

CITY OF LAKE ELSINORE

CALIFORNIA

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR ENDED
JUNE 30, 2023**



**Prepared by:
Department of Administrative Service
Finance Division**

City of Lake Elsinore

Lake Elsinore, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2023

Prepared by the Finance Department



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For the Fiscal Year Ended June 30, 2023
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CITY OF LAKE ELSINORE

INTRODUCTORY SECTION

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TRANSMITTAL MESSAGE

January 26, 2024

To the Honorable Mayor, Members of the Governing Council and Citizens of the City of Lake Elsinore:

We are pleased to submit the June 30, 2023, Annual Comprehensive Financial Report (ACFR) for the City of Lake Elsinore (City). This report is published in accordance with local ordinance and state law requirements that financial statements be presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by an independent public accounting firm of licensed certified public accountants.

The City has adopted the reporting provisions of Governmental Accounting Standards (GASB) Statement No. 1, which established the authoritative status of the pronouncements of its predecessor, the National Council on Governmental Accounting (NCGA), as well as, 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.

This report contains management's representations concerning the City's finances. Management assumes full responsibility for the completeness and reliability of the information presented and that it is reported in a manner that fairly presents the financial position and operations of the City. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. To provide a reasonable basis for making these representations, and assurance that the financial statements will be free from material misstatement, City management has established a comprehensive internal control framework designed both to protect its assets and to compile sufficient reliable information to prepare the City's financial statement in conformity with GAAP.

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 conform to the recommendations of GASB.

As required by GAAP, the Management's Discussion and Analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction.

Independent Audit

State statutes require an annual audit by independent certified public accountants. The Pun Group, a firm of licensed certified public accountants, has audited the City's financial statements. The goal of the independent audit is to provide reasonable assurance that the City's financial statements are free of material misstatement. The independent audit firm has concluded that there was a reasonable basis for rendering an unmodified opinion that the City of Lake Elsinore's financial statements for the year ended June 30, 2023, are fairly presented in conformity with GAAP. Their report is presented as the first component of the financial section of this report.

Financial Reporting Entity

For financial reporting purposes, in conformance with the criteria of GASB "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, the Lake Elsinore Recreation Authority, and the Facilities Financing 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 within the Financial Statements. The Public Financing Authority, the Facilities Financing Authority, and the Recreation Authority are reported as Debt Service Funds.

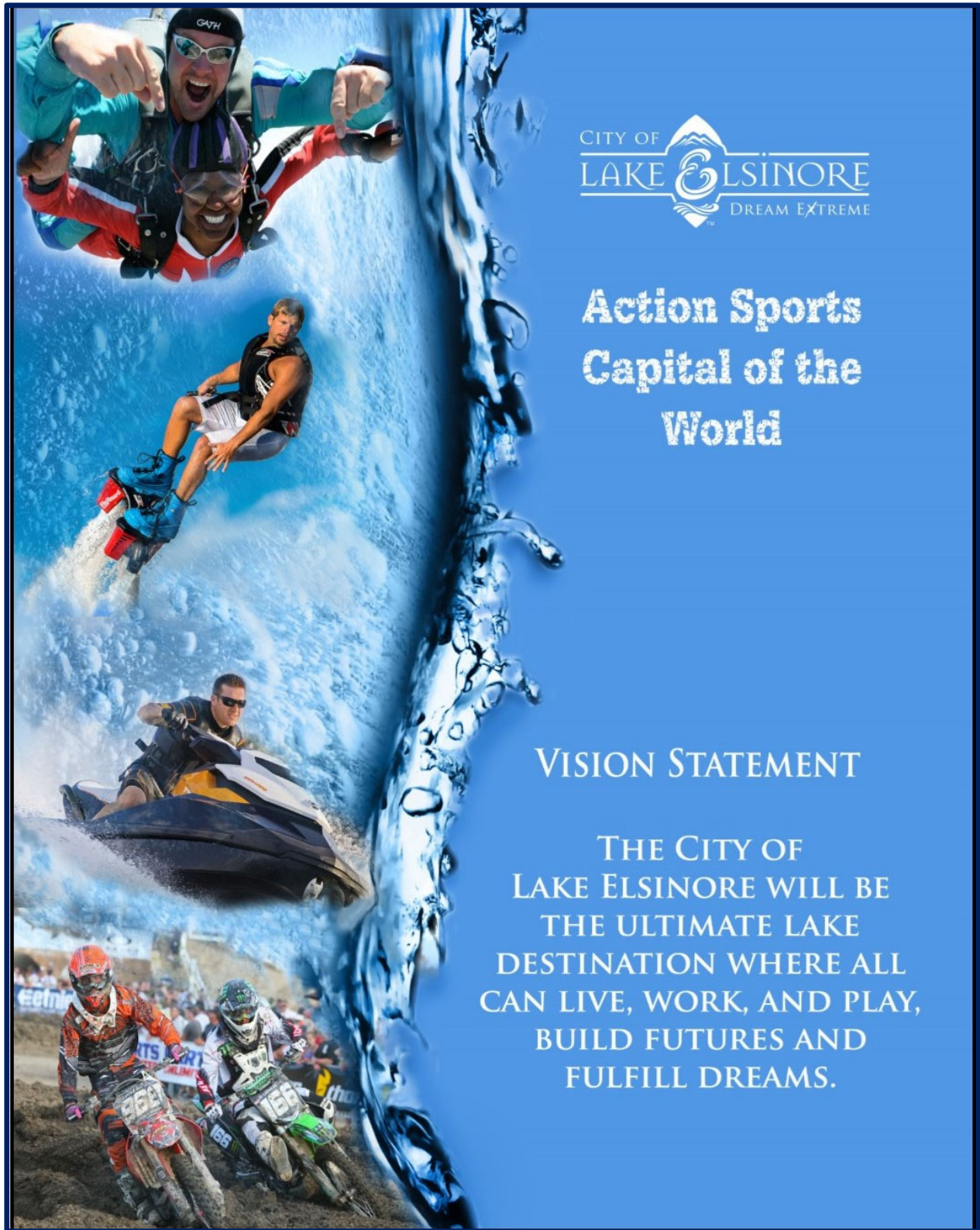
The City, as the Successor Agency to the Redevelopment Agency, continues to carry out remaining activities of the Redevelopment Agency. Because of the dissolution of the Redevelopment Agency of the City of Lake Elsinore, the agency is presented as a private purpose trust. Successor Agency trust information is disclosed in the notes to the financial statements.

City Profile

Incorporated in 1888, the City of Lake Elsinore is in the Elsinore Valley of Western Riverside County on Historic Highway 395. Elsinore Valley is centralized with about an hour to two hours' drive between major anchor cities such as San Diego, Los Angeles, Orange County, Palm Springs, and Big Bear. Serving a population of 71,828, the city-limits fall on the Easterly shores of Lake Elsinore, the largest natural freshwater lake of Southern California. The City currently occupies 42 square miles with 5 square miles being water. Residents enjoy perfect climate, blue sky, clean air, world-famous thermal winds for aerial sports, water sports, and off-road motor sports. All of this is set against the spectacular Cleveland National Forest, providing opportunities for hiking, biking, bird watching or relaxing in the beauty that abounds in this outdoor recreation destination.

The City is incorporated as a general law city with a council/manager form of municipal government, which consists of five council members who are elected to four-year staggered terms. The City is a By-District election system with five Districts. The mayor and mayor pro-term are honorary positions filled by council members for one-year terms. The Council is responsible for setting policy and approving actions to carry out the functions of municipal government. The City is empowered to levy property tax on real property located within the city limits. The City is also empowered by state statute to extend its corporate limits by annexation, which has been done from time to time.

The City provides a range of municipal services for citizens throughout the community that include maintenance of 22 parks, 3 public beaches, fire prevention, code enforcement, animal services, planning and development, building inspections, licenses and permits, construction and maintenance of streets, right-of-way landscaping maintenance, traffic and street lighting, capital improvements, general administration, recreational services, cultural activities, and lake services. The City contracts with Riverside County for both Police and Fire services. The Lake Elsinore Unified School District provides 25 schools for approximately 21,801 students within the city limits and sphere of influence areas. Elsinore Valley Municipal Water District provides water and sewer services.



City Profile (Continued)

Termed the “*Action Sports Capital of the World*”, management works to support sports on and around the lake. Centrally located within the city limits, lays our 3,000 surface-acre recreational lake with campgrounds and boat launches where water sport players can play. Some events centered around the lake include fishing tournaments, kids fishing derby, National Water Ski races, jet skiing, kite surfing, and boat sailing. Within the city-limits, citizens and visitors can play at the Skylark Field Airport (CA89), an airport for skydiving, airplane gliding, and airplane flying; and Links at Summerly, a championship 18-hole “Scottish Links” golf course with dining, and an event venue for celebrations.

Owned by the City, residents can visit our Diamond Stadium, a state-of-the-art baseball facility with the capacity of 14,000 spectators. Home base for the Storm Minor League Baseball Team, other events are held such as high school graduations, music concerts, off-road vehicle races, car shows, drive-in concerts, and movies, and more. The Diamond Club facility within the Stadium can be rented as a venue for banquets, weddings, and seminars and provides event catering.

Following the sports theme, citizens and visitors have access to our Rosetta Canyon Sports Park, Southern California’s premier softball and multi-sport facility designed with a 5-tournament caliber color-coded softball field with synthetic turf. The park includes a CIF football/soccer field with synthetic turf, jogging pathways, two-story concession stand with observation deck, dog park, and community garden.

For boating enthusiasts, visitors can experience water sports by launching their vessels, paddle boards, canoes, or jet skis at the Launch Pointe Recreation Destination & RV Park. The launch facility provides docks for launching, parking, restrooms, covered picnic areas, and access to the beach. Visitors can dine at The Bobber Restaurant or shop at the Bait & Tackle Shop. If you do not have a boat, you can rent one at Launch Pointe! Boat Rentals include fishing boats to luxury pontoon boats with reservations made online.

Visitors can experience the City owned campground, Launch Pointe Recreation Destination & RV Park, located on the North shore of the Lake. This resort includes amenities such as picnic areas, shade structures, splash pad, playground, pool, RV hookups, RV or boat storage, laundry facility, administrative building, gift shop, and a large community hall. The resort also provides a private beach for guests. This lovely resort also includes Vintage Village a vintage trailer area with a central fireplace in which vintage trailers can be rented by groups or individually. Yurt Village provides rentable furnished yurts of various sizes. Launch Pointe’s Community Hall is available for events such as weddings, banquets, or parties and includes a barbeque, full kitchen, fireplace, and viewing deck of the lake.

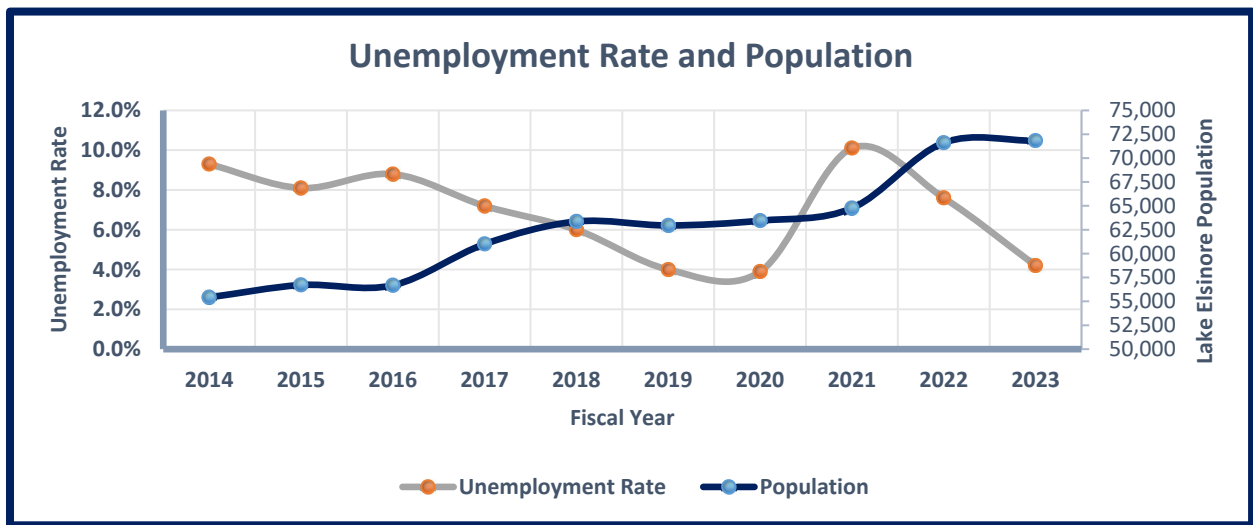
For those who favor dirt-bike riding, citizens and visitors can visit the Lake Elsinore Motorsports Park located near the airport. Riders can now experience a new way to ride with LITPro Leaderboards where “Every day is race day” and a rider’s progress with lap times can be measured. This park offers track options such as Main, Intermediate Vet, Vet, 60-80, and Peewee tracks.

The City skate parks serve skateboarding, scooter, and BMX enthusiasts at four locations. The Summerly Community Park, the newest skate park is a 10,000 feet concrete park perfect for all riders and skill levels and the Skate Zone at Serenity Park provides a fun bowl complete with 4” mini-ramp sections, rounded hips and a 6’ circular deep end for carving. Additionally, Serenity includes a Pump Track, ideal for BMX enthusiasts.

Local Economy

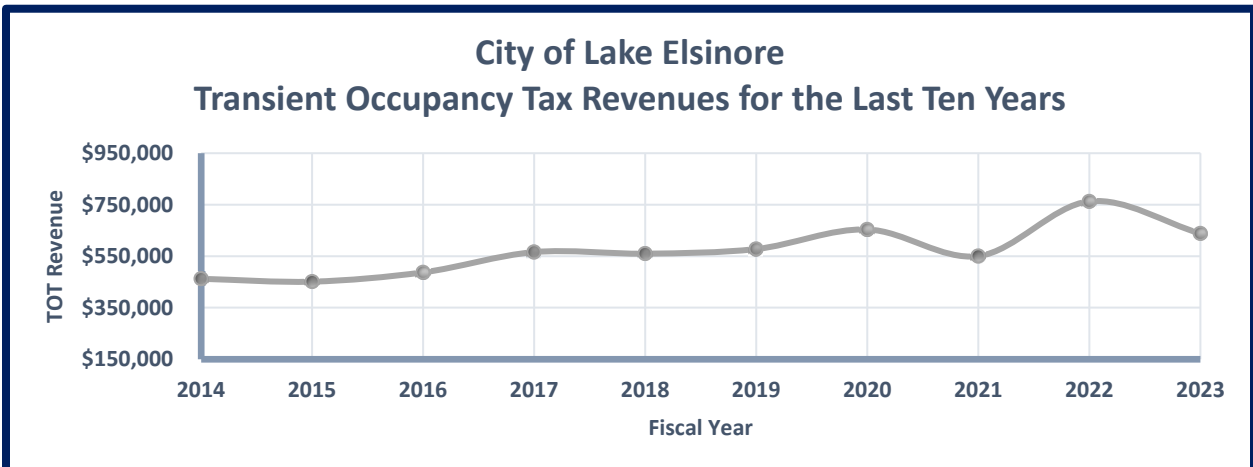
The City offers easy access to major freeways, available industrial and commercial land, quality labor force of both skilled and semi-skilled workers, and an economic philosophy of assisting local businesses for future growth. The region's geographic location, competitive cost structure and sophisticated logistics facilitates one of the fastest growing communities in the area. The City's median age is 31.8 with a per capital personal income of \$27,080. As shown in Chart 1, this is a slight increase from the prior year of \$23,762 with the unemployment rate at 4.2%, which is down from the prior year of 7.6%. The median housing price in the City is approximately \$568,500, which is a slight median decrease of 1.13% from the prior year. The median price paid for Riverside County homes is in the \$600,000 range, which is a 11.63% increase from \$537,500 in June 2022.

Chart 1.



The TOT revenue is the City's 10% tax received for short-term rental properties such as (but not limited to) hotels, motels, vacation homes, and RV parks. The City experienced an decrease of 16.30% in the transient occupancy tax (TOT) revenues for a total of \$638,573 for the fiscal year from \$762,895 of the prior year (shown in Chart 2).

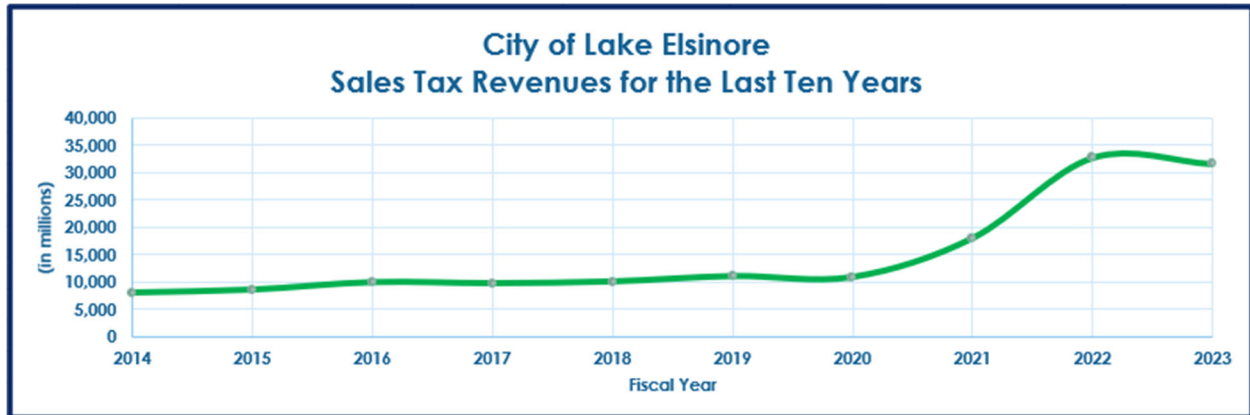
Chart 2.



Local Economy (Continued)

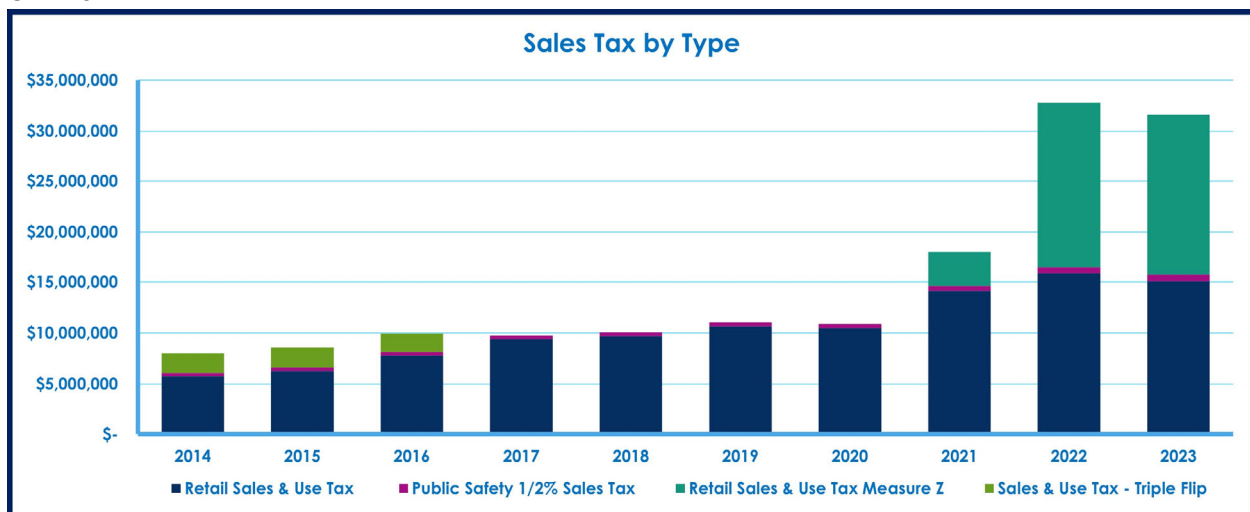
The City's Economic Development Department works with the Chamber of Commerce and the Visitor's Bureau in effort to encourage the expansion and relocation of industries that generate local sales tax and employment opportunities. The total amount of \$31 million includes the City's new Measure Z sales and use tax shown in Chart 4.

Chart 4.



On the November 3rd, 2020 ballot, the City of Lake Elsinore Citizens voted in favor of Measure Z, a locally controlled one-percent on transactions and use tax to generate unrestricted general fund dollars to address city service, public safety, and local recovery needs. Measure Z had a slight decrease of \$.5 million from prior year. Additionally, Public Safety Sales Tax increased from the prior year by approximately \$63,000 from the prior year as shown in Chart 5.

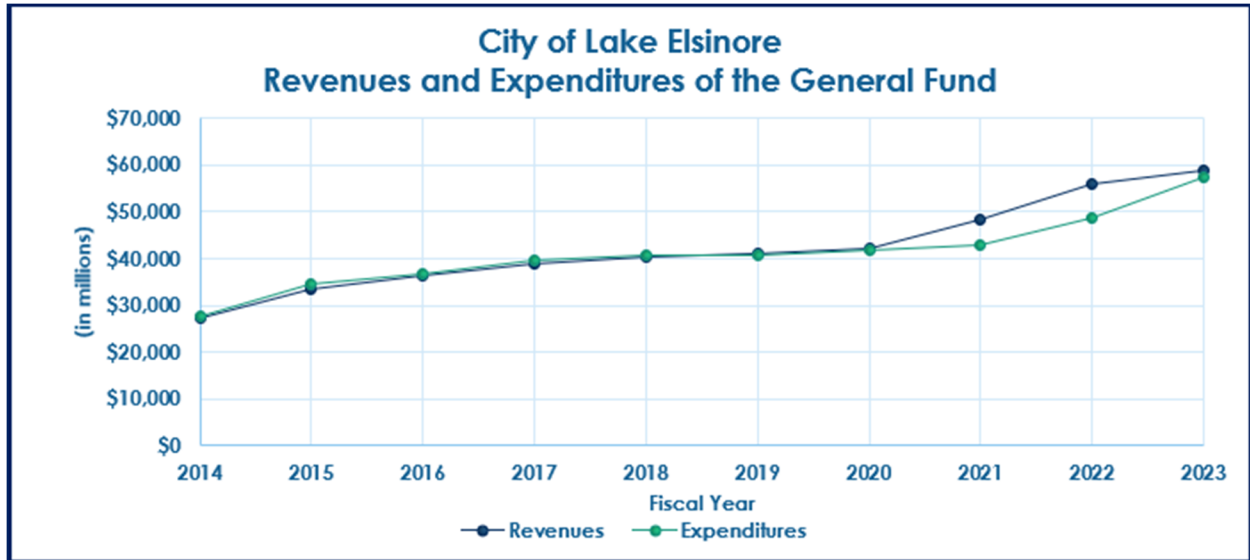
Chart 5.



Local Economy (Continued)

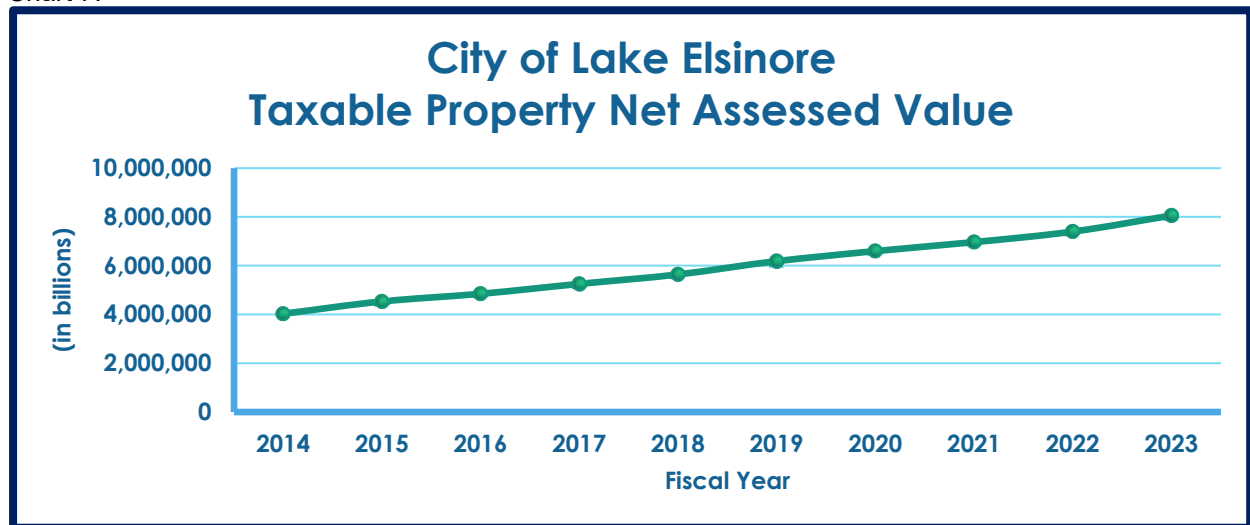
The City's total governmental funds experienced an increase in net position due to revenue and expenditures increasing (as shown in Chart 6). Expenditures increased by \$8.9 million because of increased costs for Public Safety, Public Services, and Capital Outlay and revenues increased by \$2.5 million.

