fixtures	996	
Less Accumulated Depreciation	(7,044,602)	
	40,481,698	47,935,028
Total Assets		
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Charges on Refunding	1,113,316	
	1,113,316	0
Total Deferred Outflows of Resources		
LIABILITIES		
Accounts Payable	28,768	683,479
Deposits and Other Liabilities		1,932,015
Due to Other Governments	4,387,840	22,899
Due to the City of Lake Elsinore	412,066	
Due to Bond Holders		45,296,635
Interest Payable	900,594	
Loans Payable	89,174,731	
Bonds Payable	4,520,000	
Other Long-term Liabilities	5,102,207	
	104,526,206	\$ 47,935,028
Total Liabilities		
NET POSITION		
Net Position Held in Trust for Redevelopment (Deficit)	(62,931,192)	
	\$ (62,931,192)	
Total Net Position		

The accompanying notes are an integral part of this statement.

City of Lake Elsinore, California
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
June 30, 2013

	Successor Agency Private-purpose Trust Fund
ADDITIONS	
Property Taxes	\$ 10,679,596
Investment Earnings	61,011
Other Income	1,200
	10,741,807
Total Additions	10,741,807
DEDUCTIONS	
Contractual/Professional Services	1,748,250
Riverside County Distribution	5,650,042
Interest Expense	3,394,609
Depreciation Expense	394,227
	11,187,128
Total Deductions	11,187,128
Change in Net Position	(445,321)
Net Position - Beginning, As Previously Reported	(58,448,146)
Prior Period Adjustment	(4,037,725)
	(62,485,871)
Net Position - Beginning, As Restated	(62,485,871)
Net Position (Deficit) - End of Year	\$ (62,931,192)

The accompanying notes are an integral part of this statement.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

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City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

The City of Lake Elsinore ("City") was incorporated April 23, 1888 under the General Laws of the State of California. The City operates under a Council-Member form of government and provides the following services: public safety (law enforcement) highways and streets, cultural recreation, public improvements, planning and zoning, and general administrative services.

The financial statements of the City of Lake Elsinore include the financial activities of the City, the Successor Agency to the Lake Elsinore Redevelopment Agency, the Lake Elsinore Public Financing Authority and the Lake Elsinore Recreation Authority. In accordance with GASB Statement No. 14, the basic criteria for including an agency, institution, authority or other organization in a governmental unit's financial reporting entity is financial accountability. Financial accountability includes, but is not limited to 1) selection of the governing body, 2) imposition of will, 3) ability to provide a financial benefit to or impose financial burden on and 4) fiscal dependency.

There may, however, be factors other than financial accountability that are so significant that exclusion of a particular agency from a reporting entity's financial statements would be misleading. These other factors include scope of public service and special financing relationships.

Based upon the application of these criteria, an agency, institution or authority, may be included as a component unit in the primary government's financial statements. Blended component units, although legally separate entities, are, in substance, part of the government's operations and so data from these units are combined with data of the primary government. A discretely presented component unit, on the other hand, is reported in a separate column in the combined financial statements to emphasize it is legally separate from the government. There are no discretely presented component units in these financial statements. Each blended component unit presented has a June 30, 2013 year end. The following is a brief review of each component unit included in the primary government's reporting entity.

The Lake Elsinore Public Financing Authority

The "Authority" is a joint exercise of powers between the City and the Lake Elsinore Redevelopment Agency created by a joint powers agreement dated July 25, 1989. The purpose of the Authority is to provide, through the issuance of revenue bonds, a financing pool to fund capital improvement projects. These revenues bonds are to be repaid solely from the revenues of certain public obligations. The Authority does not have taxing power. The City Council also acts as the governing body of the Authority. The Authority's activities are blended with those of the City in these financial statements and are reported as a debt service fund. On February 1, 2012, the Lake Elsinore Redevelopment Agency was dissolved and the City became the Successor Agency to the Lake Elsinore Redevelopment Agency.

The Lake Elsinore Recreation Authority

The "Recreation Authority" is a joint exercise of powers between the City and the Lake Elsinore Redevelopment Agency created by a joint powers agreement dated December 1, 1996. The purpose of the Recreation Authority is to provide, through the issuance of revenue bonds, a financing pool to fund capital improvement projects. These revenues bonds are to be repaid solely from the revenues of certain public obligations. The Recreation Authority does not have taxing power. The City Council also acts as the governing body of the Recreation Authority. The Recreation Authority's activities are blended with those of the City in these financial statements and are reported as a debt service fund. On February 1, 2012, the Lake Elsinore Redevelopment Agency was dissolved and the City became the Successor Agency to the Lake Elsinore Redevelopment Agency.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

A) Reporting Entity - Continued

A component unit financial statement for each component unit previously described may be obtained at 130 S. Main Street, Lake Elsinore, California 92530.

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements

Governmental Accounting Standards Board Statement No. 60

In November of 2010, GASB issued Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements*. The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a “facility”) in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This Statement also provides guidance for governments that are operators in an SCA. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. Currently, this statement has no effect on the City’s financial statements.

Governmental Accounting Standards Board Statement No. 61

In November of 2010, GASB issued Statement No. 61, *The Financial Reporting Entity: Omnibus an amendment of GASB Statements No. 14 and No. 34*. The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements. This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. The provisions of this Statement are effective for financial statements for periods beginning after June 15, 2011. The City has implemented GASB No. 61 which is reflected on the City’s financial statements.

Governmental Accounting Standards Board Statement No. 62

In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. The objective of this Statement is to incorporate into the GASB’s authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations.
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants’ (AICPA) Committee on Accounting Procedure.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standards Board Statement No. 62 - Continued

Hereinafter, these pronouncements collectively are referred to as the “FASB and AICPA pronouncements.” This Statement also supersedes Statement No. 20, Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities that Use Proprietary Fund Accounting, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. Currently, this statement has no effect on the City’s financial statements.

Governmental Accounting Standards Board Statement No. 63

In June of 2011, GASB issued Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. The objective of this Statement is to provide guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2011. The City has implemented GASB No. 63 which is reflected on the City’s financial statements.

Governmental Accounting Standards Board Statement No. 64

In June of 2011, GASB issued Statement No. 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions, an amendment of GASB Statement No. 53*. Statement No. 64 provides guidance for accounting and reporting when interest rate swap agreements and commodity swap agreements in which a swap counterparty, or the swap counterparty’s credit support provider, commits or experiences either an act of default or a termination event as both are described in the swap agreement. Many of those governments have replaced their swap counterparty, or swap counterparty’s credit support providers, either by amending existing swap agreements or by entering into new swap agreements. When these swap agreements have been reported as hedging instruments, questions have arisen regarding the application of the termination of hedge accounting provisions in Statement No. 53. Those provisions require a government to cease hedge accounting upon the termination of the hedging derivative instrument, resulting in the immediate recognition of the deferred outflows of resources or deferred inflows of resources as a component of investment income. Statement No. 64 clarifies the accounting treatment when this occurs. Statement No. 64 is effective for periods beginning after June 15, 2011. Currently, this statement has no effect on the City’s Financial Statements.

Governmental Accounting Standards Board Statement No. 65

In March of 2012, GASB issued Statement No. 65, *Items Previously Reported as Assets and Liabilities*. Statement No. 65 establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standards Board Statement No. 65 - Continued

This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term *deferred* in the financial statements. Statement No. 65 is effective for periods beginning after December 15, 2012. The City has elected to early implement GASB No. 65 which is reflected on the City's financial statements and beginning net position.

Governmental Accounting Standards Board Statement No. 66

In March of 2012, GASB issued Statement No. 66, *Technical Corrections - 2012*. Statement No. 66 was issued to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from the issuance of two pronouncements, Statements No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. This statement amends Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, by removing the provision that limits fund-based reporting of an entity's risk financing activities to the general fund and the internal fund type. This statement also amends Statement No. 62, by modifying the specific guidance on accounting for (1) operating lease payments that vary from a straight-line basis, (2) the difference between the initial investment (purchase price) and the principal amount of a purchased loan or group of loans, and (3) servicing fees related to mortgage loans that are sold when the stated service fee rate differs significantly from a current (normal) servicing fee rate. These changes clarify how to apply Statement No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, and result in guidance that is consistent with the requirements in Statement No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Entity Transfers of Assets and Future Revenues*, respectively. Statement No. 66 is effective for periods beginning after December 15, 2012. The City has elected not to early implement GASB No. 66 and has not determined its effect on the City's financial statements.

Governmental Accounting Standards Board Statement No. 67

In June of 2012, GASB issued Statement No. 67, *Financial Reporting for Pension Plans - an Amendment of GASB Statement No. 25*. This statement was issued to improve the financial reporting by state and local governmental pension plans. The statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trust or equivalent arrangements that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trust covered by the scope of this statement and to defined contribution plans that provide postemployment benefits other than pensions. Statement No. 67 is effective for periods beginning after June 15, 2013. The City has elected not to early implement GASB No. 67 and has not determined its effect on the City's financial statements.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

B) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements - Continued

Governmental Accounting Standards Board Statement No. 68

In June of 2012, GASB issued Statement No. 68, *Accounting and Financial Reporting for Pensions - an Amendment of GASB Statement No. 27*. This statement was issued to improve the financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trust or equivalent arrangements that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. Statement No. 68 is effective for periods beginning after June 15, 2014. The City has elected not to early implement GASB No. 68 and has not determined its effect on the City's financial statements.

Governmental Accounting Standards Board Statement No. 69

In January of 2013, GASB issued Statement No. 69, *Government Combinations and Disposals of Government Operations*. This statement was issued to improve the financial reporting by state and local governments for government combinations and disposals of government operations. The term *government combinations* is used in this Statement to refer to a variety of arrangements including mergers and acquisitions. Government combinations also include transfers of operations that do not constitute entire legally separate entities and in which no significant consideration is exchanged. Transfer of operations may be present in shared service arrangements, reorganizations, redistricting, annexations and arrangements in which an operation is transferred to a new government created to provide those services. In addition to providing guidance for reporting such activity, this Statement requires disclosures to be made about government combinations and disposals of government operations to enable financial statement users to evaluate the nature and financial effects of those transactions. Statement No. 69 is effective for periods beginning after December 15, 2013. The City has elected not to early implement GASB No. 69 and has not determined its effect on the City's financial statements.

Governmental Accounting Standards Board Statement No. 70

In April of 2013, GASB issued Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*. This statement was issued to improve the recognition, measurement and disclosure guidance for state and local governments that have extended or received financial guarantees that are nonexchange transactions. As used in this Statement, a nonexchange financial guarantee is a guarantee of an obligation of a legally separate entity or individual, including a blended or discretely presented component unit, which requires the guarantor to indemnify a third-party obligation holder under specified conditions. Statement No. 70 is effective for periods beginning after June 15, 2013. The City has elected not to early implement GASB No. 70 and has not determined its effect on the City's financial statements.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

Government-wide Statements: The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information about the reporting government as a whole, except for its fiduciary activities. 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 and charges for support. Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The City has no business-type activities or discretely presented component units. For the most part, the effect of interfund activity has been removed from the government-wide financial statements. Direct payments have not been eliminated from the functional categories. Internal expenses and internal payments have been eliminated.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are expenses that are clearly identifiable with a specific program, project, function or segment. Program revenues of the City include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items that are properly not included among program revenues are reported instead as general revenues.

The underlying accounting system of the City is organized and operated on the basis of separate funds, each of which is considered to be 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 or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements for the government's governmental and fiduciary funds are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental funds. Fiduciary statements, even though excluded from the government-wide financial statements, represents private purpose trust funds and agency funds.

D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as is the private-purpose trust fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Measurement Focus, Basis of Accounting, and Financial Statement Presentation - Continued

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, except for principal and interest on general long-term liabilities and compensated absences which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term liabilities are reported as other financing sources.

Property taxes, franchise taxes, intergovernmental revenues, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual, and are therefore recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The City's fiduciary funds consist of private purpose trust funds which are reported using the economic resources measurement focus and the agency funds which have no measurement focus, but utilizes the accrual basis for reporting its assets and liabilities.

The City reports the following major governmental funds:

The *General Fund* is used to account for all financial resources of the City, except for those required to be accounted for in another fund.

The *Low and Moderate Income Housing Asset Special Revenue Fund* is used to account for funds to be used for low and moderate income projects. Expenditures for this fund are restricted to low and moderate income housing projects.

The *Public Financing Authority Debt Service Fund* is used to account for the accumulation of resources for, and the repayment of, long-term debt principal, interest and related costs of the Authority.

Additionally, the City reports the following fund types:

The *Private-purpose Trust Fund* is used to account for activities of the Successor Agency to the Lake Elsinore Redevelopment Agency.

The *Agency Funds* are used to account for money received by the City as an agent for individuals, other governments and other entities.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

E) Encumbrances

Encumbrances represent commitments related to unperformed contracts for goods or services. Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of resources are recorded to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the General Fund, Special Revenue Funds, and Capital Project Funds. Unexpended and unencumbered appropriations of the governmental funds automatically lapse at the end of the fiscal year.

F) Investments

Investments are reported at fair value, except for the investments in local obligations, which are reported at cost, because the investments are not transferable and the fair values are not affected by changes in interest rates. Investment income includes interest earnings, changes in fair value, any gains or losses related to the liquidation or sale of the investment.

G) Employee Compensated Absences

In accordance with GASB Statement No. 16, a liability is recorded for unused vacation, sick, holiday benefits and compensatory leave balances since the employees' entitlement to these balances are attributable to services already rendered and it is probable that virtually all of these balances will be liquidated by either paid time off or payment upon termination or retirement. The amount recorded in accordance with GASB Statement 16 at June 30, 2013 was \$636,903.

H) Inter-fund Activity

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans).

Noncurrent portions of long-term interfund loan receivables are reported as advances and such amounts are offset equally by a nonspendable fund balance which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

I) Risk Management

The City's Workers' Compensation losses are covered by a policy with the California State Compensation Board. The City's liability losses are covered under their participation in the California Joint Powers Insurance Authority ("JPIA").

J) Capital Assets

Capital assets, which include land, structures, equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are recorded at cost where historical records are available and at an estimated historical cost where no historical records exist. Assets purchased in excess of \$5,000 are capitalized if they have an expected useful life of 2 years or more. Infrastructure is capitalized if cost is in excess of \$50,000 and it has an expected useful life of 2 years or more. Capital assets acquired through lease obligations are valued at the present value

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J) Capital Assets - Continued

of future lease payments at the date acquired. Donated capital assets are valued at their estimated fair market value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset's lives are not capitalized.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the Statement of Net Position. The range of lives used for depreciation purposes for each capital asset class is as follows:

Buildings and Structures	40 years
Improvements Other Than Buildings	25 years
Machinery and Equipment	5 - 8 years
Furniture and Fixtures	5 years
Automotive Equipment	5 years
Infrastructure	35 - 100 years

K) Property Tax Revenue

Property tax in California is levied according to Article 13-A of the California Constitution. The County of Riverside, California (the County) is permitted by State law (Proposition 13) to levy taxes at 1% of full market value (at time of purchase) as determined by the County Assessor.

Property taxes are levied by the County and shared with all other political jurisdictions within the County. These political jurisdictions and the County may levy an additional property tax override only after two-thirds approval of the jurisdictions' voters.

The County bills and collects the property taxes and remits them to the City in installments during the year. City property tax revenues are recognized when levied provided that the revenue is collected during the year or within 60 days of year-end. Property taxes attach as an enforceable lien on property as of January 1. Taxes are levied on July 1, and are payable in two installments on November 1 and February 1. Such taxes become delinquent on December 10 and April 10, respectively.

L) Miscellaneous Revenues

Included in miscellaneous revenues is \$2,073,402 of fire service tax credits, \$1,222,972 reimbursement revenues and \$173,463 other revenues.

M) Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The City only has one item that qualifies for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunding or refunding debt.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

1) REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

M) Deferred Outflows/Inflows of Resources - Continued

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The City has only one type of item, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue*, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from interest on loans and notes receivable. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

N) Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those amounts.

2) CASH AND INVESTMENTS

Cash and Investments are classified in the accompanying financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 41,203,798
Restricted Cash and Investments	97,415,737
Statement of Fiduciary Net Position:	
Cash and Investments	20,466,780
Cash and Investments with Fiscal Agent	<u>40,587,074</u>
Total Cash and Investments	<u>\$ 199,673,389</u>

Cash and investments consist of the following:

Petty Cash	\$ 1,300
Deposits with Financial Institutions	1,965,131
Investments	<u>197,706,958</u>
Total Cash and Investments	<u>\$ 199,673,389</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

2) CASH AND INVESTMENTS - Continued

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 California Government Code (or the City's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the City, rather than the general provisions of the California Government Code or the City's investment policy.

Authorized Investment Type	Maximum Maturity	Maximum Percentage Of Portfolio*	Maximum Investment In One Issuer
U.S. Treasury Obligations	5 years	None	None
U.S. Government Sponsored Agency Securities	5 years	None	40%
State and Local Agency Obligations	5 years	None	5%
Banker's Acceptances	180 days	40%	10%
Insured or Collateralized Time Certificate of Deposits	5 years	None	5%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	5%
Repurchase Agreements	30 days	None	5%
Reverse Repurchase Agreements	92 days	10%	5%
Medium-Term Corporate Notes	5 years	30%	5%
Local Agency Investment Fund (LAIF)	N/A	None	\$50,000,000
California Asset Management Program (CAMP)	N/A	None	5%
Money Market Fund	N/A	20%	5%

*Excluding amounts held by bond trustee that are not subject to California Government Code Restrictions.

Investments Authorized by Debt Agreements

Investments of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the City's investment policy. Investments authorized for funds held by bond trustee include, United States Treasury Obligations, United States Government Sponsored Agency Securities, Guaranteed Investment Contracts, Commercial Paper, Local Agency Bonds, Banker's Acceptance and Money Market Mutual Funds. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment, except for the maturity of Commercial Paper which is limited to 92 days and of Banker's Acceptances which are limited to one year.

Disclosures Relating to Interest Rate 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 rates 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 evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Interest Rate Risk - Continued

Information about the sensitivity of the fair values of the City's investments (including investments held by bond trustee) to market interest rate fluctuations is provided by the following table that shows the distribution of the City's investments by maturity:

<u>Investment Type</u>		<u>12 Months or Less</u>	<u>13 to 24 Months</u>	<u>25 to 60 Months</u>	<u>More Than 60 Months</u>
Local Agency Investment Fund	\$ 21,233,791	\$ 21,233,791	\$	\$	\$
Corporate Notes	11,289,234		1,411,618	9,877,616	
Federal Agency Securities	18,070,677	1,762,020	3,643,231	12,665,426	
U.S. Treasury Notes	9,003,914	1,512,715	1,850,791	5,640,408	
California Asset Management Program Pool (CAMP)	106,539	106,539			
Held by Bond Trustee:					
Money Market Mutual Funds	54,173,832	54,173,832			
Local Obligation Bonds	81,162,646	2,701,181	3,596,483	12,619,236	62,245,746
U.S. Treasury Notes	<u>2,666,325</u>	<u>13,892</u>	<u>15,846</u>	<u>109,379</u>	<u>2,527,208</u>
Total	<u>\$ 197,706,958</u>	<u>\$ 81,503,970</u>	<u>\$ 10,517,969</u>	<u>\$ 40,912,065</u>	<u>\$ 64,772,954</u>

Disclosures Relating to Credit Risk

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 is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, by Standard and Poor's as of year-end for each investment type.

The City's investment in local obligation bonds are secured by property taxes on the subordinate tax allocation bonds and special assessment taxes on property owned within the Community Facilities Districts or Special Assessment Districts. Due to the decline in property values and general economic conditions, there has been an increase in delinquent special assessment collections, resulting in foreclosures on property secured by the special assessments. The City may not be able to recover its investment in these local obligations bonds if collections of special assessments decline and foreclosure proceeds are not adequate to cover the investment balances.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

2) CASH AND INVESTMENTS - Continued

Disclosures Relating to Credit Risk - Continued

		Minimum Legal Rating	AAA	AA	Other	Not Rated	Not Required to be Rated
Local Agency Investment Fund	\$ 21,233,791	N/A	\$	\$	\$	\$ 21,233,791	\$
Corporate Notes	11,289,234	AA			11,289,234		
Federal Agency Securities	18,070,677	N/A		18,070,677			
U.S. Treasury Notes	9,003,914	N/A					9,003,914
California Asset Management Program Pool (CAMP)	106,539	N/A	106,539				
Held by Bond Trustee:							
Money Market Mutual Funds	54,173,832		54,173,832				
Local Obligation Bonds	81,162,646					81,162,646	
U.S. Treasury Notes	<u>2,666,325</u>	AAA					<u>2,666,325</u>
Total	\$ <u>197,706,958</u>		\$ <u>54,280,371</u>	\$ <u>18,070,677</u>	\$ <u>11,289,234</u>	\$ <u>102,396,437</u>	\$ <u>11,670,239</u>

The actual ratings for the Corporate Notes are as follows:

Other:	
AAA	\$ 246,613
AA+	1,117,093
AA	2,906,423
AA-	2,284,126
A+	2,062,751
A	2,424,146
A-	<u>248,082</u>
	<u>\$ 11,289,234</u>

Concentration of Credit Risk

The investments policy of the City contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. Investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total City's investments are as follows:

Issuer	Investment Type	Reported Amount
Federal National Mortgage Association (Fannie Mae)	Federal Agency Security	\$ 12,834,308
Community Facilities District 88-3, 2008 Series A	Local Obligation Bond	\$ 17,020,000
Community Facilities District 98-1	Local Obligation Bond	\$ 17,315,000
Assessment District 93-1	Local Obligation Bond	\$ 14,786,869

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

2) CASH AND INVESTMENTS - Continued

Custodial Credit Risk

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 another 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 deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure City deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2013, \$1,240,874 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

Local Agency Investment Fund

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. The Authority may invest up to \$50,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California. The yield of LAIF during the quarter ended June 30, 2013 was 0.24%. The carrying value and estimated market value of the LAIF Pool at June 30, 2013 was \$58,812,406,570 and \$58,828,474,533, respectively. The Authority's share of the Pool at June 30, 2013 was approximately 0.0361 percent.

The fair value of the Authority's investment in this pool is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Included in LAIF's investment portfolio are certain derivative securities or similar products in the form of structured notes and asset-backed securities totaling \$400,000,000 and \$753,400,000. LAIF's and the Authority's exposure to risk (credit, market or legal) is not currently available.

The LAIF has oversight by the Local Investment Advisory Board. The LAIF Board consists of five members as designated by Statute. LAIF is also regulated by California Government Code Section 16429.

Investment in California Asset Management Program

The California Asset Management Program (the CAMP) is a public joint powers authority which provides California Public Agencies with investment management services for surplus funds and comprehensive investment management, accounting and arbitrage rebate calculation services for proceeds of tax-exempt financings. The CAMP currently offers the Cash Reserve Portfolio, a short-term investment portfolio, as a means for Public Agencies to invest these funds. Public Agencies that invest in the Pool (Participants) purchase shares of beneficial interest. Participants may also establish individual, professionally managed investment accounts (Individual Portfolios) by separate agreement with the Investment Advisor. The City has a separate account in the Investment Advisor to manage part of the CAMP portfolio.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

2) CASH AND INVESTMENTS - Continued

Investment in California Asset Management Program - Continued

Investments in the Pools and Individual Portfolios are made only in investments in which Public Agencies generally are permitted by California statute. The CAMP may reject any investment and may limit the size of a Participant's account. The Pool seeks to maintain, but does not guarantee, a constant net asset value of \$1.00 per share. A Participant may withdraw funds from its Pool accounts at any time by check or wire transfers. Requests for wire transfers must be made by 9:00 a.m. that day. Fair value of the Pool is determined by the fair value per share of the Pool's underlying portfolio.

Investment in Bonds

The Lake Elsinore Public Financing Authority has purchased subordinate tax allocation bonds and various Assessment District (AD) and Community Facilities District (CFD) bonds from the proceeds of revenue bonds issued by the Authority to facilitate the respective bond issues of the former Lake Elsinore Redevelopment Agency and the Districts.

The CFD and Assessment District Bonds are secured solely by assessments on property owners within the Districts. The subordinate tax allocation bonds are secured based upon an allocation of taxes from the former redevelopment agency's project areas. The repayment schedules of the bonds, and interest thereon, to the Authority are concurrent and sufficient to satisfy the debt service requirements of the respective Authority revenue bonds.

The CFD and Assessment District Bonds investments are summarized below.

<u>Investment</u>	<u>Fair Value</u>
AD 86-1 Improvement Bonds	\$ 1,001,317
AD 90-1A Improvement Bonds	630,000
CFD 98-1 Special Tax Bonds, 2002 Series	17,315,000
CFD 88-3 Special Tax Bonds, 2008 Series A Subordinate	5,985,000
CFD 88-3 Special Tax Bonds, 2008 Series A	17,020,000
CFD 2003-2 Special Tax Bonds, 2010 Series A	7,099,869
Lake Elsinore Redevelopment Agency, 2011 Series Project Area II	3,190,000
Lake Elsinore Redevelopment Agency, 2011 Series Project Area III	1,330,000
CFD 95-1 Special Tax Bonds, 2011 Series	1,137,671
AD 93-1 Refunding Improvement Bonds, 2012 Series A	14,786,988
CFD 2005-5 Special Tax Bonds, 2012 Series A	3,125,646
CFD 2003-2 Special Tax Bonds, 2012 Series (Improvement Area C)	5,186,450
CFD 2006-1 Special Tax Bonds, 2012 Series (Improvement Area A)	<u>3,354,705</u>
	<u>\$ 81,162,646</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

2) CASH AND INVESTMENTS - Continued

Cash and Investment by Entity

Cash and investments held by entity at June 30, 2013 are as follows:

	<u>City of Lake Elsinore</u>	<u>Successor Agency</u>	<u>Public Financing Authority</u>	<u>Recreation Authority</u>	<u>Total</u>
Deposits at Carrying Amount ⁽¹⁾	\$ 1,568,387	\$ 210,920	\$ 185,824	\$	\$ 1,965,131
Petty Cash and Change Drawer	1,300				1,300
Local Agency Investment Fund	8,887,366	12,019,231	327,194		21,233,791
Corporate Notes	9,728,765	1,560,469			11,289,234
Federal Agency Securities	16,486,219	1,584,458			18,070,677
U.S. Treasury Notes	7,144,090	1,859,824			9,003,914
California Asset Management Program Pool (CAMP)	70,448	36,091			106,539
Held by Bond Trustee:					
Money Market Mutual Bonds	38,626,358		15,546,706	768	54,173,832
Local Obligation Bonds			81,162,646		81,162,646
U.S. Treasury Notes	<u>2,666,325</u>				<u>2,666,325</u>
Total Cash and Investments	<u>\$ 85,179,258</u>	<u>\$ 17,270,993</u>	<u>\$ 97,222,370</u>	<u>\$ 768</u>	<u>\$ 199,673,389</u>

⁽¹⁾Net of deposits in transit and outstanding warrants.

3) LOANS RECEIVABLE FROM SUCCESSOR AGENCY

Management believes, in consultation with legal counsel, that the obligations of the dissolved Redevelopment Agency due to the City are valid enforceable obligations payable by the Successor Agency under the requirements of the Dissolution Act and AB 1484. Accordingly, the City has not recorded an allowance for uncollectible advances. The State of California Department of Finance (DOF) has audited the 1995 Loan from Housing Fund and the City Bond Debt Service Advances as part of its review of the Recognized Obligation Payments Schedule (ROPS), and has not objected to the Successor Agency's repayment of those loans in accordance with the approved ROPS and applicable loan agreements. However, it is reasonably possible that a legal determination or a determination by DOF may be made at a later date that would be unfavorable to the City.