Chart 6.



With only a little more than 1/3 built out, taxable property net assessed values continue to grow as shown in Chart 7. The remaining 2/3 of vacant land includes open frontage along California's Interstate 15 Highway available for commercial development. This continual rise constitutes a 8.89% increase from prior year.

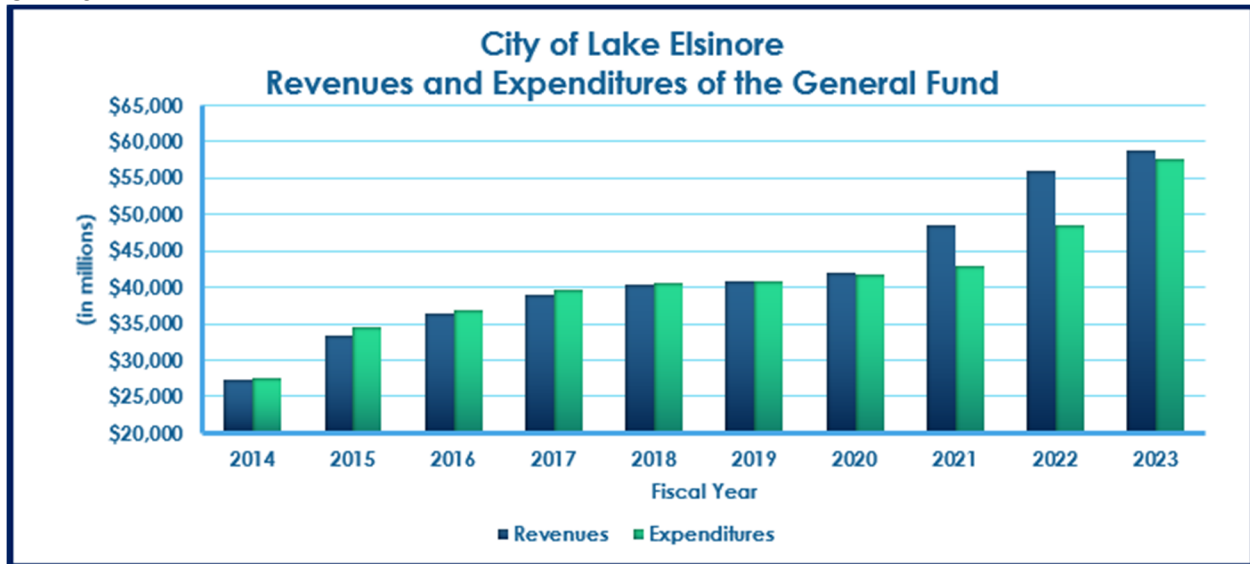
Chart 7.



Local Economy (Continued)

The City's main operating fund (General Fund) used to account and report financial resources not accounted for in another fund experienced an increase in revenues by 5% while the expenditures increased by 18% for the fiscal year as shown by Chart 8 below. This chart reflects how the City experiences continued growth of the local economy. As the City grows, revenue increases as does the required level of service to the Citizens. This chart also demonstrates compliance with budgetary controls by "living within the means."

Chart 8.



Things to Come

The Downtown Sidewalk Improvements project is still underway. The goal of the project is to construct ADA-compliant sidewalks, curbs, gutters, and curb ramps throughout downtown Lake Elsinore. Specifically, we plan on putting these amenities on Sumner Avenue, Lakeshore Drive, and other in-fill locations. This is in the hope that a safe route of travel and connectivity can be established for pedestrians and bicyclists.

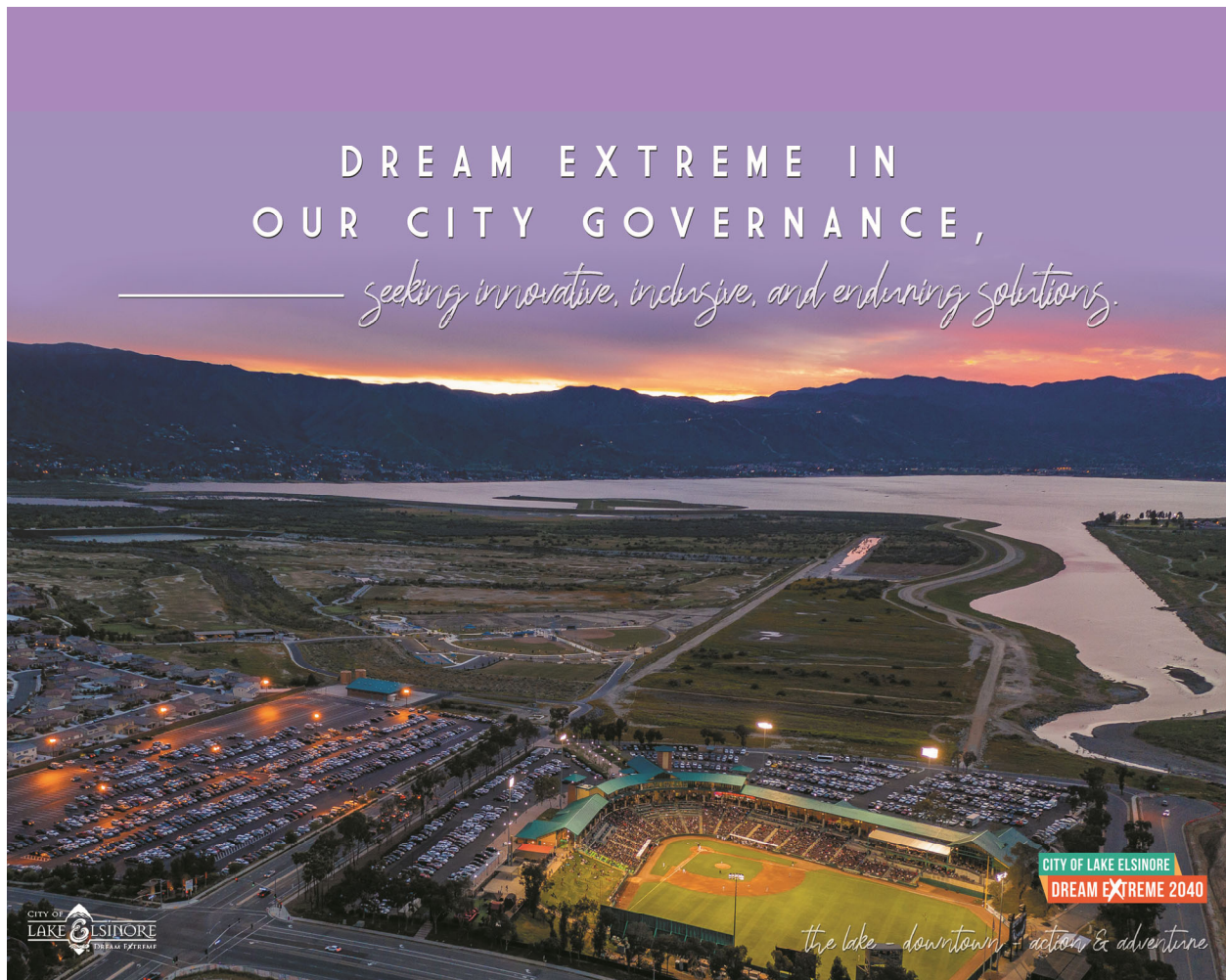
The Main Street Interchange project is still under construction and when completed, will provide improvements to the Main Street and Interstate 15 off-ramps and on-ramps, and widening the intersection of the southbound off-ramp. Traffic signals will be installed at the ramps, and at the intersection of Camino Del Norte and Main Street.

The new City Hall is set to break ground and start construction in the new fiscal year. The new facility will be approximately 35,000 square feet and connect to the existing City Hall. New amenities to the facility will be items such as an open two story glass entrance with a steel moment frame, fire engine located in the lobby, interior elevator and a council chambers located on the 3rd floor with a view of the lake. This project will continue to promote revitalization for downtown as provide a permanent facility for administrative staff.

Things to Come (Continued)

The Emergency Operations Center is underway and is set to be completed in the Fall of 2023. This new facility is a new build that is meant to provide a centralized location of emergency response and recovery support in the event of an incident. The EOC is meant to support and help coordinate ICP operations in regards to city incidents.





Vision Statement and Major Initiatives

The City Council's visionary statement as shown below, guides Council and Staff's focus with Council's budgetary initiatives. The vision statement is also used as a tool in the employee selection and hiring process, a guide in conducting city business, a statement to the citizens affirming what the City as an organization stands for, and the level of service citizens can expect from the City.

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

Council's "*Dream Extreme*" motto coupled with economic development facilitates goals to become the ultimate lake destination. After all, we are the *Action Sports Capital of the World* where our residents and visitors can *Dream Extreme*. The City Council's budgetary and legislative priorities are updated annually and are included in the Operating Budget. With the vision statement of focus on the "lake" and "play," Council's directive includes building recreation facilities and supporting sport venues. The budget guidelines for FY22-23 were presented in the Operating Budget as fiscal stability and community responsibility as they relate to the City's vision statement and Council's established strategic key initiatives for the fiscal year.

Vision Statement and Major Initiatives (Continued)

- Public Safety
- Recreation
- Transportation
- Economic Development
- Education and Services

Long-Term Financial Planning

Dream Extreme 2040 Plan

Each fiscal year, the annual operating budget is proposed after a considerable review process in which staff and Council identify budget priorities, immediate and future fiscal issues, community needs, and the resources required to enhance capital programs and services within the City to maintain a strong community. With the five-year forecast section, revenue and expenditure projections are developed to identify future impacts of proposed staffing and program changes, as well as the impact of capital improvement projects. The annual budget serves not only as a financial plan for the immediate future, but also as a management and communication tool outlining the City Council's vision and key initiatives for the year that make the City the desirable place as the vision statement outlines.

The City Council previously identified an objective of developing and maintaining a reserve in the General Fund for economic uncertainties and contingencies. This is reviewed during the budget process with the revenue and expenditure forecasting and is currently set at 20%.

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, Assessment Districts, Internal Service Funds, Debt Service Funds, Capital Improvement Project Funds, and Enterprise Fund. The annual five-year budget is presented to Council for adoption prior to the beginning of each fiscal year. The budget is prepared by fund, function (e.g., community services), and department (e.g., recreation). The level of budgetary control is maintained at the department level in which Department heads may transfer resources within a department as they see fit. Transfers between departments or funds; however, need special approval from Council.

Also presented annually to address changing needs, Council reviews and approves a five-year budget for the Capital Improvement Plan (CIP). The CIP budget serves as a planning tool to coordinate level ranking, financing, and scheduling of major projects undertaken by the City. The City Council holds a budget workshop to facilitate discussion, public comments, and detailed review of each proposed project. Projects are carefully programmed to ensure the Community's capital improvement needs are met both now and in the future. Projects are designed to provide additional opportunities and access to the City and improve the overall quality of life. The level of budgetary control for CIP is maintained at the project level and the expenditure object level.

Internal Controls

Internal accounting controls are designed to provide reasonable assurance regarding the safeguarding of assets and the reliability of financial records and maintaining accountability of assets. To facilitate reporting, budgetary control is maintained through computer approval paths for all financial transactions of all funds as well as computer-generated reports. Capital Project expenditures are also controlled at the project level. Encumbrance accounting is utilized to ensure effective budgetary control, purchase orders and contracts

Internal Controls (Continued)

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.

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.



Fund Descriptions

Table 1 below shows the various fund types used by the City and included in this report. Descriptions of them are included in the Note's to the Financial Statements.

Table 1.

City of Lake Elsinore Fund Description

Governmental Funds

General Fund
Special Revenue Funds
Debt Service Funds
Capital Project Funds

Proprietary Funds

Internal Service Funds
 Insurance Services
 Information Systems Services
 Support Services
 Fleet Services
 Facilities Services
Enterprise Fund
 Launch Pointe

Fiduciary Funds

Private-Purpose Trust Funds
Agency Funds

Awards and Acknowledgements

Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Lake Elsinore for its comprehensive annual financial report for the fiscal year ended June 30, 2023. To be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation and development of this report would not have been possible without the special efforts of the entire Administrative Services Department. We wish to express gratitude to all those staff members of both the City and independent auditors who were associates with the preparation of this report. Additionally, we express our appreciation to the Finance Division staff for their dedicated service and contribution to the department during the fiscal year. Their efforts are reflected in this report and in other documents resulting from the annual financial management process. We would like to thank the Mayor, City Council, City Treasurer, and City Manager for their interest and support in planning and conducting the financial operations of the City.

Respectfully submitted,



Jason Simpson
City Manager





Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**City of Lake Elsinore
California**

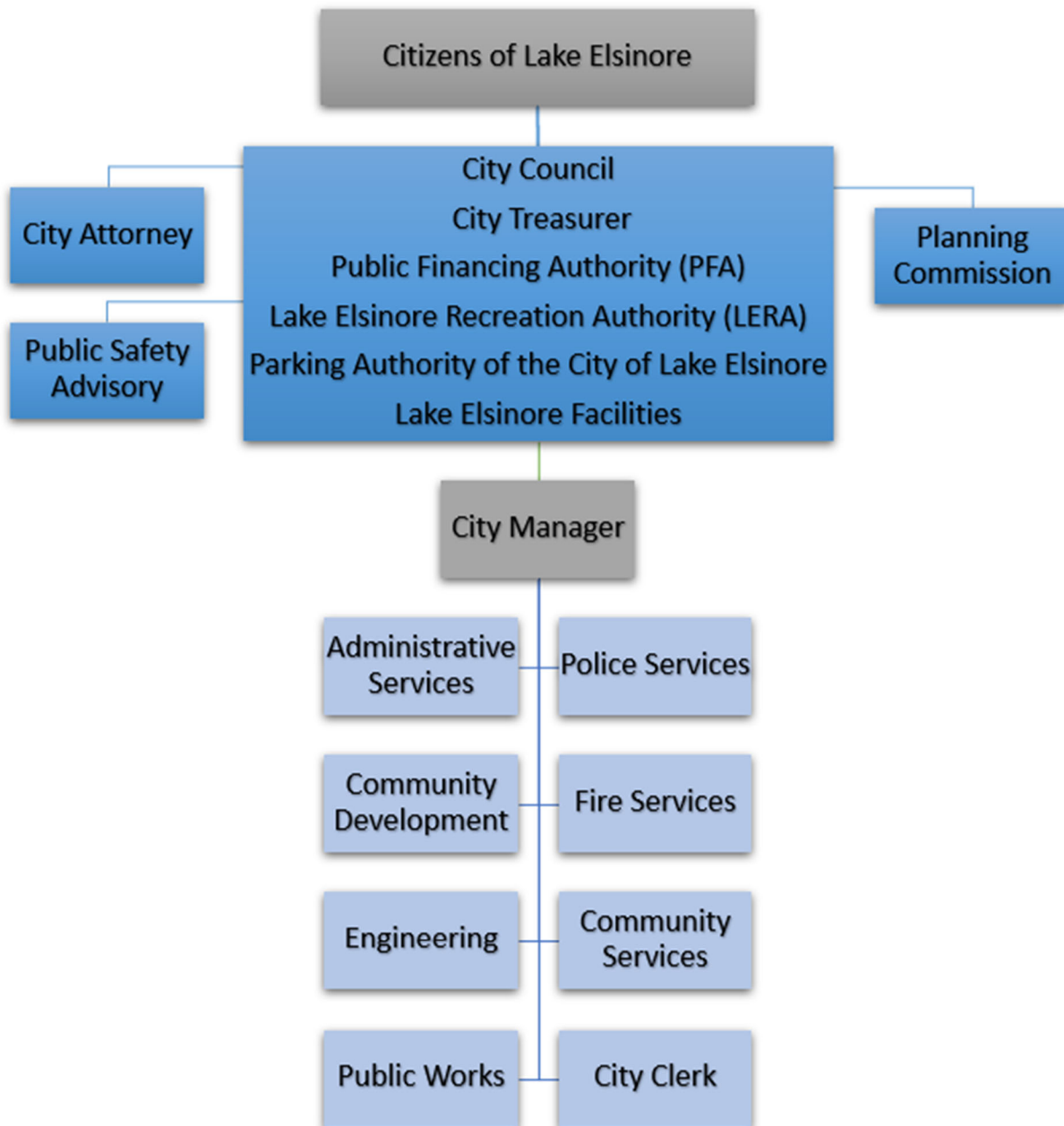
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2022

Christopher P. Morill

Executive Director/CEO

CITY OF LAKE ELSINORE



CITY OF LAKE ELSINORE

DIRECTORY

ELECTED OFFICIALS

Natasha Johnson, Mayor
Steve Manos, Mayor Pro Term
Robert E. Magee, Councilmember
Timothy J. Sheridan, Councilmember
Brian Tisdale, Councilmember
Allen P. Baldwin, Treasurer
(Elected to four-year staggered terms)

ADMINISTRATION

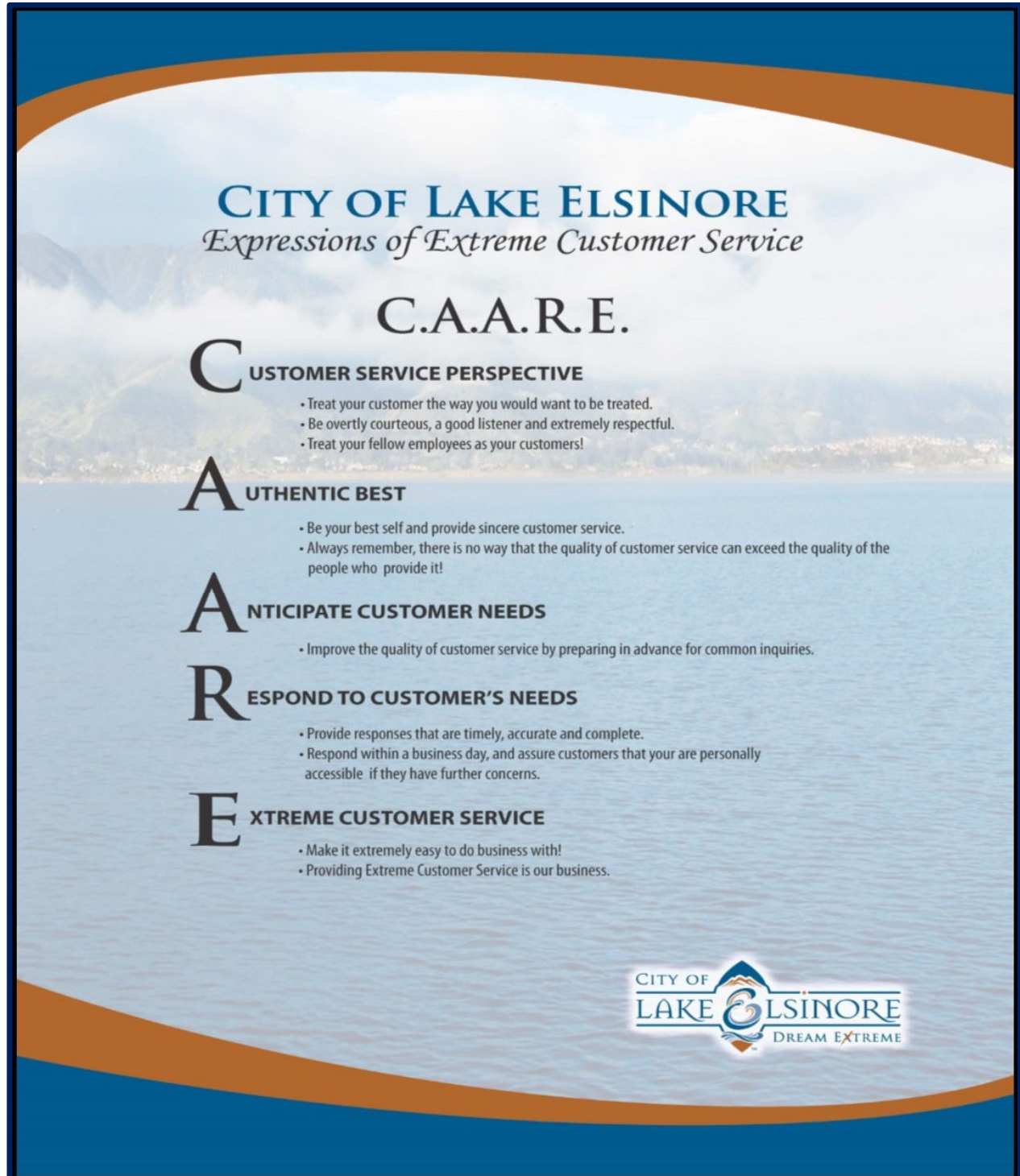
Jason Simpson, City Manager
Shannon Buckley, Assistant City Manager
Todd Parton, Assistant City Manager
Barbara Leibold, City Attorney
Candice Alvarez, City Clerk
James Rayls, Police Chief
Lonny Olson, Fire Chief
Remon Habib, City Engineer
Johnathan Skinner, Director of Community Services
Damaris Abraham, Assistant Director of Community Development

ACFR TEAM

Jason Simpson, City Manager
Shannon Buckley, Assistant City Manager
Brendan Rafferty, Assistant Director of Administrative Services
Nancy Lassey, Finance Manager
Domenico Piazza, Fiscal Officer
Andrew Zavala, Sr. Accountant
Savannah Fernandez, Accountant

*As of December 2023

CITY VALUE STATEMENT





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CITY OF LAKE ELSINORE

FINANCIAL SECTION

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**INDEPENDENT AUDITORS' REPORT**www.pungroup.cpa

To the Honorable Mayor and the Members of the City Council
of the City of Lake Elsinore
Lake Elsinore, California

Report on the Audit of the Financial Statements***Opinions***

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Lake Elsinore, California (the "City") as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the budgetary comparison schedules for the general fund, low moderate income housing and measure Z fund, the schedule of proportionate share in net pension liability, the schedule of plan contributions, and the schedule of changes in the total OPEB liability and related ratios, as listed on the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

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

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditors' report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 26, 2024, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "The PwC Group, LLP". The signature is written in a cursive, flowing style.

Santa Ana, California
January 26, 2024

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CITY OF LAKE ELSINORE

MANAGEMENT'S DISCUSSION AND ANALYSIS

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City of Lake Elsinore, California
Management's Discussion and Analysis (Unaudited)
June 30, 2023

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, 2023. We encourage readers to consider the information presented here in conjunction with the transmittal letter already presented at the front of this report and the City's financial statements immediately following this section.

FINANCIAL HIGHLIGHTS

- The Measure Z Sales and Use Tax passed and went into effect on April 1, 2021. During this fiscal year, the City has received \$15.8 million.
- The City's capital assets, net of depreciation and amortization, increased by \$8.8 million resulting from increased road improvements, park improvements, infrastructure improvements.
- At the end of the current fiscal year, the City's Total Net Position increased overall by \$18.6 million. Governmental activities net position increased by \$19.9 million and Business-Type activities net position decreased by \$1.3 million.
- The City of Lake Elsinore's total long-term debt had a net decrease of \$7.9 million during the current fiscal year. The net decrease is largely due to principal retirements.
- The City's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$319 million, which is 5.9% increase in net position.

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 Annual Comprehensive Financial Report (ACFR) is intended to provide the reader with information on 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.

The *government-wide financial statements* are designed to provide the reader with a broad overview of the City's finances, in the manner of private-sector businesses. 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 the City's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The *statement of activities* presents information showing how 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.

Government-wide Financial Statements

The government-wide financial statements include not only the City itself (known as the *primary government*), but also three legally separate entities, the Lake Elsinore Public Financing Authority, the Lake Elsinore Recreation Authority, and the Lake Elsinore Facilities Financing Authority. The City is financially accountable for these entities and financial information for these blended component units is reported within the financial information presented for the primary government itself. The government-wide financial statements can be found on pages 22 - 25 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 funds of the City can be divided into three categories: governmental funds, proprietary 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 basic governmental fund financial statements can be found on pages 30-36 of this report.

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. The following funds are considered major funds: General Fund, Cost Recovery System Fund, Measure Z Fund, Low-and-Moderate-Income Housing Fund, Capital Improvement Plan Capital Projects Fund, Public Financing Authority Debt Service Fund, and Recreation Authority Debt Service Fund. 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* in the Supplementary Information section of this report.

Because the City adopts an annual appropriated budget for its General Fund, certain Special Revenue Funds, Assessment District Funds, Capital Project Funds, Debt Service Funds, and Internal Service Funds; a budgetary comparison statement is provided to demonstrate compliance with the budget.

Proprietary funds. The City maintains two types of proprietary funds to report: an enterprise fund and various internal service funds. The City uses an enterprise fund to account for the Launch Pointe Recreation Destination & RV Park in which fees are charged to external users for goods or services that are designed to cover costs of providing these goods and services. Enterprise funds are used to report business-type activities in government-wide financial statements. The proprietary fund financial statements can be found on pages 38-43 of this report.

Governmental Funds – Continued

Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its self-insurance activities, information technology systems, support systems, fleet services, and facilities services. Because these proprietary funds benefit governmental functions, they have been included within governmental activities in the government-wide financial statements. The internal service funds and the enterprise fund are separated into two columns in the proprietary fund financial statements on pages 38-43 of this report. Individual fund data for the internal service funds is provided in the form of combining statements on pages 186-188 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 accounting used for the fiduciary funds is much like that used by the proprietary funds, accrual basis of accounting. The basic fiduciary fund financial statements can be found on pages 47 and 48 of this report.

Notes to the Basic Financial Statements

The notes to the basic financial statements 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 53-114 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 118-126 of this report. Immediately following the required supplementary information, the *supplementary schedules* present the governmental fund statements. Combining and individual fund statements and schedules can be found on pages 132-139 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Governmental Activities

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. As shown in Table 1, for Governmental activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$306 million at the close of the most recent fiscal year. 58.3% of the net position from Governmental activities 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.

The increase in *restricted net position* is driven by Public Works, Public Facilities, and Improvements as shown in the Statement of Net Position. The deficit balance of \$180 million is *unrestricted net position* and reflects 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 total net position for Governmental activities increased by \$18.6 million primarily a result of capital improvement construction such as the Main Street Interchange and Citywide Park Improvements. The current and other assets increased by \$2.5 million as a result of increased improvements of the City's facilities, capital improvement projects.

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Business-Type Activities

For Business-type activities, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$14.2 million at the close of the most recent fiscal year.

The deficit balance of \$9.1 million is *unrestricted net position* and reflects the fact that Business-type 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 total net position for Business-type activities decreased by \$1.4 million. Although revenues had a decrease of \$2.1 million factored by the closure of the lake and 2 of the resort's concession stands, expenses in relation to the Launch Pointe Resort had a decrease of \$1.5 million compared to prior year as shown in Table 2.

<p style="text-align: center;">City of Lake Elsinore Table 1 Condensed Statement of Net Position (in thousands)</p>						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Assets:						
Current and other assets	\$383,996	\$380,896	(\$7,566)	(\$7,021)	\$376,429	\$373,875
Capital assets	202,581	193,613	23,249	24,693	225,830	218,307
Total Assets	586,576	574,510	15,683	17,672	602,259	592,182
Deferred Outflows of Resources	16,560	15,008	451,197	505,081	17,011	15,513
Liabilities:						
Long-term liabilities	253,476	260,158	1,241	1,710	254,717	261,867
Other liabilities	32,890	31,698	379	426	33,269	32,124
Total Liabilities	286,366	291,856	1,619	2,135	287,985	293,991
Deferred Inflows of Resources	10,606	11,049	325	481	10,931	11,529
Net Position:						
Net investment in capital	163,397	161,287	23,249	24,463	186,645	185,750
Restricted	323,072	302,436	0	0	323,072	302,436
Unrestricted (deficit)	(180,304)	(177,533)	(9,059)	(8,920)	(189,364)	(186,453)
Total Net Position	\$306,164	\$286,190	\$14,190	\$15,543	\$320,354	\$301,733

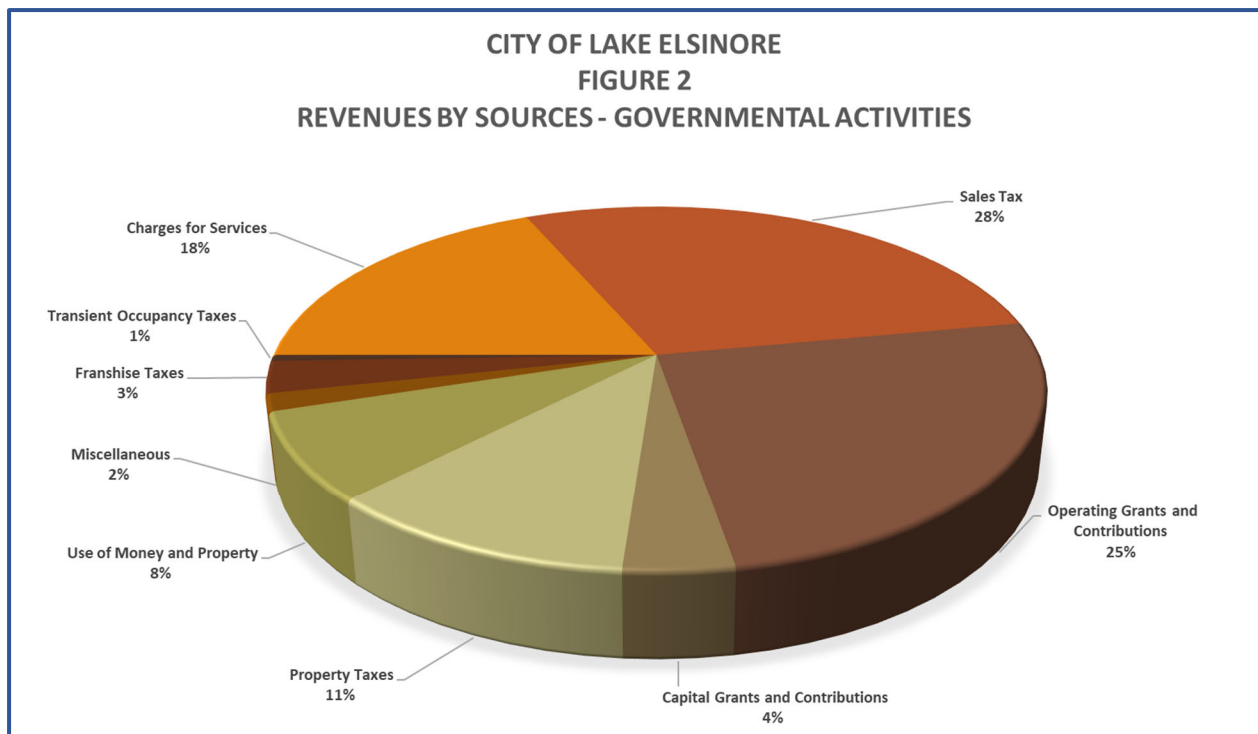
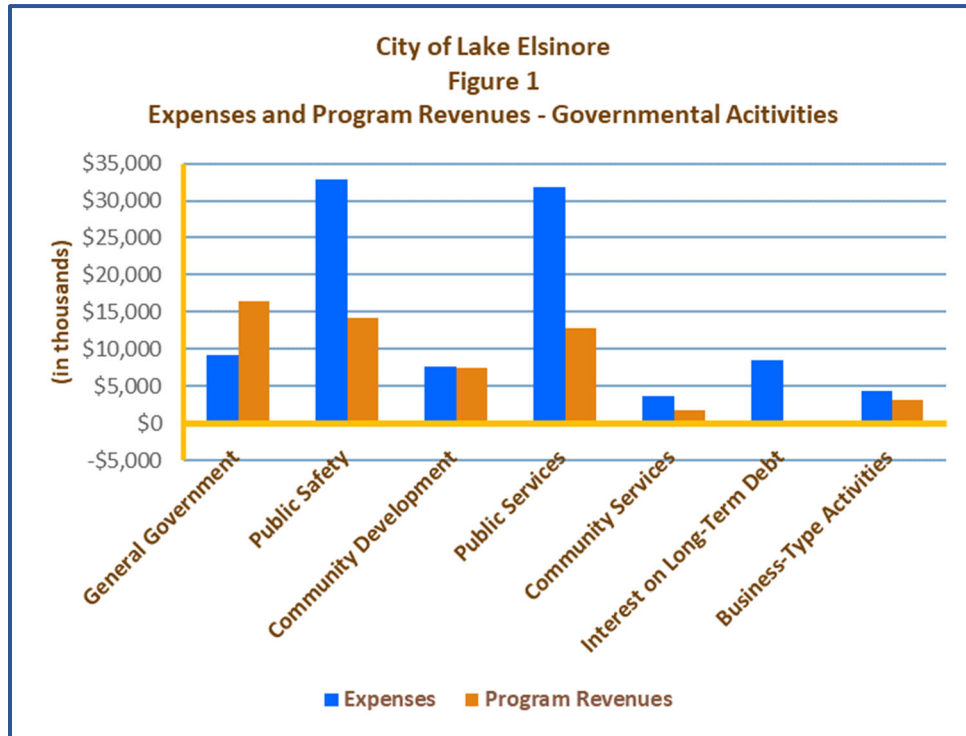
GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

Table 2 presents the Statement of Activities and provides details of how the City's net position changed from the prior year from governmental activities. Generally, it indicates whether the financial health of the City is better or worse than in the prior year. The cost of governmental and business-type activities in fiscal year 2023 was \$98.2 million, which was recovered through program revenues, taxes, and investment earnings of \$111.3 million.

Figure 1 shows expenses in relation to program revenues while Figure 2 shows the makeup of revenues. Revenue increased by \$8.6 million overall with a significant increase in funding from contributions and charges for services.

City of Lake Elsinore Table 2 Statement of Activities (in thousands)						
	Governmental Activities		Business-Type Activities		Total	
	2023	2022	2023	2022	2023	2022
Revenues:						
Program revenues:						
Charges for services	\$18,597	\$27,340	\$3,058	\$3,385	\$21,655	\$30,724
Operating contributions and grants	29,602	22,059	-	-	29,602	22,059
Capital contributions and grants	4,550	14,438	-	-	4,550	14,438
General revenues:						
Property taxes	13,011	10,228	-	-	13,011	10,228
Transient occupancy taxes	639	763	-	-	639	763
Sales taxes	33,409	32,788	-	-	33,409	32,788
Franchise taxes	3,317	2,919	-	-	3,317	2,919
Investment earnings	9,100	3,563	21	(15)	9,121	3,548
Miscellaneous	1,817	2,416	-	25	1,817	2,441
Total revenues	114,041	116,514	3,079	3,395	117,120	119,908
Expenses:						
General Government	9,173	5,108	-	-	9,173	5,108
Public Safety	32,879	25,502	-	-	32,879	25,502
Community Development	7,659	8,050	-	-	7,659	8,050
Community Services	3,635	3,555	-	-	3,635	3,555
Public Services	31,912	26,550	-	-	31,912	26,550
Interest on long-term debt	8,529	7,722	297	-	8,826	7,722
Launch Pointe RV Resort	-	-	4,415	5,959	4,415	5,959
Total expenses	93,787	76,486	4,712	5,959	98,500	82,445
Excess (Deficiency) of Revenues Over Expenditures	20,254	40,028	(1,633)	(2,565)	18,621	37,463
Other Financing Sources (Uses):						
Transfers	(280)	(1,827)	280	1,827	-	-
Changes in net position	19,974	38,201	(1,353)	(738)	18,621	37,463
Restatement of net position	-	-	-	(764)	-	(764)
Net position, beginning of year	286,190	247,989	15,543	17,044	301,733	265,033
Net position, end of year	\$306,164	\$286,190	\$14,190	\$15,543	\$320,354	\$301,733

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued



FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Governmental Funds

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. 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. *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 \$333 million, an increase of \$3.7 million in comparison with the prior year. Of the \$333 million ending fund balance, a net \$13.9 million, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable by \$40.5 million; restricted by \$264 million; and assigned by \$14.5 million. For additional information, please see Note 14 for net position.

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 \$18.2 million, while total fund balance was \$19.3 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 31.68% of total General Fund expenditures, while total fund balance represents 33.48% of that same amount. The fund balance of the City's General Fund experienced an increase of \$891 thousand during the current fiscal year. The primary factor for this overall 5% increase is because of increased sales tax, property tax, and charges for services.

For the major funds, the Public Financing Authority Debt Service Funds restricted fund balance decreased by \$3.9 million as the result of the annual debt service retirements. The Low-and-Moderate Income Housing Fund increased by \$1.5 million in the restricted fund balance from additions to interest receivable on loans. The Capital Improvement Plan had a decrease in fund balance of \$1.6 million resulting from a decrease in contributions & charges for services.

GENERAL FUND BUDGETARY HIGHLIGHTS

Original - versus - Final: The original general fund budget versus the final budget reflects increases in revenue of \$2.6 million and increases in expenditures of \$2.2 million. Budget adjustments are completed to match shortfalls in estimated revenue and increased costs. The final budgeted expenditures of \$65.1 million is \$3.3 million less from the prior year, while the actual expenditures of \$57.5 million of this year is more than the prior year by \$4.6 million.

GENERAL FUND BUDGETARY HIGHLIGHTS – Continued

Revenue Variances: Use of money and property ending budget was more than estimated by \$488 thousand of the final budget resulting in an increase in interest rates and an increase in the market value of investments. Intergovernmental revenues ending budget was \$813 thousand over the original estimated budget. Charges for services original budget was decreased by \$263 thousand resulting from fewer costs to recoup from the internal service funds.

Expenditure Variances: General fund actual expenditures were less than budgeted by \$7.6 million. The is partially because expenditures were less than budgeted in most all departments because of staff retirements, staff resignations, reduced spending as well as good budgetary controls. The costs for Police services was \$1.2 less than budgeted. Likewise, costs for Animal Control and Graffiti Enforcement were less than budgeted by \$284 thousand.

MAJOR FUND BUDGETARY HIGHLIGHTS

Original - versus - Final: The original Measure Z fund budget versus the final budget reflects increases in revenue of \$256 thousand and increases in expenditures of \$37 thousand. The final budgeted expenditures of \$5.6 million is \$110 thousand less from the prior year, while the actual expenditures of \$5.6 million of this year is more than the prior year by \$1.6 million due to the increase in public safety costs.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2023 amounts to \$202.6 million (net of accumulated depreciation and amortization), which is an increase of \$8.8 million from the prior year. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure. The total increase in the City of Lake Elsinore's investment in capital assets for the current fiscal year was 4.6%. Major or notable capital asset events during the current fiscal year included the following:

- Main Street Interchange
- Citywide Park Improvements
- Canyon Hills Park Upgrades
- City Park Parking Lot
- Fire Station Building Renovations
- Peck and Chestnut Street Improvements
- Murrieta Creek Regional Trail Connection
- I-15/Nichols Rd Interchange

Capital Assets – Continued

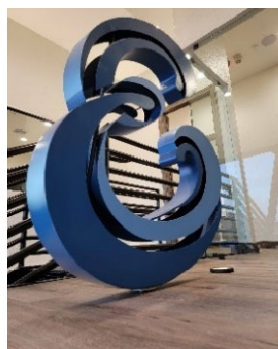
City of Lake Elsinore Table 3 Capital Assets at Year-End (net of depreciation and amortization) (in thousands)			
	Fiscal Year		% Change
	2023	2022	
Land	\$4,966	\$4,725	5.1
Construction in progress	\$49,476	\$43,052	14.9
Buildings and structures	\$15,607	\$12,456	25.3
Improvements other than buildings	\$5,840	\$5,515	5.9
Machinery and equipment	\$1,202	\$1,155	4.0
Furniture and fixtures	\$156	\$220	(28.9)
Automotive equipment	\$1,558	\$1,380	12.9
Technology Equipment	\$37	\$103	(64.5)
Infrastructure	\$123,611	\$125,006	(1.1)
Subscription Assets	\$127	-	127.0
Total Capital Assets	\$202,581	\$193,613	4.6

Additional information on the City of Lake Elsinore's capital assets can be found in Note 8 in the Notes to Basic Financial Statements section of this report.

Long-Term Debt

At year-end, the City had total outstanding long-term liabilities of \$216.4 million as shown below in Table 4. Additional information on the City of Lake Elsinore's long-term debt can be found in Note 9 in the Notes to the Basic Financial Statements section of this report.

At year-end, the City's other long-term obligations for pension and compensated absences was \$16.2 million. The City experienced an increase of these obligations of \$7.6 million, which is largely a result of the increase of compensated absences because of retirements and resignations.



Long-Term Debt – Continued

City of Lake Elsinore
Table 4
Outstanding Debt at Year-End
(in thousands)

	Fiscal Year		% Change
	2023	2022	
Local agency revenue bonds	\$143,960	\$149,135	(3.5)
Tax allocation revenue bonds	12,875	12,875	-
Lease revenue bonds	40,670	42,410	(4.1)
Certificate of participation bonds	5,755	6,015	(4.3)
Net of bond discounts and premiums	10,326	11,044	(6.5)
Capital Lease - Street Lights	2,896	3,126	(7.4)
Subscription Liability	127		
Total Outstanding Debt	\$216,609	\$224,605	(3.6)

Other Liabilities at Year-End
(in thousands)

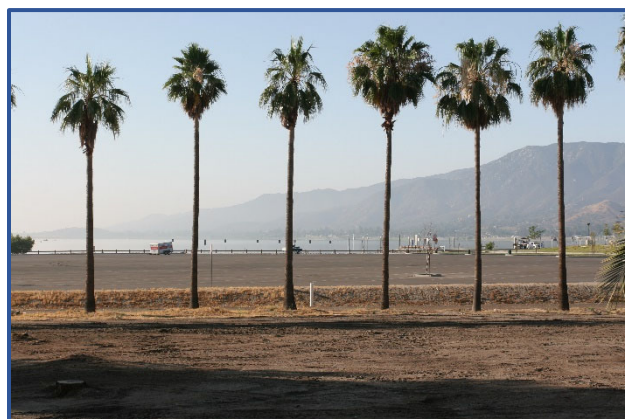
	Fiscal Year		% Change
	2023	2022	
Net pension liability	14,625	7,322	99.8
Compensated absences	1,630	1,318	23.7
Total Outstanding Debt	\$16,255	\$8,639	88.2



Long-Term Debt – Continued

As the Successor Agency to the Lake Elsinore Redevelopment Agency (SARDA), the City assumed responsibility of debt management of the former the Agency's long-term liabilities. Considered enforceable obligations, SARDA's outstanding debt at year-end is listed below in Table 5.

City of Lake Elsinore Table 5 Outstanding Debt at Year-End for the Successor Agency to the Lake Elsinore Redevelopment Agency		
Debt Issue	2023 Rating	Ending Balance
Loans Payable		
City of Lake Elsinore	N/A	\$ 12,377,219
Lake Elsinore Facilities Financing Authority	N/A	12,875,000
Subordinated Bonds Payable		
2015 Subordinated Tax Allocation Refunding Bonds	A+	3,290,000
2019A Subordinated Tax Allocation Refunding Bonds	A+	8,535,000
2019B Subordinated Tax Allocation Refunding Bonds	N/A	2,080,000
Premiums		1,133,555
Third-lien Bonds Payable		
2018A Third-lien Tax Allocation Bonds	A	1,875,000
2018B Third-lien Tax Allocation Bonds	A	5,995,000
2020B Third-lien Tax Allocation Refunding Bonds	A	4,620,000
2020C Third-lien Tax Allocation Refunding Bonds	A	3,235,000
Discounts		(136,046)
Premiums		769,110
		<u><u>\$ 56,648,838</u></u>



ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS

- Sales and Use Tax is projected to increase as retail establishments have reopened and are seeing rebounding sales activity.
- Property taxes are estimated to increase slightly as a result of continued building activity.
- Licenses, permits, and fees are estimated to decrease due to a decrease of development activity.
- Community facility district's (CFD) assessments are estimated to increase because of the increased annexations of developments. Some CFD revenues are earmarked for services such as law, fire, paramedic, and landscape maintenance that will offset the increased costs of those services. All new development must annex into these service type CFDs.
- The City's long-range financial forecast projects that the City will experience a structural deficit as expenditures increase at a faster rate than revenues. Anticipated increases in Public Safety costs are the main cause of rising expenditures. The City continues to implement expenditure reduction measures and revenue enhancement implementation to mitigate the issue.

These factors were considered in preparing the City of Lake Elsinore's budget for fiscal year 2023-24.

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 visit our website at www.lake-elsinore.org.