1995 Loan from Housing Fund

As of June 30, 2013, the Successor Agency owed the City, in its capacity as housing successor agency, \$29,844,070. The loans were made from the Low and Moderate Income Housing Asset Special Revenue Fund from the 1995 Series A and 1999 Series C bond proceeds pursuant to that certain Housing Fund Loan Agreement dated December 1, 1995. The loan proceeds were deposited into the Rancho Laguna Special Revenue Fund, and then subsequently loaned to each of the three project areas as interfund loans in accordance with the loan agreement. The 1995 Series A and 1999 Series C bonds were refunded in fiscal year 2010 with the issuance of the 2010 Series A and 2010 Series B bonds. The loans payable include an original amount of \$18,040,440 and accrued interest of \$11,803,630. The loans from the Low and Moderate Income Housing Asset Special Revenue Fund are repayable from all available revenues of the Successor Agency after payment of senior indebtedness in accordance with the governing loan agreement.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

3) LOANS RECEIVABLE FROM SUCCESSOR AGENCY - Continued

1995 Loan from Housing Fund - Continued

The issuer of the bonds sought court validation of the actions taken in connection with the 1995 Bonds under Code of Civil Procedure Section 869, et seq. On November 14, 1995, the Superior Court of the State of California in and for the County of Riverside validated the 1995 bond issues and the interfund and housing fund loan agreements relating to payment of the bond debt.

SERAF Advances from Housing Fund

Advances due to the City, in its capacity as housing successor agency, include the amount of \$3,750,000 loaned a result of the suspension of a portion of the 20% set aside requirement to assist in the payment of the SERAF obligation for fiscal year 2010. This advance is to be repaid in installments beginning fiscal year 2014-2015. Repayment of the SERAF advances are limited by a formula set forth in AB 1484, have a priority over repayment of certain other advances, and shall not be made prior to the 2013-2014 fiscal year.

Public Finance Authority Loan Agreements

The Lake Elsinore Public Financing Authority ("Authority") entered into loan agreements with the former Redevelopment Agency ("Agency") whereby the Authority loaned the proceeds of 2010 Series A, B and C Tax Allocation Revenue Bonds and the 2011 Series A Tax Allocation Bonds issued by the Authority to the Agency to retire debt and provide funds for certain public improvements in Agency project areas. As a result of the dissolution of the Agency, the obligation to pay the loans to the Authority was transferred to the Successor Agency to the Redevelopment Agency of the City of Lake Elsinore ("Successor Agency"). The principal and interest are payable in installment payments payable not less than three days to the due date on the related bonds payable (see Note 7).

The following table represents the outstanding balance of loans receivable from the Successor Agency at June 30, 2013:

<u>Tax Allocation Revenue Bonds</u>	<u>Loans Receivable Balance</u>
2010 Series A Issue	\$ 14,140,000
2010 Series B Issue	9,235,000
2010 Series C Issue	27,645,000
2011 Series A Issue	5,105,000
Total	\$ 56,125,000

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

4) NOTES RECEIVABLE

The City has a note receivable in the amount of \$1,000,000 from Pottery Court Housing Associates, L.P. dated December 9, 2009. The proceeds of the loan assisted with the development of the Pottery Court Affordable Housing Project. This loan was funded with HOPE VI grant funds from the United States Department of Housing and Urban Development. The loan is to be repaid with interest in arrears in annual installments on July 1, commencing on July 1 in the calendar year immediately following the calendar year in which the deed of trust securing the permanent loan is recorded in the official records of Riverside County. Absent prepayment or acceleration, the Borrower agrees to pay the loan in annual payments equal to 75 percent of the residual receipts as defined in the loan agreement. Notwithstanding any other provision, unless the loan is paid earlier, the outstanding principal and accrued unpaid interest is payable 55 years from the date of recording of the release of construction covenants. The release of construction covenants was recorded on August 8, 2012. At June 30, 2013, the total outstanding balance of \$1,090,000 includes accrued interest of \$90,000.

The City's Low and Moderate Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$9,737,000 from Pottery Court Housing Associates, L.P. dated March 10, 2011. The proceeds of the loan assisted with the acquisition of property and development of the Pottery Court Affordable Housing Project. The loan is to be repaid with interest in arrears in annual installments on July 1, commencing July 1 in the calendar year immediately following the calendar year in which the deed of trust securing the permanent loan is recorded in the official records of Riverside County. Absent prepayment or acceleration, the Borrower agrees to pay the loan in annual payments equal to 67.5 percent of the residual receipts as defined in the loan agreement. Notwithstanding any other provision, unless the loan is paid earlier, the outstanding principal and accrued unpaid interest is payable 55 years from the date of recording of the release of construction covenants. The release of construction covenants was recorded on August 8, 2012. At June 30, 2013, the total outstanding balance of \$10,394,248 includes interest of \$657,248.

The City's Low and Moderate Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$1,100,000 from LMV II Affordable, LP dated October 12, 2010. The proceeds of the loan assisted with the rehabilitation of 64 units of affordable housing for families of the Lakeview II Affordable Housing Project. The loan is to be repaid with interest in arrears in annual installments on July 1, commencing July 1 in the calendar year immediately following the calendar year in which the deed of trust securing the second permanent loan is recorded in the official records of Riverside County. Absent prepayment or acceleration, the Borrower agrees to pay the loan in annual payments equal to 30 percent of the residual receipts as defined in the loan agreement. Notwithstanding any other provision, unless the loan is paid earlier, the outstanding principal and accrued unpaid interest is payable 55 years from the date of recording of the release of construction covenants evidencing completion of the rehabilitation. The release of construction covenants was recorded on August 8, 2012. At June 30, 2013, the total outstanding balance of \$1,129,333 includes interest of \$29,333.

5) LAND HELD FOR RESALE

The former Redevelopment Agency of the City of Lake Elsinore ("Agency") acquired land for development. As a result of the dissolution of the Agency, \$6,088,480 in land held for resale was transferred to the Successor Agency to the Redevelopment Agency of the City of Lake Elsinore's private-purpose fiduciary trust fund and \$48,368 was retained by the City and reported in the Low and Moderate Income Housing Asset Special Revenue Fund. The land is being carried at the lower of cost or net realizable value.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

6) CAPITAL ASSETS

The following is a summary of changes in the Governmental Activities Capital Assets:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated				
Land	\$ 2,926,422	\$	\$	\$ 2,926,422
Construction in Progress	<u>12,063,686</u>	<u>3,449,509</u>	<u>(13,208,849)</u>	<u>2,304,346</u>
 Total Capital Assets, Not Being Depreciated	 <u>14,990,108</u>	 <u>3,449,509</u>	 <u>(13,208,849)</u>	 <u>5,230,768</u>
Capital Assets, Being Depreciated				
Building and Structures	16,664,778	398,200		17,062,978
Improvements Other Than Buildings	7,960,311	8,936,895		16,897,206
Machinery and Equipment	2,378,054	98,524		2,476,578
Furniture and Fixtures	715,136	168,029		883,165
Automotive Equipment	1,989,277	125,476		2,114,753
Infrastructure	<u>182,642,463</u>	<u>4,514,956</u>	<u>(1,862)</u>	<u>187,155,557</u>
 Total Capital Assets, Being Depreciated	 <u>212,350,019</u>	 <u>14,242,080</u>	 <u>(1,862)</u>	 <u>226,590,237</u>
Less Accumulated Depreciation:				
Building and Structures	(4,057,372)	(346,833)		(4,404,205)
Improvements Other Than Buildings	(4,671,964)	(240,580)		(4,912,544)
Machinery and Equipment	(1,787,456)	(140,431)		(1,927,887)
Furniture and Fixtures	(547,843)	(46,158)		(594,001)
Automotive Equipment	(1,830,538)	(88,729)		(1,919,267)
Infrastructure	<u>(66,493,852)</u>	<u>(4,392,806)</u>	<u></u>	<u>(70,886,658)</u>
 Total Accumulated Depreciation	 <u>(79,389,025)</u>	 <u>(5,255,539)</u>	 <u>0</u>	 <u>(84,644,562)</u>
 Total Capital Assets, Being Depreciated, Net	 <u>132,960,994</u>	 <u>(8,986,544)</u>	 <u>(1,862)</u>	 <u>141,945,675</u>
 Total Governmental Activities Capital Assets, Net	 <u>\$ 147,951,102</u>	 <u>\$ 12,436,053</u>	 <u>\$ (13,210,711)</u>	 <u>\$ 147,176,443</u>

Depreciation expense was charged to functions/programs in the Statement of Activities as follows:

Governmental Activities:	
General Government	\$ 279,884
Public Safety	345,039
Public Services	4,495,517
Community Services	<u>135,099</u>
 Total Depreciation Expense	 <u>\$ 5,255,539</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES

	<u>Date of Issue</u>	<u>Years of Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized</u>
Local Agency Revenue Bonds:				
1999 Series G	2/99	2000-2016	5.00% - 5.80%	\$ 4,035,000
2003 Series H	2/03	2004-2034	2.75% - 6.375%	31,570,000
2008 Series A	1/08	2009-2021	3.50% - 4.30%	22,295,000
2008 Series B	3/08	2012-2039	4.50% - 6.875%	3,265,000
2010 Series A	11/10	2014-2041	3.25% - 6.25%	7,430,000
2011 Series A	6/11	2013-2039	3.00% - 6.125%	5,365,000
2011 Series B	11/11	2013-2027	1.75% - 5.50%	1,405,000
2012 Series A	7/12	2014-2039	1.50% - 5.25%	3,450,000
2012 Series B	11/12	2015-2031	2.00% - 5.125%	15,345,000
2012 Series C	12/12	2016-2043	2.00% - 5.00%	5,345,000
2013 Series A	5/13	2016-2044	1.75% - 5.00%	3,620,000
Tax Allocation Revenue Bonds:				
2010 Series A	2/10	2011-2034	2.00% - 5.25%	\$ 15,435,000
2010 Series B	5/10	2011-2026	2.00% - 4.75%	10,855,000
2010 Series C	10/10	2012-2031	2.00% - 5.00%	29,435,000
2011 Series A	1/11	2013-2022	4.00% - 6.00%	5,550,000
Revenue Refunding Bonds:				
2000 Series A	7/00	2005-2032	Variable	15,660,000

The following is summary of changes in long-term obligations:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Public Financing Authority:					
Local Agency Revenue Bonds:					
1999 Series G	\$ 1,185,000		\$ (275,000)	\$ 910,000	\$ 285,000
2003 Series H	26,440,000		(940,000)	25,500,000	1,055,000
2008 Series A	16,745,000		(1,425,000)	15,320,000	1,515,000
2008 Series B	3,265,000		(3,265,000) ⁽¹⁾	0	
2010 Series A	7,430,000			7,430,000	10,000
2011 Series A	5,365,000		(135,000)	5,230,000	140,000
2011 Series B	1,405,000		(85,000)	1,320,000	75,000
2012 Series A	0	3,450,000		3,450,000	25,000
2012 Series B	0	15,345,000		15,345,000	
2012 Series C	0	5,345,000		5,345,000	
2013 Series A	0	3,620,000		3,620,000	
Tax Allocation Revenue Bonds:					
2010 Series A	14,450,000 ⁽²⁾		(310,000)	14,140,000	315,000
2010 Series B	9,795,000 ⁽²⁾		(560,000)	9,235,000	575,000
2010 Series C	28,785,000 ⁽²⁾		(1,140,000)	27,645,000	1,165,000
2011 Series A	5,550,000 ⁽²⁾		(445,000)	5,105,000	465,000
Subtotal	120,415,000	27,760,000	(8,580,000)	139,595,000	5,625,000

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Add (Less) Deferred Amounts:					
Bond Premiums	\$ 175,377	\$ 120,640	\$ (23,950)	\$ 272,067	\$
Bond Discounts	(787,531) ⁽²⁾		50,496	(737,035)	
On Refunding	<u>(1,414,292)⁽²⁾</u>		<u>1,414,292⁽³⁾</u>	<u>0</u>	
Subtotal	118,388,554	27,880,640	(7,139,162)	139,130,032	5,625,000
Revenue Refunding Bonds:					
2000 Series A	12,975,000		(410,000)	12,565,000	430,000
Other Post-Employment Benefit Obligation (Note 15)	4,706,761	1,909,165	(478,986)	6,136,940	
Compensation Absences	<u>644,691</u>	<u>56,681</u>	<u>(64,469)</u>	<u>636,903</u>	<u>63,690</u>
Total	<u>\$ 136,715,006</u>	<u>\$ 29,846,486</u>	<u>\$ (8,092,617)</u>	<u>\$158,468,875</u>	<u>\$ 6,118,690</u>

⁽¹⁾ Includes bond defeasance of \$3,265,000.

⁽²⁾ Tax Allocation Bonds of \$58,580,000, bond discounts of \$(787,531) and deferred amounts of refunding of \$(1,006,392) were adjusted in the beginning balance (see Note 22).

⁽³⁾ On refunding amounts were reclassified to deferred outflows with the implementation of GASB No. 63 (see Note 1M).

A) Local Agency Revenue Bonds

In February 1990, the Public Financing Authority was authorized to issue \$500,000,000 in revenue bonds for the purpose of enabling the Public Financing Authority to acquire certain qualified obligations (the "Local Obligations") of the City or the former Redevelopment Agency for whose benefit the program has been designed, or of any other local agencies in the State of California, including Community Facilities District and Special Assessment District (the "Local Agencies"). The Bonds were issued to provide funds to finance the acquisition or construction of land, buildings, equipment and other capital improvements. The bonds will constitute special obligations of the Public Financing Authority and will be issued in Series from time to time pursuant to Supplemental Indentures. These bonds will be payable solely from the repayment by Local Agencies of their obligations and any available surplus revenues.

1999 Series G

In February 1999, \$4,035,000 principal amount of Local Agency Revenue Bonds, Series G, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$165,000 to \$370,000 from September 2, 2000 through September 2, 2015; interest at 5.00% to 5.80%. The bonds are subject to call and redemption prior to their stated maturity commencing September 2, 1999 at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$91,015, which is sufficient to cover the Bond Indenture Reserve Requirement of \$91,000.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

A) Local Agency Revenue Bonds - Continued

1999 Series G - Continued

Future debt requirements for the 1999 Series G Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 285,000	\$ 44,515	\$ 329,515
2015	305,000	27,405	332,405
2016	<u>320,000</u>	<u>9,280</u>	<u>329,280</u>
Total	<u>\$ 910,000</u>	<u>\$ 81,200</u>	<u>\$ 991,200</u>

2003 Series H

In February 2003, \$31,570,000 principal amount of Local Agency Revenue Bonds, Series H, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$375,000 to \$1,850,000 from October 1, 2003 through October 1, 2033; interest at 2.75% to 6.375%. The bonds are subject to mandatory redemption, without premium, prior to their maturity dates commencing October 1, 2014 in the case of bonds maturing October 1, 2015, October 1, 2016 in the case of bonds maturing October 1, 2020, October 1, 2021 in the case of bonds maturing October 1, 2026, and October 1, 2027 in the case of bonds maturing October 1, 2033, from Sinking Account payments under the indentures. The bonds are subject to optional redemption prior to maturity in a manner determined by the Authority on October 1, 2013, and on any date thereafter at a redemption price equal to the principal amount thereof, plus accrued interest to the date of redemption, plus a specified premium. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$2,610,720, which is sufficient to cover the Bond Indenture Reserve Requirement of \$2,610,413.

Future debt requirements for the 2003 Series H Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,055,000	\$ 1,531,737	\$ 2,586,737
2015	1,160,000	1,472,144	2,632,144
2016	1,280,000	1,405,044	2,685,044
2017	1,165,000	1,334,894	2,499,894
2018	1,300,000	1,260,944	2,560,944
2019-2023	6,005,000	5,049,706	11,054,706
2024-2028	4,500,000	3,646,975	8,146,975
2029-2033	7,185,000	1,814,803	8,999,803
2034	<u>1,850,000</u>	<u>58,969</u>	<u>1,908,969</u>
Total	<u>\$ 25,500,000</u>	<u>\$ 17,575,216</u>	<u>\$ 43,075,216</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

A) Local Agency Revenue Bonds - Continued

2008 Series A

In January 2008, \$22,295,000 principal amount of 2008 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds were issued to refund the 1997 Local Agency Revenue Bonds. The bonds are due in annual installments of \$940,000 to \$2,520,000 from September 1, 2008, through September 1, 2020; interest at 3.5% to 4.3%. The bonds are subject to call and redemption prior to their stated maturity commencing March 1, 2008, at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$1,114,923, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,114,750.

Future debt requirements for the 2008 Series A Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,515,000	\$ 588,710	\$ 2,103,710
2015	1,620,000	526,010	2,146,010
2016	1,720,000	459,210	2,179,210
2017	1,830,000	388,210	2,218,210
2018	1,945,000	312,710	2,257,710
2019-2021	<u>6,690,000</u>	<u>418,505</u>	<u>7,108,505</u>
Total	<u>\$ 15,320,000</u>	<u>\$ 2,693,355</u>	<u>\$ 18,013,355</u>

2010 Series A

In November 2010, \$7,430,000 principal amount of 2010 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$10,000 to \$735,000 from September 1, 2013 through September 1, 2040; interest at 3.25% to 6.25%. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2011 at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$743,115, which is sufficient to cover the Bond Indenture Reserve Requirement of \$743,000.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

A) Local Agency Revenue Bonds - Continued

2010 Series A - Continued

Future debt requirements for the 2010 Series A Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 10,000	\$ 446,975	\$ 456,975
2015	20,000	446,463	466,463
2016	25,000	445,644	470,644
2017	40,000	444,375	484,375
2018	50,000	442,513	492,513
2019-2023	450,000	2,160,038	2,610,038
2024-2028	880,000	1,986,728	2,866,728
2029-2033	1,510,000	1,640,403	3,150,403
2034-2038	2,415,000	1,038,281	3,453,281
2039-2041	<u>2,030,000</u>	<u>197,499</u>	<u>2,227,499</u>
Total	<u>\$ 7,430,000</u>	<u>\$ 9,248,919</u>	<u>\$ 16,678,919</u>

2011 Series A

In June 2011, \$5,365,000 principal amount of 2011 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$135,000 to \$370,000 from September 1, 2012 through September 1, 2038; interest at 3.0% to 6.125%. The bonds are subject to call and redemption on and after their stated maturity commencing September 1, 2016 at redemption price equal to principal amount. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$427,375, which is sufficient to cover the Bond Indenture Reserve Requirement of \$427,175.

Future debt requirements for the 2011 Series A Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 140,000	\$ 281,800	\$ 421,800
2015	145,000	277,525	422,525
2016	145,000	273,175	418,175
2017	155,000	268,287	423,287
2018	160,000	262,375	422,375
2019-2023	900,000	1,191,650	2,091,650
2024-2028	1,170,000	907,069	2,077,069
2029-2033	1,555,000	505,713	2,060,713
2034-2038	750,000	116,450	866,450
2039	<u>110,000</u>	<u>3,369</u>	<u>113,369</u>
Total	<u>\$ 5,230,000</u>	<u>\$ 4,087,413</u>	<u>\$ 9,317,413</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

A) Local Agency Revenue Bonds - Continued

2011 Series B

In November 2011, \$1,405,000 principal amount of 2011 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$75,000 to \$120,000 from October 2012 through October 2026; interest at 1.75% to 5.50%. The bonds are subject to call and redemption on and after their stated maturity commencing October 1, 2012 at redemption price equal to principal amount. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$139,115, which is sufficient to cover the Bond Indenture Reserve Requirement of \$139,113.

Future debt requirements for the 2011 Series B Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 75,000	\$ 59,912	\$ 134,912
2015	80,000	57,874	137,874
2016	75,000	55,556	130,556
2017	80,000	52,838	132,838
2018	85,000	49,638	134,638
2019-2023	480,000	184,494	664,494
2024-2027	<u>445,000</u>	<u>49,638</u>	<u>494,638</u>
Total	<u>\$ 1,320,000</u>	<u>\$ 509,950</u>	<u>\$ 1,829,950</u>

2012 Series A

In July 2012, \$3,450,000 principal amount of 2012 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$25,000 to \$255,000 from September 1, 2013 through September 1, 2038. Interest payments ranging from 1.5% to 5.25% are due from March 1, 2013 through September 1, 2038. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2012 at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$272,894, which is sufficient to cover the Bond Indenture Reserve Requirement of \$272,888.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

A) Local Agency Revenue Bonds - Continued

2012 Series A - Continued

Future debt requirements for the 2012 Series A Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 25,000	\$ 163,719	\$ 188,719
2015	40,000	163,131	203,131
2016	45,000	162,225	207,225
2017	55,000	161,031	216,031
2018	60,000	159,519	219,519
2019-2023	400,000	761,744	1,161,744
2024-2028	620,000	659,466	1,279,466
2029-2033	850,000	471,712	1,321,712
2034-2038	1,100,000	217,612	1,317,612
2039	<u>255,000</u>	<u>6,694</u>	<u>261,694</u>
Total	<u>\$ 3,450,000</u>	<u>\$ 2,926,853</u>	<u>\$ 6,376,853</u>

2012 Series B

In November 2012, \$15,345,000 principal amount of 2012 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$615,000 to \$1,360,000 from September 2, 2014 through September 2, 2030. Interest payments ranging from 2.0% to 5.125% are due from March 2, 2013 through September 2, 2030. The bonds are subject to call and redemption prior to their stated maturity commencing March 2, 2013 at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$714,871, which is sufficient to cover the Bond Indenture Reserve Requirement of \$714,850.

Future debt requirements for the 2012 Series B Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$	\$ 673,800	\$ 673,800
2015	615,000	667,650	1,282,650
2016	630,000	654,413	1,284,413
2017	655,000	638,319	1,293,319
2018	675,000	619,188	1,294,188
2019-2023	3,865,000	2,698,972	6,563,972
2024-2028	5,060,000	1,664,344	6,724,344
2029-2031	<u>3,845,000</u>	<u>303,527</u>	<u>4,148,527</u>
Total	<u>\$ 15,345,000</u>	<u>\$ 7,920,213</u>	<u>\$ 23,265,213</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

A) Local Agency Revenue Bonds - Continued

2012 Series C

In December 2012, \$5,345,000 principal amount of 2012 Local Agency Revenue Bonds, Series C, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$5,000 to \$1,200,000 from September 1, 2015 through September 1, 2042. Interest payments ranging from 2.0% to 5.0% are due from March 1, 2013 through September 1, 2042. The bonds are subject to call and redemption prior to their stated maturity commencing March 1, 2013 at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$534,521, which is sufficient to cover the Bond Indenture Reserve Requirement of \$534,500.

Future debt requirements for the 2012 Series C Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$	\$ 261,175	\$ 261,175
2015		261,175	261,175
2016	5,000	261,125	266,125
2017	5,000	261,019	266,019
2018	15,000	260,766	275,766
2019-2023	155,000	1,291,919	1,446,919
2024-2028	360,000	1,241,759	1,601,759
2029-2033	630,000	1,128,750	1,758,750
2034-2038	1,015,000	925,625	1,940,625
2039-2043	<u>3,160,000</u>	<u>531,000</u>	<u>3,691,000</u>
Total	<u>\$ 5,345,000</u>	<u>\$ 6,424,313</u>	<u>\$ 11,769,313</u>

2013 Series A

In May 2013, \$3,620,000 principal amount of 2013 Local Agency Revenue Bonds, Series A, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$15,000 to \$310,000 from September 1, 2015 through September 1, 2043. Interest payments ranging from 1.75% to 5.0% are due from March 1, 2014 through September 1, 2043. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2014 at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$325,500, which is sufficient to cover the Bond Indenture Reserve Requirement of \$325,500.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

A) Local Agency Revenue Bonds - Continued

2013 Series A - Continued

Future debt requirements for the 2013 Series A Local Agency Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$	\$ 121,569	\$ 121,569
2015		169,631	169,631
2016	15,000	169,500	184,500
2017	20,000	169,169	189,169
2018	25,000	168,672	193,672
2019-2023	200,000	828,422	1,028,422
2024-2028	355,000	776,737	1,131,737
2029-2033	575,000	675,713	1,250,713
2034-2038	860,000	506,478	1,366,478
2039-2043	1,260,000	244,250	1,504,250
2044	<u>310,000</u>	<u>7,750</u>	<u>317,750</u>
Total	<u>\$ 3,620,000</u>	<u>\$ 3,837,891</u>	<u>\$ 7,454,891</u>

B) Tax Allocation Revenue Bonds

2010 Series A

In February 2010, \$15,435,000 principal amount of Tax Allocation Revenue Bonds, Series A, was issued in accordance with the indenture described in Note 7A. The term bonds are due in annual installments of \$305,000 to \$2,910,000 from September 1, 2010 through September 1, 2033; interest at 2.00% to 5.25%. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2019, at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$1,472,468, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,469,480.

Future debt requirements for the 2010 Series A Tax Allocation Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 315,000	\$ 669,707	\$ 984,707
2015	325,000	660,106	985,106
2016	330,000	651,106	981,106
2017	345,000	641,806	986,806
2018	350,000	630,944	980,944
2019-2023	1,970,000	2,945,328	4,915,328
2024-2028	2,445,000	2,447,594	4,892,594
2029-2033	6,360,000	1,518,825	7,878,825
2034	<u>1,700,000</u>	<u>44,625</u>	<u>1,744,625</u>
Total	<u>\$ 14,140,000</u>	<u>\$ 10,210,041</u>	<u>\$ 24,350,041</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

B) Tax Allocation Revenue Bonds - Continued

2010 Series B

In May 2010, \$10,855,000 principal amount of Tax Allocation Revenue Bonds, Series B, was issued in accordance with the indenture described in Note 7A. The term bonds are due in annual installments of \$515,000 to \$895,000 from September 1, 2010 through September 1, 2025; interest at 2.00% to 4.75%. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2019, at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$939,683, which is sufficient to cover the Bond Indenture Reserve Requirement of \$939,538.

Future debt requirements for the 2010 Series B Tax Allocation Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 575,000	\$ 354,025	\$ 929,025
2015	590,000	336,550	926,550
2016	610,000	318,550	928,550
2017	630,000	299,950	929,950
2018	645,000	280,019	925,019
2019-2023	3,615,000	997,497	4,612,497
2024-2026	<u>2,570,000</u>	<u>184,047</u>	<u>2,754,047</u>
Total	<u>\$ 9,235,000</u>	<u>\$ 2,770,638</u>	<u>\$ 12,005,638</u>

2010 Series C

In October 2010, \$29,435,000 principal amount of Tax Allocation Revenue Bonds, Series C, was issued in accordance with the indenture described in Note 7A. The term bonds are due in annual installments of \$650,000 to \$2,115,000 from September 1, 2011 through September 1, 2030; interest at 2.00% to 5.00%. The bonds are subject to call and redemption on or after their stated maturity commencing September 1, 2020, at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$2,222,739, which is sufficient to cover the Bond Indenture Reserve Requirement of \$2,222,395.

Future debt requirements for the 2010 Series C Tax Allocation Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 1,165,000	\$ 1,042,764	\$ 2,207,764
2015	1,190,000	1,019,214	2,209,214
2016	1,215,000	994,404	2,209,404
2017	1,240,000	965,995	2,205,995
2018	1,270,000	931,445	2,201,445
2019-2023	7,000,000	3,975,165	10,975,165
2024-2028	8,500,000	2,410,747	10,910,747
2029-2031	<u>6,065,000</u>	<u>449,144</u>	<u>6,514,144</u>
Total	<u>\$ 27,645,000</u>	<u>\$ 11,788,878</u>	<u>\$ 39,433,878</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

B) Tax Allocation Revenue Bonds - Continued

2011 Series A

In January 2011, \$5,550,000 principal amount of Tax Allocation Revenue Bonds, Series A, was issued in accordance with the indenture described in Note 7A. The term bonds are due in annual installments of \$445,000 to \$700,000 from September 1, 2012 through September 1, 2021; interest at 4.00% to 6.00%. The bonds are subject to call and redemption on or after their stated maturity commencing September 1, 2016, at specified redemption prices. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$555,356, which is sufficient to cover the Bond Indenture Reserve Requirement of \$539,623.