CITY OF LAKE ELSINORE

BASIC FINANCIAL STATEMENT

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Lake Elsinore
Statement of Net Position
June 30, 2023

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 109,103,771	\$ 1,227,818	\$ 110,331,589
Receivables:			
Accounts	3,600,991	3,368	3,604,359
Lease receivable, due in one year	136,245	-	136,245
Interest	5,919,783	6,204	5,925,987
Prepaid items	1,577,124	-	1,577,124
Due from other governments	26,019,705	-	26,019,705
Inventories	-	21,313	21,313
Total current assets	146,357,619	1,258,703	147,616,322
Noncurrent assets:			
Restricted cash and investments:			
Cash with fiscal agent	39,295,290	-	39,295,290
Investment in bonds	149,297,248	-	149,297,248
Internal balances	8,825,000	(8,825,000)	-
Lease receivable, due in more than one year	366,450	-	366,450
Notes and loans receivable, due in more than one year	39,085,719	-	39,085,719
Land held for resale	768,369	-	768,369
Capital assets:			
Nondepreciable/amortizable	54,442,447	-	54,442,447
Depreciable/amortizable, net	148,138,126	23,248,976	171,387,102
Total capital assets	202,580,573	23,248,976	225,829,549
Total noncurrent assets	440,218,649	14,423,976	454,642,625
Total assets	586,576,268	15,682,679	602,258,947
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	4,019,316	-	4,019,316
Related to pensions	6,256,925	256,866	6,513,791
Related to other postemployment benefits	6,283,323	194,331	6,477,654
Total deferred outflows of resources	16,559,564	451,197	17,010,761

(Continued)

City of Lake Elsinore
Statement of Net Position (Continued)
June 30, 2023

	Primary Government		
	Governmental	Business-Type	
	Activities	Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	10,088,067	157,093	10,245,160
Accrued liabilities	1,866,876	29,661	1,896,537
Interest payable	2,543,789	73,503	2,617,292
Unearned revenue	125,042	-	125,042
Deposits payable	18,266,037	118,453	18,384,490
Compensated absences - due within one year	782,169	-	782,169
Long-term debt - due within one year	7,645,826	-	7,645,826
Total current liabilities	41,317,806	378,710	41,696,516
Noncurrent liabilities:			
Compensated absences - due in more than one year	847,349	-	847,349
Long-term debt - due in more than one year	208,963,391	-	208,963,391
Net pension liability	14,040,463	585,020	14,625,483
Net other postemployment benefits liability	21,197,021	655,578	21,852,599
Total noncurrent liabilities	245,048,224	1,240,598	246,288,822
Total liabilities	286,366,030	1,619,308	287,985,338
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	1,161,676	48,404	1,210,080
Related to other postemployment benefits	8,944,789	276,643	9,221,432
Related to leases	499,261	-	499,261
Total deferred inflows of resources	10,605,726	325,047	10,930,773
NET POSITION			
Net investment in capital assets	163,396,517	23,248,976	186,645,493
Restricted for:			
Capital projects	37,221,869	-	37,221,869
Debt service	198,471,949	-	198,471,949
Community development	65,102,369	-	65,102,369
Community services	6,815,207	-	6,815,207
Public services	12,159,504	-	12,159,504
Development	3,216,697	-	3,216,697
Other purposes	84,300	-	84,300
Total restricted	323,071,895	-	323,071,895
Unrestricted (deficit)	(180,304,336)	(9,059,455)	(189,363,791)
Total net position	\$ 306,164,076	\$ 14,189,521	\$ 320,353,597

(Concluded)

City of Lake Elsinore
Statement of Activities
For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 9,172,842	\$ 2,974,857	\$ 13,483,994	\$ -
Public safety	32,879,462	9,509,364	4,690,312	-
Community development	7,658,800	3,779,315	3,698,502	-
Community services	3,635,488	440,928	1,283,425	-
Public services	31,912,202	1,892,579	6,445,272	4,550,058
Interest and fiscal charges	8,528,626	-	-	-
Total governmental activities	93,787,420	18,597,043	29,601,505	4,550,058
Business-type Activities:				
Launch Pointe	4,414,720	3,057,715	-	-
Total business-type activities	4,414,720	3,057,715	-	-
Total primary government	\$ 98,202,140	\$ 21,654,758	\$ 29,601,505	\$ 4,550,058

(Continued)

City of Lake Elsinore
Statement of Activities (Continued)
For the Year Ended June 30, 2023

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ 7,286,009	\$ -	\$ 7,286,009
Public safety	(18,679,786)	-	(18,679,786)
Community development	(180,983)	-	(180,983)
Community services	(1,911,135)	-	(1,911,135)
Public services	(19,024,293)	-	(19,024,293)
Interest and fiscal charges	(8,528,626)	(297,425)	(8,826,051)
Total governmental activities	(41,038,814)	(297,425)	(41,336,239)
Business-type Activities:			
Launch Pointe	-	(1,357,005)	(1,357,005)
Total business-type activities	-	(1,357,005)	(1,357,005)
Total primary government	(41,038,814)	(1,654,430)	(42,693,244)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes, levied for general purposes	13,011,435	-	13,011,435
Transient occupancy taxes	638,573	-	638,573
Sales and use taxes	33,409,294	-	33,409,294
Franchise taxes	3,317,255	-	3,317,255
Total taxes	50,376,557	-	50,376,557
Use of money and property	9,099,556	21,416	9,120,972
Miscellaneous	1,816,565	-	1,816,565
Total general revenue	61,292,678	21,416	61,314,094
Transfers	(279,964)	279,964	-
Total general revenues and transfers	61,012,714	301,380	61,314,094
Change in net position	19,973,900	(1,353,050)	18,620,850
Net position - beginning of year	286,190,176	15,542,571	301,732,747
Net position - end of year	\$ 306,164,076	\$ 14,189,521	\$ 320,353,597

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FUND FINANCIAL STATEMENTS

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GOVERNMENTAL FUND FINANCIAL STATEMENTS

City of Lake Elsinore
Balance Sheet
Governmental Funds
June 30, 2023

		Major Special Revenue Funds			Major Capital Projects Fund
	General Fund	Cost Recovery System	Measure Z	Low and Moderate Income Housing	Capital Improvement Plan
ASSETS					
Cash and investments	\$ 20,606,550	\$ 6,053,748	\$ 12,007,916	\$ 26,565,264	\$ 18,360,138
Receivables:					
Accounts	3,368,767	228,868	-	-	-
Notes and loans	1,000,000	-	-	34,743,495	-
Leases	502,695	-	-	-	-
Interest	560,859	-	107,050	4,782,568	50,425
Prepaid items	33,177	-	-	-	-
Due from other governments	3,024,611	-	2,714,269	-	3,978,782
Due from other funds	484,988	-	-	-	-
Advances to other funds	-	-	-	-	-
Land held for resale	-	-	-	768,369	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	-	-	-
Investment in bonds	-	-	-	-	-
Total assets	\$ 29,581,647	\$ 6,282,616	\$ 14,829,235	\$ 66,859,696	\$ 22,389,345
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 5,433,836	\$ 23,768	\$ -	\$ 73,892	\$ 3,956,808
Accrued liabilities	1,452,954	161,077	-	-	-
Unearned revenue	125,042	-	-	-	-
Deposits payable	3,391	6,097,771	-	1,069,534	-
Due to other funds	-	-	-	-	-
Total liabilities	7,015,223	6,282,616	-	1,143,426	3,956,808
Deferred inflows of resources:					
Unavailable revenue	2,798,447	-	-	4,631,768	3,939,939
Related to leases	499,261	-	-	-	-
Total deferred inflows of resources	3,297,708	-	-	4,631,768	3,939,939
Fund balances:					
Nonspendable	1,033,177	-	-	35,511,864	-
Restricted:					
Public works	-	-	-	-	-
Community development	-	-	-	25,572,638	-
Retirement	-	-	-	-	-
Capital projects	-	-	14,829,235	-	-
Debt service	-	-	-	-	-
Assigned	-	-	-	-	14,492,598
Unassigned (deficit)	18,235,539	-	-	-	-
Total fund balances	19,268,716	-	14,829,235	61,084,502	14,492,598
Total liabilities, deferred inflows of resources, and fund balances	\$ 29,581,647	\$ 6,282,616	\$ 14,829,235	\$ 66,859,696	\$ 22,389,345

(Continued)

City of Lake Elsinore
Balance Sheet (Continued)
Governmental Funds
June 30, 2023

	Major Debt Service Funds		Other	Total
	Public	Facilities	Governmental	Governmental
	Financing	Financing	Funds	Funds
	Authority	Authority		
ASSETS				
Cash and investments	\$ -	\$ -	\$ 17,912,246	\$ 101,505,862
Receivables:				
Accounts	-	-	3,356	3,600,991
Notes and loans	-	-	3,342,224	39,085,719
Leases	-	-	-	502,695
Interest	-	96,791	279,597	5,877,290
Prepaid items	-	564,164	-	597,341
Due from other governments	-	14,825,241	1,476,802	26,019,705
Due from other funds	-	-	-	484,988
Advances to other funds	-	8,825,000	-	8,825,000
Land held for resale	-	-	-	768,369
Restricted cash and investments:				
Cash and investments with fiscal agents	10,578,513	25,380,333	3,336,444	39,295,290
Investment in bonds	103,086,978	46,210,270	-	149,297,248
Total assets	<u>\$ 113,665,491</u>	<u>\$ 95,901,799</u>	<u>\$ 26,350,669</u>	<u>\$ 375,860,498</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ 280,595	\$ 9,768,899
Accrued liabilities	-	-	-	1,614,031
Unearned revenue	-	-	-	125,042
Deposits payable	10,578,498	516,843	-	18,266,037
Due to other funds	-	-	484,988	484,988
Total liabilities	<u>10,578,498</u>	<u>516,843</u>	<u>765,583</u>	<u>30,258,997</u>
Deferred inflows of resources:				
Unavailable revenue	-	-	831,267	12,201,421
Related to leases	-	-	-	499,261
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>831,267</u>	<u>12,700,682</u>
Fund balances:				
Nonspendable	-	564,164	3,362,224	40,471,429
Restricted:				
Public works	-	-	1,215,838	1,215,838
Community development	-	-	8,270,740	33,843,378
Retirement	-	-	7,472,276	7,472,276
Capital projects	-	-	8,204,034	23,033,269
Debt service	103,086,993	95,384,956	-	198,471,949
Assigned	-	-	13,724	14,506,322
Unassigned (deficit)	-	(564,164)	(3,785,017)	13,886,358
Total fund balances	<u>103,086,993</u>	<u>95,384,956</u>	<u>24,753,819</u>	<u>332,900,819</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 113,665,491</u>	<u>\$ 95,901,799</u>	<u>\$ 26,350,669</u>	<u>\$ 375,860,498</u>

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City of Lake Elsinore
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Position
June 30, 2023

Total Fund Balances - Total Governmental Funds \$ 332,900,819

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not current financial resources and therefore are not reported in governmental funds. Those assets consist of:

Amount reported in government-wide statement of position:

Nondepreciable assets	\$	54,442,447	
Depreciable and amortizable assets		148,138,126	
Less: amount reported in Internal Service Funds		(2,461,466)	200,119,107

Unavailable revenues are not available to pay for current period expenditures and therefore are deferred in the funds but recognized as revenue in the Statement of Activities.	12,201,421
---	------------

Long-term liabilities are not due and payable in the current period and therefore, are not reported in the governmental funds. Governmental funds report the effect of premiums, discounts and gains or losses on debt refundings when the debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities.

Compensated absences	(1,629,518)
Bonds, loans, and other long term debt	(216,482,231)

Deferred charges on refunding did not provide current financial resources to the governmental funds.	4,019,316
--	-----------

Net pension liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position.

Net pension liability (net of \$1,023,783 in internal service funds)	(13,016,680)
Deferred outflows of resources (net of \$463,924 in internal service funds)	5,793,001
Deferred inflows of resources (net of \$84,705 in internal service funds)	(1,076,971)

Net OPEB liability and related deferred outflows and inflows of resources are not due and payable in the current period; therefore, are not reported as government funds' liabilities. They are reported in the Statement of Net Position.

Total OPEB liability (net of \$1,311,156 in internal service funds)	(19,885,865)
Deferred outflows of resources (net of \$388,662 in internal service funds)	5,894,661
Deferred inflows of resources (net of \$553,287 in internal service funds)	(8,391,502)

Accrued interest payable due on long-term debt not reported in the governmental funds.	(2,543,789)
--	-------------

Internal service funds are used by management to charge the costs of certain activities, such as self-insurance, to individual funds. The assets and liabilities of the internal service funds are added to the statement of net position.

Net position of governmental activities	8,262,307
	\$ 306,164,076

City of Lake Elsinore
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2023

		Major Special Revenue Funds			Major Capital Projects Fund
	General Fund	Cost Recovery System	Measure Z	Low and Moderate Income Housing	Capital Improvement Plan
REVENUES:					
Taxes	\$ 30,528,759	\$ -	\$ 15,846,208	\$ -	\$ -
Intergovernmental	16,049,883	-	-	2,032,766	5,935,030
Special assessments	3,318	-	-	-	-
Licenses and permits	2,928,289	-	-	-	-
Charges for services	3,721,248	-	-	-	-
Investment earnings	435,013	-	251,728	378,447	147,580
Fines and forfeitures	973,939	-	-	-	-
Miscellaneous	4,008,385	-	-	12,503	635
Total revenues	58,648,834	-	16,097,936	2,423,716	6,083,245
EXPENDITURES:					
Current:					
General government	8,190,252	-	36,894	-	-
Public safety	27,043,722	-	5,601,110	-	-
Community development	6,111,922	-	-	879,336	-
Community services	3,594,294	-	-	-	-
Public services	12,612,536	-	-	-	-
Capital outlay	-	-	-	-	25,335,791
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	57,552,726	-	5,638,004	879,336	25,335,791
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	1,096,108	-	10,459,932	1,544,380	(19,252,546)
OTHER FINANCING SOURCES (USES):					
Transfers in	286,933	-	-	-	17,884,759
Transfers out	(492,035)	-	(9,220,129)	(23,096)	(279,964)
Total other financing sources (uses)	(205,102)	-	(9,220,129)	(23,096)	17,604,795
NET CHANGES IN FUND BALANCES	891,006	-	1,239,803	1,521,284	(1,647,751)
FUND BALANCES (DEFICIT):					
Beginning of year	18,377,710	-	13,589,432	59,563,218	16,140,349
End of year	\$ 19,268,716	\$ -	\$ 14,829,235	\$ 61,084,502	\$ 14,492,598

City of Lake Elsinore
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2023

	Major Debt Service Funds		Other	Total
	Public	Facilities	Governmental	Governmental
	Financing	Financing	Funds	Funds
	Authority	Authority		
REVENUES:				
Taxes	\$ -	\$ -	\$ 14,965	\$ 46,389,932
Intergovernmental	-	-	17,324,469	41,342,148
Special assessments	-	-	2,186,343	2,189,661
Licenses and permits	-	-	970,831	3,899,120
Charges for services	-	-	1,499,999	5,221,247
Investment earnings	4,297,403	2,452,088	447,517	8,409,776
Fines and forfeitures	-	-	176,707	1,150,646
Miscellaneous	-	2,858,025	8,019	6,887,567
Total revenues	4,297,403	5,310,113	22,628,850	115,490,097
EXPENDITURES:				
Current:				
General government	-	1,242	98,524	8,326,912
Public safety	-	-	352,586	32,997,418
Community development	-	-	915,638	7,906,896
Community services	-	-	-	3,594,294
Public services	-	-	4,163,462	16,775,998
Capital outlay	-	-	800,000	26,135,791
Debt service:				
Principal retirement	3,500,000	3,415,000	490,501	7,405,501
Interest and fiscal charges	4,732,771	3,281,061	330,062	8,343,894
Total expenditures	8,232,771	6,697,303	7,150,773	111,486,704
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(3,935,368)	(1,387,190)	15,478,077	4,003,393
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	1,702,604	19,874,296
Transfers out	-	-	(10,139,036)	(20,154,260)
Total other financing sources (uses)	-	-	(8,436,432)	(279,964)
NET CHANGES IN FUND BALANCES	(3,935,368)	(1,387,190)	7,041,645	3,723,429
FUND BALANCES (DEFICIT):				
Beginning of year	107,022,361	96,772,146	17,712,174	329,177,390
End of year	\$ 103,086,993	\$ 95,384,956	\$ 24,753,819	\$ 332,900,819

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

Net change in fund balances - total governmental funds: \$ 3,723,429

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

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over the estimated useful lives as depreciation/amortization expense. This is the amount by which capital expenditures exceeded depreciation in the current period:

Capital outlay expenditures, net of \$966,591 added in Internal Service Funds	16,279,030
Depreciation and amortization expense, net of \$825,475 reported in Internal Service Funds	(7,330,337)
Net effect of disposal of capital assets	(249,479)

Revenues that are measurable but not available and are reported as unavailable revenue under the modified accrual basis of accounting in the governmental funds.	1,143,013
--	-----------

Repayment of principal was an expenditure in the governmental funds, but the repayment reduced long-term liabilities in the Government-Wide Statement of Net Position.	7,405,501
--	-----------

Accrued interest for long-term liabilities is not recorded in the governmental funds. This is the amount by which accrued interest changed for the period.	(2,678,291)
--	-------------

Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in the governmental funds:	
Pension expense	1,346,314
OPEB expense	(536,042)

Compensated absences expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported in as expenditures in the governmental funds.	(311,978)
--	-----------

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are not normally paid with expendable available financial resources. In the Statement of Activities, however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available:

Amortization of debt premium	(733,512)
Amortization of debt discount	15,920
Amortization of deferred amount on refunding	796,095

Internal service funds are used by management to charge the costs of certain activities, such as vehicle, information technology, self-insurance, and facility maintenance to individual funds. The net revenues (expenses) of the internal service funds are reported with governmental activities.

	1,104,237
Change in net position of governmental activities	\$ 19,973,900

PROPRIETARY FUND FINANCIAL STATEMENTS

City of Lake Elsinore
Statement of Net Position
Proprietary Funds
June 30, 2023

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
ASSETS		
Current Assets:		
Cash and investments	\$ 1,227,818	\$ 7,597,909
Receivables:		
Accounts, net	3,368	-
Interest	6,204	42,493
Prepaid items	-	979,783
Inventories	21,313	-
Total current assets	1,258,703	8,620,185
Noncurrent assets:		
Capital assets:		
Capital assets, being depreciated, net	23,248,976	2,461,466
Total capital assets	23,248,976	2,461,466
Total noncurrent assets	23,248,976	2,461,466
Total assets	24,507,679	11,081,651
DEFERRED OUTFLOWS OF RESOURCES		
Related to pensions	256,866	463,924
Related to other postemployment benefits	194,331	388,662
Total deferred outflows of resources	451,197	852,586

City of Lake Elsinore
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2023

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
LIABILITIES		
Current liabilities:		
Accounts payable	157,093	319,168
Accrued liabilities	29,661	252,845
Interest payable	73,503	-
Deposits payable	118,453	-
Long-term debt, due within one year	-	38,194
Total current liabilities	378,710	610,207
Noncurrent liabilities:		
Advances from other funds	8,825,000	-
Net pension liability	585,020	1,023,783
Net OPEB liability	655,578	1,311,156
Long-term debt, due in more than one year	-	88,792
Total noncurrent liabilities	10,065,598	2,423,731
Total liabilities	10,444,308	3,033,938
DEFERRED INFLOWS OF RESOURCES		
Related to pensions	48,404	84,705
Related to other postemployment benefits	276,643	553,287
Total deferred inflows of resources	325,047	637,992
NET POSITION		
Net investment in capital assets	23,248,976	2,334,480
Unrestricted (deficit)	(9,059,455)	5,927,827
Total net position	\$ 14,189,521	\$ 8,262,307

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City of Lake Elsinore
Statement of Revenues, Expenses, and Changes in Net Position
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund	Governmental Activities
	Launch Pointe	Internal Service Funds
OPERATING REVENUES:		
Sales and service charges	\$ 3,039,540	\$ 5,499,398
Miscellaneous	18,175	31,185
Total operating revenues	3,057,715	5,530,583
OPERATING EXPENSES:		
Personnel services	265,705	816,844
Contractual services	1,895,335	460,332
Utilities	683,543	533,875
Maintenance and operation	215,165	1,260,440
Cost of sales and services	4,224	-
Insurance	107,078	602,089
Depreciation	1,243,670	825,475
Total operating expenses	4,414,720	4,499,055
OPERATING INCOME	(1,357,005)	1,031,528
NONOPERATING REVENUES (EXPENSES):		
Interest revenue	21,416	108,195
Interest expense	(297,425)	(14,282)
Gain (loss) on disposal of capital assets	-	(21,204)
Total nonoperating revenues (expenses)	(276,009)	72,709
Income (loss) before transfers	(1,633,014)	1,104,237
TRANSFERS:		
Transfers in	279,964	-
Total transfers	279,964	-
CHANGES IN NET POSITION	(1,353,050)	1,104,237
NET POSITION:		
Beginning of the year	15,542,571	7,158,070
End of the year	\$ 14,189,521	\$ 8,262,307

City of Lake Elsinore
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund	Governmental Activities Internal Service Funds
	Launch Pointe	
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 3,085,161	\$ 5,532,008
Cash paid to suppliers for goods and services	(2,952,066)	(3,911,478)
Cash paid to employees for services	(845,201)	(1,243,168)
Net cash provided by (used in) operating activities	<u>(712,106)</u>	<u>377,362</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Received from other funds	279,964	-
Paid to other funds	(260,000)	-
Net cash provided by noncapital financing activities	<u>19,964</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(29,998)	(966,591)
Cash effect of disposal of capital assets	-	(21,204)
Interest paid on outstanding debt	(298,563)	(14,282)
Net cash (used in) capital and related financing activities	<u>(328,561)</u>	<u>(1,002,077)</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	15,342	74,041
Net cash (used in) investing activities	<u>15,342</u>	<u>74,041</u>
Net increase (decrease) in cash and cash equivalents	(1,005,361)	(550,674)
CASH AND CASH EQUIVALENTS:		
Beginning of year	2,233,179	8,148,583
End of year	<u>\$ 1,227,818</u>	<u>\$ 7,597,909</u>

City of Lake Elsinore
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2023

	Business-Type Activities Enterprise Fund Launch Pointe	Governmental Activities Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET		
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (1,357,005)	\$ 1,031,528
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,243,670	825,475
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	13,301	1,425
Prepaid items	-	(928,189)
Inventories	4,434	-
Pension-related deferred outflows	(135,726)	(206,294)
OPEB-related deferred outflows	189,610	148,857
Increase (decrease) in liabilities:		
Accounts payable	(51,155)	(126,553)
Accrued liabilities	(8,871)	204,588
Deposits payable	14,145	-
Net pension liability	292,157	364,841
Total OPEB liability	(761,130)	(672,237)
Pension-related deferred inflows	(223,658)	(527,435)
OPEB-related deferred inflows	68,122	261,356
Total adjustments	644,899	(654,166)
Net cash provided by (used in) operating activities	\$ (712,106)	\$ 377,362

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FIDUCIARY FUND FINANCIAL STATEMENTS

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City of Lake Elsinore
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2023

	<u>Custodial Fund</u>		
	Assessment Districts	Private-Purpose Trust Funds	Total
ASSETS:			
Cash and investments	\$ 12,524,938	\$ 6,074,123	\$ 18,599,061
Receivables:			
Accounts	8,844	16,017	24,861
Interest	127,694	10,153	137,847
Prepaid items	47,782	304,662	352,444
Due from other governments	269,328	-	269,328
Land held for resale	-	6,039,994	6,039,994
Deposits with other agencies	11,095,340	-	11,095,340
Restricted assets:			
Cash and investments with fiscal agents	9,033,753	1,420	9,035,173
Capital assets:			
Capital assets, not being depreciated	-	2,004,419	2,004,419
Capital assets, net of accumulated depreciation	-	15,717,265	15,717,265
Total assets	<u>33,107,679</u>	<u>30,168,053</u>	<u>63,275,732</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts on refunding	-	1,313,014	1,313,014
Total deferred outflows of resources	<u>-</u>	<u>1,313,014</u>	<u>1,313,014</u>
LIABILITIES:			
Accounts payable	9,943	425,190	435,133
Interest payable	-	1,026,952	1,026,952
Deposits payable	183,388	-	183,388
Long-term debt:			
Due within one year	-	2,195,000	2,195,000
Due in more than one year	-	54,453,838	54,453,838
Total liabilities	<u>193,331</u>	<u>58,100,980</u>	<u>58,294,311</u>
NET POSITION (DEFICIT):			
Restricted for:			
Organizations and other governments	32,914,348	(26,619,913)	6,294,435
Total net position (deficit)	<u>\$ 32,914,348</u>	<u>\$ (26,619,913)</u>	<u>\$ 6,294,435</u>

City of Lake Elsinore
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2023

	Custodial Fund Assessment Districts	Private-Purpose Trust Funds	Total
ADDITIONS:			
Collection of special taxes	\$ 31,510,248	\$ 707,108	\$ 32,217,356
Taxes	-	15,074,529	15,074,529
Investment earnings	741,623	10,072	751,695
Miscellaneous	-	2,000	2,000
Total additions	<u>32,251,871</u>	<u>15,793,709</u>	<u>48,045,580</u>
DEDUCTIONS:			
Administrative expenses	269,947	513,656	783,603
Contractual services	20,500,056	4,101,165	24,601,221
Interest expense	9,604,470	2,131,891	11,736,361
Depreciation	-	1,868,633	1,868,633
Total deductions	<u>30,374,473</u>	<u>8,615,345</u>	<u>38,989,818</u>
Change in net position	1,877,398	7,178,364	9,055,762
NET POSITION (DEFICIT):			
Beginning of year	31,036,950	(33,798,277)	(2,761,327)
End of year	<u>\$ 32,914,348</u>	<u>\$ (26,619,913)</u>	<u>\$ 6,294,435</u>

CITY OF LAKE ELSINORE

NOTES TO BASIC FINANCIAL STATEMENTS

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City of Lake Elsinore
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For the Year Ended June 30, 2023

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City of Lake Elsinore
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For the Year Ended June 30, 2023

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City of Lake Elsinore
Notes to the Basic Financial Statements
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies

A. Financial Reporting Entity

The City of Lake Elsinore (the "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 by the laws, provides the following services: public safety, highways and streets, cultural recreation, public improvements, community development, 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, the Lake Elsinore Recreation Authority and the Lake Elsinore Facilities Financing 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, 2023, year-end. All the component units are blended in these financial statements. The governing bodies of these component units are comprised of the City Council and the services they provide almost exclusively benefits the City. The following is a brief review of each component unit included in the primary government's reporting entity.

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 reports 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 service 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 installments 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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

A. Financial Reporting Entity (Continued)

The Lake Elsinore Public Financing Authority - The "Public Financing 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 Public Financing Authority does not have taxing power. The City Council also acts as the governing body of the Public Financing Authority. The Public Financing 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.

The Lake Elsinore Facilities Financing Authority - On September 13, 2016, the City Council formed the Lake Elsinore Facilities Financing Authority ("Facilities Financing Authority") which is a joint powers agreement between the City and the Lake Elsinore Parking Authority to issue lease revenue bonds. The use of lease revenue bonds is a financing pool to fund general infrastructure and is commonly used by cities in California. Under this financing structure, a joint powers authority is utilized for the sole purpose of issuing bonds for the benefit of the issuer. The City Council also acts as the governing body of the Facilities Financing Authority. The Facilities Financing Authority activities are blended with those of the City in these financial statements and are reported as a debt service fund.

B. Basis of Presentation

The City's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP"). The Government Accounting Standards Board ("GASB") 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 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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Presentation (Continued)

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, deferred outflows/inflows of resources, 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 funds, proprietary funds 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 custodial funds.

C. 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 are the proprietary funds and 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.

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City's fiduciary funds are reported using the economic resources measurement focus and the accrual basis for reporting its assets, deferred outflows/inflows of resources, 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 Cost Recovery System Special Revenue Fund is used 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.

The Measure Z Special Revenue Fund is used to account for revenues derived from a locally controlled one-cent sales transaction and use tax and to account for expenditures that address City services, public safety, health, or catastrophic emergencies.

The Low and Moderate-Income Housing Special Revenue Fund is used to account for revenues and expenditures associated with the low and moderate-income projects. Expenditures for this fund are restricted to low and moderate-income housing projects.

The Capital Improvement Plan Capital Project Fund is used to account for capital improvement plan projects, financed by grants, resources from other funds and miscellaneous revenues.

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.

The Facilities Financing Authority Debt Service Fund is used to account for debt service transactions and payments of principal and interest on long-term obligations of the component unit.

The City reports the following enterprise funds as major proprietary funds:

The Launch Pointe Fund is used to account for goods or services provided by the Launch Pointe facility.

Additionally, the City reports the following fund types:

The Internal Service Funds are used to account for goods or services provided by one department to other departments on a cost-reimbursement basis.

Fiduciary Activities

The City presents its fiduciary activity information for assessing its accountability and financial reporting in their role as fiduciaries. The definition of a “fiduciary” is:

- The organization acts on behalf of another person or persons to manage assets;
- Fiduciary responsibility refers to the obligation that one party has in relationship with another one to act entirely on the other party’s behalf and best interest. It is considered to be the standard of the highest care.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Fiduciary Activities (Continued)

Included within the reporting entity as fiduciary activities are the following:

The Private-Purpose Trust Funds are used to account for activities of the Successor Agency to the Lake Elsinore Redevelopment Agency and the activities of the Carl Graves Trust.

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.

The Custodial Fund uses the economic measurement focus to account for special assessments and taxes received by the City as a custodian for individuals, other governments and other entities and is used to pay interest, principal, and services on community facilities and assessment district bonds.

D. Cash, Cash Equivalents, and Investments

Investments of pooled cash consist primarily of pooled investment funds, liquidity funds and governmental bonds. Investments are stated at fair value, which is based on quoted market price. Money market investments and participating interest earning investment contracts that have a remaining maturity at the time of purchase of one year or less are reported at amortized cost, which approximates fair value.

For purposes of the statement of cash flows, all highly liquid temporary investments purchased with a maturity of three months or less are considered cash equivalents.

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 earnings includes interest earnings, changes in fair value, any gains or losses related to the liquidation or sale of the investment.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

D. Cash, Cash Equivalents, and Investments (Continued)

The City participates in an investment pool managed by the State of California titled Local Agency Investment Fund (“LAIF”), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk and to change in interest rates. The reported value of the pool is the same as the fair value of the pool shares.

Certain disclosure requirements, if applicable for deposit and investment risk, are specified for the following areas:

- Interest Rate Risk
- Credit Risk
 - Overall
 - Custodial Credit Risk
 - Concentration of Credit Risk
- Foreign Currency Risk

GASB Statement No. 72, *Fair Value Measurement and Application*, defined fair value, established a framework for measuring fair value and established disclosures about fair value measurement. Investments, unless otherwise specified, recorded at fair value in the Statements of Net Position, are categorized based upon the level of judgement associated with the inputs used to measure their fair value. Levels of inputs are as follows:

Level 1 – Inputs are unadjusted, quoted prices for identical assets and liabilities in active markets at the measurement date.

Level 2 – Inputs, other than quoted prices included in Level 1, that are observable for the asset or liability through corroboration with market data at the measurement date.

Level 3 – Unobservable inputs that reflect management's best estimate of what market participants would use in pricing the asset or liability at the measurement date.

E. Inventory

Inventories are valued at the weighted average unit cost.

F. Prepaid Items and Other Costs

Payments made to vendors for services that will benefit periods beyond the fiscal year ended are recorded as prepaid items.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Leases

Lessee

The City has a policy to recognize a lease liability and a right-to-use lease asset (lease asset) in our financial statements with an initial, individual value of \$10,000 or more with a lease term greater than one year. Variable payments based on future performance or usage of the underlying assets are not included in the measurement of the lease liability.

At the commencement of a lease, the lease liability is measured at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made.

Lease assets are recorded at the amount of the initial measurement of the lease liabilities and modified by any lease payments made to the lessor at or before the commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term along with any initial direct costs that are ancillary charges necessary to place the lease assets into service. Lease assets are amortized using the straight-line method over the shorter of the lease term or the useful life of the underlying asset, unless the lease contains a purchase option that the City has determined is reasonably certain of being exercised. In this case, the lease asset is amortized over the useful life of the underlying asset.

Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease, plus any option periods that are reasonably certain to be exercised.
- Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a lease and will remeasure any lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported as right-to-use along with other capital assets and lease liabilities are reported on the statement of net position.

Lessor

The City is a lessor for leases of buildings and land and recognizes leases receivable and deferred inflows of resources in the financial statements. Variable payments based on future performance or usage of the underlying asset are not included in the measurement of the lease receivable.

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

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Leases (Continued)

Lessor (Continued)

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

- The City uses the average of the LAIF rate and the incremental borrowing rate (IBR) provided by its financial institutions at July 1, 2021 for existing leases or the current rate at the time a new lease is executed.
- The lease term includes the noncancelable period of the lease plus any option periods that are likely to be exercised.
- Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

H. Subscription-Based Information Technology Arrangements (SBITAs)

The City has a policy to recognize a SBITA liability and a right-to-use subscription asset (SBITA asset) in our financial statements with an initial, individual value of \$10,000 or more with a subscription term greater than one year.

At the commencement of a subscription, when the subscription asset is placed into service, the SBITA liability is measured at the present value of payments expected to be made during the subscription term. Future subscription payments are discounted using the City's incremental borrowing rate and the City recognizes amortization of the discount on the subscription liability as interest expense in subsequent financial reporting periods.

SBITA assets are measured as the sum of the initial subscription liability, payments made to the SBITA vendor before the commencement of the lease term, and capitalizable implementation costs less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized using the straight-line method over the subscription term.

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

- The City uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the period during which the City has a noncancelable right to use the underlying IT asset. The subscription term also includes periods covered by an option to extend if it is reasonably certain to be exercised.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

H. Subscription-Based Information Technology Arrangements (SBITAs) (Continued)

- Subscription payments included in the measurement of the subscription liability are composed of fixed payments and purchase option years that the City is reasonably certain to exercise. The City monitors changes in circumstances that would require a remeasurement of a subscription and will remeasure any subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription liability.

Right-to-use subscription assets are reported along with other capital assets and subscription liabilities are reported on the statement of net position.

I. 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 of future lease payments at the date acquired. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair 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:

Assets	Years
Buildings and structures	40
Improvements Other Than Buildings	25
Machinery and Equipment	5-8
Furniture and Fixtures	5-7
Automotive Equipment	5-15
Infrastructure	35-100

J. Construction-in-Progress

Costs incurred for construction associated with projects are capitalized as construction-in-progress until such time as they are complete and operational. Upon completion, they are capitalized to depreciable assets. Depreciation commences at the time of capitalization.

K. 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 non-spendable fund balance which indicates that they do not constitute expendable available financial resources and therefore are not available for appropriation.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

L. 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.

M. 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").

N. Pension Plans

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the plans and additions to/deductions from the plans' fiduciary net position have been determined on the same basis as they are reported by the plans (Note 10). For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value. The General Fund is typically used to liquidate the pension liability related to the City's governmental activities.

The following timeframes are used for pension reporting:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

O. Other Post-Employment Benefits (OPEB)

For purposes of measuring the Total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the plan have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	June 30, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

O. Other Post-Employment Benefits (OPEB) (Continued)

The recognition period differs depending on the source of the gain or loss:

Investment Gains and Losses	Straight-line amortization over a closed 5-year period.
Effects of Assumption Changes and Experience Gains and Losses	Straight-line amortization over a closed period equal to the average of the expected remaining service lives of all members (i.e., active employees and terminated/retired members) that are provided with OPEB through the plan.

P. 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 assets that applies to future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City only has three items that qualify for reporting in this category. One 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. Secondly, The City also has deferred outflows related to pensions, which arises only under a full accrual basis of accounting. Accordingly, this item (pension related items), is reported only in the government-wide statement of net position. This includes pension contributions subsequent to the measurement date of the net pension liability and other amounts, which are amortized by an actuarial determined period. Thirdly, the City has deferred outflows related to Other Post-Employment Benefits (OPEB), which include contributions subsequent to the measurement date of the Total OPEB liability and other amounts.

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 assets that applies to future periods and so will not be recognized as an inflow of resources (revenue) until that time. The City has three types of items, which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. First, 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. Secondly, the City also has deferred inflows of resources related to pensions, which arises only under a full accrual basis of accounting. Accordingly, this item (pension related items), is reported only in the government-wide statement of net position. These amounts are amortized by an actuarial determined period. Thirdly, the City also has deferred inflows of resources related to OPEB, which arise only under a full accrual basis of accounting. Lastly, the City has deferred inflows of resources relating to lessor leases.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. 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.

R. Fund Balances

In the Governmental Fund Financial Statements, fund balances are classified in 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).

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

S. Net Position

For the Government-Wide Financial Statements, net position is classified in the following categories:

Net Investment in Capital Assets component of net position consists of capital assets, net of accumulated depreciation and amortization and reduced by any debt outstanding and any deferred outflows/inflows of resources related to such borrowings that are attributable to the acquisition, construction or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds is not included in the calculation of net investment in capital assets. Rather, that portion of the debt is offset by unspent proceeds.

Restricted component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources.

T. Use of Estimates

The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, deferred outflows/inflows of resources 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.

U. Implementation of New GASB Pronouncements for the Year Ended June 30, 2023

The requirements of the following accounting standards are effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2023. The financial statements included herein apply the requirements and provisions of these statements, including necessary retroactive adjustments to financial statement classifications and presentations.

GASB Statement No. 91 - In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 1 – Summary of Significant Accounting Policies (Continued)

U. Implementation of New GASB Pronouncements for the Year Ended June 30, 2023 (Continued)

GASB Statement No. 94 - In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Implementation of this statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 96 - In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. Implementation of this Statement had a moderate effect on the City's financial statements for the fiscal year ended June 30, 2023.

GASB Statement No. 99 - In April 2022, GASB issued Statement No. 99, *Omnibus 2022*. The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. Implementation of this Statement did not have a significant effect on the City's financial statements for the fiscal year ended June 30, 2023.

V. Upcoming GASB Pronouncements Implementation

In the next two years, the City will implement the following GASB Pronouncements:

GASB Statement No. 100 – In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an Amendment of GASB Statement No. 62*. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2024.

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. Application of this statement is effective for the City's fiscal year ending June 30, 2025.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 2 – Stewardship, Compliance and Accountability

A. Encumbrances

Encumbrances are estimations of costs related to unperformed contracts for goods and services. They represent the estimated amount of the expenditure ultimately to result if unperformed contracts in progress at year-end are completed. They do not constitute expenditures or estimated liabilities.

The following funds have encumbrances at June 30, 2023:

	Encumbrances
Governmental Funds:	
General Fund	\$ 128,012
Capital Improvement Plan	3,033,366
Gas Tax	7,395
City-wide Lighting and Landscaping	28,250
Proprietary Funds:	
Launch Pointe Enterprise Fund	3,340
Insurance Internal Service Fund	1,276
Info Systems Internal Service Fund	14,854

B. Deficit Fund Balance/Net Position

The following funds have deficit fund balance or net position at June 30, 2023:

Fund	Balance
Non-major Funds:	
NPDES Special Revenue Fund	\$ (82,171)
Pedestrian Sidewalk SB821	
Special Revenue Fund	(56,624)
TUMF Capital Projects Fund	(303,998)
Fiduciary Funds:	
Successor Agency	
Private-Purpose Trust Fund	(26,679,254)

Deficit balances in governmental funds are expected to be covered by future revenues. The deficit fund balance in the Successor Agency private-purpose trust fund is expected to be covered by receipt of tax increment funding.

C. Excess of Expenditures over Appropriations

Excess expenditures over appropriations were as follows:

Fund	Expenditures	Appropriations	Excess
Major Funds:			
General Fund			
City Attorney	\$ 851,967	\$ 638,250	\$ 213,717
City Manager	1,338,511	1,334,640	3,871
Animal services - contracted	906,465	905,010	1,455
Lake services	1,364,283	1,364,500	(217)
Non-major Funds:			
Supplemental Law Enforcement Fund	175,879	157,000	18,879
Gas Tax Fund	1,377,735	1,343,100	34,635
City-wide Lighting and Landscaping Fund	2,044,119	1,751,728	292,391
LLMD No. 1 Fund	369,546	363,840	5,706
Traffic Impact Fund	11,323	-	11,323

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments

The City had the following cash and investments at June 30, 2023:

	Governmental Activities	Business-Type Activities	Total Primary Government	Fiduciary Activities	Total
Cash and investments	\$ 109,103,771	\$ 1,227,818	\$ 110,331,589	\$ 18,599,061	\$ 128,930,650
Restricted cash and investments with fiscal agent	188,592,538	-	188,592,538	9,035,173	197,627,711
Total cash and investments	<u>\$ 297,696,309</u>	<u>\$ 1,227,818</u>	<u>\$ 298,924,127</u>	<u>\$ 27,634,234</u>	<u>\$ 326,558,361</u>

Cash and investments consisted of the following at June 30:

Petty cash	\$ 2,750
Deposits with financial institutions	6,544,071
Investments	<u>320,011,540</u>
Total cash and investments	<u>\$ 326,558,361</u>

Demand Deposits

As of June 30, 2023, the carrying amount of demand deposits was \$6,544,071 and the bank balance was \$6,668,865, of which the total amount was collateralized or insured with securities held by the pledging financial institutions in the City's name as discussed below.

All cash accounts are pooled and swept nightly to a concentration account. Funds required to be held by fiscal agents under the provisions of bond indentures are not included in the pooled cash account.

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). It 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.

Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
US Treasury Obligations	5 years	None	None
US Government Sponsored Agency Securities	5 years	None	40%
State and Local Agency Obligations	5 years	None	None
Banker's Acceptances	180 days	40%	30%
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	\$ 75,000,000
California Asset Management Program (CAMP)	N/A	None	5%
Money Market Fund	N/A	20%	5%
Supranational	5 years	30%	5%
Asset Backed Securities	5 years	20%	5%

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

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

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.

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:

Investment Type	Total	Investment Maturities (in Years)			
		12 Months or Less	13 to 24 Months	25 to 60 Months	More Than 60 Months
Local Agency Investment Fund	\$ 71,951,156	\$ 71,951,156	\$ -	\$ -	\$ -
Corporate Notes	10,996,345	-	1,479,928	7,583,984	1,932,433
Asset Backed Securities	3,916,160	-	-	1,362,122	2,554,038
Federal Agency Securities	6,632,796	-	2,019,154	4,613,642	-
U.S. Treasury Notes	25,080,027	-	3,205,485	19,988,918	1,885,624
Supra - National Agency Bonds	1,088,422	-	489,995	598,427	-
Municipal Bonds	1,439,911	-	-	1,439,911	-
Certificates of Deposit	1,179,467	283,690	895,777	-	-
California Asset Management Program Pool (CAMP)	99,539	99,539	-	-	-
Investments with Fiscal Agents:					
Money Market Funds	48,330,469	48,330,469	-	-	-
Local Obligation Bonds	149,297,248	149,297,248	-	-	-
Total	<u>\$ 320,011,540</u>	<u>\$ 269,962,102</u>	<u>\$ 8,090,339</u>	<u>\$ 35,587,004</u>	<u>\$ 6,372,095</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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

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. In the event of a decline in property values and general economic conditions, the District may experience an increase in delinquent special assessment collections resulting from foreclosures. However, these special assessment taxes are fully recovered when foreclosed properties are purchased.

Investment Type	Total	Minimum Legal Rating	AAA	AA+	Other	Not Rated	Not Required to be Rated
Local Agency Investment Fund	\$ 71,951,156	N/A	\$ -	\$ -	\$ -	\$ 71,951,156	\$ -
Corporate Notes	10,996,345	AA	721,335	727,032	9,547,978	-	-
Asset Backed Securities	3,916,160	N/A	3,338,569	-	-	577,591	-
Federal Agency Securities	6,632,796	N/A	-	6,632,796	-	-	-
US Treasury Notes	25,080,027	N/A	-	25,080,027	-	-	-
Super-National Agency Bonds	1,088,422	N/A	1,088,422	-	-	-	-
Municipal Bonds	1,439,911	N/A	91,710	128,535	799,475	420,191	-
Certificate of Deposit	1,179,467	N/A	-	-	1,179,467	-	-
California Asset Management Program Pool (CAMP)	99,539	N/A	-	-	-	-	99,539
Investments with Fiscal Agents:							
Money Market Mutual Funds	48,330,469		-	-	-	48,330,469	-
Local Obligation Bonds	149,297,248		-	-	-	149,297,248	-
Total	<u>\$ 320,011,540</u>		<u>\$ 5,240,036</u>	<u>\$ 32,568,390</u>	<u>\$ 11,526,920</u>	<u>\$ 270,576,655</u>	<u>\$ 99,539</u>

The ratings for the other above are as follows:

Other Category:	
A	\$ 1,942,179
A-	3,765,457
A+	1,189,536
AA	1,853,975
AA-	1,818,035
BBB+	957,738
	<u>\$ 11,526,920</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	Amount
CFD 2004-3-1 Special Tax Bonds, 2015 Series (Improvement Area 1)	Local Obligation Bonds	\$ 18,212,660
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	21,632,575

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – 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 fair 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, 2023, \$1,901,241 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 City's investments with Local Agency Investment Fund ("LAIF") include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

- Structured Notes – debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options. They are issued by corporations and by government-sponsored enterprises.
- Asset-Backed Securities – entitle their purchaser to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (such as CMO's), small business loans or credit card receivables.

LAIF is overseen by the Local Investment Advisory Board, which consists of five members, in accordance with State statute. The fair value of our position in the pool is the same as the value of the pool shares.

As of June 30, 2023, the City had \$71,951,156 invested in LAIF, which had invested 2.78% of the pool investment funds in structured notes and asset-backed securities.

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
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – 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.

An investment in the Trust is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Shares of the Trust are distributed by PFM Fund Distributors, Inc., member Financial Industry Regulatory Authority (“FINRA”) (www.finra.org) and Securities Investor Protection Corporation (“SIPC”) (www.sipc.org). Camp has oversight by PFM, which is an investment advisor registered with the Securities Exchange Commission under the Investment Advisors Act of 1940.

As of June 30, 2023, the City had \$99,539 invested in CAMP.

Investment in Bonds

The Lake Elsinore Public Financing Authority has purchased 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 Districts. The CFD and Assessment District Bonds are secured solely by assessments on property owners within the Districts. 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.

Investment Type	Fair Value
CFD 2003-2 IA-A&C Special Tax Bonds, 2014 Series B	\$ 14,766,660
CFD 95-1 Special Tax Bonds, 2015 Series	381,785
CFD 2003-2 IA-B Special Tax Bonds, 2015 Series	15,174,528
CFD 2004-3 IA-1 Special Tax Bonds, 2015 Series	18,212,660
CFD 2004-3-2 IA-2 Special Tax Bonds, 2015 Series	21,632,575
CFD 2005-1 Special Tax Bonds, 2015 Series	6,613,986
CFD 2005-2 IA-2 Special Tax Bonds, 2015 Series	12,233,186
CFD 2005-6 Special Tax Bonds, 2015 Series	2,521,918
CFD 2006-2 Special Tax Bonds, 2015 Series	5,269,680
CFD 2005-2 IA-2 Special Tax Bonds, 2019 Series A	6,280,000
	<u>\$ 103,086,978</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 3 – Cash and Investments (Continued)

The Lake Elsinore Facilities Financing Authority has purchased CFD bonds from the proceeds of revenue bonds issued by the Authority to facilitate the respective bond issues of the Districts. The CFD Bonds are secured solely by assessments on property owners within the Districts. 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.

Investment Type	Fair Value
CFD 2003-2 IA-B Special Tax Refunding Bonds, 2017 Series	\$ 3,993,899
CFD 98-1 Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	9,991,521
CFD 2003-2 IA-C Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	5,992,928
CFD 2003-2 IA-D Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	8,989,392
CFD 2005-5 Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	3,150,256
CFD 2006-1 IA-A Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	3,869,606
CFD 2006-1 IA-B Local Agency Revenue Bonds, 2021 Series B	2,635,067
CFD 2006-1 IA-FF Local Agency Revenue Bonds, 2021 Series B	3,369,511
CFD 2007-4 Local Agency Revenue Bonds, 2021 Series B	2,357,169
CFD 2015-5 Local Agency Revenue Bonds, 2021 Series B	1,860,921
	\$ 46,210,270

Note 4 – Fair Value Measurements

Governmental Accounting Standards Board (GASB) Statement No. 72, Fair Value Measurements and Application provides the framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value with Level 1 given the highest priority and Level 3 the lowest priority.

The three levels of the fair value hierarchy are as follows:

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the organization has the ability to access at the measurement date.

Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 2 inputs include the following:

- a. Quoted prices for similar assets or liabilities in active markets.
- b. Quoted prices for identical or similar assets or liabilities in markets that are not active.
- c. Inputs other than quoted prices that are observable for the asset or liability (for example, interest rates and yield curves observable at commonly quoted intervals, volatilities, prepayment speeds, loss severities, credit risks, and default rates).
- d. Inputs that are derived principally from or corroborated by observable market data by correlation or other means (market-corroborated inputs).

Level 3 inputs are unobservable inputs for the asset or liability.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 4 – Fair Value Measurements (Continued)

Fair value of assets measured on a recurring basis at June 30, 2023, are as follows:

Investment Type	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Local Agency Investment Fund	\$ 71,951,156	\$ -	\$ 71,951,156
Corporate Notes	10,996,345	10,996,345	-
Asset Backed Securities	3,916,160	3,916,160	-
Federal Agency Securities	6,632,796	6,632,796	-
US Treasury Notes	25,080,027	25,080,027	-
Supra-National Agency Bonds	1,088,422	1,088,422	-
Municipal Bonds	1,439,911	1,439,911	-
Certificate of Deposits	1,179,467	1,179,467	-
California Asset Management Program Pool (CAMP)	99,539	-	99,539
Held by Bond Trustee:			
Money Market Mutual Bonds	48,330,469	48,330,469	-
Local Obligations Bonds	149,297,248	149,297,248	-
Total	<u>\$ 320,011,540</u>	<u>\$ 247,960,845</u>	<u>\$ 72,050,695</u>

Fair values for investments are determined by using a matrix pricing technique. Matrix pricing is used to value securities based on the security's relationship to benchmark quoted prices. Uncategorized investments do not fall under the fair value hierarchy as there is no active market for the investments. Land held for resale was acquired for the purpose of redevelopment rather than for income and profit. Therefore, land for resale is exempt under GASB 72 fair value measurements.

Note 5 – Loans Receivable from Successor Agency

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 the 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.

1995 Loan from Housing Fund

As of June 30, 2023, the Successor Agency owed the City, in its capacity as housing successor agency, \$12,861,184. The loans were made from the Low and Moderate-Income Housing 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 includes an amount of \$12,377,219 and accrued interest of \$483,965. During the fiscal year, accrued interest of \$483,965 was earned on the outstanding loans. The loans from the Low and Moderate-Income Housing 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
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 5 – Loans Receivable from Successor Agency (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.