Future debt requirements for the 2011 Series A Tax Allocation Revenue Bonds are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 465,000	\$ 267,250	\$ 732,250
2015	485,000	246,481	731,481
2016	505,000	223,550	728,550
2017	530,000	197,675	727,675
2018	555,000	169,163	724,163
2019-2022	<u>2,565,000</u>	<u>319,350</u>	<u>2,884,350</u>
Total	<u>\$ 5,105,000</u>	<u>\$ 1,423,469</u>	<u>\$ 6,528,469</u>

C) Revenue Refunding Bonds

2000 Series A

In July 2000, \$15,660,000 principal amount of Revenue Refunding Bonds, Series A, was issued in accordance with the indenture to advance refund 1997 Revenue Bonds, Series A, whose proceeds were to provide funds to finance the Authority's lease of certain City recreation facilities from the City for lease back to the City. The term bonds are due in annual installments of \$285,000 to \$960,000 from February 1, 2005 through February 1, 2032; interest is variable. The bonds are subject to call and redemption prior to their stated maturity commencing February 1, 2002, at specified redemption prices.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

7) LONG-TERM LIABILITIES - Continued

C) Revenue Refunding Bonds - Continued

2000 Series A - Continued

Future debt requirements for the 2000 Series A Revenue Refunding Bonds are as follows:

Year Ending June 30,	Principal	Interest*	Total
2014	\$ 430,000	\$ 20,283	\$ 450,283
2015	450,000	19,589	469,589
2016	470,000	18,862	488,862
2017	490,000	18,104	508,104
2018	510,000	17,313	527,313
2019-2023	2,935,000	73,399	3,008,399
2024-2028	3,680,000	41,486	3,721,486
2029-2032	<u>3,600,000</u>	<u>4,584</u>	<u>3,604,584</u>
Total	<u>\$ 12,565,000</u>	<u>\$ 213,620</u>	<u>\$ 12,778,620</u>

*Interest on the bonds is payable on the first of each month, so long as the bonds bear interest a variable interest rate, and after conversion to a fixed rate, interest will be payable on February 1 and August 1 of each year. The amounts of the payments are not yet known due to the variable interest rate which is calculated weekly. For purposes of this schedule, the interest rate at June 30, 2013 of 0.16% was used to calculate the future interest payments.

D) Compensated Absences

Compensated absences are liquidated by the General Fund and are reported as a liability of the governmental activities.

E) Advance Refunding

Lake Elsinore Public Financing Authority 2008 Local Agency Revenue Bonds, Series B

In July 2012, the Authority issued \$3,450,000 in Local Agency Revenue Bonds Series 2012A with interest rates of 1.5% to 5.25% to advance refund \$3,265,000 of the Lake Elsinore Public Financing Authority 2008 Local Agency Revenue Bonds, Series B. The net proceeds of \$2,888,983 (after payment of \$69,000 in underwriting fees and other issuance costs) plus an additional \$355,403 of prior funds were deposited in an irrevocable trust to provide funds for the future debt service payment on the refunded bonds. As a result, the Lake Elsinore Public Financing Authority 2008 Local Agency Revenue Bonds, Series B, are considered to be defeased and the liability of this bond has been removed from the long-term debt of the Authority.

The reacquisition price exceeded the net carrying amount of the old debt by \$142,843. The Authority paid \$3,244,386 in payments to the escrow agent which resulted in a gain on defeasance of \$20,614. The remaining portion of \$163,457 to escrow was paid by available funds from Assessment District 93-1. The advance refunded the Lake Elsinore Public Financing Authority 2008 Local Agency Revenue Bonds, Series B, to reduce its total debt service payments over 25 years by \$906,900.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

8) SPECIAL ASSESSMENT DISTRICT BONDS

The payment of these bonds is secured by valid assessment liens upon certain lands in each district and are not direct liabilities of the City. Reserves have been established to meet delinquencies should they occur. Neither the faith and credit nor the taxing power of the City of Lake Elsinore is pledged to the payment of the bonds. If delinquencies occur beyond the amounts held in those reserves, the City has no duty to pay those delinquencies out of any other available funds. Therefore, the outstanding balances of these bonds are not reflected in these financial statements. A summary of Special Assessment Bonds outstanding, for which the City has no liability or commitment, or as follows:

	<u>Original Issue</u>	<u>Bonds Outstanding at June 30, 2013</u>
Assessment District No. 86-1 Improvement Bonds	\$ 3,390,514	\$ 1,001,317
Assessment District No. 90-1A Improvement Bonds	1,780,000	630,000
Assessment District No. 93-1 Refunding Improvement Bonds, 2012 Series B	15,345,000	15,345,000
Total Assessment District Bonds		\$ 16,976,317

9) COMMUNITY FACILITIES DISTRICT BONDS

These bonds are authorized pursuant to the Mello-Roos Community Facilities District Act of 1982 as amended, and are payable from special taxes levied on property within the Community Facility Districts according to a methodology approved by the voters within the District and by the City Council of the City of Lake Elsinore. Neither the faith and credit nor taxing power of the City of Lake Elsinore is pledged to the payment of the bonds. Reserves have been established from the bond proceeds to meet delinquencies should they occur. If delinquencies occur beyond the amounts held in those reserves, the City has no duty to pay the delinquency out of any available funds of the City. Therefore, the outstanding balances of these bonds are not reflected in these financial statements. A summary of Mello-Roos Bonds outstanding are as follows:

	<u>Original Issue</u>	<u>Bonds Outstanding at June 30, 2013</u>
Community Facilities District 90-2 Tuscan Hills Public Improvements 2002 Series	\$ 14,470,000	\$ 5,320,000
Community Facilities District 95-1 Lake Elsinore City Center Public Improvements	1,600,000	1,285,000
Community Facilities District 98-1 Summer Hill Public Improvements	17,660,000	17,307,715
Community Facilities District 2003-2 Canyon Hills 2004 Series A	12,235,000	11,585,000
Community Facilities District 2004-3 Rosetta Canyon 2005 Series A	22,635,000	21,845,000
Community Facilities District 2005-1 Serenity 2006 Series A	9,180,000	8,640,000

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

9) COMMUNITY FACILITIES DISTRICT BONDS - Continued

	<u>Original Issue</u>	<u>Bonds Outstanding at June 30, 2013</u>
Community Facilities District 2005-2 Alberhill Ranch 2005 Series A	\$ 24,680,000	\$ 23,835,000
Community Facilities District 2005-6 City Center Townhomes 2006 Series A	3,525,000	3,345,000
Community Facilities District 90-2 Tuscany Hills Public Improvement 2007 Series A	7,340,000	7,340,000
Community Facilities District 2003-2 Canyon Hills 2006 Series A	20,570,000	20,015,000
Community Facilities District 2004-3 Rosetta Canyon 2006 Series A	23,460,000	23,040,000
Community Facilities District 2006-2 Viscaya 2006 Series A	7,290,000	7,135,000
Community Facilities District 88-3 2008 Series A	24,670,000	17,020,000
Community Facilities District 88-3 2008 Series A - Subordinate	7,175,000	5,985,000
Community Facilities District 2003-2 Canyon Hills 2010 Series A	7,430,000	7,430,000
Community Facilities District 2005-5 Wasson Canyon 2012 Series A	3,450,000	3,450,000
Community Facilities District 2006-1 Summerly 2013 Series (Improvement Area A)	3,620,000	3,620,000
Community Facilities District 2003-2 Canyon Hills 2013 Series (Improvement Area C)	5,345,000	<u>5,345,000</u>
Total Community Facilities District Bonds		<u>\$ 193,542,715</u>

10) MORTGAGE REVENUE BONDS

The City and Agency have entered into a bond and loan program to assist low and moderate income homebuyers of multi-family residential developments within the City limits. Although the City has arranged the financing program, these debts are not payable from any revenues or assets of the City. Neither the faith and credit nor the taxing power of the City, or any political subdivision of the City, is pledged to repay the indebtedness. Accordingly, since these debts do not constitute an obligation of the City, they are not reflected in the accompanying financial statements. They are as follows:

	<u>Original Issue</u>	<u>Bonds Outstanding at June 30, 2013</u>
Lakeside Village Project - Due January 1, 2031	<u>\$ 5,000,000</u>	<u>\$ 3,948,582</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

11) INTER-FUND RECEIVABLES, PAYABLES AND TRANSFERS

During the course of normal operations, the City entered into numerous transactions between funds, including expenditures and transfers of resources to provide services, construct assets, and service debt. The accompanying governmental fund financial statements generally reflect such transactions as operating transfers. Nonrecurring or nonroutine permanent transfers of equity are reported as residual equity transfers. Inter-fund transactions and inter-fund payables/receivables at year-end are not eliminated in the governmental fund financial statements.

Due To/From

Due to and from other funds are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Other Governmental Funds	\$ 985,026

The General Fund loaned Other Governmental Funds \$985,026 to provide cash flows for expenditures.

Transfers In/Out

The compositions of the City's interfund transfer balances are as follows:

Transfers In	Transfers Out	Amount
General Fund	Other Governmental Funds	\$ 126,988
Other Governmental Funds	General Fund	1,106,699
	Other Governmental Funds	1,001,610
		\$ 2,235,297

The transfers between the General Fund and the Other Governmental Funds were made to provide cash flows for expenditures.

12) FUND BALANCE AND NET POSITION

The fund balances reported on the fund statements consist of the following categories:

Nonspendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact.

Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions or enabling legislation).

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

12) FUND BALANCE AND NET POSITION - Continued

Committed Fund Balance - Amounts that can only be used for specific purposes because of a formal action (ordinance) by the government's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the City that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

Assigned Fund Balance - Amounts that are constrained by the City's intent to be used for specific purposes, but that do not meet the criteria to be classified as restricted or committed. Intent can be stipulated by the governing body, another body, or by an official to whom the authority has been given. The City Council assigns fund balance, however, unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment.

Unassigned Fund Balance - These are either residual positive net resources of the General Fund in excess of what can properly be classified in one of the other categories, or negative balances in all other funds.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available, the City's policy is to apply restricted fund balance first. When an expenditure is incurred for purposes for which committed, assigned or unassigned fund balances are available, the City's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

The details of the fund balances as of June 30, 2013 are presented below:

	General Fund	Low and Moderate Income Housing Special Revenue Fund	Public Financing Authority Debt Service Fund	Other Governmental Funds	Total Governmental Funds
Fund Balances					
Nonspendable:					
Prepaid Items	\$ 821,906	\$	\$	\$	\$ 821,906
Notes Receivable	1,000,000				1,000,000
Endowment Principal				20,003	20,003
Restricted for:					
Debt Service			144,226,264	768	144,227,032
Low & Moderate Income Housing		37,955,518		1,509,231	39,464,749
Transportation & Public Works				12,297,891	12,297,891
Development				1,533,260	1,533,260
Lighting & Landscape Maintenance				248,752	248,752
Public Facilities & Improvements				4,318,412	4,318,412
Community Development				24,176	24,176
Other Purposes				20,540	20,540
Assigned:					
Construction				1,024,002	1,024,002
Scholarships				10,679	10,679
Unassigned	<u>12,017,317</u>	<u></u>	<u></u>	<u>(905,426)</u>	<u>11,111,891</u>
Total Fund Balance	<u>\$ 13,839,223</u>	<u>\$ 37,955,518</u>	<u>\$ 144,226,264</u>	<u>\$ 20,102,288</u>	<u>\$ 216,123,293</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

12) FUND BALANCE AND NET POSITION - Continued

The details of other restricted purposes in net position as of June 30, 2013 are presented below:

Lighting and Landscape Maintenance	\$	315,824
Community Development		
Expendable		24,176
Nonexpendable		20,003
Law Enforcement		13,081
Geothermal		19,813
Education		<u>727</u>
Total Net Position - Other		
Restricted Purposes	\$	<u>393,624</u>

13) OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES

It is the City's intention to seek authority from the City Council to realign the current year's budget to reflect priority changes in the goals and objectives of the City. This realignment did not take place in the current year budget; therefore, expenditures exceeded appropriations in the following funds:

	<u>Expenditures</u>	<u>Appropriations</u>	<u>Difference</u>
Low and Moderate Income Housing - Special Revenue Fund	\$ 258,731	\$ 0	\$ (258,731)
Other Governmental Funds:			
Traffic Offender - Special Revenue Fund	161,081	63,000	(98,081)
TDA Article 3 SB821 Pedestrian Sidewalk - Special Revenue Fund	192,918	71,841	(121,077)
SB1186 CAS Education - Special Revenue Fund	349	0	(349)
City-Wide Lighting and Landscaping - Special Revenue Fund	1,436,233	1,300,000	(136,233)
AB2766 Air Pollution - Special Revenue Fund	97,220	91,401	(5,819)
C.D.B.G. - Special Revenue Fund	269,265	235,866	(33,399)
Affordable Housing In-Lieu - Special Revenue Fund	3,520	0	(3,520)
City Hall/Public Works - Special Revenue Fund	164,458	85,000	(79,458)
Lake Side Facilities - Special Revenue Fund	46,977	32,098	(14,069)
Animal Shelter - Special Revenue Fund	235,837	235,000	(837)
Miscellaneous Grants - Special Revenue Fund	892,941	242,645	(650,296)
Miscellaneous General Project - Capital Project Fund	1,007,021	990,105	(16,916)
Traffic Improvements - Capital Project Fund	776,179	0	(776,179)
Public Improvement In-Lieu - Capital Project Fund	83,652	0	(83,652)
TUMF - Capital Project Fund	4,308	38	(4,270)
Boat Launch Construction - Capital Project Fund	343,206	125,733	(217,473)
Assessment District - Capital Project Fund	7,328,800	0	(7,328,800)
Endowment Trust - Permanent Fund	350	0	(350)

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

13) OTHER REQUIRED INDIVIDUAL FUND DISCLOSURES - Continued

The following funds had a deficit fund balance at June 30, 2013. These deficits are expected to be eliminated through future revenues and transfers.

	<u>Amount</u>
Other Governmental Funds:	
Supplemental Law Enforcement Service - Special Revenue Fund	\$ (12,434)
L.L.E.B.G. Program - Special Revenue Fund	(13,569)
Office of Traffic Safety - Special Revenue Fund	(42,411)
Traffic Safety - Special Revenue Fund	(10,289)
Miscellaneous Grants - Special Revenue Fund	(672,022)
N.P.D.E.S. - Special Revenue Fund	(37,527)
City Fire Protection - Capital Projects Fund	(40,519)
TUMF - Capital Projects Fund	(54,985)

14) PENSION PLAN

Plan Description

The City contributes to the California Public Employees Retirement System (PERS), a cost sharing multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. As of July 2005, the City was mandated by the State to participate in the risk pool. The risk pool combines the assets and liabilities across employers of the same risk pool to provide a method to spread the risk of uncertain gains and losses over a larger base of members. Benefit provisions and all other requirements are established by state statute and City ordinance. Copies of PERS annual financial report may be obtained from their executive office: 400 P Street, Sacramento, CA 95814.

All full-time City employees are eligible to participate in PERS. Benefits vest after five (5) years of credited service. Employees are eligible for retirement at the age of 55 and are entitled to a monthly benefit of 2.5% of final compensation, the highest average monthly compensation earned during any period of three consecutive years, for each year of service credit. Retirement may begin at age 50 with a reduced benefit rate. PERS also provides death and disability benefits. Upon separation from the plan, members' accumulated contributions are refundable with interest credited through the date of separation. Effective December 7, 2011, employees are eligible for retirement at the age of 60 and are entitled to a monthly benefit of 2.0% based on average monthly compensations earned during the final three years of employment.

Funding Policy

Participants are required to contribute 8% of their annual covered salary. For employees who are covered by formulas modified to coordinate with social security, a rate of zero is charged for the first \$133.33 per month. Also, there is an additional charge for employees covered by the 1959 Survivor Benefit, \$2.00 per covered member per month. The City is required to contribute at an actuarially determined rate. These rates were determined as part of the June 30, 2010 actuarial valuation: the current rate is 21.970% of annual covered payroll. The contribution requirements of plan members and the City are established and may be amended by PERS.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

14) PENSION PLAN - Continued

Miscellaneous Employees

For 2012-13, the City's annual pension cost for miscellaneous employees, of \$1,032,008 for PERS was equal to the City's required and actual contributions. The required contribution for fiscal year 2012-13 was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value).

THREE YEAR TREND INFORMATION FOR PERS			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$ 922,645	100%	\$ -0-
6/30/12	\$ 1,060,893	100%	\$ -0-
6/30/13	\$ 1,032,008	100%	\$ -0-

Safety Employees

At one time, the City of Lake Elsinore had its own police force. It was disbanded and now the City contracts with the County Sherriff for police services. For 2012-13, the City's annual pension cost, for safety employees, of \$0 for PERS was equal to the City's required and actual contributions. The required contribution for fiscal year 2012-13 was determined as part of the June 30, 2010, actuarial valuation using the entry age normal actuarial cost method. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period (smoothed market value).

THREE YEAR TREND INFORMATION FOR PERS			
Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/11	\$ -0-	100%	\$ -0-
6/30/12	\$ -0-	100%	\$ -0-
6/30/13	\$ -0-	100%	\$ -0-

15) OTHER POST-EMPLOYMENT BENEFITS

Plan Description

In addition to providing pension benefits, the City provides post-employment benefits for retired employees. In accordance with City Resolution 89-42 dated September 1989, the City provides health insurance premiums costs to qualifying employees. Employees who retire from the City on or after attaining age 55, with at least 5 years of service with the City, qualify to receive the post-employment benefit. The City pays 100% of the retirees' and authorized dependents monthly medical premiums.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

15) OTHER POST-EMPLOYMENT BENEFITS - Continued

Funding Policy

The contribution requirements of the plan members and the City are established and may be amended by the City, the City's City Council, and/or the employee associations. Currently, contributions are not required from plan members. Contributions are funded on a pay-as-you-go basis. During the fiscal year ended June 30, 2013, the City elected to fund \$478,986 towards the unfunded accrued liability related to this benefit.

Annual OPEB Cost and Net OPEB Obligation

The City's annual OPEB cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded liabilities of the plan over a period not to exceed thirty years. The ARC for fiscal year 2012-13 was \$1,709,128.

The following table shows the components of the City's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the City's net OPEB obligation.

Annual Required Contribution (ARC)	\$	1,709,128
Interest on Net OPEB Obligation		200,037
Annual OPEB Cost		1,909,165
Contributions Made		(478,986)
Increase (Decrease) in Net OPEB Obligation		1,430,179
Net OPEB Obligation - Beginning of Year		<u>4,706,761</u>
Net OPEB Obligation - End of Year	\$	<u><u>6,136,940</u></u>

Three-Year Trend Information

For fiscal year 2013, the City's annual OPEB cost (expense) of \$1,909,165 was equal to the ARC. Information on the annual OPEB cost, percentage of Annual OPEB cost contributed, and Net OPEB Obligation is presented below:

Fiscal Year	Annual OPEB Cost	Actual Contributions (Net of Adjustments)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/11	\$ 1,170,664	\$ 379,875	32.45%	\$ 2,877,575
6/30/12	\$ 1,831,425	\$ 427,567	23.35%	\$ 4,706,761
6/30/13	\$ 1,909,165	\$ 478,986	25.09%	\$ 6,136,940

Funded Status and Funding Progress

As of July 1, 2011, the second actuarial valuation date, the plan was zero percent funded. The actuarial accrued liability for benefits was \$14,095,692 and the actuarial value of assets was zero, resulting in an unfunded actuarial accrued liability (UAAL) of \$14,095,692. The covered payroll (annual payroll of active employees covered by the plan) was \$4,220,232 and the ratio of the UAAL to the covered payroll was 334.01%.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

15) OTHER POST-EMPLOYMENT BENEFITS - Continued

Funded Status and Funding Progress - Continued

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of the plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the frozen entry age method was used. The actuarial assumptions included a rate of return on assets of 4.25% per annum and a medical cost trend rates ranging from 5.0% to 9.5% for the first four years and an ultimate rate of 5.0% after four years, dental cost trend is 4% per year. The City's unfunded actuarial accrued liability is being amortized by level dollar contributions over twenty years as a level dollar amount.

16) DEFERRED COMPENSATION

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue Code 457. On August 20, 1996 the provisions of Internal Revenue Code (IRC) Section 457 were amended to require new plans to place all assets and income of the plans in trust for the exclusive benefit of participants and their beneficiaries. Plans in existence as of the date of this change must place the Plan assets and income in trust by January 1, 1999. Once the assets and income are placed in trust the City no longer owns the amounts deferred by employees and related income. Prior to this IRC Section 457 Amendment, the deferred amounts and related income remained as property of the City until withdrawn by the employee.

During the 1997-98 fiscal year, the City placed its Deferred Compensation Plan assets and related income in trust as allowed by IRC Section 457 and as a result the asset and corresponding liability are no longer presented in these financial statements. This change had no impact on the City's fund equity.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

17) LIABILITY, PROPERTY AND PROTECTION

The City is a member of the California Joint Powers Insurance Authority (Insurance Authority). The Insurance Authority is composed of 122 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Insurance Authority is to arrange and administer programs for the pooling of self-insured losses, purchase excess insurance or reinsurance, and to arrange for group-purchased insurance for the property and other lines of coverage. The Insurance Authority's pool began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

Self-insurance Programs of the Insurance Authority

Each member pays an annual contribution (formerly called the primary deposit) to cover estimated losses for the coverage period. This initial funding is paid at the beginning of the coverage period. After the close of the coverage period, outstanding claims are valued. A retrospective deposit computation is then conducted annually thereafter until all claims incurred during the coverage period are closed on a pool-wide basis. This subsequent cost reallocation among members based on actual claim development can result in adjustments of either refunds or additional deposits required.

The total refunding requirement for self-insurance program is estimated using actuarial models and prefunded through the annual contribution. Costs are allocated to individual agencies based on exposure (payroll) and experience (claims) relative to other members of the risk-sharing pool. Additional information regarding the cost allocation methodology is provided below.

General Liability Insurance

In the liability program claims are pooled separately between police and non-police exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses with the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs with the second layer. (4) Incurred costs in excess of \$750,000 up to the reinsurance attachment point of \$5 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$5 million to \$10 million are paid under a reinsurance contract subject to a \$2.5 million annual aggregate deductible. Costs of covered claims from \$10 million to \$15 million are paid under two reinsurance contracts subject to a combined \$3 million annual aggregate deductible. The \$3 million annual aggregate deductible is fully retained by Insurance Authority. (6) Costs of covered claims from \$15 million up to \$50 million are covered through excess insurance policies.

The overall coverage limit for each member including all layers of coverage is \$50 million per occurrence.

Costs of covered claims for subsidence losses are paid by reinsurance and excess insurance with a pooled sub-limit of \$25 million per occurrence. This \$25 million subsidence sub-limit is composed of (a) \$5 million retained within the pool's SIR, (b) \$10 million in reinsurance and (c) \$10 million in excess insurance. The excess insurance layer has a \$10 million annual aggregate.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

17) LIABILITY, PROPERTY AND PROTECTION - Continued

Workers' Compensation

In the workers' compensation program claims are pooled separately between public safety (police and fire) and non-public safety exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses with the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs in excess of \$100,000 up to the reinsurance attachment point of \$2 million are distributed based on the outcome of cost allocation within the first and second loss layers. (5) Costs of covered claims from \$2 million up to statutory limits are paid under a reinsurance policy. Protection is provided per statutory liability under California Workers' Compensation Law.

Employer's liability losses are pooled among members to \$2 million. Coverage from \$2 million to \$5 million is purchased as part of a reinsurance policy, and Employer's liability losses from \$5 million to \$10 million are pooled among members.

Purchased Insurance

Property Insurance

The City participates in the all-risk property protection program of the Insurance Authority. This insurance protection is underwritten by several insurance companies. The City's property is currently insured according to a schedule of covered property submitted by the City to the Insurance Authority. The City's property currently has all-risk property protection in the amount of \$38,613,980. There is a \$5,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$1,000 deductible. Premiums for the coverage are paid annually and are not subject to retroactive adjustments.

Crime Insurance

The City purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Insurance Authority. Premiums are paid annually and are not subject to retroactive adjustments.

Adequacy of Protection

During the past three fiscal years none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2012-13.

18) LITIGATION

The City is defendant in several other pending lawsuits of a nature common to many similar jurisdictions. City management estimates that the potential claims against the City not covered by insurance resulting from such litigation would not materially affect the basic financial statements of the City.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

19) SUCCESSOR AGENCY TRUST DISCLOSURES

On December 29, 2011, the California Supreme Court upheld Assembly Bill 1X 26 ("the Bill") that provides for the dissolution of all redevelopment agencies in the State of California. This action impacted the reporting entity of the City of Lake Elsinore (City) that previously had reported a redevelopment agency within the reporting entity as a blended component unit. The Bill provides that upon dissolution of a redevelopment agency, either the City or another unit of local government will agree to serve as the "successor agency" to hold the assets until they are distributed to other units of state and local government. On January 24, 2012, the City Council elected to become the Successor Agency for the former redevelopment agency in accordance with the Bill. In accordance with the timeline set forth in the Bill (as modified by the California Supreme Court on December 29, 2011) all redevelopment agencies in the State of California were dissolved and ceased to operate as a legal entity as of February 1, 2012.

After enactment of the law, which occurred on June 28, 2011, redevelopment agencies in the State of California cannot enter into new projects, obligations, or commitments. Subject to the control of a newly established oversight board, remaining assets can only be used to pay enforceable obligations in existence at the date of dissolution (including the completion of any unfinished projects that were subject to legally enforceable contractual commitments). In future fiscal years, successor agencies will only be allocated revenue in the amount that is necessary to pay the estimated annual installment payments on enforceable obligations of the former redevelopment agency until all enforceable obligations of the prior redevelopment agency have been paid in full and all assets have been liquidated.