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 2010 Series A and B Tax Allocation Revenue Bonds were fully refunded with the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore Subordinated Tax Allocation Refunding Bonds Series, 2019A and the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore Tax Allocation Refunding Bonds, Series 2019B, respectively. In addition, the 2010 Series C Tax Allocation Revenue Bonds were fully refunded with the Lake Elsinore Facilities Financing Authority (Rancho Laguna Redevelopment Project Areas No. 1 and No. II) Tax Allocation Revenue Refunding Bonds, Series 2020A.

The following table represents the outstanding balance of loans receivable from the Successor Agency at June 30, 2023:

Tax Allocation Revenue Bonds	Loans Receivable Balance
2020 Series A	\$ 12,875,000

Note 6 – 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, 2023, the total outstanding balance of \$1,390,000 includes accrued interest of \$390,000.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Notes Receivable (Continued)

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, 2023, the total outstanding balance of \$13,046,125 includes interest of \$3,309,125.

The City's Affordable Housing Special Revenue Fund has a note receivable in the amount of \$695,250 from Mission Trail LE, LP dated May 1, 2018. The loan was given for the purpose of providing construction and permanent financing for the development of the Mission Trail Apartments Affordable Housing Project. The Borrower shall make annual repayments of the Loan on June 30 of each year following completion of construction of the Improvements. The City Land Loan shall be repayable from 50 percent of the residual receipts paid annually after completion of the Development. All residual receipts payments to the City shall be paid toward the Loan until the Loan is paid in full. Notwithstanding any other provision, unless the loan is repaid earlier, the outstanding principal and accrued interest is payable 55 years from the date of recordation of a Notice of Completion for the Development. At June 30, 2023, the total outstanding balance of \$712,984 includes accrued interest of \$17,734.

The City's Affordable Housing Special Revenue Fund has a note receivable in the amount of \$2,000,000 from Mission Trail LE, LP dated May 1, 2018. The proceeds of the loan were used for the acquisition of the property by the developer for the Mission Trail Apartments Affordable Housing Project. The term of this loan shall commence on May 1, 2018 and shall expire on December 31, 2077, notwithstanding any other provisions, unless the loan is paid earlier. The City Land Loan shall be repayable from 50 percent of the residual receipts paid annually after completion of the Development. All residual receipts payments to the City shall be paid toward the Loan until the Loan is paid in full. After the City Fund 106 Loan is completely repaid, all residual receipts payments to the City shall be paid to the City Land Loan. At June 30, 2023, the total outstanding balance of \$2,051,014 includes accrued interest of \$51,014.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$7,520,000 from Mission Trail LE, LP dated May 1, 2018. The loan was given for the purpose of providing construction and permanent financing for the development of the Mission Trail Apartments Affordable Housing Project. The City LMIHAF Loan shall be repayable from 50 percent of the residual receipts paid annually after completion of the Development. All residual receipts payments to the City shall be paid toward the Loan until the Loan is paid in full. After the Loan is completely repaid, all residual receipts payments to the City shall be paid to the City Land Loan. After the City Land Loan is completely repaid, all residual payments shall be applied to the City LMIHAF Loan. At June 30, 2023, the total outstanding balance of \$7,711,812 includes accrued interest of \$191,812.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$5,074,276 due from Mission Cottages LP dated April 1, 2019. The loan was given for the purpose of repaying the Predevelopment Loan, to pay for property and for the payment of project costs for the Cottages at Mission Trail Affordable Housing Project. The City's LMIHAF Loan shall be repayable from fifty percent (50%) of the residual receipts paid annually on or before June 30 each year following completion of the Development. All residual receipts payments to the City shall be paid toward the Loan until the Loan is completely repaid, all residual receipt payments to the City shall be paid to the LMIHAF Loan. Payments on the City's LMIHAF Loan shall be credited toward accrued interest first and then outstanding principal. The term of this loan shall commence on April 1, 2019 and shall continue until the fifty-fifth (55th) anniversary of the date of recording the Notice of Completion for the Development. At June 30, 2023 the total outstanding balance of \$5,721,142 includes accrued interest of \$646,866.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 6 – Notes Receivable (Continued)

The City's Affordable Housing Special Revenue Fund has a note receivable in the amount of \$646,974 from Mission Cottages LP. Dated April 1, 2019. The proceeds of the loan were used for the purpose of providing construction and permanent financing for the development of the Cottages at Mission Trail Affordable Housing Project. The Loan shall be repaid from fifty percent (50%) of the residual receipts paid annually on or before June 30 of each year following completion of construction of the improvements. All residual receipts payments made to the City shall be applied toward the Loan until the Loan is completely repaid. After the City Fund 106 Loan is completely repaid, all residual receipts payments to the City shall be applied to the City LMIHAF Loan. Payments on the Loan shall be credited toward accrued interest first and then outstanding principal. The term of this loan shall commence on April 1, 2019 and shall continue until the fifty-fifth (55th) anniversary of the date of recording the Notice of Completion for the Development. At June 30, 2023, the total outstanding balance of \$729,450 includes accrued interest of \$82,476.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$35,000 to the qualified buyer of the affordable unit and is secured by the affordable unit. The agreement was approved August 14, 2018 with the promissory note completed and recorded on October 7, 2020. The purpose for assistance was to supply a portion of the purchase price of the property to the qualified buyer. The First Mortgage was entered into concurrently with the sale of the affordable unit to the qualified buyer. The Second Mortgage Assistance by the Habitat for Humanity and the City's Third Mortgage Assistance did not result in any cash proceeds to the Developer. The affordable Unit was built on the City's property for the appraised value of \$35,000. The City assistance was converted to a grant upon completion of construction and sale to the qualified buyer. The City Third Lien Loan bears no interest and payments are not due during the dwelling's affordability covenants period of forty-five (45) years unless an event of acceleration occurs such as a prohibited transfer of property. As of June 30, 2023, the total outstanding balance is \$35,000.

Note 7 – Leases Receivable

During the year ended June 30, 2022, the City adopted new accounting guidance by implementing the provisions of GASB Statement No. 87, *Leases*, which establishes criteria for identifying and reporting leases. The implementation of this statement resulted in changing the presentation of the financial statements by presenting leases receivable and related deferred inflows. The City leases land to various companies for installation and operation of cellular towers. The term of these agreements is five years with renewal options of five to twenty years. The City also leases land and buildings to various companies and individuals for commercial purposes. The terms of these agreements are between nine and twenty-three years with various extension periods.

For the fiscal year ended June 30, 2023, the City recognized \$141,123 in lease revenue and \$31,662 in interest revenue, and the outstanding receivable amount was \$502,695.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 7 – Leases Receivable (Continued)

A summary of changes in lease receivable for the fiscal year ended June 30, 2023 is as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023	Classification	
					Due within One Year	Due in More Than One Year
Leases receivable	\$ 548,191	\$ 83,004	\$ (128,500)	\$ 502,695	\$ 136,245	\$ 366,450
Total	\$ 548,191	\$ 83,004	\$ (128,500)	\$ 502,695	\$ 136,245	\$ 366,450

As of June 30, 2023, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2024	\$ 136,245	\$ 26,945	\$ 163,190
2025	146,379	19,446	165,825
2026	159,218	9,308	168,526
2027	42,842	27,466	70,308
2028	6,934	480	7,414
2029-2033	11,077	671	11,748
Total	\$ 502,695	\$ 84,316	\$ 587,011

As of June 30, 2023, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,	
2024	\$ 141,483
2025	141,483
2026	141,483
2027	58,285
2028	6,207
2029-2033	10,320
Total	\$ 499,261

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Capital Assets

Governmental Activities

The following is a summary of changes in the governmental activities capital assets for the year ended June 30, 2023:

Governmental Activities:	Beginning Balance, as restated	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 4,725,455	\$ -	\$ -	\$ 241,017	\$ 4,966,472
Construction-in-progress	43,052,185	16,142,921	(249,479)	(9,469,652)	49,475,975
Total capital assets, not being depreciated	47,777,640	16,142,921	(249,479)	(9,228,635)	54,442,447
Capital assets being depreciated:					
Building and structures	21,054,995	-	-	3,605,411	24,660,406
Improvement and other than buildings	12,786,453	-	-	486,720	13,273,173
Machinery and equipment	2,987,850	262,024	-	-	3,249,874
Furniture and fixtures	1,041,655	18,176	(14,000)	-	1,045,831
Automotive equipment	4,309,894	649,329	(59,044)	66,961	4,967,140
Technology equipment and software	939,106	-	-	-	939,106
Infrastructure	251,155,535	136,109	-	5,069,543	256,361,187
Total capital assets being depreciated	294,275,488	1,065,638	(73,044)	9,228,635	304,496,717
Less accumulated depreciation:					
Building and structures	(8,598,536)	(455,097)	-	-	(9,053,633)
Improvement and other than buildings	(7,271,743)	(161,765)	-	-	(7,433,508)
Machinery and equipment	(1,832,695)	(238,805)	23,417	-	(2,048,083)
Furniture and fixtures	(821,663)	(67,682)	-	-	(889,345)
Automotive equipment	(2,929,770)	(484,577)	5,590	-	(3,408,757)
Technology equipment and software	(835,853)	(66,565)	-	-	(902,418)
Infrastructure	(126,149,611)	(6,600,418)	-	-	(132,750,029)
Total accumulated depreciation	(148,439,871)	(8,074,909)	29,007	-	(156,485,773)
Total capital assets, being depreciated, net	145,835,617	(7,009,271)	(44,037)	9,228,635	148,010,944
Capital assets being amortized:					
Subscription assets	69,109	139,028	-	-	208,137
Total capital assets being amortized	69,109	139,028	-	-	208,137
Less accumulated amortization for:					
Subscription assets	-	(80,955)	-	-	(80,955)
Total accumulated amortization	-	(80,955)	-	-	(80,955)
Total capital assets, being amortized, net	69,109	58,073	-	-	127,182
Governmental Activities Capital assets, net	\$ 193,682,366	\$ 9,191,723	\$ (293,516)	\$ -	\$ 202,580,573

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Capital Assets (Continued)

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

Governmental Activities:	
General government	\$ 68,834
Public safety	393,628
Public services	6,694,979
Community services	172,948
Internal Service Funds	825,475
	<u>\$ 8,155,864</u>

Business-type Activities

The following is a summary of changes in the business-type activities capital assets for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Business-type Activities:					
Capital assets, being depreciated:					
Building and structures	\$ 470,767	\$ -	\$ -	\$ -	470,767
Improvement other than buildings	27,922,017	-	-	-	27,922,017
Machinery and equipment	346,211	-	-	(39,263)	306,948
Furniture and fixtures	420,318	-	-	-	420,318
Automotive equipment	425,011	29,998	-	39,263	494,272
Total capital assets being depreciated	<u>29,584,324</u>	<u>29,998</u>	<u>-</u>	<u>-</u>	<u>29,614,322</u>
Less accumulated depreciation:					
Building and structures	(104,463)	(21,448)	-	-	(125,911)
Improvement other than buildings	(4,703,187)	(1,116,881)	-	1,745	(5,818,323)
Machinery and equipment	(123,818)	(46,551)	-	-	(170,369)
Furniture and fixtures	(121,296)	(44,373)	-	-	(165,669)
Automotive equipment	(68,912)	(14,417)	-	(1,745)	(85,074)
Total accumulated depreciation	<u>(5,121,676)</u>	<u>(1,243,670)</u>	<u>-</u>	<u>-</u>	<u>(6,365,346)</u>
Total capital assets, being depreciated, net	<u>24,462,648</u>	<u>(1,213,672)</u>	<u>-</u>	<u>-</u>	<u>23,248,976</u>
Business-type Activities Capital assets, net	<u>\$ 24,462,648</u>	<u>\$ (1,213,672)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,248,976</u>

Business-type activities depreciation expense for capital assets for year ended June 30, 2023, is \$1,243,670.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 8 – Capital Assets (Continued)

Fiduciary Activities

The following is a summary of changes in the fiduciary activities capital assets for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,004,419	\$ -	\$ -	\$ 2,004,419
Total capital assets, not being depreciated	2,004,419	-	-	2,004,419
Capital assets, being depreciated:				
Building and structures	27,726,087	2,866,966	-	30,593,053
Improvement other than buildings	531,302	-	-	531,302
Machinery and equipment	380,537	-	-	380,537
Furniture and fixtures	669,319	368,266	-	1,037,585
Total capital assets, Being depreciated	29,307,245	3,235,232	-	32,542,477
Less accumulated depreciation:				
Building and structures	(14,099,805)	(1,733,589)	-	(15,833,394)
Improvement other than buildings	(509,403)	(21,899)	-	(531,302)
Machinery and equipment	(194,269)	(42,342)	-	(236,611)
Furniture and fixtures	(153,102)	(70,803)	-	(223,905)
Total accumulated depreciation	(14,956,579)	(1,868,633)	-	(16,825,212)
Total capital assets, being depreciated, net	14,350,666	1,366,599	-	15,717,265
Fiduciary Activities				
Capital assets, net	\$ 16,355,085	\$ 1,366,599	\$ -	\$ 17,721,684

Fiduciary activities depreciation expense for capital assets for year ended June 30, 2023, is \$1,868,633.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities

Governmental Activities

The following is a summary of changes in the long-term liability activity in the governmental activities for the year ended June 30, 2023:

	Beginning Balance, as restated	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable (Direct Borrowings):					
Public Financing Authority:					
Local Agency Revenue Bonds:					
2014 Series B	\$ 15,160,000	\$ -	\$ (630,000)	\$ 14,530,000	\$ 670,000
2015 Series	78,870,000	-	(2,585,000)	76,285,000	2,850,000
2019 Series A	6,565,000	-	(285,000)	6,280,000	300,000
Facilities Financing Authority:					
Local Agency Revenue Bonds:					
2017 Series	4,460,000	-	(140,000)	4,320,000	145,000
2021 Series B	10,405,000	-	(105,000)	10,300,000	145,000
Lease Revenue Bonds:					
2016 Series A	9,085,000	-	(260,000)	8,825,000	265,000
2021 Series A	9,630,000	-	(855,000)	8,775,000	900,000
2022 Series A	23,695,000	-	(625,000)	23,070,000	375,000
Tax Allocation Revenue Refunding Bonds:					
2020 Series A	12,875,000	-	-	12,875,000	-
Local Agency Revenue Refunding Bonds:					
2021 Series	33,675,000	-	(1,430,000)	32,245,000	1,455,000
Certificates of Participation :					
2014 Series A	6,015,000	-	(260,000)	5,755,000	265,000
Subtotal	210,435,000	-	(7,175,000)	203,260,000	7,370,000
Add (less) deferred amounts:					
Bond premiums	11,410,366	-	(733,512)	10,676,854	-
Bond discounts	(366,405)	-	15,920	(350,485)	-
Subtotal	11,043,961	-	(717,592)	10,326,369	-
Total bonds	221,478,961	-	(7,892,592)	213,586,369	7,370,000
Loans Payable:					
2021 Loans Payable - So Cal Edison	3,126,363	-	(230,501)	2,895,862	237,632
Total loans payable	3,126,363	-	(230,501)	2,895,862	237,632
Subscription Liability:					
Subscription liability	69,109	139,028	(81,151)	126,986	38,194
Total subscription liability	69,109	139,028	(81,151)	126,986	38,194
Total long-term debt	\$ 224,674,433	\$ 139,028	\$ (8,204,244)	\$ 216,609,217	\$ 7,645,826

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

The issuance information for governmental activities bonds, including maturity, interest rate, and amount issued is detailed below:

	Date of Issue	Years of Maturity	Rate of Interest	Amount Authorized
Local Agency Revenue Bonds:				
2014 Series B	1/2014	2016-2041	3.00 - 5.00%	\$ 18,210,000
2015 Series	1/2015	2016-2041	2.00 - 5.00%	108,845,000
2015 Series A	1/2015	2017-2045	2.00 - 3.65%	3,200,000
2017 Series	1/2017	2019-2045	2.00 - 4.00%	7,975,000
2019 Series A	1/2019	2021-2037	2.73%	7,145,000
2021 Series Refunding	1/2021	2021-2044	0.21 - 3.21%	34,970,000
2021 Series B	1/2021	2023-2048	4.00%	10,405,000
Lease Revenue Bonds:				
2016 Series A	1/2016	2017-2046	1.25 - 3.75%	10,410,000
2021 Series A	1/2021	2022-2032	2.15%	10,470,000
2022 Series A	1/2022	2023-2052	4.13 - 5.25%	23,695,000
Tax Allocation Revenue Bonds:				
2020 Series A	1/2020	2025-2031	4.00%	12,875,000
Certificates of Participation:				
2014 Series A	1/2014	2015-2039	2.00 - 5.00%	7,965,000

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.

2014 Series B

In July 2014, \$18,210,000 principal amount of 2014 Local Agency Revenue Bonds, Series B, was issued in accordance with the indenture described above. The bonds are due in annual installments of \$260,000 to \$1,255,000 from September 1, 2015 through September 1, 2040. Interest payments ranging from 3.00% to 5.00% are due from March 1, 2015 through September 1, 2040. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2024 at specified redemption prices. At June 30, 2023, the Authority has a cash reserve balance for debt service of \$1,508,115, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,442,486.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2014 Series B Local Agency Revenue Bonds are as follows:

Year Ending June 30	2014B Local Agency Revenue Bonds		
	Principal	Interest	Total
2024	\$ 670,000	\$ 646,063	\$ 1,316,063
2025	720,000	611,313	1,331,313
2026	765,000	580,403	1,345,403
2027	805,000	553,406	1,358,406
2028	845,000	524,003	1,369,003
2029-2033	4,985,000	2,031,100	7,016,100
2034-2038	3,905,000	821,731	4,726,731
2039-2041	1,835,000	142,375	1,977,375
Totals	<u>\$ 14,530,000</u>	<u>\$ 5,910,394</u>	<u>\$ 20,440,394</u>

2015 Series

In February 2015, \$108,845,000 principal amount of 2015 Series Local Agency Revenue Bonds, was issued in accordance with the indenture. The bonds are due in annual installments of \$655,000 to \$8,405,000 from September 1, 2015 through September 1, 2040. Interest payments ranging from 2.0% to 5.0% are due from September 1, 2015 through September 1, 2040. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2025 at specified redemption prices. On September 1, 2018, the bonds were partially redeemed in the amount of \$9,415,000. On December 24, 2019, the bonds were partially redeemed in the amount of \$6,780,000. At June 30, 2023, the Authority has a cash reserve balance for debt service of \$8,761,535, which is sufficient to cover the Bond Indenture Reserve Requirement of \$7,786,944.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2015 Series Local Agency Revenue Bonds are as follows:

Year Ending June 30	2015 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
2024	\$ 2,850,000	\$ 3,743,000	\$ 6,593,000
2025	3,125,000	3,593,625	6,718,625
2026	3,410,000	3,430,250	6,840,250
2027	3,590,000	3,255,250	6,845,250
2028	3,915,000	3,067,625	6,982,625
2029-2033	24,970,000	11,917,250	36,887,250
2034-2038	28,690,000	4,649,250	33,339,250
2039-2041	5,735,000	283,625	6,018,625
Totals	<u>\$ 76,285,000</u>	<u>\$ 33,939,875</u>	<u>\$ 110,224,875</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

2017 Series

On December 21, 2017 \$7,975,000 principal amount of Lease Revenue Bonds, Series 2017, was issued by the Lake Elsinore Facilities Financing Authority to finance the acquisition, construction and installation of certain capital improvements owned by the City for Community Facilities District 2003-2 (Canyon Hills) Improvement Area B. The bonds are due in annual installments of \$105,000 to \$450,000 from September 1, 2018 through September 1, 2044. Interest payments ranging from 2.00% to 4.00% are due from March 1, 2018 through March 1, 2044. The bonds are subject to call and redemption prior to their stated maturity commencing March 1, 2038 at specified redemption prices. On September 1, 2018, the bonds were partially redeemed in the amount of \$3,005,000. At June 30, 2023, the cash reserve balance of \$303,930 is sufficient to cover the Reserve Requirement of \$295,331.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2017 Series Local Agency Revenue Bonds are as follows:

Year Ending June 30	2017 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
2024	\$ 145,000	\$ 146,963	\$ 291,963
2025	150,000	143,550	293,550
2026	150,000	139,894	289,894
2027	155,000	135,984	290,984
2028	155,000	131,819	286,819
2029-2033	860,000	583,856	1,443,856
2034-2038	990,000	431,075	1,421,075
2039-2043	1,175,000	229,500	1,404,500
2044-2045	540,000	21,800	561,800
Totals	<u>\$ 4,320,000</u>	<u>\$ 1,964,441</u>	<u>\$ 6,284,441</u>

2019 Series A

In December 2019, \$7,145,000 principal amount of 2019 Series Local Agency Revenue Bonds, was issued in accordance with the indenture. The bonds are due in annual installments of \$260,000 to \$600,000 from September 1, 2020 through September 1, 2036. Interest payments 2.73% per annum are due from March 1, 2020 through September 1, 2036. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2026 at specified redemption prices. At June 30, 2023, the Reserve Fund is fully funded by the deposit of the Reserve Surety Policy. The City completed the refunding to reduce its total service payments by \$585,098 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$469,849.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2019 Series Local Agency Revenue Bonds are as follows:

Year Ending June 30	2019 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
2024	\$ 300,000	\$ 167,349	\$ 467,349
2025	320,000	158,886	478,886
2026	340,000	149,877	489,877
2027	365,000	140,254	505,254
2028	385,000	130,016	515,016
2029-2033	2,295,000	474,269	2,769,269
2034-2037	2,275,000	127,150	2,402,150
Totals	<u>\$ 6,280,000</u>	<u>\$ 1,347,801</u>	<u>\$ 7,627,801</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

2020 Series A

In June 2020, \$12,875,000 principal amount of Tax Allocation Revenue Refunding Bonds, Series 2020A, was issued to make two separate loans to the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore for the purpose of refinancing certain obligations, to purchase debt service reserve insurance policies for the Bonds, and to pay certain costs of issuance. The bonds are due in annual installments of \$1,270,000 to \$9,475,000 from September 1, 2024 through September 1, 2030. Interest payments at 4% per annum are due from September 1, 2020 through September 1, 2030. The bonds are not subject to redemption prior to their stated maturity. The reserve fund is fully funded by the deposit of the reserve surety policy.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2020 Series A Tax Allocation Revenue Refunding Bonds are as follows:

Year Ending June 30	2020A Tax Allocation Revenue Bonds		
	Principal	Interest	Total
2024	\$ -	\$ 515,000	\$ 515,000
2025	1,270,000	489,600	1,759,600
2026	1,750,000	429,200	2,179,200
2027	1,820,000	357,800	2,177,800
2028	1,895,000	283,500	2,178,500
2029-2031	6,140,000	375,000	6,515,000
Totals	<u>\$ 12,875,000</u>	<u>\$ 2,450,100</u>	<u>\$ 15,325,100</u>

2021 Series A

In May 2021, \$34,970,000 principal amount of Local Agency Revenue Refunding Bonds, Series 2021, was issued to acquire special tax refunding obligations of community facilities districts, purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the bonds, purchase debt service reserve insurance policy for deposit on the reserve fund, and pay certain costs of issuance of the bonds. The bonds are due in annual installments of \$1,295,000 to \$2,115,000 from September 1, 2021 through September 1, 2044. Interest payments ranging from 0.212% to 3.212% are due from September 1, 2021 through September 1, 2021. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2036 at specified redemption prices. The reserve fund is fully funded by the deposit of the reserve surety policy. The City completed the refunding to reduce its total service payments by \$9,939,091 and to obtain an economic gain (difference between the present value of the old and new debt service payments) of \$3,800,607.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

2021 Series A (Continued)

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2021 Series Local Agency Revenue Refunding Bonds are as follows:

Year Ending June 30	2021 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
2024	\$ 1,455,000	\$ 758,001	\$ 2,213,001
2025	1,500,000	748,884	2,248,884
2026	1,525,000	734,997	2,259,997
2027	1,575,000	716,155	2,291,155
2028	1,610,000	692,814	2,302,814
2029-2033	8,920,000	2,944,053	11,864,053
2034-2038	6,410,000	1,918,423	8,328,423
2039-2043	7,595,000	960,307	8,555,307
2044-2045	1,655,000	48,903	1,703,903
Totals	<u>\$ 32,245,000</u>	<u>\$ 9,522,537</u>	<u>\$ 41,767,537</u>

2021 Series B

In July 2021, \$10,405,000 principal amount of Local Agency Revenue Bonds, Series 2021, was issued to acquire special tax refunding obligations of community facilities districts, purchase a municipal bond insurance policy to guarantee payment of the principal of and interest on the bonds, purchase debt service reserve insurance policy for deposit on the reserve fund, and pay certain costs of issuance of the bonds. The bonds are due in annual installments of \$105,000 to \$3,755,000 from September 1, 2022 through September 1, 2047.

Interest payments ranging from 0.212% to 3.212% are due from September 1, 2022 through September 1, 2047. The bonds are subject to call and redemption prior to their stated maturity commencing September 1, 2036 at specified redemption prices. The reserve fund is fully funded by the deposit of the reserve surety policy.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the 2021 Series Local Agency Revenue Refunding Bonds are as follows:

Year Ending June 30	2021 Local Agency Revenue Refunding Bonds		
	Principal	Interest	Total
2024	\$ 145,000	\$ 409,100	\$ 554,100
2025	165,000	402,900	567,900
2026	180,000	396,000	576,000
2027	195,000	388,500	583,500
2028	210,000	380,400	590,400
2029-2033	1,385,000	1,751,900	3,136,900
2034-2038	2,055,000	1,409,900	3,464,900
2039-2043	2,850,000	922,000	3,772,000
2044-2048	3,115,000	298,500	3,413,500
Totals	<u>\$ 10,300,000</u>	<u>\$ 6,359,200</u>	<u>\$ 16,659,200</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

Lease Revenue Bonds

2016 Series A

In November 2016, \$10,410,000 principal amount of Lease Revenue Bonds, Series 2016A, was issued to fund the acquisition, construction and installation of certain capital improvements owned by the city, purchase municipal bond insurance to guarantee payment of principal and interest. The bonds are due in annual installments of \$80,000 to \$540,000 from April 1, 2017 through April 1, 2046. Interest payments ranging from 1.25% to 3.75% are due from April 1, 2017 through April 1, 2046. The certificates are subject to call and redemption prior to their stated maturity commencing April 1, 2026, at specified redemption prices. The reserve fund is fully funded by the deposit of the reserve surety policy.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the 2016 Series A Lease Refunding Bonds are as follows:

Year Ending June 30	2016A Lease Revenue Bonds		
	Principal	Interest	Total
2024	\$ 265,000	\$ 294,013	\$ 559,013
2025	270,000	288,713	558,713
2026	275,000	283,313	558,313
2027	285,000	272,313	557,313
2028	300,000	260,913	560,913
2029-2033	1,655,000	1,135,713	2,790,713
2034-2038	1,935,000	859,319	2,794,319
2039-2043	2,275,000	514,663	2,789,663
2044-2046	1,565,000	110,775	1,675,775
Totals	<u>\$ 8,825,000</u>	<u>\$ 4,019,735</u>	<u>\$ 12,844,735</u>

2021 Series A

In December 2021, \$10,470,000 principal amount of Lease Revenue Refunding Bonds, Series 2021A, was issued to fund the acquisition, construction and installation of certain capital improvements owned by the city, purchase municipal bond insurance to guarantee payment of principal and interest. The bonds are due in annual installments of \$840,000 to \$1,045,000 from February 1, 2022 through February 1, 2032. Interest payments of 2.15% are due from February 1, 2022 through February 1, 2032. The reserve fund is fully funded by the deposit of the reserve surety policy.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the 2021 Series A Lease Revenue Refunding Bonds are as follows:

Year Ending June 30	2021A Lease Revenue Refunding Bonds		
	Principal	Interest	Total
2024	\$ 900,000	\$ 162,776	\$ 1,062,776
2025	930,000	133,875	1,063,875
2026	940,000	118,065	1,058,065
2027	960,000	102,085	1,062,085
2028	975,000	85,765	1,060,765
2029-2032	4,070,000	174,505	4,244,505
Totals	<u>\$ 8,775,000</u>	<u>\$ 777,071</u>	<u>\$ 9,552,071</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

2022 Series A

In June 2022, \$23,695,000 principal amount of Lease Revenue Bonds, Series 2022A, was issued to fund the acquisition, construction and installation of certain capital improvements owned by the city, purchase municipal bond insurance to guarantee payment of principal and interest. The bonds are due in annual installments of \$375,000 to \$1,435,000 from April 1, 2023 through April 1, 2052. Interest payments of 5.00% are due from April 1, 2023 through April 1, 2052. The certificates are subject to call and redemption prior to their stated maturity commencing April 1, 2036, at specified redemption prices. The reserve fund is fully funded by the deposit of the reserve surety policy.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the 2022 Series A Lease Refunding Bonds are as follows:

Year Ending June 30	2022A Lease Revenue Bonds		
	Principal	Interest	Total
2024	\$ 375,000	\$ 1,123,400	\$ 1,498,400
2025	395,000	1,104,650	1,499,650
2026	410,000	1,084,900	1,494,900
2027	435,000	1,064,400	1,499,400
2028	455,000	1,042,650	1,497,650
2029-2033	2,630,000	4,849,500	7,479,500
2034-2038	3,350,000	4,139,850	7,489,850
2039-2043	4,215,000	3,276,113	7,491,113
2044-2048	5,435,000	2,048,138	7,483,138
2049-2052	5,370,000	617,625	5,987,625
Totals	<u>\$ 23,070,000</u>	<u>\$ 20,351,226</u>	<u>\$ 43,421,226</u>

Certificates of Participation

In October 2014, \$7,965,000 principal amount of Certificates of Participation, Series 2014A, was issued for various street improvement projects. The certificates are due in annual installments of \$205,000 to \$480,000 from June 1, 2015 through June 1, 2039. Interest payments ranging from 2.00% to 5.00% are due from June 1, 2015 through June 1, 2039. The certificates are subject to call and redemption prior to their stated maturity commencing June 1, 2032, at specified redemption prices. The reserve fund is fully funded by the deposit of the reserve surety policy.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the Certificates of Participation, Series 2014 A, are as follows:

Year Ending June 30	2014 Certificates of Participation		
	Principal	Interest	Total
2024	\$ 265,000	\$ 229,988	\$ 494,988
2025	275,000	223,363	498,363
2026	280,000	215,800	495,800
2027	290,000	207,400	497,400
2028	300,000	198,700	498,700
2029-2033	1,735,000	756,900	2,491,900
2034-2038	2,130,000	358,000	2,488,000
2039	480,000	19,200	499,200
Totals	<u>\$ 5,755,000</u>	<u>\$ 2,209,351</u>	<u>\$ 7,964,351</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

Revenues Pledged

The City has pledged a portion of future Measure A revenues to repay the Certificates of Participation 2014 Series A. The City's certificates of participation are payable solely from the Measure A revenues. Total principal and interest remaining on the certificates of participation is \$7,964,351, payable through fiscal year 2039. For the current year, principal and interest paid by Measure A revenues were \$260,000 and \$235,838, respectively.

Loan Payable - Southern California Edison Equipment Purchase Agreement

On May 30, 2017 the City entered into a Purchase and Sale Agreement with Southern California Edison with the intent to purchase 3,186 LS-1 electric streetlight facilities located within the City of Lake Elsinore. On November 1, 2018, the City entered into an Equipment Purchase Agreement with Banc of America Leasing & Capital, LLC to finance the acquisition, installation, and retrofitting of these streetlights. The acquisition amount was \$3,459,380 with payments due in bi-annual installments of \$362,229 from December 1, 2019 through December 1, 2033. The contract rate is 5.58% per annum.

On August 17, 2021, The City and Banc of America amended and restated the Equipment Purchase Agreement effectively refinancing the 2018 Purchase and Sale Agreement. The new Equipment Purchase Agreement was issued for \$3,371,468 with payments due in bi-annual installments of \$162,363 from December 1, 2021 through December 1, 2033. The contract rate is 3.07% per annum. The balance on the lease payable at June 30, 2023, was \$2,895,862.

Future debt requirements for the equipment purchase agreement are as follows:

Year Ending June 30	2021 So Cal Edison Loan		
	Principal	Interest	Total
2024	\$ 237,632	\$ 87,093	\$ 324,725
2025	244,983	79,742	324,725
2026	252,562	72,163	324,725
2027	260,375	64,350	324,725
2028	268,430	56,295	324,725
2029-2033	1,471,970	151,655	1,623,625
2034	159,910	2,455	162,365
Totals	<u>\$ 2,895,862</u>	<u>\$ 513,753</u>	<u>\$ 3,409,615</u>

Subscription Liability

The City has entered into subscription-based information technology arrangements ("SBITA"s) for services related to cloud-based software applications, data storage and management services. Under the terms of these arrangements, the City does not take possession of the software at any time and the vendor provides ongoing services for the software's operation. The subscription periods vary, with initial non-cancellable terms ranging from 2 to 3 years. The calculated interest rate used ranges between 2.40% and 2.50%, depending on the length of the SBITA and date of the agreement.

As of June 30, 2023, the capitalized right-to-use assets related to SBITAs were \$127,298 and the total subscription liability was \$126,986, of which \$38,194 is reported as a current liability representing the amount due within the next fiscal year.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

Subscription Liability (Continued)

Principal and interest payments to maturity as of June 30, 2023 are as follows:

Year Ending June 30	Subscription Liability		
	Principal	Interest	Total
2024	\$ 38,194	\$ 16,806	\$ 55,000
2025	88,792	14,918	103,710
Totals	<u>\$ 126,986</u>	<u>\$ 31,724</u>	<u>\$ 158,710</u>

Fiduciary Activities

The following is a summary of changes in the long-term liability activity in the fiduciary activities for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Loans Payable (Direct Borrowings) :					
City of Lake Elsinore	\$ 20,377,079	\$ -	\$ (7,999,860)	\$ 12,377,219	\$ -
Lake Elsinore Facilities Financing Authority	12,875,000	-	-	12,875,000	-
Subtotal	<u>33,252,079</u>	<u>-</u>	<u>(7,999,860)</u>	<u>25,252,219</u>	<u>-</u>
Subordinate Tax Allocation Bonds :					
2015 Series	3,510,000	-	(220,000)	3,290,000	225,000
2019 Series A	8,820,000	-	(285,000)	8,535,000	300,000
2019 Series B	2,745,000	-	(665,000)	2,080,000	680,000
Premiums	1,240,755	-	(107,200)	1,133,555	-
Subtotal	<u>16,315,755</u>	<u>-</u>	<u>(1,277,200)</u>	<u>15,038,555</u>	<u>1,205,000</u>
Third Lien Tax Allocation Bonds :					
2018 Series A	1,975,000	-	(100,000)	1,875,000	105,000
2018 Series B	6,350,000	-	(355,000)	5,995,000	365,000
2020 Series B	4,735,000	-	(115,000)	4,620,000	120,000
2020 Series C	3,630,000	-	(395,000)	3,235,000	400,000
Discounts	(144,823)	-	8,777	(136,046)	-
Premiums	822,153	-	(53,043)	769,110	-
Subtotal	<u>17,367,330</u>	<u>-</u>	<u>(1,009,266)</u>	<u>16,358,064</u>	<u>990,000</u>
Total	<u>\$ 66,935,164</u>	<u>\$ -</u>	<u>\$ (10,286,326)</u>	<u>\$ 56,648,838</u>	<u>\$ 2,195,000</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

Fiduciary Activities (Continued)

The issuance information for bonds, including maturity, interest rate and amount issued is detailed below:

	Date of Issue	Years of Maturity	Rate of Interest	Authorized
Loans payable				
City of Lake Elsinore	Various	Various	Various	Various
Facility Financing Authority	Various	Various	Various	\$ 12,875,000
Subordinate Tax				
Allocation Revenue Bonds:				
2015 Series	08/15	2017 - 2039	2.00 - 5.00%	8,065,000
2019 Series A	06/19	2020 - 2033	5.00%	9,260,000
2019 Series B	10/19	2021 - 2025	1.99%	4,050,000
Third Lien Tax Allocation Bonds				
2018A&B	02/18	2019-2038	Various	10,320,000
2020B&C	12/20	2022-2038	3.00 - 4.00%	9,390,000

A. Loans Payable

Facilities Financing Authority

The City of Lake Elsinore Facilities Financing Authority (the "Authority") issued Tax Allocation Revenue Refunding Bonds to make two separate loans to the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore ("the Successor Agency") for the purpose of refinancing certain obligations of the former Redevelopment Agency of the City of Lake Elsinore (the "Former Agency"). The Former Agency previously entered into Project Area I and Project Area II loan agreements with the Lake Elsinore Public Financing Authority (the "Public Financing Authority"). The Successor Agency assumed responsibility of all debt management with respect to the Former Agency and the Successor may refinance outstanding bonds with approval from the County Oversight Board and the California Department of Finance ("DOF"), provided that the total interest costs, principal amount, and final maturity on the refunding bonds do not exceed that of the prior bonds. Both the County Oversight Board and the DOF approved the refinancing.

The proceeds of the bonds were loaned to the Successor Agency pursuant to the loan agreements with the Authority in the principal amount of the bonds. The Successor Agency property tax increment is pledged for payment of the debt issued.

At June 30, 2023, outstanding principal under loan agreements between the Successor Agency and the Authority totaled \$12,875,000 based on 2020 Series A, Tax Allocation Revenue Refunding Bonds.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

A. Loans Payable (Continued)

2020 Series A

In June 2021, \$12,875,000 principal amount of Tax Allocation Revenue Refunding Bonds, Series 2020A, was issued by the Authority. The proceeds were used to make two separate loans to the Successor Agency of the Redevelopment Agency of the City of Lake Elsinore for the purpose of refinancing certain obligations, to purchase debt service reserve insurance policies for the Bonds, and to pay certain costs of issuance. The loan is payable in annual installments of \$1,270,000 to \$2,130,000 from September 1, 2024, through September 1, 2030; and bears interest at 4.00%.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture.

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

Year Ending June 30	Lake Elsinore Facilities Financing Authority		
	Principal	Interest	Total
2024	\$ -	\$ 515,000	\$ 515,000
2025	1,270,000	489,600	1,759,600
2026	1,750,000	429,200	2,179,200
2027	1,820,000	357,800	2,177,800
2028	1,895,000	283,500	2,178,500
2029-2032	6,140,000	375,000	6,515,000
Totals	<u>\$ 12,875,000</u>	<u>\$ 2,450,100</u>	<u>\$ 15,325,100</u>

B. Tax Allocation Revenue Bonds

2015 Series

In August 2015, \$8,065,000 principal amount of Subordinate Tax Allocation Refunding Bonds, Series 2015 were issued to advance refund the 2011 Launch Ramp Project and 2011 Summerly Project Lake Elsinore Public Financing Authority bonds. The term bonds are due in annual installments of \$35,000 to \$805,000 from September 1, 2016 through September 1, 2038; interest at 1.625% to 5%. The bonds are subject to call and redemption prior to their stated maturity at specified redemption prices. The balance at June 30, 2023, is \$3,290,000.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture.

Year Ending June 30	2015 Subordinate Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 225,000	\$ 116,256	\$ 341,256
2025	240,000	106,956	346,956
2026	250,000	97,156	347,156
2027	260,000	86,956	346,956
2028	275,000	74,881	349,881
2029-2033	1,505,000	224,169	1,729,169
2034-2038	490,000	31,875	521,875
2039	45,000	816	45,816
Totals	<u>\$ 3,290,000</u>	<u>\$ 739,065</u>	<u>\$ 4,029,065</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

B. Tax Allocation Revenue Bonds (Continued)

2019 Series A

In June 2019, \$9,260,000 principal amount of Subordinated Tax Allocation Refunding Bonds, Series 2019A was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenues allocated to the Agency from the Project Areas and other funds. The bonds were issued to refund certain Refunded Obligations. The bonds are payable in annual installments of \$170,000 to \$1,505,000 from September 1, 2020 through September 1, 2033; interest at 5%. The balance at June 30, 2023, is \$8,535,000.

In the event of a default, the Trustee may pursue any available remedy at law or in equity to enforce the payment of the principal of and interest and premium (if any) on the Bonds, and to enforce any rights of the Trustee under or with respect to the Indenture. Future debt requirements for the Subordinated Tax Allocation Refunding Bonds, Series 2019A, are as follows:

Year Ending June 30	2019A Subordinate Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 300,000	\$ 419,250	\$ 719,250
2025	315,000	403,875	718,875
2026	330,000	387,750	717,750
2027	340,000	371,000	711,000
2028	365,000	353,375	718,375
2029-2033	5,380,000	1,274,750	6,654,750
2034	1,505,000	37,625	1,542,625
Totals	<u>\$ 8,535,000</u>	<u>\$ 3,247,625</u>	<u>\$ 11,782,625</u>

2019 Series B

In October 2019, \$4,050,000 principal amount of Subordinated Tax Allocation Refunding Bonds, Series 2019B was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenues allocated to the Agency from the Project Areas and other funds. The bonds were issued to refund certain Refunded Obligations. The bonds are payable in annual installments of \$650,000 to \$705,000 from September 1, 2020 through September 1, 2025; interest at 1.99%. The balance at June 30, 2023, is \$2,080,000.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the Subordinated Tax Allocation Refunding Bonds, Series 2019B, are as follows:

Year Ending June 30	2019B Subordinate Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 680,000	\$ 34,626	\$ 714,626
2025	695,000	20,945	715,945
2026	705,000	7,015	712,015
Totals	<u>\$ 2,080,000</u>	<u>\$ 62,586</u>	<u>\$ 2,142,586</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

C. Third Lien Tax Allocation Bonds

2018 Series A

In February 2018, \$2,350,000 principal amount of Tax Allocation Bonds, Series A, was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenue allocated to the Agency from the Project Areas and other funds. The bonds were issued to finance certain obligations of the Agency under the Summerly DDA the bonds are payable in annual installments of \$80,000 to \$380,000 from March 1, 2019 through March 1, 2038; interest at 2.000% to 3.375%. The balance at June 30, 2023, is \$1,875,000.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the Subordinated Tax Allocation Refunding Bonds, Series 2018 A, are as follows:

Year Ending June 30	2018A Third Lien Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 105,000	\$ 55,025	\$ 160,025
2025	100,000	52,794	152,794
2026	105,000	50,544	155,544
2027	105,000	48,181	153,181
2028	105,000	45,556	150,556
2029-2033	595,000	180,444	775,444
2034-2038	760,000	62,544	822,544
Totals	<u>\$ 1,875,000</u>	<u>\$ 495,088</u>	<u>\$ 2,370,088</u>

2018 Series B

In February 2018, \$7,970,000 principal amount of Tax Allocation Bonds, Series B, was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenue allocated to the Agency from the Project Areas and other funds. The bonds were issued to finance certain obligations of the Agency under the Summerly DDA. The bonds are payable in annual installments of \$205,000 to \$545,000 from March 1, 2019 through March 1, 2038; interest at 2.250% to 4.000%. The balance at June 30, 2023, is \$5,995,000.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the Subordinated Tax Allocation Refunding Bonds, Series 2018 B, are as follows:

Year Ending June 30	2018B Third Lien Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 365,000	\$ 226,931	\$ 591,931
2025	375,000	215,069	590,069
2026	390,000	202,881	592,881
2027	405,000	189,231	594,231
2028	415,000	174,550	589,550
2029-2033	2,340,000	622,963	2,962,963
2034-2038	1,705,000	166,800	1,871,800
Totals	<u>\$ 5,995,000</u>	<u>\$ 1,798,425</u>	<u>\$ 7,793,425</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

C. Third Lien Tax Allocation Bonds (Continued)

2020 Series B

In December 2020, \$4,835,000 principal amount of Tax Allocation Bonds, Series B, was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenue allocated to the Agency from the Project Areas and other funds. The bonds were issued to finance certain obligations of the Agency under the Summerly DDA. The bonds are payable in annual installments of \$100,000 to \$705,000 from March 1, 2022 through March 1, 2038; interest at 3.000% to 4.000%. The balance at June 30, 2023, is \$4,620,000.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the Subordinated Tax Allocation Refunding Bonds, Series 2020 B, are as follows:

Year Ending June 30	2020B Third Lien Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 120,000	\$ 184,800	\$ 304,800
2025	125,000	180,000	305,000
2026	130,000	175,000	305,000
2027	135,000	169,800	304,800
2028	140,000	164,400	304,400
2029-2033	1,865,000	703,800	2,568,800
2034-2038	2,105,000	200,200	2,305,200
Totals	<u>\$ 4,620,000</u>	<u>\$ 1,778,000</u>	<u>\$ 6,398,000</u>

2020 Series C

In December 2020, \$4,555,000 principal amount of Tax Allocation Bonds, Series C, was issued by the Successor Agency of the Redevelopment Agency. The principal and interest on the bonds are payable solely from the Pledged Tax Revenue allocated to the Agency from the Project Areas and other funds. The bonds were issued to finance certain obligations of the Agency under the Summerly DDA. The bonds are payable in annual installments of \$260,000 to \$310,000 from March 1, 2021 through March 1, 2031; interest at 0.0473% to 2.473%. The balance at June 30, 2023, is \$3,235,000.

In the event of default, the Trustee will be entitled to sue to enforce payment and receive any and all amounts from any monies available for such purpose in any manner provided by law. Future debt requirements for the Subordinated Tax Allocation Refunding Bonds, Series 2020 C, are as follows:

Year Ending June 30	2020C Third Lien Tax Allocation Bonds		
	Principal	Interest	Total
2024	\$ 400,000	\$ 58,305	\$ 458,305
2025	405,000	54,205	459,205
2026	410,000	49,447	459,447
2027	415,000	43,092	458,092
2028	425,000	35,829	460,829
2029-2031	1,180,000	25,786	1,205,786
Totals	<u>\$ 3,235,000</u>	<u>\$ 266,664</u>	<u>\$ 3,501,664</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

D. 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:

McMillin Summerly LLC

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

On November 19, 2015, the Department of Finance issued its final and conclusive determination that the irrevocable pledge of property tax increment to the developer and the master developer made by the DDA is recognized as an enforceable obligation of the Successor Agency. A portion of the tax increment pledged to the master developer is pledged for use in the development of affordable housing provided that certain requirements are met. A portion of the tax increment pledged to the developer is pledged to reimburse the developer for construction of certain extraordinary infrastructure in the ELSP. Developer's reimbursement for construction of extraordinary infrastructure is limited to \$19,000,000, as adjusted in accordance with the terms of the DDA.

The DDA requires that the Successor Agency issue bonds, if requested, to pay the portions of the tax revenues owing to the developer and/or master developer. In April 2011, the Agency issued two subordinate tax allocation bonds 2011 Series totaling an original principal amount of \$4,610,000, the proceeds of which were used to reimburse the developer for construction of certain extraordinary infrastructure under the DDA. In August 2015, the Successor Agency issued its Series 2015 bonds in the original principal amount of \$8,065,000 to advance refund the 2011 Series. In February 2018, the Successor Agency issued its Third Lien Tax Allocation Bonds 2018 Series A and B to finance a portion of the DDA obligations.

Property tax increment accrued by the Successor Agency for payment in accordance with the DDA as of June 30, 2023, is \$0. In addition, property tax increment accrued as of June 30, 2023 for assistance to an affordable housing project to be developed by the master developer is \$0.

E. 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.

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 9 – Long-Term Liabilities (Continued)

E. Commitments and Contingencies (Continued)

Lake Elsinore Stadium (Continued)

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 Lake Elsinore Storm of certain maintenance, upkeep, and operations of Diamond Stadium. The Management Agreement provides that the Successor Agency pay an aggregate management and maintenance fee to the Lake Elsinore Storm in the amount of \$735,048 for the 2022 fiscal year. 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 was amended and expired on September 30, 2022.

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.