Successor Agency Capital Assets

Capital assets activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance at June 30, 2013</u>
Capital Assets, Not Depreciated				
Land	\$ 2,426,392	\$	\$	\$ 2,426,392
Total Capital Assets Not Depreciated	<u>2,426,392</u>	<u>0</u>	<u>0</u>	<u>2,426,392</u>
Capital Assets, Depreciated				
Building and Structures	14,251,444	501,845		14,753,289
Improvements Other Than Buildings	349,940	218,987		568,927
Machinery and Equipment	972,376	164,832		1,137,208
Furniture and Fixtures	<u>996</u>	<u></u>	<u></u>	<u>996</u>
Total Capital Assets, Depreciated	<u>15,574,756</u>	<u>885,664</u>	<u>0</u>	<u>16,460,420</u>
Less Accumulated Depreciation:				
Building and Structures	(5,487,167)	(380,227)		(5,867,394)
Improvements Other Than Buildings	(189,838)	(13,998)		(203,836)
Machinery and Equipment	(972,376)			(972,376)
Furniture and Fixtures	<u>(996)</u>	<u></u>	<u></u>	<u>(996)</u>
Total Accumulated Depreciation	<u>(6,650,377)</u>	<u>(394,225)</u>	<u>0</u>	<u>(7,044,602)</u>
Total Capital Assets, Depreciated, Net	<u>8,924,379</u>	<u>491,439</u>	<u></u>	<u>9,415,818</u>
Capital Assets, Net	<u>\$ 11,350,771</u>	<u>\$ 491,439</u>	<u>\$ 0</u>	<u>\$ 11,842,210</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

19) SUCCESSOR AGENCY TRUST DISCLOSURES - Continued

Successor Agency Long-Term Liabilities

	<u>Date of Issue</u>	<u>Years of Maturity</u>	<u>Rate of Interest</u>	<u>Amount Authorized</u>
Loans Payable:				
City of Lake Elsinore	Various	Various	Various	Various
Lake Elsinore Public Financing Authority	Various	Various	Various	\$ 61,275,000
EVMWD Amber Ridge	2/95	1999 - 2014	2.70% - 6.00%	867,574
Subordinate Tax				
Allocation Revenue Bonds:				
2011 Series Project Area II	4/11	2011 - 2038	3.60% - 7.65%	3,260,000
2011 Series Project Area III	4/11	2011 - 2038	3.60% - 7.75%	1,350,000
Developer Agreements:				
Oak Grove Equities	3/93	1995 - 2014	7.00%	1,800,000
Outlet Center	12/89	1996 - 2015	N/A	2,140,000
McMillin Summerly, LLC	12/02	N/A	N/A	19,000,000

Long-term liability activity was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Loans Payable:				
City of Lake Elsinore (see Note 3)	\$ 38,682,855	\$ 569,937	\$ (5,658,722)	\$ 33,594,070
Lake Elsinore Public Financing Authority	58,580,000		(2,455,000)	56,125,000
EVMWD Amber Ridge	150,610	19,329	(54,604)	115,335
Discounts	<u>(708,308)</u>		<u>48,634</u>	<u>(659,674)</u>
Subtotal	<u>96,705,157</u>	<u>589,266</u>	<u>(8,119,692)</u>	<u>89,174,731</u>
Subordinate Tax Allocation Bonds:				
2011 Series Project Area II	3,260,000		(70,000)	3,190,000
2011 Series Project Area III	<u>1,350,000</u>		<u>(20,000)</u>	<u>1,330,000</u>
Subtotal	<u>4,610,000</u>	<u>0</u>	<u>(90,000)</u>	<u>4,520,000</u>
Developer Agreements:				
Oak Grove Equities	2,497,377	105,329		2,602,706
Outlet Center	1,915,036			1,915,036
McMillin Summerly, LLC	<u>490,789</u>	<u>93,676</u>		<u>584,465</u>
Subtotal	<u>4,903,202</u>	<u>199,005</u>	<u>0</u>	<u>5,102,207</u>
Total	<u>\$ 106,218,359</u>	<u>\$ 788,271</u>	<u>\$ (8,209,692)</u>	<u>\$ 98,796,938</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

19) SUCCESSOR AGENCY TRUST DISCLOSURES - Continued

A) Loans Payable

Public Financing Authority

Periodically the City of Lake Elsinore's Public Financing Authority (the "Authority") issued Tax Allocation Revenue Bonds for financing projects of the former Redevelopment Agency and to provide funds for the various debt obligations of the Agency. The proceeds of the bonds were loaned to the former Agency pursuant to loan agreements with the Authority in the principal amount of the bonds. Principal and interest are payable in installment payments not less than three business days prior to the due date on the bonds.

As a result of the dissolution of the Agency, the obligation to pay these loans was transferred to the Successor Agency to the Redevelopment Agency of the City of Lake Elsinore ("Successor Agency"). The loans made from proceeds of the tax agency allocation bonds issued by the Public Financing Authority are shown as debt of the Successor Agency. Redevelopment property tax increment is pledged for payment of the debt issued. The Department of Finance has not objected to these loans as enforceable obligations of the Successor Agency. Redevelopment property tax trust fund monies (formerly known as property tax increment), continues to be distributed to the Successor Agency to pay the debt service on these bonds.

At June 30, 2013, outstanding principal under loan agreements between the Successor Agency and the Authority totaled \$56,125,000 based on 2010 Series A, Series B and Series C Tax Allocation Revenue Bonds and the 2011 Series A Tax Allocation Revenue Bonds as described below.

2010 Series A

In February 2010, \$15,435,000 principal amount of Tax Allocation Revenue Bonds, Series A, was issued by the Authority. Concurrently with this issuance of the bonds, the principal amount was loaned to the Agency. The proceeds were used to advance refund \$13,170,000 of outstanding 1995 Series C Tax Allocation Revenue Bonds. The loan is payable in annual installments of \$305,000 to \$2,910,000 from September 1, 2010 through September 1, 2033; interest at 2.00% to 5.25%. The loan balance at June 30, 2013 is \$14,140,000. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$1,472,468, which is sufficient to cover the Bond Indenture Reserve Requirement.

2010 Series B

In May 2010, \$10,855,000 principal amount of Tax Allocation Revenue Bonds, Series B, was issued by the Authority. Concurrently with this issuance of the bonds, the principal amount was loaned to the Agency. The proceeds were used to advance refund \$10,065,000 of outstanding 1995 Series A Tax Allocation Revenue Bonds. The advance refunding resulted in an economic gain of \$757,319 and a decrease in cash flow expenditures of \$893,956. Proceeds from the 2010 Series B bonds were invested in an escrow fund with a trustee, which together with earnings, will pay interest and principal on the bonds until fully retired. The 1995 Series A bonds are legally defeased and are no longer a liability of the Agency. The Series B loan is payable in annual installments of \$515,000 to \$895,000 from September 1, 2010 through September 1, 2025; and bears interest at 2.00% to 4.75%. The loan balance at June 30, 2013 is \$9,235,000. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$939,683, which is sufficient to cover the Bond Indenture Reserve Requirement.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

19) SUCCESSOR AGENCY TRUST DISCLOSURES - Continued

A) Loans Payable - Continued

2010 Series C

In November 2010, \$29,435,000 principal amount of Tax Allocation Revenue Bonds, Series C, was issued by the Authority. Concurrently with the bond issuance, the principal amount was loaned to the Agency. The proceeds were used to advance refund \$27,495,000 of outstanding 1999 Series A Tax Allocation Revenue Bonds. Tax revenues from Project Areas 1 and 2 are pledged for the repayment of the loan. In the event that tax revenues are not sufficient from Project Areas 1 and 2, the Agency covenanted to make interfund loans from Project Area 3 and the Low and Moderate Income Housing Fund to make the loan payment. The loan is payable in annual installments of \$650,000 to \$2,115,000 from September 1, 2011 through September 1, 2030; and bears interest at 2.00% to 5.00%. The loan balance at June 30, 2013 is \$27,645,000. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$2,222,739, which is sufficient to cover the Bond Indenture Reserve Requirement.

2011 Series A

In January 2011, \$5,550,000 principal amount of Tax Allocation Revenue Bonds, Series A, was issued by the Authority. Concurrently with this bond issuance, the principal amount was loaned to the Agency. The proceeds were used to provide funding for a boat launch ramp project benefitting Project Area 1. Tax revenues from Project Area 1 are pledged for repayment of the loan. In the event that tax revenues are not sufficient from Project Area 1, the Agency covenanted to make interfund loans from Project Areas 2 and 3 to make the loan payment. The pledge of Project Area 1 revenues to the loan is on a subordinate basis with respect to the 2010 Series C loan and on a parity basis with the 2010 Series A loan. The loan is payable in annual installments \$445,000 to \$700,000 from September 1, 2012 through September 1, 2021, bearing interest rate at 4.00% to 6.00%. The loan balance at June 30, 2013, is \$5,105,000. At June 30, 2013, the Authority has a cash reserve balance for debt service of \$555,356 which is sufficient to cover the Bond Indenture Reserve Requirement.

Future debt requirements for the loans payable to the Public Financing Authority are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 2,520,000	\$ 2,333,745	\$ 4,853,745
2015	2,590,000	2,262,351	4,852,351
2016	2,660,000	2,187,611	4,847,611
2017	2,745,000	2,105,426	4,850,426
2018	2,820,000	2,011,570	4,831,570
2019-2023	15,150,000	8,237,341	23,387,341
2024-2028	13,515,000	5,042,387	18,557,387
2029-2033	12,425,000	1,967,969	14,392,969
2034	<u>1,700,000</u>	<u>44,625</u>	<u>1,744,625</u>
Total	<u>\$ 56,125,000</u>	<u>\$ 26,193,025</u>	<u>\$ 82,318,025</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

19) SUCCESSOR AGENCY TRUST DISCLOSURES - Continued

A) Loans Payable - Continued

Elsinore Valley Municipal Water District (EVMWD) - Amber Ridge

In February 1995, the City and the Agency entered into an agreement with the EVMWD whereby the Agency agreed to reimburse EVMWD's annual loan payment related to project costs of the EVMWD and a loan payable to the State Water Resources Control Board. The Agency's annual installments of \$60,914 are due July 1, 1999 to July 1, 2014, and includes interest calculated from 2.70% to 6.00%.

Future debt requirements for the loans are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 56,618	\$ 4,296	\$ 60,914
2015	<u>58,717</u>	<u>2,194</u>	<u>60,911</u>
Total	<u>\$ 115,335</u>	<u>\$ 6,490</u>	<u>\$ 121,825</u>

B) Subordinate Tax Allocation Revenue Bonds

2011 Series Project Area II

In April 2011, \$3,260,000 principal amount of Subordinate Tax Allocation Revenue Bonds, Series 2011 Project Area II were issued to reimburse infrastructure costs to McMillin Summerly, LLP under an Amended and Restated Disposition and Development Agreement dated March 8, 2011. The bonds were issued as a private placement offering to the developer. In connection with the bonds, the Agency entered into a loan agreement with the Lake Elsinore Public Financing Authority to provide for funds for the Agency to purchase the bonds held by the developer. The term bonds are due in annual installments of \$70,000 to \$285,000 from September 1, 2012 through September 1, 2033; interest at 3.60% to 7.65%. The bonds are subject to call and redemption prior to their stated maturity at specified redemption prices.

Future debt requirements for the Subordinate Tax Allocation Revenue Bonds Series 2011 Project Area II are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 75,000	\$ 231,107	\$ 306,107
2015	80,000	227,380	307,380
2016	80,000	223,180	303,180
2017	85,000	218,597	303,597
2018	90,000	213,025	303,025
2019-2023	555,000	957,094	1,512,094
2024-2028	795,000	708,582	1,503,582
2029-2033	1,145,000	341,382	1,486,382
2034	<u>285,000</u>	<u>10,901</u>	<u>295,901</u>
Total	<u>\$ 3,190,000</u>	<u>\$ 3,131,248</u>	<u>\$ 6,321,248</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

19) SUCCESSOR AGENCY TRUST DISCLOSURES - Continued

B) Subordinate Tax Allocation Revenue Bonds - Continued

2011 Series Project Area III

In April 2011, \$1,350,000 principal amount of Subordinate Tax Allocation Revenue Bonds, Series 2011 Project Area III were issued to reimburse infrastructure costs to McMillin Summerly, LLP under an Amended and Restated Disposition and Development Agreement dated March 8, 2011. The bonds were issued as a private placement offering to the developer. In connection with the bonds, the Agency entered into a loan agreement with the Lake Elsinore Public Financing Authority to provide for funds for the Agency to purchase the bonds held by the developer. The term bonds are due in annual installments of \$20,000 to \$110,000 from September 1, 2012 through September 1, 2038; interest at 3.60% to 7.75%. The bonds are subject to call and redemption prior to their stated maturity at specified redemption prices.

Future debt requirements for the Subordinate Tax Allocation Revenue Bonds Series 2011 Project Area III are as follows:

Year Ending June 30,	Principal	Interest	Total
2014	\$ 20,000	\$ 98,788	\$ 118,788
2015	20,000	97,827	117,827
2016	20,000	96,778	116,778
2017	25,000	95,525	120,525
2018	25,000	93,938	118,938
2019-2023	150,000	440,349	590,349
2024-2028	210,000	374,190	584,190
2029-2033	305,000	276,079	581,079
2034-2038	445,000	134,618	579,618
2039	<u>110,000</u>	<u>4,262</u>	<u>114,262</u>
Total	<u>\$ 1,330,000</u>	<u>\$ 1,712,354</u>	<u>\$ 3,042,354</u>

C) Developer Agreements

The former Redevelopment Agency of the City of Lake Elsinore (“Agency”) entered into several developer agreements for development within the City (project areas). The Agency’s significant commitments with certain developers consist of the following:

Oak Grove Equities

On March 12, 1993, the Agency entered into an Owner Participation Agreement with Oak Grove Equities. The Agency agreed to reimburse the developer \$1,800,000 for certain public improvements that were installed at the Lake Elsinore City Center. The \$1,800,000 accrues interest at 7.00% per annum. Installment payments are to be made each year on January 30th for approximately 20 years, continuing 19 years after the first installment date. Installment payments are calculated to be (1) in the amount of 100% of the sales tax in excess of \$200,000, but not to exceed \$200,000, and (2) 50% of the amount of any additional sales tax received in excess of \$400,000. Sales tax is not pledged for repayment. The obligation is a general obligation of the Agency and tax increment is not specifically pledged. As of June 30, 2013, the outstanding balance is \$2,602,706 for payment to Oak Grove Equities in accordance

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

19) SUCCESSOR AGENCY TRUST DISCLOSURES - Continued

C) Developer Agreements - Continued

Oak Grove Equities - Continued

with the Agreement, which amount is included in long-term obligations. Any unpaid obligation on the 20th payment date, which is January 31, 2016, is to be forgiven and discharged.

Outlet Center

The Agency entered into an Owner Participation Agreement with NG/Chelsea Lake Elsinore Limited Partnership pertaining to the development of a factory retail outlet. The factory outlet center is located in Redevelopment Project Area I. Pursuant to the Agreement, the Agency is required to pay the annual special assessment levied by Assessment District 86-1. The bonds issued by Assessment District 86-1 mature in the year 2015 and the annual special assessment is approximately \$108,000. The outstanding balance as of June 30, 2013 is \$1,915,036 in accordance with the Agreement, which is included in long-term obligations.

McMillin Summerly LLC

On or about December 26, 2002, the Agency entered into a Disposition and Development Agreement (DDA) with Laing CP Lake Elsinore LLC and Civic Partners Elsinore LLC, as developer and master developer, respectively, covering an area of approximately 3,000 acres located in Project Areas II and III. As a result of the bankruptcy of the managing member of Laing CP Lake Elsinore LLC, Bank of America foreclosed on the property and later sold to McMillin Summerly LLC, who assumed the rights and obligations of the developer under the DDA pursuant to an Amended and Restated DDA entered into as of March 8, 2011. In the DDA, the Agency pledged 100% of the net tax increment generated by the property subject to the DDA to the developer and master developer, excluding, without limitation, moneys to be set aside in the former low and moderate income housing fund and funds payable under pass through agreements.

Property taxes accrued for payment as of June 30, 2013, is \$584,465 to the developer and master developer upon satisfaction of the terms of the DDA. A portion of the tax increment pledge reimburses the developer for construction of certain extraordinary infrastructure associated with the project. Developer's reimbursement for construction of certain extraordinary infrastructure is limited to \$19,000,000, as adjusted in accordance with the terms of the DDA. The Agency issued two subordinate tax allocation bonds 2011 Series totaling \$4,610,000, the proceeds of which were used to reimburse the developer for construction of certain extraordinary infrastructure. Any unpaid reimbursement of extraordinary infrastructure is to be forgiven upon the expiration of the Agency's right to receive tax increment under its Redevelopment Plans for Project Areas II and III. The DDA prohibits further bonded indebtedness secured by tax increment generated by the project site, other than for specified project purposes.

D) Commitments and Contingencies

The Successor Agency has succeeded to the rights and obligations of the former Redevelopment Agency. The following represents the Successor Agency's significant commitments.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

19) SUCCESSOR AGENCY TRUST DISCLOSURES - Continued

D) Commitments and Contingencies - Continued

Lake Elsinore Stadium

The Successor Agency has succeeded to the Agency as the owner of Diamond Stadium. Diamond Stadium will require significant capital maintenance in future years. In addition, the Successor Agency will incur costs to operate and regularly maintain the Stadium. The cost of ongoing operation maintenance of the Stadium will vary based on how long the Successor Agency owns the Stadium, how much costs to operate and maintain the Stadium vary over time, and what kind of capital outlay is required over time to maintain the Stadium in its current condition. Capital expenses could be substantial and cannot be estimated at this time.

The Successor Agency and the Lake Elsinore Storm entered into a Stadium Interim Management Agreement dated January 1, 2013 to provide for the performance by the Lake Elsinore Storm of certain maintenance, upkeep, and operations of Diamond Stadium. The Management Agreement provides that the Successor Agency pay an aggregate management fee to the Lake Elsinore Storm in the amount of \$570,000 per annum. This amount is net of payments owed to the Successor Agency pursuant to a License Agreement, as amended, and includes payments by the Successor Agency due pursuant to a Stadium Field and Maintenance Agreement, as amended, and assignment of revenues pursuant to a Concession License Agreement, as amended. The Management Agreement expires on December 31, 2013.

Other Matters

Management believes, in consultation with legal counsel, that the obligations of the former redevelopment agency due to the City are valid enforceable obligations payable by the successor agency trust under the requirements of the Bill. The City's position on this issue is not a position of settled law and there is considerable legal uncertainty regarding this issue. It is reasonably possible that a legal determination may be made at a later date by an appropriate judicial authority that would resolve unfavorable to the City.

20) JOINT POWERS AGREEMENT

On March 28, 2000, the City agreed to enter into a joint powers agreement under Proposition 13 with Elsinore Valley Municipal Water District and the Santa Ana Watersheds Project Authority to form the Lake Elsinore and San Jacinto Watersheds Authority. The Authority is due to receive \$15 million in Proposition 13 water bond proceeds to improve the Lake Elsinore and San Jacinto Watersheds Authority lake water quality. As of June 30, 2012, the Authority had minimal activity and according to the criteria in Note 1A, the Authority is not included in these financial statements.

In November 2010, the City agreed to enter into a joint powers agreement with the County of Riverside, City of Canyon Lake, City of Murrieta, City of Temecula and City of Wildomar to form the Southwest Communities Financing Authority (the Authority) to provide animal shelter services. The City contributes a prorated share of the Authority's debt service payments, costs of administrative services and operation of animal shelter. The City does not have measurable equity interest in the Authority. According to criteria in Note 1A, the Authority is not included in these financial statements.

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

20) JOINT POWERS AGREEMENT - Continued

In January 2004, the City entered into a joint powers agreement with the County of Riverside, the Cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto and Temecula to form the Western Riverside County Regional Conservation Authority (the Conservation Authority). The purposes of the Conservation Authority are to acquire, administer, operate and maintain land and facilities for ecosystem conservation and habitat reserve for certain endangered species. The City’s contributions to the Conservation Authority consist of a development mitigation fee imposed on all new development. The City does not have measurable equity interest in the Conservation Authority. According to criteria in Note 1A, the Conservation Authority is not included in these financial statements.

21) SUBSEQUENT EVENTS

In July 2013, \$4,215,000 principal amount of 2013 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described in Note 7A. The bonds are due in annual installments of \$425,000 to \$705,000 from September 1, 2014 through September 1, 2020. Interest payments ranging from 1.25% to 3.375% are due from September 1, 2013 through September 1, 2020. The bonds are subject to special mandatory redemption prior to their stated maturity commencing September 1, 2013 at specified redemption prices.

In July 2013, \$13,615,000 principal amount of 2013 Local Agency Revenue Bonds, Series C, was issued in accordance with the indenture described in Note 7A. The bonds are due in annual installments of \$475,000 to \$1,025,000 from September 1, 2014 through September 1, 2033. Interest payments ranging from 1.5% to 5.25% are due from September 1, 2013 through September 1, 2033. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2013 at specified redemption prices.

In September 2013, \$14,460,000 principal amount of Lease Revenue Refunding Bonds was issued to refund the Lake Elsinore Recreation Authority’s Variable Rate Revenue Refunding Bonds, 2000 Series A. Interest on the bonds is payable August 1st and February 1st of each year. Interest on the bonds accrues at rates varying from 3.00% to 5.00% per annum. Principal on the bonds is payable in annual installments ranging from \$565,000 to \$1,075,000 commencing February 1, 2014 through February 2, 2032.

22) PRIOR PERIOD ADJUSTMENTS

Description	Statement of Activities	Statement of Revenues, Expenditures & Changes in Fund Balances	Statement of Changes in Fiduciary Net Position
A)	\$	\$ 15,587,000	\$
B)	331,068	852,900	
C)	(3,105,588)	(3,105,588)	
D)	43,967	43,967	
E)	1,793,923		
F)	(3,256,587)		(2,631,926)
G)			(1,405,799)
Total	<u>\$ (4,193,217)</u>	<u>\$ 13,378,279</u>	<u>\$ (4,037,725)</u>

City of Lake Elsinore, California
Notes to Financial Statements
Year Ended June 30, 2013

22) PRIOR PERIOD ADJUSTMENTS - Continued

- A) The General Fund and, Low and Moderate Income Housing Special Revenue Fund include prior period adjustments for principal amounts of notes receivable that were expensed and deferred in prior years.
- B) The General Fund includes a prior period adjustment of \$852,900 for sales tax revenues not accrued in the prior year.
- C) The Public Financing Authority Debt Service Fund includes a prior period adjustment of for amounts recorded in prior years due from Community Facilities Districts. Approximately \$431,912 of these amounts were either paid in prior years or not expected to be collected. The remaining amount of \$2,673,676 was related to a settlement of delinquent special assessments. The delinquent special assessments were deposited in an escrow account to reduce the payments from CFD 98-1 to the City. However, the City will still receive the same amount in total from CFD 98-1 which is already included in cash and investments.
- D) The Gas Tax Special Revenue Fund includes a prior period for revenues that were not accrued in the prior year.
- E) The Statement of Activities includes a prior period adjustment for discounts of \$787,531, deferred amounts on refunding of \$1,006,392 from the Public Financing Authority tax allocations bonds. In the prior year, the tax allocation bonds and receivables from the Successor Agency of \$58,580,000 were eliminated in the government-wide financial statements as part of the transactions involving the dissolution of the Lake Elsinore Redevelopment Agency. However, from reviewing these transactions with other government accounting organizations, these bonds, receivables and their related activities should be included in the government-wide financial statements.
- F) The Statement of Activities and Statement of Changes in Fiduciary Net Position also includes prior period adjustments that are related to the deferred debt issuance costs in the Statement of Net Position. According to GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which was implemented by the City in the 2013 fiscal year, deferred debt issuance costs should be expensed in the period that they are incurred because the costs are related to services that are provided in the current period.
- G) The Statement of Changes in Fiduciary Net Position includes a prior period adjustment for amounts that should been excluded from deferred charges on refunding in prior years of \$1,307,969 and an adjustment of \$97,830 for the estimated amounts due under owner participant agreements.

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REQUIRED SUPPLEMENTAL INFORMATION

City of Lake Elsinore, California
Schedule of Funding Progress
Year Ended June 30, 2013

Other Post-Employment Benefits Plan

Actuarial Valuation Date	Actuarial Value of Assets (A)	Actuarial Accrued Liability (AAL) - Entry Age (B)	Unfunded AAL (UAAL) (B - A)	Funded Ratio (A/B)	Covered Payroll (C)	UAAL as a Percentage of Covered Payroll [(B-A)/C]
07/01/08	\$ -	\$ 8,791,806	\$ 8,791,806	0%	\$ 5,280,551	166.49%
07/01/11	\$ -	\$ 14,095,692	\$ 14,095,692	0%	\$ 4,220,232	334.00%

City of Lake Elsinore, California
Budgetary Comparison Schedule
Budget and Actual - General Fund
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property Taxes	\$ 5,396,581	\$ 5,977,783	\$ 5,844,498	\$ (133,285)
Other Taxes	10,240,000	10,240,000	9,572,675	(667,325)
Licenses, Permits and Fees	1,907,275	2,411,825	3,015,962	604,137
Intergovernmental Revenues	1,131,889	1,226,649	1,200,889	(25,760)
Charges for Services	2,091,570	1,977,370	1,746,713	(230,657)
Fines, Forfeitures and Penalties	387,000	599,000	592,185	(6,815)
Investment Earnings	195,000	195,000	9,010	(185,990)
Contributions from Property Owners	298,239	298,239	298,239	0
Miscellaneous	2,103,500	2,263,936	3,061,025	797,089
Total Revenues	<u>23,751,054</u>	<u>25,189,802</u>	<u>25,341,196</u>	<u>151,394</u>
EXPENDITURES				
Current:				
General Government	5,300,711	5,430,215	5,450,399	(20,184)
Public Safety	11,930,279	11,866,771	11,484,210	382,561
Community Development	2,864,218	2,880,202	2,440,192	440,010
Public Services	3,292,263	3,197,954	3,186,797	11,157
Community Services	3,044,754	3,159,718	3,112,975	46,743
Capital Outlay	16,700	31,241	32,977	(1,736)
Total Expenditures	<u>26,448,925</u>	<u>26,566,101</u>	<u>25,707,550</u>	<u>858,551</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(2,697,871)</u>	<u>(1,376,299)</u>	<u>(366,354)</u>	<u>1,009,945</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	60,000	60,000	126,988	66,988
Transfers Out	<u>(430,000)</u>	<u>(479,891)</u>	<u>(1,106,699)</u>	<u>(626,808)</u>
Total Other Financing Sources (Uses)	<u>(370,000)</u>	<u>(419,891)</u>	<u>(979,711)</u>	<u>(559,820)</u>
Net Changes in Fund Balance	<u>(3,067,871)</u>	<u>(1,796,190)</u>	<u>(1,346,065)</u>	<u>450,125</u>
Fund Balance - Beginning, As Previously Reported	13,332,388	13,332,388	13,332,388	0
Prior Period Adjustments	<u> </u>	<u> </u>	<u>1,852,900</u>	<u>1,852,900</u>
Fund Balance - Beginning, As Restated	<u>13,332,388</u>	<u>13,332,388</u>	<u>15,185,288</u>	<u>1,852,900</u>
Fund Balance - End of Year	<u>\$ 10,264,517</u>	<u>\$ 11,536,198</u>	<u>\$ 13,839,223</u>	<u>\$ 2,303,025</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Low and Moderate Income Housing
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 5,636,289	\$ 5,636,289
Total Revenues	0	0	5,636,289	5,636,289
EXPENDITURES				
Current:				
Community Development			4,260	4,260
Debt Service:				
Interest and Fiscal Charges			254,471	254,471
Total Expenditures	0	0	258,731	(258,731)
Excess (Deficiency) of Revenues over Expenditures	0	0	5,377,558	5,377,558
Fund Balance - Beginning of Year	32,577,960	32,577,960	32,577,960	0
Fund Balance - End of Year	<u>\$ 32,577,960</u>	<u>\$ 32,577,960</u>	<u>\$ 37,955,518</u>	<u>\$ 5,377,558</u>

City of Lake Elsinore, California
Notes to Required Supplementary Information
June 30, 2013

1. BUDGETS AND BUDGETARY DATA

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

- 1) In May, the City Manager submits to the City Council a proposed operating budget for the fiscal year commencing July 1. The operating budget includes proposed expenditures and estimated revenues and other means of financing.
- 2) Public hearings are conducted at City Council meetings to obtain public input.
- 3) Prior to July 1, the budget is adopted by Council action.
- 4) The City Manager is authorized to transfer funds appropriated with respect to those classifications designed as other services and material and supplies within the same department. The City Manager may transfer appropriated funds from any classification within other expenditure categories to the capital outlay classification within the same department only. For budgeting purposes, the General Fund is composed of several departments while all other budgeted funds are considered a single department. Revenues are budgeting on a line item basis.
- 5) The legal level of budgetary control is maintained at the departmental level. Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Fund types to assist in controlling expenditures and enforcing revenue provisions. Capital Projects Fund types are budgeted on a project by project basis. All appropriations lapse at the end of the fiscal year, except for capital projects which are carried forward until such time as the project is completed or terminated.
- 6) Budgets for the General, certain Special Revenue and certain Capital Projects Funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted amounts are as originally adopted and as further amended by the City Council.
- 7) Budget information is presented for the General, certain Special Revenue and certain Capital Projects Fund types. Formal budgeting policies are not required for the Debt Service Fund and, therefore, the financial statement of this fund is not included in the Schedule of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual.

SUPPLEMENTARY SCHEDULES

City of Lake Elsinore, California
Other Governmental Funds
June 30, 2013

Special Revenue Funds are used to account for the proceeds of special revenue sources that are restricted by law or City Council resolution to expenditure for specific purposes.

Debt Service Recreation Authority Fund is used to account for debt service transactions including revenue collections and payments of principal and interest on long-term obligations of the component unit.

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of redevelopment projects and administrative expenses.

Permanent Fund - Endowment Trust is used to account for receipts used for payment of high school scholarships.

City of Lake Elsinore, California
Combining Balance Sheet
Other Governmental Funds
June 30, 2013

	Special Revenue Funds	Debt Service Fund Recreation Authority	Capital Projects Funds	Permanent Fund Endowment Trust	Total Other Governmental Funds
ASSETS					
Cash and Investments	\$ 9,219,774	\$	\$ 12,457,136	\$ 30,681	\$ 21,707,591
Cash and Investments with Fiscal Agent		768	705,617		706,385
Accounts Receivable	29,179				29,179
Accrued Interest Receivable	661	589	1,192	1	2,443
Due from Other Governments	1,256,371		5,515		1,261,886
	<u>\$ 10,505,985</u>	<u>\$ 1,357</u>	<u>\$ 13,169,460</u>	<u>\$ 30,682</u>	<u>\$ 23,707,484</u>
LIABILITIES					
Accounts Payable	\$ 907,935	\$ 589	\$ 152,116	\$	\$ 1,060,640
Other Accrued Liabilities	37,297		151		37,448
Deposits and Other Liabilities	1,700				1,700
Due to Other Funds	908,633	21,670	54,723		985,026
Unearned Revenue - Grants	95,957				95,957
Unearned Revenue - Other	760,213		91,571		851,784
	<u>2,711,735</u>	<u>22,259</u>	<u>298,561</u>	<u>0</u>	<u>3,032,555</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants	572,641				572,641
	<u>572,641</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>572,641</u>
FUND BALANCES					
Nonspendable				20,003	20,003
Restricted	8,009,861	768	11,942,401		19,953,030
Assigned			1,024,002	10,679	1,034,681
Unassigned	(788,252)	(21,670)	(95,504)		(905,426)
	<u>7,221,609</u>	<u>(20,902)</u>	<u>12,870,899</u>	<u>30,682</u>	<u>20,102,288</u>
Total Liabilities and Fund Balances	<u>\$ 10,505,985</u>	<u>\$ 1,357</u>	<u>\$ 13,169,460</u>	<u>\$ 30,682</u>	<u>\$ 23,707,484</u>

City of Lake Elsinore, California
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2013

	Special Revenue Funds	Debt Service Fund Recreation Authority	Capital Projects Funds	Permanent Fund Endowment Trust	Total Other Governmental Funds
REVENUES					
Licenses, Permits, Fees	\$ 1,328,744	\$	\$ 654,448	\$	\$ 1,983,192
Intergovernmental Revenues	3,854,622				3,854,622
Fines, Forfeitures and Penalties	335,130				335,130
Investment Earnings	6,583	589	15,181	81	22,434
Special Assessments	1,585,606				1,585,606
Contributions from Property Owners			7,333,114		7,333,114
Miscellaneous	7,567		401,245		408,812
Total Revenues	7,118,252	589	8,403,988	81	15,522,910
EXPENDITURES					
Current:					
General Government		4,100	267,056		271,156
Public Safety	855,382				855,382
Community Development	219,265		261,262	350	480,877
Public Services	2,639,479		945,734		3,585,213
Community Services	1,147,242		21,184		1,168,426
Capital Outlay	2,144,523		8,712,310		10,856,833
Debt Service:					
Principal Retirement		410,000			410,000
Interest and Fiscal Charges		20,366			20,366
Total Expenditures	7,005,891	434,466	10,207,546	350	17,648,253
Excess (Deficiency) of Revenues over Expenditures	112,361	(433,877)	(1,803,558)	(269)	(2,125,343)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,002,012	428,880	677,417		2,108,309
Transfers Out	(152,453)		(976,145)		(1,128,598)
Total Other Financing Sources (Uses)	849,559	428,880	(298,728)	0	979,711
Net Change in Fund Balances	961,920	(4,997)	(2,102,286)	(269)	(1,145,632)
Fund Balances (Deficit) - Beginning, As Previously Reported	6,215,722	(15,905)	14,973,185	30,951	21,203,953
Prior Period Adjustments	43,967				43,967
Fund Balances (Deficit) - Beginning, As Restated	6,259,689	(15,905)	14,973,185	30,951	21,247,920
Fund Balances (Deficit) - End of Year	\$ 7,221,609	\$ (20,902)	\$ 12,870,899	\$ 30,682	\$ 20,102,288

City of Lake Elsinore, California
Other Special Revenue Funds
June 30, 2013

Supplemental Law Enforcement Service - to account for receipts and expenditures of money related to the citizens option for public safety grant.

Justice Assistance Grant (J.A.G.) Program - to account for grant monies received from the U.S. Department of Justice. Expenditures for this fund are restricted to local law enforcement.

Office of Traffic and Safety - to account for monies received under federal and state programs to enforce traffic safety laws.

Traffic Offender - to account for administrative fees generated from charges to drivers who have been arrested for DUI, who are driving on suspended/revoked licenses, or have never been issued a driver's license. These funds may only be used to further the traffic safety goals of the City of Lake Elsinore and are subject to OTS audit.

Gas Tax - to account for receipts and expenditures of money apportioned under the Street and Highway Code of the State of California.

Transportation - Measure A - to account for revenues derived from half-cent sales tax and for expenditures to improve the City's transportation system in response to traffic congestion.

TDA Article 3, SB821 Pedestrian Sidewalk - to account for expenditures financed by the Local Transportation Commission Article 3 grant program and use on bicycle and pedestrian facility projects.

SB1186 CAS Education - to account for required state fees imposed on business licenses for the development of educational resources on federal and state disability laws for businesses.

Traffic Safety - to account for expenditures financed by revenue generated from enforcement of California vehicle codes and City ordinances. These restricted funds may be used only for traffic signals, school crossing guards, and other related traffic safety expenditures.

City-wide Lighting and Landscape - to account for revenues derived from annual assessments which are used to pay the costs incurred by the City for landscape maintenance and street light maintenance.

Lighting and Landscape Maintenance District (L.L.M.D No. 1) - to account for revenues derived from annual assessments which are used to pay the costs incurred by the City for landscape maintenance and street light maintenance within the District.

Geothermal - to account for cash bond held by the City, as required by the State, for the City owned geothermal well. Interest earned is available for City use.

AB2766 Air Pollution Reduction - to account for South Coast Air Quality Board receipts, representing revenues collected by the Department of Motor Vehicles. The City is committed to spend revenues to reduce air pollution from mobile sources.

Community Development Block Grant (C.D.B.G.) - to account for grant monies received from a federal pass-through agency not accounted for in the other funds.

Cost Recovery System - to account for receipts of deposits. Deposits may be paid by developers used to pay for plans and permits or by citizens for facility rentals.

Developer Agreement Revenue/Trust - to account for development fees based on developer agreements.

City of Lake Elsinore, California
Other Special Revenue Funds
June 30, 2013

Affordable Housing in Lieu - to account for collection of fees assessed to developers and for expenditures made on affordable housing projects.

City Hall/Public Works - to account for collection of fees assessed to developers and for expenditures made on City Hall and Public Works facilities projects.

Community Center - to account for collection of fees assessed to developers and for expenditures made on Community Center facilities projects.

Lake Side Facilities - to account for collection of fees assessed to developers and for expenditure made on Lake Side facilities projects.

Animal Shelter - to account for collection of fees assessed developers and for expenditures made on animal shelter facilities projects.

Camino del Norte - to account for fees assessed to developers and for expenditures made on the Camino del Norte projects.

Miscellaneous Grants - to account for miscellaneous Federal, State and County grants requiring segregated fund accounting.

National Pollutant Discharge System (N.P.D.E.S.) - to account for fees assessed to property owners for the N.P.D.E.S., which is mandated by the federal government. This requires cities to clean up storm water runoff.

PEG Grant - to account for public access cable channel grant revenue provided by cable franchisees based on subscribers. Funds are used for PEG access equipment, production equipment, as well as renovation or construction of PEG access facilities.

City of Lake Elsinore, California
Combining Balance Sheet
Other Special Revenue Funds
June 30, 2013

	Supplemental Law Enforcement Service	Justice Assistance Grant Program	Office of Traffic and Safety	Traffic Offender	Gas Tax
ASSETS					
Cash and Investments	\$ 30,264	\$ 830	\$ 8,895	\$ 91,974	\$ 1,742,600
Accounts Receivable					
Accrued Interest Receivable				11	112
Due from Other Governments	25,000		43,661		
Total Assets	\$ 55,264	\$ 830	\$ 52,556	\$ 91,985	\$ 1,742,712
LIABILITIES					
Accounts Payable	\$ 42,698		\$ 14,312	\$ 31,852	\$ 209,872
Other Accrued Liabilities					21,561
Deposits and Other Liabilities					
Due to Other Funds		14,399	37,729		
Unearned Revenue - Grants					
Unearned Revenue - Other					
Total Liabilities	42,698	14,399	52,041	31,852	231,433
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants	25,000		42,926		
Total Deferred Inflows of Resources	25,000	0	42,926	0	0
FUND BALANCES					
Restricted				60,133	1,511,279
Unassigned	(12,434)	(13,569)	(42,411)		
Total Fund Balances	(12,434)	(13,569)	(42,411)	60,133	1,511,279
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 55,264	\$ 830	\$ 52,556	\$ 91,985	\$ 1,742,712

Transportation Measure A	TDA Article 3 SB821 Pedestrian Sidewalk	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	L.L.M.D. No. 1	Geothermal	AB2766 Air Pollution
\$ 737,960 15,883 66 268,858	\$ 103,500	\$ 892	\$ 32,664	\$ 96,802 25,473	\$ 248,193 21 2345	\$ 21,513	\$ 168,059 49 16,749
<u>\$ 1,022,767</u>	<u>\$ 103,500</u>	<u>\$ 892</u>	<u>\$ 32,664</u>	<u>\$ 122,275</u>	<u>\$ 250,559</u>	<u>\$ 21,513</u>	<u>\$ 184,857</u>
\$ 79,307 3,242	\$ 8,842 71,921	\$ 165	 2,070 40,883	\$ 118,464 116 2,058	\$ 3,444	\$ 1,700	\$ 3,986
<u>82,549</u>	<u>80,763</u>	<u>165</u>	<u>42,953</u>	<u>120,638</u>	<u>3,444</u>	<u>1,700</u>	<u>3,986</u>
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
940,218	22,737	727	(10,289)	1,637	247,115	19,813	180,871
<u>940,218</u>	<u>22,737</u>	<u>727</u>	<u>(10,289)</u>	<u>1,637</u>	<u>247,115</u>	<u>19,813</u>	<u>180,871</u>
<u>\$ 1,022,767</u>	<u>\$ 103,500</u>	<u>\$ 892</u>	<u>\$ 32,664</u>	<u>\$ 122,275</u>	<u>\$ 250,559</u>	<u>\$ 21,513</u>	<u>\$ 184,857</u>

Continued

City of Lake Elsinore, California
Combining Balance Sheet
Other Special Revenue Funds - Continued
June 30, 2013

	<u>C.D.B.G.</u>	<u>Cost Recovery System</u>	<u>Developer Agreement Revenue/Trust</u>	<u>Affordable Housing In-Lieu</u>	<u>City Hall / Public Works</u>
ASSETS					
Cash and Investments	\$ 95,841	\$ 819,221	\$ 1,497,693	\$ 1,512,016	\$ 1,128,935
Accounts Receivable					
Accrued Interest Receivable	8		32	135	115
Due from Other Governments					
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Assets	<u>\$ 95,849</u>	<u>\$ 819,221</u>	<u>\$ 1,497,725</u>	<u>\$ 1,512,151</u>	<u>\$ 1,129,050</u>
LIABILITIES					
Accounts Payable	\$ 5,000	\$ 59,008	\$	\$ 2,920	\$ 14,478
Other Accrued Liabilities	5,912				
Deposits and Other Liabilities					
Due to Other Funds	60,761				
Unearned Revenue - Grants					
Unearned Revenue - Other		760,213			
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Liabilities	<u>71,673</u>	<u>819,221</u>	<u>0</u>	<u>2,920</u>	<u>14,478</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Grants					
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Deferred Inflows of Resources	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
FUND BALANCES					
Restricted	24,176		1,497,725	1,509,231	1,114,572
Unassigned					
	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Fund Balances	<u>24,176</u>	<u>0</u>	<u>1,497,725</u>	<u>1,509,231</u>	<u>1,114,572</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 95,849</u>	<u>\$ 819,221</u>	<u>\$ 1,497,725</u>	<u>\$ 1,512,151</u>	<u>\$ 1,129,050</u>

Community Center	Lake Side Facilities	Animal Shelter	Camino del Norte	Miscellaneous Grants	N.P.D.E.S.	PEG Grant	Total Other Special Revenue Funds
\$ 188,125	\$ 521,506	\$ 61,335	\$ 35,532	\$ 54,981	\$	\$ 156,607	\$ 9,219,774
16	46	5	3		29	13,296	29,179
				738,121		13	661
<u>\$ 188,141</u>	<u>\$ 521,552</u>	<u>\$ 61,340</u>	<u>\$ 35,535</u>	<u>\$ 793,102</u>	<u>\$ 29</u>	<u>\$ 169,916</u>	<u>\$ 10,505,985</u>
\$	\$	\$	\$	\$ 310,187	\$ 2,500	\$ 900	\$ 907,935
					4,396		37,297
				650,222	30,660		1,700
						95,957	908,633
							95,957
							760,213
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>960,409</u>	<u>37,556</u>	<u>96,857</u>	<u>2,711,735</u>
				504,715			572,641
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>504,715</u>	<u>0</u>	<u>0</u>	<u>572,641</u>
188,141	521,552	61,340	35,535	(672,022)	(37,527)	73,059	8,009,861
							(788,252)
<u>188,141</u>	<u>521,552</u>	<u>61,340</u>	<u>35,535</u>	<u>(672,022)</u>	<u>(37,527)</u>	<u>73,059</u>	<u>7,221,609</u>
<u>\$ 188,141</u>	<u>\$ 521,552</u>	<u>\$ 61,340</u>	<u>\$ 35,535</u>	<u>\$ 793,102</u>	<u>\$ 29</u>	<u>\$ 169,916</u>	<u>\$ 10,505,985</u>

City of Lake Elsinore, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Special Revenue Funds
Year Ended June 30, 2013

	Supplemental Law Enforcement Service	Justice Assistance Grant Program	Office of Traffic and Safety	Traffic Offender	Gas Tax
REVENUES					
Licenses, Permits and Fees	\$	\$	\$	\$ 74,000	\$
Intergovernmental Revenues	75,000	9,481	58,922		1,192,663
Fines, Forfeitures and Penalties					
Investment Earnings	123			155	1,695
Special Assessments					
Miscellaneous					450
	<u>75,123</u>	<u>9,481</u>	<u>58,922</u>	<u>74,155</u>	<u>1,194,808</u>
Total Revenues					
EXPENDITURES					
Current:					
Public Safety	181,444	9,924	80,090	123,603	
Community Development					
Public Services					1,182,723
Community Services					
Capital Outlay				37,478	391,583
	<u>181,444</u>	<u>9,924</u>	<u>80,090</u>	<u>161,081</u>	<u>1,574,306</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over Expenditures	<u>(106,321)</u>	<u>(443)</u>	<u>(21,168)</u>	<u>(86,926)</u>	<u>(379,498)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In			204		630,874
Transfers Out			(2,249)		(90,000)
			<u>(2,045)</u>		
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(2,045)</u>	<u>0</u>	<u>540,874</u>
Net Change in Fund Balances	<u>(106,321)</u>	<u>(443)</u>	<u>(23,213)</u>	<u>(86,926)</u>	<u>161,376</u>
Fund Balances - Beginning, As Previously Reported	93,887	(13,126)	(19,198)	147,059	1,305,936
Prior Period Adjustments					43,967
Fund Balances - Beginning, As Restated	<u>93,887</u>	<u>(13,126)</u>	<u>(19,198)</u>	<u>147,059</u>	<u>1,349,903</u>
Fund Balances - End of Year	<u>\$ (12,434)</u>	<u>\$ (13,569)</u>	<u>\$ (42,411)</u>	<u>\$ 60,133</u>	<u>\$ 1,511,279</u>

<u>Transportation Measure A</u>	<u>TDA Article 3 SB821 Pedestrian Sidewalk</u>	<u>SB1186 CAS Education</u>	<u>Traffic Safety</u>	<u>City-wide Lighting and Landscaping</u>	<u>L.L.M.D. No. 1</u>	<u>Geothermal</u>	<u>AB2766 Air Pollution</u>
\$ 1,010,820	\$ 192,917	\$ 1,076	\$	\$	\$	\$	\$ 63,993
576	147		335,130		138	5	186
380			463	1,364,272	221,334		
				6,708			
<u>1,011,776</u>	<u>193,064</u>	<u>1,076</u>	<u>335,593</u>	<u>1,370,980</u>	<u>221,472</u>	<u>5</u>	<u>64,179</u>
			412,708				
380,254	17,577	349	44,050	650,350	51,925		55,819
475,756	175,341			785,883	67,418		41,401
<u>856,010</u>	<u>192,918</u>	<u>349</u>	<u>456,758</u>	<u>1,436,233</u>	<u>119,343</u>	<u>0</u>	<u>97,220</u>
<u>155,766</u>	<u>146</u>	<u>727</u>	<u>(121,165)</u>	<u>(65,253)</u>	<u>102,129</u>	<u>5</u>	<u>(33,041)</u>
			(204)	90,000	(35,000)		
				(25,000)			
<u>0</u>	<u>0</u>	<u>0</u>	<u>(204)</u>	<u>65,000</u>	<u>(35,000)</u>	<u>0</u>	<u>0</u>
<u>155,766</u>	<u>146</u>	<u>727</u>	<u>(121,369)</u>	<u>(253)</u>	<u>67,129</u>	<u>5</u>	<u>(33,041)</u>
784,452	22,591	0	111,080	1,890	179,986	19,808	213,912
<u>784,452</u>	<u>22,591</u>	<u>0</u>	<u>111,080</u>	<u>1,890</u>	<u>179,986</u>	<u>19,808</u>	<u>213,912</u>
<u>\$ 940,218</u>	<u>\$ 22,737</u>	<u>\$ 727</u>	<u>\$ (10,289)</u>	<u>\$ 1,637</u>	<u>\$ 247,115</u>	<u>\$ 19,813</u>	<u>\$ 180,871</u>

Continued

City of Lake Elsinore, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Special Revenue Funds - Continued
Year Ended June 30, 2013

	<u>C.D.B.G.</u>	<u>Cost Recovery System</u>	<u>Developer Agreement Revenue/Trust</u>	<u>Affordable Housing In-Lieu</u>	<u>City Hall/ Public Works</u>
REVENUES					
Licenses, Permits and Fees	\$	\$	\$ 371,000	\$ 278,554	\$ 120,541
Intergovernmental Revenues	215,180				
Fines, Forfeitures and Penalties					
Investment Earnings	53		319	1,067	1,053
Special Assessments					
Miscellaneous					
	<u>215,233</u>	<u>0</u>	<u>371,319</u>	<u>279,621</u>	<u>121,594</u>
Total Revenues					
EXPENDITURES					
Current:					
Public Safety					
Community Development	219,265				
Public Services			4,672	3,520	4,258
Community Services					
Capital Outlay	50,000				160,200
	<u>269,265</u>	<u>0</u>	<u>4,672</u>	<u>3,520</u>	<u>164,458</u>
Total Expenditures					
Excess (Deficiency) of Revenues Over Expenditures	<u>(54,032)</u>	<u>0</u>	<u>366,647</u>	<u>276,101</u>	<u>(42,864)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In					
Transfers Out					
	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Other Financing Sources (Uses)					
Net Change in Fund Balances	<u>(54,032)</u>	<u>0</u>	<u>366,647</u>	<u>276,101</u>	<u>(42,864)</u>
Fund Balances - Beginning, As Previously Reported	78,208	0	1,131,078	1,233,130	1,157,436
Prior Period Adjustments					
Fund Balances - Beginning, As Restated	<u>78,208</u>	<u>0</u>	<u>1,131,078</u>	<u>1,233,130</u>	<u>1,157,436</u>
Fund Balances - End of Year	<u>\$ 24,176</u>	<u>\$ 0</u>	<u>\$ 1,497,725</u>	<u>\$ 1,509,231</u>	<u>\$ 1,114,572</u>

<u>Community Center</u>	<u>Lake Side Facilities</u>	<u>Animal Shelter</u>	<u>Camino del Norte</u>	<u>Miscellaneous Grants</u>	<u>N.P.D.E.S</u>	<u>PEG Grant</u>	<u>Total Other Special Revenue Funds</u>
\$ 81,205	\$ 116,071	\$ 51,852	\$	\$ 1,035,646	\$ 183,074	\$ 51,371	\$ 1,328,744
89	82	283	33			116	3,854,622
					29		335,130
<u>81,294</u>	<u>116,153</u>	<u>52,135</u>	<u>33</u>	<u>1,035,646</u>	<u>183,103</u>	<u>51,487</u>	<u>7,118,252</u>
				47,613			855,382
				75,481	155,175	13,326	219,265
	36,071	235,837		22,033			2,639,479
	10,906			747,814	41,401	12,643	1,147,242
<u>0</u>	<u>46,977</u>	<u>235,837</u>	<u>0</u>	<u>892,941</u>	<u>196,576</u>	<u>25,969</u>	<u>7,005,891</u>
<u>81,294</u>	<u>69,176</u>	<u>(183,702)</u>	<u>33</u>	<u>142,705</u>	<u>(13,473)</u>	<u>25,518</u>	<u>112,361</u>
	280,532			402			1,002,012
<u>0</u>	<u>280,532</u>	<u>0</u>	<u>0</u>	<u>402</u>	<u>0</u>	<u>0</u>	<u>(152,453)</u>
<u>81,294</u>	<u>349,708</u>	<u>(183,702)</u>	<u>33</u>	<u>143,107</u>	<u>(13,473)</u>	<u>25,518</u>	<u>961,920</u>
106,847	171,844	245,042	35,502	(815,129)	(24,054)	47,541	6,215,722
							43,967
<u>106,847</u>	<u>171,844</u>	<u>245,042</u>	<u>35,502</u>	<u>(815,129)</u>	<u>(24,054)</u>	<u>47,541</u>	<u>6,259,689</u>
<u>\$ 188,141</u>	<u>\$ 521,552</u>	<u>\$ 61,340</u>	<u>\$ 35,535</u>	<u>\$ (672,022)</u>	<u>\$ (37,527)</u>	<u>\$ 73,059</u>	<u>\$ 7,221,609</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Supplemental Law Enforcement Service
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ 100,000	\$ 100,000	\$ 75,000	\$ (25,000)
Investment Earnings			123	123
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>75,123</u>	<u>(24,877)</u>
EXPENDITURES				
Current:				
Public Safety	<u>200,000</u>	<u>200,000</u>	<u>181,444</u>	<u>18,556</u>
Total Expenditures	<u>200,000</u>	<u>200,000</u>	<u>181,444</u>	<u>18,556</u>
Excess (Deficiency) of Revenues over Expenditures	(100,000)	(100,000)	(106,321)	(6,321)
Fund Balance - Beginning of Year	<u>93,887</u>	<u>93,887</u>	<u>93,887</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ (6,113)</u></u>	<u><u>\$ (6,113)</u></u>	<u><u>\$ (12,434)</u></u>	<u><u>\$ (6,321)</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Justice Assistance Grant Program
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental Revenues	\$ 10,000	\$ 10,000	\$ 9,481	\$ (519)
Total Revenues	<u>10,000</u>	<u>10,000</u>	<u>9,481</u>	<u>(519)</u>
EXPENDITURES				
Current:				
Public Safety	<u>10,000</u>	<u>10,000</u>	<u>9,924</u>	<u>76</u>
Total Expenditures	<u>10,000</u>	<u>10,000</u>	<u>9,924</u>	<u>76</u>
Excess (Deficiency) of Revenues over Expenditures	0	0	(443)	(443)
Fund Balance - Beginning of Year	<u>(13,126)</u>	<u>(13,126)</u>	<u>(13,126)</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ (13,126)</u></u>	<u><u>\$ (13,126)</u></u>	<u><u>\$ (13,569)</u></u>	<u><u>\$ (443)</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Office of Traffic and Safety
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 25,000	\$ 69,200	\$ 58,922	\$ (10,278)
Total Revenues	25,000	69,200	58,922	(10,278)
EXPENDITURES				
Current:				
Public Safety	25,000	96,555	80,090	16,465
Total Expenditures	25,000	96,555	80,090	16,465
Excess (Deficiency) of Revenues over Expenditures	0	(27,355)	(21,168)	6,187
OTHER FINANCING SOURCES (USES)				
Transfers In			204	204
Transfers Out			(2,249)	(2,249)
Total Other Financing Sources (Uses)	0	0	(2,045)	(2,045)
Net Change in Fund Balance	0	(27,355)	(23,213)	4,142
Fund Balance - Beginning of Year	(19,198)	(19,198)	(19,198)	0
Fund Balance - End of Year	<u>\$ (19,198)</u>	<u>\$ (46,553)</u>	<u>\$ (42,411)</u>	<u>\$ 4,142</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Traffic Offender
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 60,000	\$ 74,000	\$ 74,000	\$ 0
Investment Earnings			155	155
Total Revenues	<u>60,000</u>	<u>74,000</u>	<u>74,155</u>	<u>155</u>
EXPENDITURES				
Current:				
Public Safety	60,000	63,000	123,603	(60,603)
Capital Outlay			37,478	(37,478)
Total Expenditures	<u>60,000</u>	<u>63,000</u>	<u>161,081</u>	<u>(98,081)</u>
Excess (Deficiency) of Revenues over Expenditures	0	11,000	(86,926)	(97,926)
Fund Balance - Beginning of Year	<u>147,059</u>	<u>147,059</u>	<u>147,059</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 147,059</u>	<u>\$ 158,059</u>	<u>\$ 60,133</u>	<u>\$ (97,926)</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Gas Tax
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 1,335,965	\$ 1,335,965	\$ 1,192,663	\$ (143,302)
Investment Earnings			1,695	1,695
Miscellaneous			450	450
Total Revenues	<u>1,335,965</u>	<u>1,335,965</u>	<u>1,194,808</u>	<u>(141,157)</u>
EXPENDITURES				
Current:				
Public Services	919,331	1,129,053	1,182,723	(53,670)
Capital Outlay	626,206	1,132,227	391,583	740,644
Total Expenditures	<u>1,545,537</u>	<u>2,261,280</u>	<u>1,574,306</u>	<u>686,974</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(209,572)</u>	<u>(925,315)</u>	<u>(379,498)</u>	<u>545,817</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			630,874	630,874
Transfers Out			(90,000)	(90,000)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>540,874</u>	<u>540,874</u>
Net Change in Fund Balance	<u>(209,572)</u>	<u>(925,315)</u>	<u>161,376</u>	<u>1,086,691</u>
Fund Balance - Beginning, As Previously Reported	1,305,936	1,305,936	1,305,936	0
Prior Period Adjustment			43,967	43,967
Fund Balance - Beginning, As Restated	<u>1,305,936</u>	<u>1,305,936</u>	<u>1,349,903</u>	<u>43,967</u>
Fund Balance - End of Year	<u>\$ 1,096,364</u>	<u>\$ 380,621</u>	<u>\$ 1,511,279</u>	<u>\$ 1,130,658</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Transportation Measure A
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 840,000	\$ 840,000	\$ 1,010,820	\$ 170,820
Investment Earnings			576	576
Miscellaneous			380	380
	<hr/>		<hr/>	
Total Revenues	840,000	840,000	1,011,776	171,776
	<hr/>		<hr/>	
EXPENDITURES				
Current:				
Public Services	75,518	123,730	380,254	(256,524)
Capital Outlay	865,000	1,246,323	475,756	770,567
	<hr/>		<hr/>	
Total Expenditures	940,518	1,370,053	856,010	514,043
	<hr/>		<hr/>	
Excess (Deficiency) of Revenues over Expenditures	(100,518)	(530,053)	155,766	685,819
Fund Balance - Beginning of Year	784,452	784,452	784,452	0
	<hr/>		<hr/>	
Fund Balance - End of Year	<u>\$ 683,934</u>	<u>\$ 254,399</u>	<u>\$ 940,218</u>	<u>\$ 685,819</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
TDA Article 3 SB821 Pedestrian Sidewalk
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$	\$	\$ 192,917	\$ 192,917
Investment Earnings			147	147
Total Revenues	<u>0</u>	<u>0</u>	<u>193,064</u>	<u>193,064</u>
EXPENDITURES				
Current:				
Public Services			17,577	(17,577)
Capital Outlay		71,841	175,341	(103,500)
Total Expenditures	<u>0</u>	<u>71,841</u>	<u>192,918</u>	<u>(121,077)</u>
Excess (Deficiency) of Revenues over Expenditures	0	(71,841)	146	71,987
Fund Balance - Beginning of Year	<u>22,591</u>	<u>22,591</u>	<u>22,591</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 22,591</u>	<u>\$ (49,250)</u>	<u>\$ 22,737</u>	<u>\$ 71,987</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
SB1186 CAS Education
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$	\$	\$ 1,076	\$ 1,076
Total Revenues	0	0	1,076	1,076
EXPENDITURES				
Current:				
Public Services			349	(349)
Total Expenditures	0	0	349	(349)
Excess (Deficiency) of Revenues over Expenditures	0	0	727	727
Fund Balance - Beginning of Year	0	0	0	0
Fund Balance - End of Year	\$ 0	\$ 0	\$ 727	\$ 727

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Traffic Safety
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Fines, Forfeitures and Penalties	\$ 605,000	\$ 605,000	\$ 335,130	\$ (269,870)
Investment Earnings			463	463
Total Revenues	<u>605,000</u>	<u>605,000</u>	<u>335,593</u>	<u>(269,407)</u>
EXPENDITURES				
Current:				
Public Safety	591,125	591,125	412,708	178,417
Public Services	40,000	40,000	44,050	(4,050)
Total Expenditures	<u>631,125</u>	<u>631,125</u>	<u>456,758</u>	<u>174,367</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(26,125)</u>	<u>(26,125)</u>	<u>(121,165)</u>	<u>(95,040)</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out			(204)	(204)
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>(204)</u>	<u>(204)</u>
Net Change in Fund Balance	(26,125)	(26,125)	(121,369)	(95,244)
Fund Balance - Beginning of Year	<u>111,080</u>	<u>111,080</u>	<u>111,080</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 84,955</u></u>	<u><u>\$ 84,955</u></u>	<u><u>\$ (10,289)</u></u>	<u><u>\$ (95,244)</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
City-Wide Lighting and Landscaping
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special Assessments	\$ 1,363,596	\$ 1,363,596	\$ 1,364,272	\$ 676
Miscellaneous			6,708	6,708
Total Revenues	<u>1,363,596</u>	<u>1,363,596</u>	<u>1,370,980</u>	<u>7,384</u>
EXPENDITURES				
Current:				
Public Services	429,205	429,205	650,350	(221,145)
Community Services	870,795	870,795	785,883	84,912
Total Expenditures	<u>1,300,000</u>	<u>1,300,000</u>	<u>1,436,233</u>	<u>(136,233)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>63,596</u>	<u>63,596</u>	<u>(65,253)</u>	<u>(128,849)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			90,000	90,000
Transfers Out	(25,000)	(25,000)	(25,000)	0
Total Other Financing Sources (Uses)	<u>(25,000)</u>	<u>(25,000)</u>	<u>65,000</u>	<u>90,000</u>
Net Change in Fund Balance	38,596	38,596	(253)	(38,849)
Fund Balance - Beginning of Year	<u>1,890</u>	<u>1,890</u>	<u>1,890</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 40,486</u>	<u>\$ 40,486</u>	<u>\$ 1,637</u>	<u>\$ (38,849)</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
L.L.M.D. No. 1
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 138	\$ 138
Special Assessments	218,153	218,153	221,334	3,181
Total Revenues	218,153	218,153	221,472	3,319
EXPENDITURES				
Current:				
Public Services	65,000	65,000	51,925	13,075
Community Services	115,000	115,000	67,418	47,582
Total Expenditures	180,000	180,000	119,343	60,657
Excess (Deficiency) of Revenues over Expenditures	38,153	38,153	102,129	63,976
OTHER FINANCING SOURCES (USES)				
Transfers Out	(35,000)	(35,000)	(35,000)	0
Total Other Financing Sources (Uses)	(35,000)	(35,000)	(35,000)	0
Net Change in Fund Balance	3,153	3,153	67,129	63,976
Fund Balance - Beginning of Year	179,986	179,986	179,986	0
Fund Balance - End of Year	\$ 183,139	\$ 183,139	\$ 247,115	\$ 63,976

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Geothermal
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Investment Earnings	\$ 245	245	\$ 5	\$ (240)
Total Revenues	<u>245</u>	<u>245</u>	<u>5</u>	<u>(240)</u>
EXPENDITURES				
Capital Outlay				<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	245	245	5	(240)
Fund Balance - Beginning of Year	<u>19,808</u>	<u>19,808</u>	<u>19,808</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 20,053</u>	<u>\$ 20,053</u>	<u>\$ 19,813</u>	<u>(240)</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
AB2766 Air Pollution
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 56,000	\$ 56,000	\$ 63,993	\$ 7,993
Investment Earnings			186	186
Total Revenues	<u>56,000</u>	<u>56,000</u>	<u>64,179</u>	<u>8,179</u>
EXPENDITURES				
Current:				
Public Services	25,000	50,000	55,819	(5,819)
Capital Outlay		41,401	41,401	0
Total Expenditures	<u>25,000</u>	<u>91,401</u>	<u>97,220</u>	<u>(5,819)</u>
Excess (Deficiency) of Revenues over Expenditures	31,000	(35,401)	(33,041)	2,360
Fund Balance - Beginning of Year	<u>213,912</u>	<u>213,912</u>	<u>213,912</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 244,912</u></u>	<u><u>\$ 178,511</u></u>	<u><u>\$ 180,871</u></u>	<u><u>\$ 2,360</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
C.D.B.G
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$ 360,295	\$ 337,463	\$ 215,180	\$ (122,283)
Investment Earnings			53	53
Total Revenues	<u>360,295</u>	<u>337,463</u>	<u>215,233</u>	<u>(122,230)</u>
EXPENDITURES				
Current:				
Community Development	283,145	185,866	219,265	(33,399)
Capital Outlay		50,000	50,000	0
Total Expenditures	<u>283,145</u>	<u>235,866</u>	<u>269,265</u>	<u>(33,399)</u>
Excess (Deficiency) of Revenues over Expenditures	77,150	101,597	(54,032)	(155,629)
Fund Balance - Beginning of Year	<u>78,208</u>	<u>78,208</u>	<u>78,208</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 155,358</u></u>	<u><u>\$ 179,805</u></u>	<u><u>\$ 24,176</u></u>	<u><u>\$ (155,629)</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Developer Agreement Revenue/Trust
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$	\$	\$ 371,000	371,000
Investment Earnings	6,000	6,000	319	(5,681)
Total Revenues	6,000	6,000	371,319	365,319
EXPENDITURES				
Current:				
Public Services			4,672	(4,672)
Capital Outlay		17,000		17,000
Total Expenditures	0	17,000	4,672	12,328
Excess (Deficiency) of Revenues over Expenditures	6,000	(11,000)	366,647	377,647
Fund Balance - Beginning, as Previously Reported	1,131,078	1,131,078	1,131,078	0
Fund Balance - End of Year	<u>\$ 1,137,078</u>	<u>\$ 1,120,078</u>	<u>\$ 1,497,725</u>	<u>\$ 377,647</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Affordable Housing In-Lieu
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 70,000	\$ 70,000	\$ 278,554	\$ 208,554
Investment Earnings			1,067	1,067
Total Revenues	<u>70,000</u>	<u>70,000</u>	<u>279,621</u>	<u>209,621</u>
EXPENDITURES				
Current:				
Public Services			3,520	(3,520)
Total Expenditures	<u>0</u>	<u>0</u>	<u>3,520</u>	<u>(3,520)</u>
Excess (Deficiency) of Revenues over Expenditures	70,000	70,000	276,101	206,101
Fund Balance - Beginning of Year	<u>1,233,130</u>	<u>1,233,130</u>	<u>1,233,130</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1,303,130</u></u>	<u><u>\$ 1,303,130</u></u>	<u><u>\$ 1,509,231</u></u>	<u><u>\$ 206,101</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
City Hall/Public Works
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 59,000	\$ 59,000	\$ 120,541	\$ 61,541
Investment Earnings			1,053	1,053
Total Revenues	<u>59,000</u>	<u>59,000</u>	<u>121,594</u>	<u>62,594</u>
EXPENDITURES				
Current:				
Public Services			4,258	(4,258)
Capital Outlay	<u>85,000</u>	<u>85,000</u>	<u>160,200</u>	<u>(75,200)</u>
Total Expenditures	<u>85,000</u>	<u>85,000</u>	<u>164,458</u>	<u>(79,458)</u>
Excess (Deficiency) of Revenues over Expenditures	(26,000)	(26,000)	(42,864)	(16,864)
Fund Balance - Beginning of Year	<u>1,157,436</u>	<u>1,157,436</u>	<u>1,157,436</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 1,131,436</u></u>	<u><u>\$ 1,131,436</u></u>	<u><u>\$ 1,114,572</u></u>	<u><u>\$ (16,864)</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Community Center
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 30,500	\$ 30,500	\$ 81,205	\$ 50,705
Investment Earnings			89	89
Total Revenues	<u>30,500</u>	<u>30,500</u>	<u>81,294</u>	<u>50,794</u>
EXPENDITURES				
Capital Outlay	<u>30,000</u>	<u>30,000</u>		<u>30,000</u>
Total Expenditures	<u>30,000</u>	<u>30,000</u>	<u>0</u>	<u>30,000</u>
Excess (Deficiency) of Revenues over Expenditures	500	500	81,294	80,794
Fund Balance - Beginning of Year	<u>106,847</u>	<u>106,847</u>	<u>106,847</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 107,347</u></u>	<u><u>\$ 107,347</u></u>	<u><u>\$ 188,141</u></u>	<u><u>\$ 80,794</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Lake Side Facilities
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 46,000	\$ 46,000	\$ 116,071	\$ 70,071
Investment Earnings			82	82
Total Revenues	<u>46,000</u>	<u>46,000</u>	<u>116,153</u>	<u>70,153</u>
EXPENDITURES				
Current:				
Community Services		32,908	36,071	(3,163)
Capital Outlay			10,906	(10,906)
Total Expenditures	<u>0</u>	<u>32,908</u>	<u>46,977</u>	<u>(14,069)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>46,000</u>	<u>13,092</u>	<u>69,176</u>	<u>56,084</u>
OTHER FINANCING SOURCES (USES)				
Transfers In			280,532	280,532
Total Other Financing Sources (Uses)	<u>0</u>	<u>0</u>	<u>280,532</u>	<u>280,532</u>
Net Change in Fund Balance	46,000	13,092	349,708	336,616
Fund Balance - Beginning	<u>171,844</u>	<u>171,844</u>	<u>171,844</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 217,844</u></u>	<u><u>\$ 184,936</u></u>	<u><u>\$ 521,552</u></u>	<u><u>\$ 336,616</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Animal Shelter
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses, Permits and Fees	\$ 22,000	\$ 22,000	\$ 51,852	\$ 29,852
Investment Earnings			283	283
Total Revenues	<u>22,000</u>	<u>22,000</u>	<u>52,135</u>	<u>30,135</u>
EXPENDITURES				
Current:				
Community Services	<u>235,000</u>	<u>235,000</u>	<u>235,837</u>	<u>(837)</u>
Total Expenditures	<u>235,000</u>	<u>235,000</u>	<u>235,837</u>	<u>(837)</u>
Excess (Deficiency) of Revenues over Expenditures	(213,000)	(213,000)	(183,702)	29,298
Fund Balance - Beginning of Year	<u>245,042</u>	<u>245,042</u>	<u>245,042</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 32,042</u></u>	<u><u>\$ 32,042</u></u>	<u><u>\$ 61,340</u></u>	<u><u>\$ 29,298</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Camino Del Norte
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 500	\$ 500	\$	\$ (500)
Investment Earnings			33	33
Total Revenues	<u>500</u>	<u>500</u>	<u>33</u>	<u>(467)</u>
EXPENDITURES				
Capital Outlay				<u>0</u>
Total Expenditures	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Excess (Deficiency) of Revenues over Expenditures	500	500	33	(467)
Fund Balance - Beginning of Year	<u>35,502</u>	<u>35,502</u>	<u>35,502</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 36,002</u></u>	<u><u>\$ 36,002</u></u>	<u><u>\$ 35,535</u></u>	<u><u>\$ (467)</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
Miscellaneous Grants
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental Revenues	\$	\$	\$ 1,035,646	\$ 1,035,646
Total Revenues	0	0	1,035,646	1,035,646
EXPENDITURES				
Current:				
Public Safety			47,613	(47,613)
Public Services			75,481	(75,481)
Community Services			22,033	(22,033)
Capital Outlay		242,645	747,814	(505,169)
Total Expenditures	0	242,645	892,941	(650,296)
Excess (Deficiency) of Revenues over Expenditures	0	(242,645)	142,705	385,350
OTHER FINANCING SOURCES (USES)				
Transfers In			402	402
Total Other Financing Sources (Uses)	0	0	402	402
Net Change in Fund Balance	0	(242,645)	143,107	385,752
Fund Balance - Beginning of Year	(815,129)	(815,129)	(815,129)	0
Fund Balance - End of Year	\$ (815,129)	\$ (1,057,774)	\$ (672,022)	\$ 385,752

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
N.P.D.E.S.
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 175,309	\$ 175,309	\$ 183,074	\$ 7,765
Miscellaneous			29	29
Total Revenues	<u>175,309</u>	<u>175,309</u>	<u>183,103</u>	<u>7,794</u>
EXPENDITURES				
Current:				
Public Services	283,930	210,231	155,175	55,056
Capital Outlay		110,101	41,401	68,700
Total Expenditures	<u>283,930</u>	<u>320,332</u>	<u>196,576</u>	<u>123,756</u>
Excess (Deficiency) of Revenues over Expenditures	(108,621)	(145,023)	(13,473)	131,550
Fund Balance - Beginning of Year	<u>(24,054)</u>	<u>(24,054)</u>	<u>(24,054)</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ (132,675)</u></u>	<u><u>\$ (169,077)</u></u>	<u><u>\$ (37,527)</u></u>	<u><u>\$ 131,550</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Special Revenue Fund
PEG Grant
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 40,000	\$ 40,000	\$ 51,371	\$ 11,371
Investment Earnings			116	116
Total Revenues	<u>40,000</u>	<u>40,000</u>	<u>51,487</u>	<u>11,487</u>
EXPENDITURES				
Current:				
Public Services		20,292	13,326	6,966
Capital Outlay	<u>40,000</u>	<u>68,139</u>	<u>12,643</u>	<u>55,496</u>
Total Expenditures	<u>40,000</u>	<u>88,431</u>	<u>25,969</u>	<u>62,462</u>
Excess (Deficiency) of Revenues over Expenditures	0	(48,431)	25,518	73,949
Fund Balance - Beginning of Year	<u>47,541</u>	<u>47,541</u>	<u>47,541</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 47,541</u></u>	<u><u>\$ (890)</u></u>	<u><u>\$ 73,059</u></u>	<u><u>\$ 73,949</u></u>

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City of Lake Elsinore, California
Other Capital Projects Funds
June 30, 2013

Miscellaneous General Project - to account for miscellaneous general projects of the City.

Park Improvement and Development - to account for the improvement and development of parks that are financed by developer fees.

Street Capital Improvements - to account for general capital improvements of streets within the City that are financed by development fees.

Storm Drains - to account for the capital improvements of upgrading the storm drains within the City that are financed by the development fees.

Library Capital Improvement - to account for general capital improvements necessary for the upgrade and maintenance of the Public Libraries within the City. Financed by development fees, upgrades include the purchase of reading material.

Signalization Improvement - to account for general improvements and repairs to signal lights within the City that are financed by development fees.

Traffic Improvements - to account for projects related to traffic improvements, financed by development fees.

City Fire Protection - to account for the construction of fire facilities financed by development fees.

Public Improvement In-Lieu - to account for special designated improvements to City property, financed by development fees.

Fire Station - to account for deposits and expenditures related to Fire Station Construction.

Transportation Uniform Mitigation Fee (TUMF) - to account for multi-jurisdictional development impact fee paid for by new development to provide the transportation infrastructure necessary to accommodate new development.

Boat Launch Construction - to account for proceeds and expenditures related to the construction of a new City boat launch.

Assessment Districts - to account for transactions related to proceeds from assessment bonds and other resources used to acquire and construct certain capital facilities.

City of Lake Elsinore, California
Combining Balance Sheet
Other Capital Projects Funds
June 30, 2013

	Miscellaneous General Project	Park Improvement and Development	Street Capital Improvements	Storm Drains
ASSETS				
Cash and Investments	\$ 1,196,035	\$ 301,206	\$ 13,862	\$ 5,436,851
Cash and Investments with Fiscal Agent				
Accrued Interest Receivable	111	27	1	500
Due from Other Governments				
Total Assets	\$ 1,196,146	\$ 301,233	\$ 13,863	\$ 5,437,351
LIABILITIES				
Accounts Payable	\$ 85,937	\$ 1,181	\$	\$
Accrued Liabilities	151			
Due to Other Funds				
Unearned Revenue - Other	86,056			
Total Liabilities	172,144	1,181	0	0
FUND BALANCES				
Restricted		300,052	13,863	5,437,351
Assigned	1,024,002			
Unassigned				
Total Fund Balances	1,024,002	300,052	13,863	5,437,351
Total Liabilities and Fund Balances	\$ 1,196,146	\$ 301,233	\$ 13,863	\$ 5,437,351

<u>Library Capital Improvement</u>	<u>Signalization Improvement</u>	<u>Traffic Improvements</u>	<u>City Fire Protection</u>	<u>Public Improvement In-Lieu</u>	<u>Fire Station</u>	<u>TUMF</u>
\$ 1,499,500	\$ 151,563	\$ 2,865,388	\$ 13,397	\$ 830,398	\$ 19	\$
137	14	262	8	76		53
<u>1,499,637</u>	<u>151,577</u>	<u>2,865,650</u>	<u>13,405</u>	<u>830,474</u>	<u>19</u>	<u>5,515</u>
\$ 10,202	\$ 360	\$	\$ 53,924	\$ 197	\$	\$ 315
						54,723
						5,515
<u>10,202</u>	<u>360</u>	<u>0</u>	<u>53,924</u>	<u>197</u>	<u>0</u>	<u>60,553</u>
1,489,435	151,217	2,865,650		830,277	19	
			(40,519)			(54,985)
<u>1,489,435</u>	<u>151,217</u>	<u>2,865,650</u>	<u>(40,519)</u>	<u>830,277</u>	<u>19</u>	<u>(54,985)</u>
<u>\$ 1,499,637</u>	<u>\$ 151,577</u>	<u>\$ 2,865,650</u>	<u>\$ 13,405</u>	<u>\$ 830,474</u>	<u>\$ 19</u>	<u>\$ 5,568</u>

Continued

City of Lake Elsinore, California
Combining Balance Sheet
Other Capital Projects Funds - Continued
June 30, 2013

	Boat Launch Construction	Assessment Districts	Total Other Capital Projects Funds
ASSETS			
Cash and Investments	\$ 20,666	\$ 128,251	\$ 12,457,136
Cash and Investments with Fiscal Agent		705,617	705,617
Accrued Interest Receivable	3		1,192
Due from Other Governments			5,515
Total Assets	\$ 20,669	\$ 833,868	\$ 13,169,460
LIABILITIES			
Accounts Payable	\$	\$	\$ 152,116
Accrued Liabilities			151
Due to Other Funds			54,723
Unearned Revenue - Other			91,571
Total Liabilities	0	0	298,561
FUND BALANCES			
Restricted	20,669	833,868	11,942,401
Assigned			1,024,002
Unassigned			(95,504)
Total Fund Balances	20,669	833,868	12,870,899
Total Liabilities and Fund Balances	\$ 20,669	\$ 833,868	\$ 13,169,460

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City of Lake Elsinore, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Capital Projects Funds
Year Ended June 30, 2013

	Miscellaneous General Project	Park Improvement and Development	Street Capital Improvements	Storm Drains
REVENUES				
Licenses, Permits and Fees	\$	\$ 84,800	\$	\$ 100,098
Investment Earnings	1,479	350	12	4,877
Contributions from Property Owners				
Miscellaneous	400,620	30		
Total Revenues	402,099	85,180	12	104,975
EXPENDITURES				
Current:				
General Government	255,579			
Public Services				
Community Development	148,503	2,802		
Community Services				
Capital Outlay	602,939	152,498		
Total Expenditures	1,007,021	155,300	0	0
Excess (Deficiency) of Revenues Over Expenditures	(604,922)	(70,120)	12	104,975
OTHER FINANCING SOURCES (USES)				
Transfers In	677,417			
Transfers Out	(64,739)			
Total Other Financing Sources (Uses)	612,678	0	0	0
Net Change in Fund Balances	7,756	(70,120)	12	104,975
Fund Balances - Beginning	1,016,246	370,172	13,851	5,332,376
Fund Balances - End of Year	\$ 1,024,002	\$ 300,052	\$ 13,863	\$ 5,437,351

<u>Library Capital Improvement</u>	<u>Signalization Improvement</u>	<u>Traffic Improvements</u>	<u>City Fire Protection</u>	<u>Public Improvement In-Lieu</u>	<u>Fire Station</u>	<u>TUMF</u>
\$ 85,500 1,294	\$ 138	\$ 219,040 3,174	\$ 111,899 608	\$ 53,111 798	\$	\$ 530
			595			
<u>86,794</u>	<u>138</u>	<u>222,214</u>	<u>113,102</u>	<u>53,909</u>	<u>0</u>	<u>530</u>
	439	776,179	81,156	83,652		4,308
21,184			406,301			
<u>21,184</u>	<u>439</u>	<u>776,179</u>	<u>487,457</u>	<u>83,652</u>	<u>0</u>	<u>4,308</u>
<u>65,610</u>	<u>(301)</u>	<u>(553,965)</u>	<u>(374,355)</u>	<u>(29,743)</u>	<u>0</u>	<u>(3,778)</u>
						(630,874)
<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>(630,874)</u>
65,610	(301)	(553,965)	(374,355)	(29,743)	0	(634,652)
<u>1,423,825</u>	<u>151,518</u>	<u>3,419,615</u>	<u>333,836</u>	<u>860,020</u>	<u>19</u>	<u>579,667</u>
<u>\$ 1,489,435</u>	<u>\$ 151,217</u>	<u>\$ 2,865,650</u>	<u>\$ (40,519)</u>	<u>\$ 830,277</u>	<u>\$ 19</u>	<u>\$ (54,985)</u>

Continued

City of Lake Elsinore, California
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Capital Projects Funds - Continued
Year Ended June 30, 2013

	Boat Launch Construction	Assessment Districts	Total Other Capital Projects Funds
REVENUES			
Licenses, Permits and Fees	\$	\$	\$ 654,448
Investment Earnings	1,344	577	15,181
Contributions from Property Owners		7,333,114	7,333,114
Miscellaneous			401,245
	1,344	7,333,691	8,403,988
Total Revenues	1,344	7,333,691	8,403,988
EXPENDITURES			
Current:			
General Government		11,477	267,056
Public Services			945,734
Community Development	109,957		261,262
Community Services			21,184
Capital Outlay	233,249	7,317,323	8,712,310
	343,206	7,328,800	10,207,546
Total Expenditures	343,206	7,328,800	10,207,546
Excess (Deficiency) of Revenues Over Expenditures	(341,862)	4,891	(1,803,558)
OTHER FINANCING SOURCES (USES)			
Transfers In			677,417
Transfers Out	(280,532)		(976,145)
	(280,532)		(976,145)
Total Other Financing Sources (Uses)	(280,532)	0	(298,728)
Net Change in Fund Balances	(622,394)	4,891	(2,102,286)
Fund Balances - Beginning	643,063	828,977	14,973,185
Fund Balances - End of Year	\$ 20,669	\$ 833,868	\$ 12,870,899

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Project Fund
Miscellaneous
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 1,479	\$ 1,479
Miscellaneous			400,620	400,620
Total Revenues	<u>0</u>	<u>0</u>	<u>402,099</u>	<u>402,099</u>
EXPENDITURES				
Current:				
General Government	0	20,320	255,579	(235,259)
Community Development		1,146	148,503	(147,357)
Capital Outlay	<u>618,000</u>	<u>968,639</u>	<u>602,939</u>	<u>365,700</u>
Total Expenditures	<u>618,000</u>	<u>990,105</u>	<u>1,007,021</u>	<u>(16,916)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>(618,000)</u>	<u>(990,105)</u>	<u>(604,922)</u>	<u>385,183</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	618,000	568,109	677,417	109,308
Transfers Out			<u>(64,739)</u>	
Total Other Financing Sources (Uses)	<u>618,000</u>	<u>568,109</u>	<u>612,678</u>	<u>109,308</u>
Net Change in Fund Balance	(1,236,000)	(421,996)	7,756	494,491
Fund Balance - Beginning of Year	<u>1,016,246</u>	<u>1,016,246</u>	<u>1,016,246</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ (219,754)</u>	<u>\$ 594,250</u>	<u>\$ 1,024,002</u>	<u>\$ 494,491</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Park Improvement and Development
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits, and Fees	\$ 55,000	\$ 55,000	\$ 84,800	\$ 29,800
Investment Earnings			350	350
Miscellaneous			30	30
	<hr/>		<hr/>	
Total Revenues	55,000	55,000	85,180	30,180
	<hr/>		<hr/>	
EXPENDITURES				
Current:				
Community Development			2,802	(2,802)
Capital Outlay	35,000	185,966	152,498	(33,468)
	<hr/>		<hr/>	
Total Expenditures	35,000	185,966	155,300	30,666
	<hr/>		<hr/>	
Excess (Deficiency) of Revenues over Expenditures	20,000	(130,966)	(70,120)	60,846
Fund Balance - Beginning of Year	370,172	370,172	370,172	0
	<hr/>		<hr/>	
Fund Balance End of Year	<u>\$ 390,172</u>	<u>\$ 239,206</u>	<u>\$ 300,052</u>	<u>\$ 60,846</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Street Capital Improvements
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 250	\$ 250	\$ 12	\$ (238)
Total Revenues	250	250	12	(238)
EXPENDITURES				
Capital Outlay				0
Total Expenditures	0	0	0	0
Excess (Deficiency) of Revenues over Expenditures	250	250	12	(238)
Fund Balance - Beginning of Year	13,851	13,851	13,851	0
Fund Balance - End of Year	<u>\$ 14,101</u>	<u>\$ 14,101</u>	<u>\$ 13,863</u>	<u>\$ (238)</u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Storm Drains
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses, Permits, and Fees	\$ 170,000	\$ 170,000	\$ 100,098	\$ (69,902)
Investment Earnings			4,877	4,877
Total Revenues	<u>170,000</u>	<u>170,000</u>	<u>104,975</u>	<u>(65,025)</u>
EXPENDITURES				
Capital Outlay	<u>65,000</u>	<u>461,572</u>		<u>461,572</u>
Total Expenditures	<u>65,000</u>	<u>461,572</u>	<u>0</u>	<u>461,572</u>
Excess (Deficiency) of Revenues over Expenditures	105,000	(291,572)	104,975	396,547
Fund Balance - Beginning of Year	<u>5,332,376</u>	<u>5,332,376</u>	<u>5,332,376</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 5,437,376</u></u>	<u><u>\$ 5,040,804</u></u>	<u><u>\$ 5,437,351</u></u>	<u><u>\$ 396,547</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Library Capital Improvement
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits, and Fees	\$	\$	\$ 85,500	\$ 85,500
Investment Earnings			1,294	1,294
Total Revenues	<u>0</u>	<u>0</u>	<u>86,794</u>	<u>86,794</u>
EXPENDITURES				
Current:				
Community Services	30,000	30,000	21,184	8,816
Capital Outlay	<u>100,000</u>	<u>100,000</u>		<u>100,000</u>
Total Expenditures	<u>130,000</u>	<u>130,000</u>	<u>21,184</u>	<u>108,816</u>
Excess (Deficiency) of Revenues over Expenditures	(130,000)	(130,000)	65,610	195,610
Fund Balance - Beginning of Year	<u>1,423,825</u>	<u>1,423,825</u>	<u>1,423,825</u>	<u>0</u>
Fund Balance End of Year	<u><u>\$ 1,293,825</u></u>	<u><u>\$ 1,293,825</u></u>	<u><u>\$ 1,489,435</u></u>	<u><u>\$ 195,610</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Signalization Improvement
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 2,000	\$ 2,000	\$ 138	\$ (1,862)
Total Revenues	<u>2,000</u>	<u>2,000</u>	<u>138</u>	<u>(1,862)</u>
EXPENDITURES				
Current:				
Public Services			439	(439)
Capital Outlay		148,234		148,234
Total Expenditures	<u>0</u>	<u>148,234</u>	<u>439</u>	<u>148,234</u>
Excess (Deficiency) of Revenues over Expenditures	2,000	(146,234)	(301)	145,933
Fund Balance - Beginning of Year	<u>151,518</u>	<u>151,518</u>	<u>151,518</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 153,518</u></u>	<u><u>\$ 5,284</u></u>	<u><u>\$ 151,217</u></u>	<u><u>\$ 145,933</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Traffic Improvements
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 100,000	\$ 100,000	\$ 219,040	\$ 119,040
Investment Earnings			3,174	3,174
Total Revenues	<u>100,000</u>	<u>100,000</u>	<u>222,214</u>	<u>122,214</u>
EXPENDITURES				
Current:				
Public Services			776,179	(776,179)
Total Expenditures	<u>0</u>	<u>0</u>	<u>776,179</u>	<u>(776,179)</u>
Excess (Deficiency) of Revenues over Expenditures	100,000	100,000	(553,965)	(653,965)
Fund Balance - Beginning of Year	<u>3,419,615</u>	<u>3,419,615</u>	<u>3,419,615</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 3,519,615</u></u>	<u><u>\$ 3,519,615</u></u>	<u><u>\$ 2,865,650</u></u>	<u><u>\$ (653,965)</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
City Fire Protection
Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Licenses, Permits and Fees	\$ 45,000	\$ 45,000	\$ 111,899	\$ 66,899
Investment Earnings			608	608
Miscellaneous			595	595
	<u>45,000</u>	<u>45,000</u>	<u>113,102</u>	<u>68,102</u>
Total Revenues				
EXPENDITURES				
Current:				
Public Services			81,156	(81,156)
Capital Outlay	<u>230,000</u>	<u>632,435</u>	<u>406,301</u>	<u>226,134</u>
	<u>230,000</u>	<u>632,435</u>	<u>487,457</u>	<u>144,978</u>
Total Expenditures				
Excess (Deficiency) of Revenues over Expenditures	(185,000)	(587,435)	(374,355)	213,080
Fund Balance - Beginning of Year	<u>333,836</u>	<u>333,836</u>	<u>333,836</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 148,836</u></u>	<u><u>\$ (253,599)</u></u>	<u><u>\$ (40,519)</u></u>	<u><u>\$ 213,080</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Project Fund
Public Improvement In-Lieu
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Licenses, Permits and Fees	\$ 30,000	\$ 30,000	\$ 53,111	\$ 23,111
Investment Earnings			798	798
Total Revenues	<u>30,000</u>	<u>30,000</u>	<u>53,909</u>	<u>23,909</u>
EXPENDITURES				
Current:				
Public Services			83,652	(83,652)
Total Expenditures	<u>0</u>	<u>0</u>	<u>83,652</u>	<u>(83,652)</u>
Excess (Deficiency) of Revenues over Expenditures	30,000	30,000	(29,743)	(59,743)
Fund Balance - Beginning of Year	<u>860,020</u>	<u>860,020</u>	<u>860,020</u>	<u>0</u>
Fund Balance - End of Year	<u><u>\$ 890,020</u></u>	<u><u>\$ 890,020</u></u>	<u><u>\$ 830,277</u></u>	<u><u>\$ (59,743)</u></u>

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Project Fund
TUMF
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 530	\$ 530
Total Revenues	0	0	530	530
EXPENDITURES				
Current:				
Public Services		38	4,308	(4,270)
Total Expenditures	0	38	4,308	(4,270)
Excess (Deficiency) of Revenues over Expenditures	0	(38)	(3,778)	(3,740)
OTHER FINANCING SOURCES (USES)				
Transfers Out			(630,874)	(630,874)
Total Other Financing Sources (Uses)	0	0	(630,874)	(630,874)
Net Change in Fund Balance	0	(38)	(634,652)	(634,614)
Fund Balance - Beginning	579,667	579,667	579,667	0
Fund Balance - End of Year	\$ 579,667	\$ 579,629	\$ (54,985)	\$ (634,614)

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Project Fund
Boat Launch Construction
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 1,344	\$ 1,344
Total Revenues	0	0	1,344	1,344
EXPENDITURES				
Current:				
Community Services		32,410	109,957	(77,547)
Capital Outlay		93,323	233,249	(139,926)
Total Expenditures	0	125,733	343,206	(217,473)
Excess (Deficiency) of Revenues over Expenditures	0	(125,733)	(341,862)	(216,129)
OTHER FINANCING SOURCES (USES)				
Transfers Out			(280,532)	(280,532)
Total Other Financing Sources (Uses)	0	0	(280,532)	(280,532)
Net Change in Fund Balance	0	(125,733)	(622,394)	(496,661)
Fund Balance - Beginning	643,063	643,063	643,063	0
Fund Balance - End of Year	\$ 643,063	\$ 517,330	\$ 20,669	\$ (496,661)

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Capital Projects Fund
Assessment Districts
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$ 27,000	\$	\$ 577	\$ 577
Contributions from Property Owners		2,000	7,333,114	7,331,114
Total Revenues	<u>27,000</u>	<u>2,000</u>	<u>7,333,691</u>	<u>7,331,691</u>
EXPENDITURES				
Current:				
General Government			11,477	(11,477)
Capital Outlay	25,000		7,317,323	(7,317,323)
Total Expenditures	<u>25,000</u>	<u>0</u>	<u>7,328,800</u>	<u>(7,328,800)</u>
Excess (Deficiency) of Revenues over Expenditures	2,000	2,000	4,891	2,891
Fund Balance - Beginning	<u>828,977</u>	<u>828,977</u>	<u>828,977</u>	<u>0</u>
Fund Balance - End of Year	<u>\$ 830,977</u>	<u>\$ 830,977</u>	<u>\$ 833,868</u>	<u>\$ 2,891</u>

City of Lake Elsinore, California
Permanent Fund
June 30, 2013

Endowment Trust - to account for assets held by the City as a trustee capacity for the Adolph Korn Estate. Money is held for the purpose of building a nurses home for a proposed hospital within the City. Until that time, interest earnings from the estate are used as a scholarship fund for college tuition for students seeking a degree in the nursing field.

City of Lake Elsinore, California
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget and Actual - Permanent Fund
Endowment Trust
Year Ended June 30, 2013

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	\$	\$	\$ 81	\$ 81
Total Revenues	0	0	81	81
EXPENDITURES				
Current:				
General Government			350	(350)
Total Expenditures	0	0	350	(350)
Excess (Deficiency) of Revenues Over Expenditures	0	0	(269)	269
Fund Balance - Beginning of Year	30,951	30,951	30,951	0
Fund Balance - End of Year	\$ 30,951	\$ 30,951	\$ 30,682	\$ (269)

City of Lake Elsinore, California
Agency Funds
June 30, 2013

Kangaroo Rat - to account for receipts of Kangaroo Rat fees collected from developers for the Habitat Conservation Plan administered by the Riverside County Habitat Conservation Agency (RCHCA). Fees forwarded by RCHCA are intended to be used to address severe economic impacts on the Stephens' kangaroo rat that is listed as an endangered species.

Developer Deposit Trust - to account for receipts of deposits paid by Developers.

Assessment Districts - to account for receipts of special assessments and taxes that will be used to pay interest and principal on Community Facilities and Assessment Districts bonds.

Lake Maintenance - to account for receipts made by Elsinore Valley Municipal Water District and the City to jointly fund the purchase of water to keep the lake level stabilized.

Destratification Equipment Replacement Fund - to account for receipts made by Elsinore Valley Municipal Water District, Riverside County and the City to replace equipment for the axial flow pump destratification system in the lake.

City of Lake Elsinore, California
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2013

	Kangaroo Rat	Developer Deposit Trust	Assessment Districts
ASSETS			
Cash and Investments	\$ 6,812	\$ 1,168,746	\$ 1,945,040
Cash and Investments with Fiscal Agent			39,887,287
Accrued Interest Receivable			165
Due from Other Governments			307,059
Deposits with Other Agencies			3,844,939
	\$ 6,812	\$ 1,168,746	\$ 45,984,490
Total Assets	\$ 6,812	\$ 1,168,746	\$ 45,984,490
LIABILITIES			
Accounts Payable	\$ 6,812	\$ 46,711	\$ 629,956
Deposits and Other Liabilities		1,122,035	35,000
Due to Other Governments			22,899
Due to Bondholders			45,296,635
	\$ 6,812	\$ 1,168,746	\$ 45,984,490
Total Liabilities	\$ 6,812	\$ 1,168,746	\$ 45,984,490

Lake Maintenance	Destratification Equipment Replacement	Total Agency Funds
\$ 699,787	\$ 75,189	\$ 3,195,787
	4	40,587,074
		169
		307,059
		3,844,939
<u>\$ 699,787</u>	<u>\$ 75,193</u>	<u>\$ 47,935,028</u>
\$ 699,787	\$ 75,193	\$ 683,479
		1,932,015
		22,899
		45,296,635
<u>\$ 699,787</u>	<u>\$ 75,193</u>	<u>\$ 47,935,028</u>

City of Lake Elsinore, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds
Year Ended June 30, 2013

	Beginning Balance	Additions	Deletions	Ending Balance
KANGAROO RAT				
ASSETS				
Cash and Investments	\$ 2,496	\$ 6,905	\$ 2,589	\$ 6,812
Total Assets	\$ 2,496	\$ 6,905	\$ 2,589	\$ 6,812
LIABILITIES				
Accounts Payable	\$ 2,496	\$ 6,913	\$ 2,597	\$ 6,812
Deposits and Other Liabilities	0	6,905	6,905	0
Total Liabilities	\$ 2,496	\$ 13,818	\$ 9,502	\$ 6,812
DEVELOPER DEPOSIT TRUST				
ASSETS				
Cash and Investments	\$ 1,032,633	\$ 283,319	\$ 147,206	\$ 1,168,746
Total Assets	\$ 1,032,633	\$ 283,319	\$ 147,206	\$ 1,168,746
LIABILITIES				
Accounts Payable	\$ 9,708	\$ 185,209	\$ 148,206	\$ 46,711
Deposits and Other Liabilities	1,022,925	283,779	184,669	1,122,035
Total Liabilities	\$ 1,032,633	\$ 468,988	\$ 332,875	\$ 1,168,746
ASSESSMENT DISTRICTS				
ASSETS				
Cash and Investments	\$ 2,067,031	\$ 2,359,539	\$ 2,481,530	\$ 1,945,040
Cash and Investments with Fiscal Agent	40,660,236	20,835,701	21,608,650	39,887,287
Accrued Interest Receivable	364	134	333	165
Due from Other Governments	375,850	272,471	341,262	307,059
Deposits with Other Agencies	0	3,844,939		3,844,939
Total Assets	\$ 43,103,481	\$ 27,312,784	\$ 24,431,775	\$ 45,984,490
LIABILITIES				
Accounts Payable	\$ 426,736	\$ 2,033,650	\$ 1,830,430	\$ 629,956
Deposits and Other Liabilities	65,000	70,000	100,000	35,000
Due to Other Governments	3,201,420	102,200	3,280,721	22,899
Due to Bondholders	39,410,325	55,244,228	49,357,918	45,296,635
Total Liabilities	\$ 43,103,481	\$ 57,450,078	\$ 54,569,069	\$ 45,984,490

City of Lake Elsinore, California
Combining Statement of Changes in Assets and Liabilities
Agency Funds - Continued
Year Ended June 30, 2013

	Beginning Balance	Additions	Deletions	Ending Balance
LAKE MAINTENANCE				
ASSETS				
Cash and Investment with Fiscal Agent	\$ 647,647	\$ 665,393	\$ 613,253	\$ 699,787
Total Assets	<u>\$ 647,647</u>	<u>\$ 665,393</u>	<u>\$ 613,253</u>	<u>\$ 699,787</u>
LIABILITIES				
Deposits and Other Liabilities	\$ 647,647	\$ 1,300,099	\$ 1,247,959	\$ 699,787
Total Liabilities	<u>\$ 647,647</u>	<u>\$ 1,300,099</u>	<u>\$ 1,247,959</u>	<u>\$ 699,787</u>
DESTRATIFICATION EQUIPMENT				
ASSETS				
Cash and Investments	\$ 40,879	\$ 66,324	\$ 32,014	\$ 75,189
Accrued Interest Receivable		4		4
Due from Other Governments	33,333		33,333	0
Total Assets	<u>\$ 74,212</u>	<u>\$ 66,328</u>	<u>\$ 65,347</u>	<u>\$ 75,193</u>
LIABILITIES				
Accounts Payable	\$ 0	\$ 31,089	\$ 31,089	\$ 0
Deposits and Other Liabilities	74,212	91,130	90,149	75,193
Total Liabilities	<u>\$ 74,212</u>	<u>\$ 122,219</u>	<u>\$ 121,238</u>	<u>\$ 75,193</u>
TOTAL - ALL AGENCY FUNDS				
ASSETS				
Cash and Investments	\$ 3,143,039	\$ 2,716,087	\$ 2,663,339	\$ 3,195,787
Cash and Investments with Fiscal Agent	41,307,883	21,501,094	22,221,903	40,587,074
Accrued Interest Receivable	364	138	333	169
Due from Other Governments	409,183	272,471	374,595	307,059
Deposits with Other Agencies	0	3,844,939	0	3,844,939
Total Assets	<u>\$ 44,860,469</u>	<u>\$ 28,334,729</u>	<u>\$ 25,260,170</u>	<u>\$ 47,935,028</u>
LIABILITIES				
Accounts Payable	\$ 438,940	\$ 2,256,861	\$ 2,012,322	\$ 683,479
Deposits and Other Liabilities	1,809,784	1,751,913	1,629,682	1,932,015
Due to Other Governments	3,201,420	102,200	3,280,721	22,899
Due to Bondholders	39,410,325	55,244,228	49,357,918	45,296,635
Total Liabilities	<u>\$ 44,860,469</u>	<u>\$ 59,355,202</u>	<u>\$ 56,280,643</u>	<u>\$ 47,935,028</u>

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STATISTICAL SECTION

City of Lake Elsinore, California
Statistical Section Contents
June 30, 2013

The City of Lake Elsinore'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 say about the government's overall financial health. The statistical section offers operational, economic, and historical data that provide a context for assessing the City's economic condition.

CONTENTS	PAGES
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and financial health have changed over time.	143 - 152
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.	153 - 157
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.	158 - 163
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	164 - 165
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	166 - 169

City of Lake Elsinore, California
Net Position By Component
 Last Ten Fiscal Years
 (accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
GOVERNMENT ACTIVITIES				
Net Investment in				
Capital Assets	\$ 76,438,068	\$ 79,194,299	\$ 86,605,543	\$ 97,369,896
Restricted	64,509,263	76,616,021	135,197,478	173,307,658
Unrestricted	<u>(107,107,310)</u>	<u>(103,129,508)</u>	<u>(93,977,441)</u>	<u>(92,504,071)</u>
 Total Governmental				
Activites Net Position	<u>\$ 33,840,021</u>	<u>\$ 52,680,812</u>	<u>\$ 127,825,580</u>	<u>\$ 178,173,483</u>

Ten years of data now shown.

Source: City Finance Department

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 125,539,928	\$ 141,550,858	\$ 142,968,348	\$ 141,427,875	\$ 134,976,102	\$ 147,176,443
151,937,522	122,099,858	110,984,917	134,777,767	141,619,986	75,129,411
<u>(96,240,481)</u>	<u>(96,792,528)</u>	<u>(93,859,128)</u>	<u>(110,573,961)</u>	<u>(48,524,474)</u>	<u>(2,804,065)</u>
<u>\$ 181,236,969</u>	<u>\$ 166,858,188</u>	<u>\$ 160,094,137</u>	<u>\$ 165,631,681</u>	<u>\$ 228,071,614</u>	<u>\$ 219,501,789</u>

City of Lake Elsinore, California
Changes in Net Position
Expenses and Program Revenues
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
EXPENSES				
Governmental Activities:				
General Government	\$ 9,938,841	\$ 12,208,992	\$ 12,700,900	\$ 10,414,729
Public Safety	5,707,203	7,375,602	8,369,753	11,686,158
Community Development	3,534,782	3,083,947	12,009,611	21,514,552
Public Services	5,833,376	8,404,675	8,739,770	9,867,133
Community Services	4,008,347	3,994,151	3,519,545	6,801,741
Interest on Long-term Debt	10,935,104	11,077,433	11,146,325	11,531,570
Total Governmental Activities Expenses	<u>39,957,653</u>	<u>46,144,800</u>	<u>56,485,904</u>	<u>71,815,883</u>
PROGRAM REVENUES				
Governmental Activities:				
Charges for Services:				
General Government	5,874,918	10,081,980	12,199,668	9,204,517
Public Safety	25,259	39,824	44,919	-
Community Development	1,880,802	4,864,686	11,334,631	4,362,650
Public Services	92,933	70,631	73,260	-
Community Services	1,624,467	1,658,146	1,677,140	1,364,513
Operating Grants and Contributions	3,807,619	3,586,701	2,600,374	5,043,547
Capital Grants and Contributions	-	4,332,067	49,777,269	42,085,516
Total Governmental Activities Program Revenues	<u>13,305,998</u>	<u>24,634,035</u>	<u>77,707,261</u>	<u>62,060,743</u>
NET REVENUES (EXPENSES)				
Governmental Activities	(26,651,655)	(21,510,765)	21,221,357	(9,755,140)
Total Net Revenues (Expenses)	<u>\$ (26,651,655)</u>	<u>\$ (21,510,765)</u>	<u>\$ 21,221,357</u>	<u>\$ (9,755,140)</u>

Ten years of data now shown.

Source: City Finance Department

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 8,195,897	\$ 10,562,122	\$ 10,252,727	\$ 11,079,707	\$ 11,944,507	\$ 8,833,983
14,293,269	13,139,389	11,022,531	11,212,605	11,911,363	12,684,631
32,342,175	31,976,146	15,847,532	16,060,065	4,989,313	10,242,652
10,861,673	14,123,738	14,812,199	8,145,956	9,834,764	10,359,134
6,013,006	4,737,856	4,295,719	4,704,242	7,010,026	4,416,500
10,145,830	10,168,917	10,509,806	7,674,342	8,835,312	6,451,470
<u>81,851,850</u>	<u>84,708,168</u>	<u>66,740,514</u>	<u>58,876,917</u>	<u>54,525,285</u>	<u>52,988,370</u>
6,885,167	4,828,438	3,181,706	3,167,346	3,035,324	456,760
-	-	-	-	-	700,069
3,960,353	1,064,036	924,493	1,508,526	1,247,117	4,381,899
-	-	-	-	-	1,117,800
1,422,754	1,482,146	1,578,779	1,586,602	1,578,318	2,822,458
4,109,188	6,482,888	4,561,669	3,292,972	3,306,452	12,172,208
2,159,798	-	-	6,573,426	4,539,293	9,587,008
<u>18,537,260</u>	<u>13,857,508</u>	<u>10,246,647</u>	<u>16,128,872</u>	<u>13,706,504</u>	<u>31,238,202</u>
(63,314,590)	(70,850,660)	(56,493,867)	(42,748,045)	(40,818,781)	(21,750,168)
<u>\$ (63,314,590)</u>	<u>\$ (70,850,660)</u>	<u>\$ (56,493,867)</u>	<u>\$ (42,748,045)</u>	<u>\$ (40,818,781)</u>	<u>\$ (21,750,168)</u>

City of Lake Elsinore, California
Changes in Net Position
General Revenues
Last Ten Fiscal Years
(accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
GENERAL REVENUES				
Governmental Activities				
Taxes				
Property Taxes	\$ 10,891,618	\$ 16,521,561	\$ 23,190,099	\$ 26,685,369
Sales Taxes	5,274,927	6,133,299	6,367,466	7,836,334
Franchise Taxes	996,394	1,138,484	1,473,018	1,688,010
Other Taxes	515,018	731,100	1,093,484	1,020,788
Fines, Forfeitures and Penalties	377,262	427,975	481,065	599,894
Investment Earnings	7,735,043	8,236,698	11,217,026	17,220,975
Miscellaneous	2,147,938	3,400,243	4,852,432	5,839,608
Extraordinary Item - Gain on Dissolution of Redevelopment Agency	-	-	-	-
Total General Revenues and Extraordinary Item	<u>27,938,200</u>	<u>36,589,360</u>	<u>48,674,590</u>	<u>60,890,978</u>
CHANGES IN NET POSITION				
Governmental Activities	1,286,545	15,078,595	69,895,947	51,135,838
Total Changes in Net Position	<u>\$ 1,286,545</u>	<u>\$ 15,078,595</u>	<u>\$ 69,895,947</u>	<u>\$ 51,135,838</u>

Ten years of data now shown

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 33,307,785	\$ 31,590,868	\$ 25,904,948	\$ 24,237,023	\$ 14,698,032	\$ 5,804,265
8,148,355	6,414,419	6,236,748	7,190,695	7,444,947	6,935,215
1,768,178	1,824,890	1,792,699	1,913,807	2,002,550	2,097,081
770,024	751,794	519,001	483,556	538,402	567,560
918,619	937,506	733,792	972,457	1,850,398	592,185
14,271,312	9,334,141	7,470,635	7,782,639	8,031,256	689,149
7,193,803	5,768,257	6,661,239	5,705,412	6,992,813	688,105
-	-	-	-	61,700,316	-
<u>66,378,076</u>	<u>56,621,875</u>	<u>49,319,062</u>	<u>48,285,589</u>	<u>103,258,714</u>	<u>17,373,560</u>
3,063,486	(14,228,785)	(7,174,805)	5,537,544	62,439,933	(4,376,608)
<u>\$ 3,063,486</u>	<u>\$ (14,228,785)</u>	<u>\$ (7,174,805)</u>	<u>\$ 5,537,544</u>	<u>\$ 62,439,933</u>	<u>\$ (4,376,608)</u>

City of Lake Elsinore, California
Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
GENERAL FUND				
Reserved	\$ 9,607,894	\$ 9,744,980	\$ 8,796,782	\$ 9,936,859
Unreserved	5,174,923	8,067,151	15,829,308	10,496,356
Total General Fund	<u>\$ 14,782,817</u>	<u>\$ 17,812,131</u>	<u>\$ 24,626,090</u>	<u>\$ 20,433,215</u>
ALL OTHER GOVERNMENTAL FUNDS				
Reserved	\$ 122,139,124	\$ 126,093,490	\$ 185,264,579	\$ 215,008,475
Unreserved, Reported In				
Special Revenue Funds	7,686,320	5,010,728	6,382,838	7,921,415
Debt Service Funds	(8,665,854)	(7,503,643)	(11,915,554)	(10,006,673)
Capital Projects Funds	(50,687)	7,608,315	9,141,046	13,041,510
Total All Other Governmental Funds	<u>\$ 121,108,903</u>	<u>\$ 131,208,890</u>	<u>\$ 188,872,909</u>	<u>\$ 225,964,727</u>
GENERAL FUND				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Unassigned	-	-	-	-
Total General Fund	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
ALL OTHER GOVERNMENTAL FUNDS				
Nonspendable	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Note: GASB 54 was implemented in fiscal year 2011, prior years have no comparable data for designations of fund balance.

The City of Lake Elsinore has elected to show ten years of data for this schedule.

Source: City Finance Department

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 9,476,355	\$ 8,580,684	\$ 8,589,723	\$ -	\$ -	\$ -
9,285,492	8,762,248	6,327,596	-	-	-
<u>\$ 18,761,847</u>	<u>\$ 17,342,932</u>	<u>\$ 14,917,319</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 188,270,868	\$ 163,768,859	\$ 161,473,544	\$ -	\$ -	\$ -
10,731,428	5,241,416	6,999,090	-	-	-
(5,375,005)	(3,841,954)	(28,305,645)	-	-	-
8,824,274	2,966,273	5,497,137	-	-	-
<u>\$ 202,451,565</u>	<u>\$ 168,134,594</u>	<u>\$ 145,664,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ -	\$ -	\$ 4,027,179	\$ 2,505,503	\$ 1,821,906
-	-	-	10,788,602	11,826,885	12,017,317
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 14,815,781</u>	<u>\$ 14,332,388</u>	<u>\$ 13,839,223</u>
\$ -	\$ -	\$ -	\$ 84,348,929	\$ 76,688,811	\$ 20,003
-	-	-	105,281,543	79,292,713	202,134,812
-	-	-	11,255,852	12,548,403	1,034,681
-	-	-	(38,062,318)	(987,601)	(905,426)
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 162,824,006</u>	<u>\$ 167,542,326</u>	<u>\$ 202,284,070</u>

City of Lake Elsinore, California
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years
(modified accrual basis of accounting)

	Fiscal Year			
	2004	2005	2006	2007
REVENUES				
Property Taxes	\$ 10,891,618	\$ 16,521,561	\$ 23,190,099	\$ 26,685,369
Other Taxes	6,786,339	7,192,270	9,265,130	10,503,108
Licenses, Permits and Fees	4,888,957	9,133,887	18,047,742	7,775,477
Intergovernmental Revenues	3,807,619	3,586,701	2,600,374	2,700,185
Charges for Services	3,113,391	6,019,081	5,712,480	5,791,690
Fines, Forfeitures and Penalties	377,262	427,975	481,065	599,894
Investment Income	7,793,901	8,302,080	11,290,353	17,268,845
Special Assessments	1,496,031	1,562,300	1,569,396	1,364,513
Contributions from Property Owners	-	-	49,777,269	42,085,516
Miscellaneous	2,147,938	3,400,242	4,852,433	5,839,608
Total Revenues	41,303,056	56,146,097	126,786,341	120,614,205
EXPENDITURES				
Current				
General Government	3,993,019	6,673,543	5,319,941	8,548,606
Public Safety	5,650,526	7,375,602	8,369,753	11,686,158
Community Development	3,469,142	3,083,947	5,853,938	3,481,278
Public Services	4,465,356	7,067,549	7,385,171	8,431,702
Community Services	3,310,108	3,306,649	2,823,109	6,063,747
Pass-through Payments	3,033,654	3,957,978	5,671,146	7,006,699
Set Aside Suspension	-	-	-	-
SERAF Payments	-	-	-	-
Capital Outlay	2,649,498	2,055,243	17,094,933	25,236,661
Debt Service				
Payment to Refunding Bond Escrow Agent	-	-	-	-
Bond Issuance Costs	3,500	-	-	-
Principal Retirement	3,853,166	3,828,484	4,023,167	4,979,674
Interest and Fiscal Charges	11,254,303	11,008,078	11,097,091	11,492,802
Total Expenditures	41,682,272	48,357,073	67,638,249	86,927,327
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(379,216)	7,789,024	59,148,092	33,686,878
OTHER FINANCING SOURCES (USES)				
Transfers In	26,486,109	5,423,965	1,823,891	7,089,415
Transfers Out	(26,486,109)	(5,423,965)	(1,823,891)	(7,089,415)
Debt Issuance	-	391,811	81,065	-
Loans Issued	-	-	-	-
Loan Payments	-	-	-	-
Premium on Bonds	-	-	-	-
Bond Discount	-	-	-	-
Refunding Bonds Issued	-	-	-	-
Tax Allocation Bonds Issued	-	-	-	-
Capital Debt Issued	-	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	-
Total Other Financing Sources (Uses)	-	391,811	81,065	-
Net Change in Fund Balances before Extraordinary Item	(379,216)	8,180,835	59,229,157	33,686,878
Extraordinary Item	-	-	-	-
Net Change in Fund Balances	\$ (379,216)	\$ 8,180,835	\$ 59,229,157	\$ 33,686,878
Debt Service as a Percentage of Noncapital Expenditures	38.7%	32.0%	29.9%	26.7%

The City of Lake Elsinore has elected to show ten years of data for this schedule. The fiscal year of 2012 takes into account the dissolution of the Redevelopment Agency of the City of Lake Elsinore.

Source: City Finance Department

Fiscal Year						
2008	2009	2010	2011	2012	2013	
\$ 33,307,785	\$ 31,590,868	\$ 25,429,344	\$ 24,443,046	\$ 14,738,584	\$ 5,844,498	
10,741,363	9,071,246	8,517,826	9,557,873	9,911,400	9,572,675	
6,266,086	2,267,568	2,587,918	3,291,938	2,908,091	4,999,154	
4,109,188	3,630,144	7,322,908	4,680,095	6,193,777	5,055,511	
4,579,433	3,548,413	1,594,774	1,383,934	1,374,351	1,746,713	
918,619	937,506	733,792	972,457	1,850,398	927,315	
14,237,891	9,445,099	7,928,611	7,147,497	7,180,018	12,122,739	
1,422,754	1,482,146	1,578,779	1,586,602	1,578,318	1,585,606	
2,159,798	-	-	5,352,614	1,221,184	8,079,739	
7,193,803	5,768,257	6,910,516	5,608,837	7,384,749	3,469,837	
<u>84,936,720</u>	<u>67,741,247</u>	<u>62,604,468</u>	<u>64,024,893</u>	<u>54,340,870</u>	<u>53,403,787</u>	
6,190,346	6,479,795	6,797,320	8,904,165	7,467,755	5,871,649	
14,293,269	13,139,389	11,022,531	11,212,605	11,911,364	12,339,592	
4,549,297	4,662,003	3,049,501	18,805,484	1,608,782	2,925,329	
9,321,939	12,202,971	12,901,064	6,221,286	7,800,095	6,772,010	
5,221,331	3,750,267	3,313,082	3,714,646	5,963,873	4,281,401	
9,878,294	9,647,322	7,782,513	7,655,170	3,542,473	-	
-	-	3,750,000	-	-	-	
-	-	6,976,853	1,436,411	-	-	
49,056,332	38,113,875	4,394,834	2,931,038	10,268,753	10,889,810	
-	-	1,987,745	1,832,080	-	-	
1,213,789	-	1,584,965	1,874,527	238,290	1,260,059	
3,872,984	5,469,538	6,037,770	6,928,822	6,091,578	5,725,000	
10,132,679	10,066,977	10,318,720	9,046,095	7,951,971	6,081,766	
<u>113,730,260</u>	<u>103,532,137</u>	<u>79,916,898</u>	<u>80,562,329</u>	<u>62,844,934</u>	<u>56,146,616</u>	
<u>(28,793,540)</u>	<u>(35,790,890)</u>	<u>(17,312,430)</u>	<u>(16,537,436)</u>	<u>(8,504,064)</u>	<u>(2,742,829)</u>	
6,412,891	4,386,162	4,500,694	6,186,205	2,509,613	2,235,297	
(6,412,891)	(4,386,162)	(4,500,694)	(6,186,205)	(2,509,613)	(2,235,297)	
-	-	-	-	-	-	
-	-	26,290,000	47,780,000	-	-	
-	-	(23,235,000)	(27,495,000)	-	-	
274,026	-	-	-	-	120,640	
(3,117)	-	(166,785)	(621,302)	(30,000)	(23,125)	
22,295,000	-	26,290,000	29,435,000	1,405,000	27,760,000	
-	-	-	10,160,000	-	-	
3,265,000	-	-	-	-	-	
<u>(22,221,899)</u>	<u>-</u>	<u>(22,082,648)</u>	<u>(25,662,920)</u>	<u>(1,345,000)</u>	<u>(3,244,386)</u>	
<u>3,609,010</u>	<u>-</u>	<u>7,095,567</u>	<u>33,595,778</u>	<u>30,000</u>	<u>24,613,129</u>	
(25,184,530)	(35,790,890)	(10,216,863)	17,058,342	(8,474,064)	21,870,300	
-	-	-	-	11,708,991	-	
<u>\$ (25,184,530)</u>	<u>\$ (35,790,890)</u>	<u>\$ (10,216,863)</u>	<u>\$ 17,058,342</u>	<u>\$ 3,234,927</u>	<u>\$ 21,870,300</u>	
23.5%	23.7%	23.8%	25%	27%	23%	

City of Lake Elsinore, California
Direct and Overlapping Property Tax Rates
 Last Ten Fiscal Years
 (rate per \$100 of taxable value)

AGENCY	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
City Basic Levy (1)	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Menifee School Dist.	0.02117	0.01625	0.01435	0.00578	0.00549	0.02370	0.03254	0.03436	0.03486	0.03543
Metropolitan Water Dist.	0.00610	0.00580	0.00520	0.00470	0.00450	0.00430	0.00430	0.00370	0.00370	0.00350
Perris School Dist.	0.00000	0.00000	0.00000	0.00000	0.02999	0.02894	0.02485	0.01983	0.01983	0.01800
Perris Union High School	<u>0.01560</u>	<u>0.01192</u>	<u>0.02350</u>	<u>0.03222</u>	<u>0.02110</u>	<u>0.02031</u>	<u>0.02686</u>	<u>0.03126</u>	<u>0.03429</u>	<u>0.03429</u>
Total Direct & Overlapping (2) Tax Rates	1.04287	1.03397	1.04305	1.04270	1.06108	1.07725	1.08855	1.08915	1.09268	1.09122
City's Share of 1% Levy Per Prop 13 (3)	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415	0.17415
GENERAL OBLIGATION DEBT RATE										
RDA Basic Rate (4)	1.00610	1.00580	1.00520	1.00470	1.00450	1.00430	1.00430	1.00370	1.00370	0.00000
Total Direct Rate (5)	<u>0.61285</u>	<u>0.58836</u>	<u>0.57665</u>	<u>0.54001</u>	<u>0.51618</u>	<u>0.51766</u>	<u>0.53499</u>	<u>0.53281</u>	<u>0.52098</u>	<u>0.51905</u>

Notes:

(1) In 1978, the voters of the State of California 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.

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

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

(4) Development Agency (RDA) rate is based on the largest RDA tax rate area (TRA) and includes only rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values.

(5) Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information.

City of Lake Elsinore, California
Principal Property Tax Payers
Current Year and Ten Years Ago

TAXPAYER	2013		2004	
	Taxable Assessed Value	Percent of Total City Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Percent of Total City Taxable Assessed Value ⁽²⁾
Ridgestone Partners, LP	\$ 39,061,793	1.02%	\$ -	0.00%
Pacific Aggregates, Inc.	36,300,763	0.95%	-	0.00%
Mohr Affinity, LLC	30,163,000	0.79%	-	0.00%
Diamond Stadium Group	23,253,209	0.61%	-	0.00%
Rivers Edge Apartments, LLC	19,000,000	0.50%	-	0.00%
Pacific Clay Products, Inc.	18,431,104	0.48%	-	0.00%
Richmond American Homes of Maryland	17,653,279	0.46%	-	0.00%
Lake Elsinore Marketplace	16,960,464	0.44%	-	0.00%
Walmart Stores, Inc.	16,923,230	0.44%	-	0.00%
Costco Wholesale	16,919,144	0.44%	-	0.00%
MCG Outlet Centers, LP	-	0.00%	77,845,179	4.02%
Albertsons, Inc.	-	0.00%	15,120,701	0.78%
Elsinore Valley Water District	-	0.00%	14,930,867	0.77%
Wares Delaware Corporation	-	0.00%	14,258,094	0.74%
Pardee Grossman Cottonwood Canyon	-	0.00%	12,145,785	0.63%
Oak Grove Equities	-	0.00%	12,077,104	0.62%
KB Home Coastal, Inc.	-	0.00%	10,095,638	0.52%
California Harbor, LP	-	0.00%	9,492,447	0.49%
Louis F. DePasquale	-	0.00%	8,632,935	0.45%
Comcast of California VII, Inc.	-	0.00%	8,594,017	0.44%
	<u>\$ 234,665,986</u>	<u>6.12%</u>	<u>\$ 183,192,767</u>	<u>9.45%</u>

(1) 2012-13 Local Secured Assessed Valuation: \$ 3,834,397,783
(2) 2003-04 Local Secured Assessed Valuation: \$ 1,938,106,747

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City of Lake Elsinore, 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 Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy		Amount	Percent of Levy
2004	\$ 1,091,168	\$ 1,129,675	103.53%	\$ 99,982	\$ 1,229,657	112.69%
2005	1,327,699	1,405,509	105.86%	313,819	1,719,328	129.50%
2006	1,446,320	1,742,413	120.47%	227,007	1,969,420	136.17%
2007	1,714,890	2,131,576	124.30%	212,538	2,344,114	136.69%
2008	2,208,181	2,313,581	104.77%	143,942	2,457,523	111.29%
2009	2,230,658	2,254,961	101.09%	74,601	2,329,562	104.43%
2010	1,894,552	1,958,553	103.38%	155,355	2,113,908	111.58%
2011	1,900,256	1,797,763	94.61%	113,784	1,911,547	100.59%
2012	1,874,319	1,770,492	94.46%	116,707 ⁽¹⁾	1,887,199	100.69%
2013	1,844,800	1,767,808	95.83%	74,125 ⁽²⁾	1,841,933	99.84%

Note:

The amounts presented include City of Lake Elsinore property taxes only (excludes Redevelopment Agency taxes).

(1) Collections received through June 30, 2013.

(2) Collections received through January 31, 2014.

Sources: County of Riverside, Auditor-Controller
City of Lake Elsinore Finance Department

City of Lake Elsinore, California
Assessed Value and Estimated Actual Value
of Taxable Property
Last Ten Fiscal Years

Fiscal Year Ended June 30	Entire City		
	Secured	Unsecured	Taxable Assessed Value
2004	\$ 1,866,609,717	\$ 71,497,030	\$ 1,938,106,747
2005	2,182,644,610	93,464,511	2,276,109,121
2006	2,782,774,310	88,656,079	2,871,430,389
2007	3,586,250,650	84,372,528	3,670,623,178
2008	4,805,770,856	119,986,192	4,925,757,048
2009	4,813,251,955	114,156,049	4,927,408,004
2010	3,957,216,079	104,903,811	4,062,119,890
2011	3,780,316,703	148,435,245	3,928,751,948
2012	3,777,595,058	145,931,118	3,923,526,176
2013	3,666,499,221	167,898,562	3,834,397,783

Notes:

n/a=not available

In 1978 the voters of the State of California passed Proposition 13 which limited property taxes to a total maximum rate of 1% based upon the assessed value of the property being taxed. Each year, the assessed value of property may be increased by an "inflation factor" (limited to a maximum increase of 2%). With few exceptions, property is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed at the purchase price of the property sold. The assessed valuation data shown above represents the only data currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Riverside County Assessor 2003/04-2012/13 Combined Tax Rolls

Successor Redevelopment Agency Portion

Secured	Unsecured	Taxable Assessed Value	Total Direct Tax Rate
n/a	n/a	n/a	0.61285%
\$ 1,309,466,152	\$ 88,347,530	\$ 1,397,813,682	0.58836%
1,614,383,654	82,665,786	1,697,049,440	0.57665%
1,917,886,856	79,195,924	1,997,082,780	0.54001%
2,393,710,398	100,647,142	2,494,357,540	0.51618%
2,411,198,603	91,268,375	2,502,466,978	0.51766%
2,077,411,999	83,367,167	2,160,779,166	0.53281%
1,998,889,644	79,994,003	2,078,883,647	0.53281%
1,955,649,172	78,927,893	2,034,577,065	0.52098%
1,880,967,030	110,109,381	1,991,076,411	0.51905%

City of Lake Elsinore, California
Ratios of Outstanding Debt by Type
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Governmental Activities				
	Local Agency Revenue Bonds	Tax Allocation Bonds	Subordinate Tax Allocation Bonds	Revenue/ Revenue Refunding Bonds	Developer/ Owner Agreements
2004	\$ 59,315,000	\$ 58,310,000	\$ -	\$ 15,660,000	\$ 2,704,814
2005	58,285,000	57,320,000	-	15,375,000	4,718,010
2006	57,160,000	56,280,000	-	15,075,000	4,396,460
2007	55,845,000	55,175,000	-	14,760,000	3,933,650
2008	58,755,000	54,010,000	-	14,435,000	3,635,257
2009	56,745,000	52,785,000	-	14,095,000	3,441,041
2010	53,725,000	54,545,000	-	13,740,000	3,263,574
2011	64,220,000	60,080,000	4,610,000	13,365,000	3,070,763
2012	61,835,000	58,580,000	-	12,975,000	-
2013	83,470,000	56,125,000	-	12,565,000	-

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Governmental Activities (Continued)					
Notes/ Loans Payable	Capitalized Lease	Total Governmental Activities	Percentage of Personal Income	Debt per Capita	
\$ 1,270,901	\$ 57,992	\$ 137,318,707	23.85%	4,109	
1,055,676	306,398	137,060,084	20.93%	3,817	
1,012,501	234,021	134,157,982	18.28%	3,513	
403,126	166,532	130,283,308	15.30%	3,165	
356,589	93,478	131,285,324	12.75%	2,760	
307,542	20,316	127,393,899	11.76%	2,572	
256,720	-	125,530,294	11.78%	2,494	
204,046	-	145,549,809	14.79%	2,855	
-	-	133,390,000	12.40%	2,516	
-	-	152,160,000	13.95%	2,745	

City of Lake Elsinore, California
Direct and Overlapping Debt
June 30, 2013

2012-13 Assessed Valuation		\$ 3,834,397,783	
Redevelopment Agency Incremental Valuation		1,991,076,411	
Adjusted Assessed Valuation		\$ 5,825,474,194	
	Percentage	Outstanding	City's Share of
	Applicable (1)	Debt 6/30/13	Overlapping Debt 6/30/13
OVERLAPPING TAX AND ASSESSMENT DEBT			
Riverside County Flood Control District, Zone No. 3 Benefit AD	66.923%	\$ 2,055,000	\$ 1,375,268
Metropolitan Water District	0.170%	165,085,000	280,645
Perris Union High School District	1.189%	51,087,260	607,428
Menifee Union School District	2.003%	45,253,922	906,436
Perris School District	0.329%	7,244,571	23,835
Lake Elsinore Unified School District CFDs	100.000%	24,033,327	24,033,327
Perris Union High School District CFD No. 92-1	3.497%	32,990,400	1,153,674
City of Lake Elsinore CFD No. 88-3	100.000%	23,630,000	23,630,000
City of Lake Elsinore CFD No. 90-2	100.000%	12,660,000	12,660,000
City of Lake Elsinore CFD No. 95-1	100.000%	1,320,000	1,320,000
City of Lake Elsinore CFD No. 98-1	100.000%	17,315,000	17,315,000
City of Lake Elsinore CFD No. 2003-2	100.000%	44,375,000	44,375,000
City of Lake Elsinore CFD No. 2004-3	100.000%	44,885,000	44,885,000
City of Lake Elsinore CFD No. 2005-1	100.000%	8,640,000	8,640,000
City of Lake Elsinore CFD No. 2005-2	100.000%	24,195,000	24,195,000
City of Lake Elsinore CFD No. 2005-5	100.000%	3,450,000	3,450,000
City of Lake Elsinore CFD No. 2005-6	100.000%	3,450,000	3,450,000
City of Lake Elsinore CFD No. 2006-1 Area No. 1	100.000%	3,620,000	3,620,000
City of Lake Elsinore CFD No. 2006-2	100.000%	7,135,000	7,135,000
Elsinore Valley Metropolitan Water District CFD No. 2003-1	100.000%	3,815,000	3,815,000
City of Lake Elsinore 1915 Act Bonds	100.000%	17,746,317	17,746,317
Total Overlapping Tax and Assessment Debt			\$ 244,616,930
DIRECT AND OVERLAPPING GENERAL FUND DEBT			
Riverside County General Fund Obligations	1.932%	\$ 640,243,149	12,369,498
Riverside County Pension Obligations	1.932%	346,790,000	6,699,983
Riverside County Board of Education Certificates of Participation	1.932%	3,900,000	75,348
Mt. San Jacinto Community College District General Fund Obligations	6.164%	11,675,000	719,647
Lake Elsinore Unified School District Certificates of Participation	43.357%	37,340,000	16,189,504
Perris Union High School District General Fund Obligations	1.189%	9,612,432	114,292
Menifee and Perris School District Certificates of Participation	2.003 & 0.329 %	13,830,000	139,328
City of Lake Elsinore General Fund Obligations	100.000%	12,565,000	12,565,000
Elsinore Water District Certificates of Participation	73.645%	126,854	93,422
Total Gross Direct and Overlapping General Fund Debt			48,966,021
Less Riverside County General Fund Self-supporting Obligations			(210,486)
Total Net Direct and Overlapping General Fund Debt			\$ 48,755,535
OVERLAPPING TAX INCREMENT DEBT	100.000%	60,645,000	60,645,000
Gross Combined Total Debt (2)			\$ 354,227,952
Net Total Direct and Overlapping Debt			\$ 354,017,465

Notes:

*(1) For debt repaid with property taxes, the percentage of overlapping debt applicable is estimated using taxable assessed property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable assessed value that is within the city's boundaries and dividing it by each unit's total taxable assessed value.

*(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and tax allocation bonds and non-bonded capital lease obligations.

*Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City. This process recognizes that, when considering the City's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

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City of Lake Elsinore, California
Legal Debt Margin Information
 Last Ten Fiscal Years

	Fiscal Year			
	2004	2005	2006	2007
Assessed Valuation	\$ 1,907,367,963	\$ 2,243,178,491	\$ 2,851,510,537	\$ 3,648,621,060
Conversion Percentage	25%	25%	25%	25%
Adjusted Assessed Valuation	476,841,991	560,794,623	712,877,634	912,155,265
Debt Limit Percentage	15%	15%	15%	15%
Debt Limit	71,526,299	84,119,193	106,931,645	136,823,290
Total Net Debt Applicable to Limitation	-	-	-	-
Legal Debt Margin	<u>\$ 71,526,299</u>	<u>\$ 84,119,193</u>	<u>\$ 106,931,645</u>	<u>\$ 136,823,290</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	0.0%	0.0%	0.0%

The Government Code of the State of California provides for a legal debt limit of 15% of gross assessed value. However, this provision was enacted when assessed valuation was based upon 25% of market value. Effective with the 1981-82 fiscal year, each parcel is now assessed at 100% of market value (as of the most recent change in ownership for that parcel). The computations shown above reflect a conversion of assessed valuation data for each fiscal year that was in effect at the time that the legal debt margin was enacted by the State of California for local governments located within the state.

Sources:
 HDL, Coren & Cone
 Riverside County Assessor Tax Roll

Fiscal Year					
2008	2009	2010	2011	2012	2013
\$ 4,887,272,022	\$ 4,886,177,664	\$ 4,062,119,890	\$ 3,928,751,948	\$ 3,923,526,176	\$ 3,834,397,783
<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>	<u>25%</u>
1,221,818,006	1,221,544,416	1,015,529,973	982,187,987	980,881,544	958,599,446
<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>	<u>15%</u>
183,272,701	183,231,662	152,329,496	147,328,198	147,132,232	143,789,917
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 183,272,701</u>	<u>\$ 183,231,662</u>	<u>\$ 152,329,496</u>	<u>\$ 147,328,198</u>	<u>\$ 147,132,232</u>	<u>\$ 143,789,917</u>
0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

City of Lake Elsinore, California
Pledged-Revenue Coverage
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Successor Redevelopment Tax Increment Revenue	Tax Allocation Bonds		Coverage	Tax Allocation Bonds
		Debt Service			
		Principal	Interest		
2004	\$ 9,749,507	\$ 1,413,940	\$ 3,635,594	1.93	\$ 58,310,000
2005	13,136,081	1,300,793	3,629,620	2.66	57,320,000
2006	18,500,277	1,932,704	3,888,298	3.18	56,280,000
2007	21,112,545	2,307,832	4,108,847	3.29	55,175,000
2008	26,484,367	1,688,978	3,663,448	4.95	54,010,000
2009	24,892,412	1,761,323	3,558,405	4.68	52,785,000
2010	19,877,054	1,295,000	3,304,802	4.32	54,545,000
2011	19,004,495	1,195,000	2,315,314	5.41	60,080,000
2012	9,451,004	1,500,000	1,071,681	3.68	58,580,000
2013	10,090,329	2,455,000	1,050,131	2.88	56,125,000

Notes: Details regarding the City's outstanding debt can be found in the notes to the financial statements.

Source: City Finance Department

City of Lake Elsinore, California
Demographic and Economic Statistics
 Last Ten Fiscal Years

Fiscal Year Ended June 30	Population (1)	Personal Income (In Thousands) (2)	Per Capita Personal Income (3)	Unemployment Rate (4)
2004	33,423	575,658	17,223	6.3%
2005	35,905	654,965	18,242	5.8%
2006	38,185	734,050	19,224	5.2%
2007	41,164	851,375	20,683	4.9%
2008	47,567	1,029,928	21,652	5.8%
2009	49,528	1,083,488	21,876	8.2%
2010	50,324	1,065,544	21,174	13.2%
2011	50,983	984,074	19,302	14.3%
2012	53,024	1,075,380	20,281	13.2%
2013	55,430	1,090,807	19,679	9.3%

Sources:

HDL, Coren & Cone

(1) California State Department of Finance

(2, 3) Income Data: ESRI - Demographic Estimates are based on the last available Census. Projections are developed by incorporating all of the prior census data released to date. Post census trends in the population are extracted from a variety of data sources.

(4) California State Employment Development Department

City of Lake Elsinore, California
Principal Employers
 Current Year and Ten Years Ago

	2013		2004	
	Number of Employees	Percent of Total Employment*	Number of Employees	Percent of Total Employment*
EMPLOYMENT				
Estimated Total Employment*		17,800		10,000
EMPLOYER				
Lake Elsinore Unified School District	2,429	13.65%	-	(3) 0.00%
M & M Framing	350	1.97%	-	(3) 0.00%
Stater Bros (3 locations in 2014 & 2 locations in 2004)	314	1.76%	151	(2) 1.51%
Costco	244	1.37%	-	(3) 0.00%
Walmart	225	1.26%	245	(2) 2.45%
E.V.M.W.D.	160	0.90%	-	(3) 0.00%
Home Depot	135	0.76%	-	(3) 0.00%
Target	134	0.75%	-	(3) 0.00%
Cardenas Market	125	0.70%	-	(3) 0.00%
Lowe's	109	0.61%	-	(3) 0.00%
Total Top 10 Employers	4,225	23.74%	396	3.96%

Notes:

(1) Total City Labor Force provided by EDD Labor Force Data.

(2) Source from City Business License History for 2004

(3) Data not available or Company not in business for 2004

Source:

MuniServices, LLC provided statistics for 2013. City archives provided statistics for 2004.
 Results based on direct correspondence with City's local businesses.

City of Lake Elsinore, California
Full-time and Part-time City Employees
by Function
Last Ten Fiscal Years

FUNCTION	Fiscal Year									
	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>
General Government	19	18	21	26	26	20	20	17	24	22
Community Services (Includes Public Works)	37	36	41	52	52	41	42	47	42	43
Community Development	18	17	20	23	23	21	14	11	10	14
Total	<u>73</u>	<u>71</u>	<u>82</u>	<u>101</u>	<u>101</u>	<u>82</u>	<u>76</u>	<u>75</u>	<u>76</u>	<u>79</u>

Note: Police and Fire services are provided by the County of Riverside.

Source: City Finance Department

City of Lake Elsinore, California
Operating Indicators
by Function
Last Ten Fiscal Years

FUNCTION	Fiscal Year			
	2004	2005	2006	2007
Police				
Lake Related Boating Enforcement Citations	800	703	808	625
Hazardous Traffic Violations	1,533	1,500	2,376	2,500
DUI Arrests	n/a	n/a	n/a	n/a
Fire				
Calls	3,120	3,391	3,610	3,567
Fire Suppression Equipment	3	3	3	3
Public Works				
Centerline Miles of Paved Surface Streets Maintained	140	140	140	143
Centerline Miles of Dirt Surface Streets Maintained	21	21	13	12
Weed Abatement-lots Cleaned	890	552	706	700
Community Development				
Construction Permits Issued	2,361	3,516	4,260	2,527
Property Value Per Permits (Estimated in 000's)	\$ 153,186	\$ 242,988	\$ 462,204	\$ 153,013
New Home Building Permits Issued	766	1,317	1,355	450
Parks and Recreation				
Daily Lake Use Passes Sold	28,500	26,530	34,835	32,018

n/a=not available

Source: City of Lake Elsinore, Various Departments

Fiscal Year					
2008	2009	2010	2011	2012	2013
100	n/a	444	244	384	204
5,000	n/a	1,561	1,200	1,358	2,155
n/a	n/a	261	n/a	241	216
3,778	3,876	4,007	3,950	3,944	4,554
3	3	3	3	3	4
155	174	173	173	174	189
10	9	9	9	9	9
581	390	365	470	452	360
1,604	505	771	829	760	909
\$ 78,680	\$ 21,474	\$ 42,848	\$ 50,899	\$ 43,381	\$ 124,755
74	43	211	223	210	660
36,000	25,230	23,765	19,577	20,702	21,413

City of Lake Elsinore, California
Capital Asset Statistics
by Function
Last Ten Fiscal Years

FUNCTION	Fiscal Year									
	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Fire Stations	2	3	3	3	3	3	3	3	3	4
Public Works Street Miles	153.3	153.3	156	157	157	157	157	157	157	157
Lake, Parks, & Recreation Parks	12	12	12	15	15	15	16	16	16	16
Beaches and Recreation Facilities	8	8	8	8	8	8	10	10	10	10
Libraries	1	2	2	2	2	2	2	2	2	2
Stadium Amphitheater Seats	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
Lake Surface Acres	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Lakeshore Miles	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5

Source: City of Lake Elsinore, Various Departments