Pledged Revenue

The City pledged, as security for bonds issued, either directly or through the Financing Authority, a portion of tax increment revenue (including Low- and Moderate- Income Housing set-aside and pass-through allocations) that it receives. The bonds issued were to provide financing for various capital projects, accomplish Low- and Moderate-Income Housing projects and to defease previously issued bonds. Assembly Bill 1X 26 provided that upon dissolution of the Redevelopment Agency, property taxes allocated to redevelopment agencies no longer are deemed tax increment but rather property tax revenues and will be allocated first to successor agencies to make payments on the indebtedness incurred by the dissolved redevelopment agency. For the current year, the total property tax revenue recognized by the Successor Agency for the payment of indebtedness incurred by the dissolved redevelopment agency was \$15,074,529 and the required debt service obligation on the bonds was \$5,097,335.

Note 10 – Special Assessment District Bonds

The payment of these bonds was 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 was pledged to the payment of the bonds. If delinquencies occurred beyond the amounts held in those reserves, the City had no duty to pay those delinquencies out of any other available funds. Therefore, the outstanding balances of these bonds were not previously reflected in these financial statements. The remaining balance of special assessment district bonds have been paid off as of June 30, 2023.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 11 – Community Facilities District Bonds

The Community Facilities District 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. Neither the faith and credit nor taxing power of the City 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 Community Facilities District Bonds outstanding are as follows:

	Original Issue	Outstanding Amount at June 30, 2023
CFD 90-2 Tuscany Hills (2007 Series A Parity)	\$ 7,340,000	\$ 2,085,000
CFD 95-1 City Center (2015 Series)	1,030,000	355,000
CFD 98-1 Summerhill (FFA 2021 Series)	11,695,000	10,070,000
CFD 2003-2 IA-A Canyon Hills (2014 Series B)	10,895,000	7,910,000
CFD 2003-2 IA-B Canyon Hills (2015 Series)	25,795,000	14,110,000
CFD 2003-2 IA-B Canyon Hills (2017 Series)	7,975,000	4,320,000
CFD 2003-2 IA-C Canyon Hills (2014 Series B)	7,315,000	6,620,000
CFD 2003-2 IA-C Canyon Hills (FFA 2021 Series)	6,260,000	6,040,000
CFD 2003-2 IA-D Canyon Hills (2016 Series A)	16,495,000	15,600,000
CFD 2003-2 IA-D Canyon Hills (FFA 2021 Series)	9,455,000	9,060,000
CFD 2003-2 IA-E Canyon Hills (2018 Series)	2,655,000	2,490,000
CFD 2004-3 IA-1 Rosetta Canyon (2015 Series)	21,005,000	16,935,000
CFD 2004-3 IA-2 Rosetta Canyon (2015 Series)	23,115,000	20,115,000
CFD 2005-1 Serenity (2015 Series)	8,165,000	6,150,000
CFD 2005-2 IA-A Alberhill Ranch (2015 Series)	21,095,000	11,375,000
CFD 2005-2 IA-A Alberhill Ranch (2019 Series A)	7,145,000	6,280,000
CFD 2005-5 Wasson Canyon (FFA 2021 Series)	3,465,000	3,175,000
CFD 2005-6 City Center (2015 Series)	2,815,000	2,345,000
CFD 2006-1 IA-A Summerly (FFA 2021 Series)	4,095,000	3,900,000
CFD 2006-1 IA-B Summerly (FFA 2021 Series B)	2,690,000	2,655,000
CFD 2006-1 IA-CC Summerly (2016 Series A)	3,000,000	2,745,000
CFD 2006-1 IA-EE Summerly (2017 Series A)	5,070,000	4,860,000
CFD 2006-1 IA-FF Summerly (FFA 2021 Series B)	3,420,000	3,395,000
CFD 2006-1 IA-HH Summerly (2019 Series)	5,395,000	5,360,000
CFD 2006-1 IA-II Summerly (2020 Series)	7,790,000	7,740,000
CFD 2006-1 IA-JJ Summerly (2018 Series)	5,370,000	5,265,000
CFD 2006-1 IA-KK Summerly (Special Tax 2021 Series)	5,265,000	5,235,000
CFD 2006-2 Viscaya (2015 Series)	5,825,000	4,900,000
CFD 2006-6 Tessera (2022 Series)	3,535,000	3,535,000
CFD 2007-4 Makenna Court (FFA 2021 Series B)	2,390,000	2,375,000
CFD 2007-5 Red Kite (2018 Series)	1,740,000	1,615,000
CFD 2015-5 Trieste (FFA 2021 Series B)	1,905,000	1,875,000
CFD 2016-2 Canyon Hills (2018 Series)	19,745,000	19,350,000
CFD 2016-2 Canyon Hills (2022 Sub Series)	1,411,480	1,411,480
CFD 2019-1 Westlake (Special Tax 2021 Series)	6,610,000	6,575,000
	<u>\$ 278,971,480</u>	<u>\$ 227,826,480</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 12 – Compensated Absences

The following is a summary of changes in compensated absences for the year ended June 30, 2023:

	July 1, 2022	Additions	Deletions	June 30, 2023	Due Within One Year
Governmental Activities	\$ 1,317,540	\$ 1,371,459	\$ (1,059,481)	\$ 1,629,518	\$ 782,169
Total	\$ 1,317,540	\$ 1,371,459	\$ (1,059,481)	\$ 1,629,518	\$ 782,169

Compensated absences do not have a fixed repayment schedule and become payable when leave is used by employees. Governmental activities' compensated absences are typically liquidated through the General Fund.

Note 13 – Inter-fund Receivables, Payables and Transfer

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 Other Funds

Due to and from other funds are as follows:

	Due From Other Funds	Due To Other Funds
General Fund	\$ 484,988	\$ -
Gas Tax Special Revenue Fund	-	(38,134)
Traffic Safety Special Revenue Fund	-	(20,951)
Animal Shelter Special Revenue Fund	-	(42)
NPDES Special Revenue Fund	-	(65,239)
Pedestrian Sidewalk SB821 Special Revenue Fund	-	(56,624)
TUMF Capital Projects Fund	-	(303,998)
Total	\$ 484,988	\$ (484,988)

The outstanding balances above between funds are to provide cash flows for expenditures or to cover negative cash balances at June 30.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 13 – Inter-fund Receivables, Payables and Transfer (Continued)

Transfers In/Out (Continued)

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

		Transfers In				
		General Fund	Capital Improvement Plan Fund	Non-Major Governmental Funds	Launch Pointe Enterprise Fund	Total
Transfers Out	Governmental Funds:					
	General Fund	\$ -	\$ -	\$ 212,071	\$ 279,964	\$ 492,035
	Measure Z Fund	-	8,025,687	1,194,442	-	9,220,129
	Low and Moderate Income Housing Fund	-	-	23,096	-	23,096
	Capital Improvement Plan Fund	6,969	-	272,995	-	279,964
	Non-Major Governmental Funds	279,964	9,859,072	-	-	10,139,036
	Total	\$ 286,933	\$ 17,884,759	\$ 1,702,604	\$ 279,964	\$ 20,154,260

The transfers between the General Fund, Low and Moderate Income Housing Fund, Other Governmental Funds and Capital Improvement Plan Capital Project Fund were made to provide cash flows for expenditures. The transfers between Other Governmental Funds, General Fund and Capital Improvement Plan Capital Project Fund were made to fund capital related projects. The transfers between the Measure Z Fund and the General Fund and Capital Improvement Fund were to fund various Measure Z approved projects. The transfers between the Capital Improvement Plan Capital Project Fund and the Other Government Funds were made to fund construction costs.

Advances To/From Other Funds

The Facilities Financing Authority issued the Lease Revenue Bonds, Series 2016 A to finance the acquisition, construction and installation of certain capital improvements for the Launch Pointe Recreation Destination and RV Park.

As of June 30, 2020, the campground has become fully operational and a new business-type Fund, Launch Pointe, was established. The proceeds of the bonds were loaned to the Launch Pointe in the principal amounts of the bonds. Principal and interest are payable in payments not less than three business days prior to the due dates of the bonds. The bonds are due in annual installments of \$80,000 to \$540,000 from April 1, 2017 through April 1, 2046. Interest payments ranging from 1.25% to 3.75% are due from April 1, 2017 through April 1, 2046. The loan balance at June 30, 2023 is \$8,825,000, which is to be paid according to the following schedule:

	Principal	Interest	Total
2024	\$ 265,000	\$ 294,012	\$ 559,012
2025	270,000	288,712	558,712
2026	275,000	283,312	558,312
2027	285,000	272,312	557,312
2028	300,000	260,912	560,912
2029-2033	1,655,000	1,135,712	2,790,712
2034-2038	1,935,000	859,319	2,794,319
2039-2043	2,275,000	514,663	2,789,663
2044-2046	1,565,000	110,775	1,675,775
	\$ 8,825,000	\$ 4,019,729	\$ 12,844,729

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 14 – Fund Balance and Net Position

The details of the fund balances in the governmental funds as of June 30, 2023, are presented below:

	General Fund	Cost Recovery System Special Revenue Fund	Measure Z Special Revenue Fund	Low and Moderate Income Housing Special Revenue Fund	Capital Improvement Plan Capital Projects Fund	Public Financing Authority Debt Service Fund	Facilities Financing Authority	Non - Major Governmental Funds	Total Governmental Funds
Fund balances:									
Nonspendable:									
Prepaid items	\$ 33,177	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 564,164	\$ -	\$ 597,341
Notes and loans receivable	1,000,000	-	-	34,743,495	-	-	-	3,342,224	39,085,719
Land held for resale	-	-	-	768,369	-	-	-	-	768,369
Endowment principal	-	-	-	-	-	-	-	20,000	20,000
Total nonspendable	1,033,177	-	-	35,511,864	-	-	564,164	3,362,224	40,471,429
Restricted for:									
Debt service	-	-	-	-	-	103,086,993	95,384,956	-	198,471,949
Public facilities and improvements	-	-	-	-	-	-	-	7,975,810	7,975,810
Public safety	-	-	-	-	-	-	-	-	-
Low and moderate income housing	-	-	-	25,572,638	-	-	-	3,955,533	29,528,171
Transportation and public works	-	-	-	-	-	-	-	1,674,881	1,674,881
Capital projects	-	-	14,829,235	-	-	-	-	7,113,854	21,943,089
Lighting and landscape maintenance	-	-	-	-	-	-	-	1,141,813	1,141,813
Development	-	-	-	-	-	-	-	3,216,697	3,216,697
Other purposes	-	-	-	-	-	-	-	84,300	84,300
Total restricted	-	-	14,829,235	25,572,638	-	103,086,993	95,384,956	25,162,888	264,036,710
Committed for:									
Reserves	-	-	-	-	-	-	-	-	-
Pension contributions	-	-	-	-	-	-	-	-	-
Total committed	-	-	-	-	-	-	-	-	-
Assigned for:									
Construction	-	-	-	-	14,492,598	-	-	-	14,492,598
Scholarships	-	-	-	-	-	-	-	13,724	13,724
Total assigned	-	-	-	-	14,492,598	-	-	13,724	14,506,322
Unassigned (deficit)	18,235,539	-	-	-	-	-	(564,164)	(3,785,017)	13,886,358
Total fund balances	\$ 19,268,716	\$ -	\$ 14,829,235	\$ 61,084,502	\$ 14,492,598	\$ 103,086,993	\$ 95,384,956	\$ 24,753,819	\$ 332,900,819

The details of net investment in capital assets in the Statement of Net Position as of June 30, 2023, are presented below:

	Governmental Activities	Internal Service Funds	Total Governmental Activities	Business-Type Activities/ Enterprise Funds
Capital assets, not being depreciated	\$ 54,442,447	\$ -	\$ 54,442,447	\$ -
Capital assets, net of depreciation and amortization	145,676,660	2,461,466	148,138,126	23,248,976
Less: debt related to capital assets *	(63,940,862)	(126,986)	(64,067,848)	-
Less: retentions payable	(472,040)	-	(472,040)	-
Less: capital-related accounts payable	(3,484,768)	-	(3,484,768)	-
Plus: deferred amount on capital debt	4,019,316	-	4,019,316	-
Plus: unspent capital debt proceeds	24,821,284	-	24,821,284	-
Net investment in capital assets	\$ 161,062,037	\$ 2,334,480	\$ 163,396,517	\$ 23,248,976

* Includes the 2017 and 2021B Local Agency Revenue Bonds, the 2016A, 2021A, and 2022A Lease Revenue Bonds, the 2014A Certificates of Participation, the 2021 So Cal Edison Loans Payable, and the Subscription Liability.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Pension Plans

A summary of pension-related items in the financial statements as of June 30, 2023 is as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS Miscellaneous	\$ 1,938,031	\$ 76,910	\$ 2,014,941
CalPERS Safety	-	-	-
Total pension contribution made after measurement date	<u>1,938,031</u>	<u>76,910</u>	<u>2,014,941</u>
Changes in assumptions			
CalPERS Miscellaneous	1,437,793	59,908	1,497,701
CalPERS Safety	931	39	970
Total change in assumptions	<u>1,438,724</u>	<u>59,947</u>	<u>1,498,671</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS Miscellaneous	2,570,148	107,090	2,677,238
CalPERS Safety	1,458	61	1,519
Total projected earnings on pension plan investments in excess of actual earnings	<u>2,571,606</u>	<u>107,151</u>	<u>2,678,757</u>
Adjustment due to difference in proportions			
CalPERS Miscellaneous	286	12	298
CalPERS Safety	-	-	-
Total adjustment due to difference in proportions	<u>286</u>	<u>12</u>	<u>298</u>
Difference between expected and actual experience			
CalPERS Miscellaneous	281,774	11,741	293,515
CalPERS Safety	382	16	398
Total difference between expected and actual experience	<u>282,156</u>	<u>11,757</u>	<u>293,913</u>
Employer contributions in excess of proportionate share of contribution			
CalPERS Miscellaneous	9,544	398	9,942
CalPERS Safety	16,578	691	17,269
Total employer contributions in excess of proportionate share of contribution	<u>26,122</u>	<u>1,089</u>	<u>27,211</u>
Total deferred outflows of resources			
CalPERS Miscellaneous	6,237,576	256,059	6,493,635
CalPERS Safety	19,349	807	20,156
Total deferred outflows of resources	<u>\$ 6,256,925</u>	<u>\$ 256,866</u>	<u>\$ 6,513,791</u>
Net pension liabilities:			
CalPERS Miscellaneous	\$ 14,031,228	\$ 584,635	\$ 14,615,863
CalPERS Safety	9,235	385	9,620
Total net pension liabilities	<u>\$ 14,040,463</u>	<u>\$ 585,020</u>	<u>\$ 14,625,483</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Pension Plans (Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred inflows of resources:			
Adjustment due to difference in proportions			
CalPERS Miscellaneous	\$ 784,151	\$ 32,673	\$ 816,824
CalPERS Safety	22,127	922	23,049
Total adjustment due to difference in proportions	806,278	33,595	839,873
Employer contributions in excess of proportionate share of contribution			
CalPERS Miscellaneous	166,578	6,941	173,519
CalPERS Safety	-	-	-
Total employer contributions in excess of proportionate share of contribution	166,578	6,941	173,519
Difference between expected and actual experience			
CalPERS Miscellaneous	188,721	7,863	196,584
CalPERS Safety	99	5	104
Total difference between expected and actual experience	188,820	7,868	196,688
Total deferred inflows of resources			
CalPERS Miscellaneous	1,139,450	47,477	1,186,927
CalPERS Safety	22,226	927	23,153
Total deferred inflows of resources	\$ 1,161,676	\$ 48,404	\$ 1,210,080
Pension expense (credit):			
CalPERS Miscellaneous	\$ 195,066	\$ 8,128	\$ 203,194
CalPERS Safety	(11,846)	(494)	(12,340)
Total net pension expense (credit)	\$ 183,220	\$ 7,634	\$ 190,854

A. General Information about the Pension Plans

Plan Description - All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a safety risk pool (police and fire) and a miscellaneous risk pool (all other). Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The City sponsors four rate plans (three miscellaneous and one safety). Benefit provisions under the Plan are established by State statute and City resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of fulltime employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Pension Plans (Continued)

A. General Information about the Pension Plans

The rate plan provisions and benefits in effect at the measurement date, are summarized as follows:

Miscellaneous Plan			
	Tier 1 *	Tier 2*	PEPRA
	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Hire date			
Benefit formula	2.5% at 55	2.0% at 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	minimum 50 yrs	minimum 50 yrs	minimum 52 yrs
Monthly benefits, as a % of eligible compensation	1.46% - 2.418%, 50 yrs - 55+ yrs, respectively	1.092% - 2.418%, 55 yrs - 60+ yrs, respectively	1.000% - 2.500%, 52 yrs - 67+ yrs, respectively
Required employee contribution rates	7.96%	6.92%	6.75%
Required normal employer contribution rates	13.02%	8.63%	7.47%
Required employer payment of unfunded liability	\$1,086,654	\$0	\$0

Safety Plan		
	Prior to January 1, 2013	On or After January 1, 2013
Hire date		
Benefit formula	0.5% @ 55	N/A
Benefit vesting schedule	5 years service	N/A
Benefit payments	monthly for life	N/A
Retirement age	minimum 50 yrs	N/A
Monthly benefits, as a % of eligible compensation	0.50%	N/A
Required employee contribution rates	N/A	N/A
Required employer contribution rates	N/A	N/A

(1). Note, the City currently does not have any safety employees. The safety rate plan represents former safety employees.

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1, following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30, by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The City is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Pension Plans (Continued)

A. General Information about the Pension Plans (Continued)

For the year ended June 30, 2023, the employer contributions recognized as a reduction to the net position liability for all the Plans was \$2,014,941.

As of June 30, 2023, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$14,625,483.

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

The City net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plan is measured as of June 30, 2022, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The City's proportion of the net pension liability was based on a projection of the City's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

Proportion		Change
June 30, 2022	June 30, 2021	Increase
0.12662%	0.13538%	-0.00876%

For the year ended June 30, 2023, the City recognized pension expense (credit) of \$190,854. At June 30, 2023, City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions after the measurement date	\$ 2,014,941	\$ -
Change of assumptions	1,498,671	-
Difference between expected and actual experience	293,913	(196,688)
Difference between projected and actual earnings on investments	2,678,757	-
Differences between actual contributions vs. proportionate share of contributions	27,211	(173,519)
Change in employer proportion	298	(839,873)
Total	<u>\$ 6,513,791</u>	<u>\$ (1,210,080)</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

The \$2,014,941 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as a reduction of the net pension liability in the subsequent fiscal period as follows:

Year Ending June 30	Deferred Outflows/Inflows of Resources
2024	\$ 701,447
2025	596,979
2026	351,927
2027	1,638,417
2028	-
Thereafter	-
Total	<u>\$ 3,288,770</u>

Actuarial Assumptions

Actuarial Cost Method Entry Age Normal in accordance with the requirements of GASB Statement No. 68.

Actuarial Assumptions

Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies.

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website under Forms and Publications.

Discount Rate

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 15 – Pension Plans (Continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate (Continued)

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (“PERF C”) cash flows. Taking into account historical returns of all the Public Employees Retirement Funds' asset classes (which includes the agent plan and two cost-sharing plans or PERF A, B, and C funds), expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each PERF C fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses. The expected real rates of return by asset class are as followed:

Asset Class	New Strategic Allocation	Real Return
Global equity - cap-weighted	30.00%	4.45%
Global equity - non-cap-weighted	12.00%	3.84%
Private equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed securities	5.00%	0.50%
Investment-grade corporates	10.00%	1.56%
High yield	5.00%	2.27%
Emerging market debt	5.00%	2.48%
Private debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
	<u>100.00%</u>	

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability of the Plan's as of the measurement date, calculated using the discount rate of 6.90%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90%) or 1 percentage-point higher (7.90%) than the current rate:

	Discount Rate -1% 5.90%	Current Discount 6.90%	Discount Rate +1% 8.15%
Miscellaneous	\$ 22,370,039	\$ 14,615,863	\$ 8,236,099
Safety	15,048	9,620	5,184
Total net pension liability	<u>\$ 22,385,087</u>	<u>\$ 14,625,483</u>	<u>\$ 8,241,283</u>

Net pension liability is liquidated by the General Fund and are reported as a liability of the governmental activities.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Other Post-Employment Benefits (OPEB)

A summary of OPEB-related items included in the financial statements at June 30, 2023 is as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Contributions made after measurement date	\$ 959,075	\$ 29,663	\$ 988,738
Changes in assumptions	5,324,248	164,668	5,488,916
Total deferred outflows of resources	<u>\$ 6,283,323</u>	<u>\$ 194,331</u>	<u>\$ 6,477,654</u>
Net OPEB liability	<u>\$ 21,197,021</u>	<u>\$ 655,578</u>	<u>\$ 21,852,599</u>
Deferred inflows of resources:			
Changes in assumptions	\$ 5,939,511	\$ 183,696	\$ 6,123,207
Difference between expected and actual experience	3,005,278	92,947	3,098,225
Total deferred inflows of resources	<u>\$ 8,944,789</u>	<u>\$ 276,643</u>	<u>\$ 9,221,432</u>
OPEB expense (credit):	<u>\$ 736,571</u>	<u>\$ 22,781</u>	<u>\$ 759,352</u>

Plan Description

In addition to providing pension benefits, the City provides post-employment benefits through a single-employer plan 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 began employment with the City prior to July 1, 2011, and 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.

Other post-employment benefit obligations are liquidated by the General Fund and are reported as a liability of the governmental activities.

Employees Covered

As of the June 30, 2022 actuarial valuation, the following current and former employees were covered by the benefit terms under the Plan:

	<u>Participants</u>
Active	82
Inactive employees or beneficiaries currently receiving benefits	55
Inactive employees entitled to, but not yet receiving benefits	2
	<u>139</u>

Contributions

The Plan and its contribution requirements are established by Memoranda of Understanding with the applicable employee bargaining units and may be amended by agreements between the City and the bargaining units. The annual contribution is based on the actuarially determined contribution. For the measurement date ended June 30, 2022, the City's cash contributions were \$988,738 in total payments, which were recognized as a reduction to the OPEB liability.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2022, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2022, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.69%
Inflation	2.30%
Salary Increases	2.80% per annum, in aggregate
Investment Rate of Return	N/A
Mortality Rate	Based on assumptions for Public Agency Miscellaneous
Pre-Retirement Turnover	Derived using CalPERS' Membership Data for all funds
Healthcare Trend Rate	Based on 2021 Getzen model that reflects actual premium increases through 2023 followed by 5.50% (non-Medicare) / 5.30% (Medicare) in 2023, decreasing gradually to an ultimate rate of 4.04% by 2075

Discount Rate

The discount rate used to measure the Total OPEB liability was 3.69%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at rates equal to the actuarially determined contribution rates.

Change of Assumptions

The discount rate was changed from 1.92% to 3.69% based on updated 20-year municipal bond rates.

Changes in the Total OPEB Liability

The changes in the Total OPEB liability for the Plan are as follows:

	Increase (Decrease)
	Total OPEB Liability
Balance at June 30, 2021 (Measurement Date)	\$ 28,334,154
Changes recognized for the measurement period:	
Service Cost	948,018
Interest	553,616
Differences between expected and actual experience	(329,556)
Changes in Assumptions	(6,753,385)
Benefit payments	(900,248)
Net Changes	(6,481,555)
Balance at June 30, 2022 (Measurement Date)	<u>\$ 21,852,599</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 16 – Other Post-Employment Benefits (OPEB) (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the Total OPEB liability of the City if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease (2.69%)	Current Discount Rate (3.69%)	1% Increase (4.69%)
Total OPEB Liability	<u>\$ 25,336,428</u>	<u>\$ 21,852,599</u>	<u>\$ 19,042,681</u>

Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates

The following presents the Total OPEB liability of the City if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2022:

	1% Decrease	Current Healthcare Cost Trend Rates	1% Increase
Total OPEB Liability	<u>\$ 18,577,755</u>	<u>\$ 21,852,599</u>	<u>\$ 26,013,921</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2023, the City recognized OPEB expense of \$759,352. As of fiscal year ended June 30, 2023, the City reported deferred inflows and outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Contributions subsequent to the measurement date	\$ 988,738	\$ -
Changes of assumptions	5,488,916	(6,123,207)
Difference between projected and actual experience	-	(3,098,225)
Total	<u>\$ 6,477,654</u>	<u>\$ (9,221,432)</u>

The \$988,738 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the Total OPEB liability during the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows of resources and deferred inflow of resources related to pensions will be recognized as a reduction of the net pension liability in the subsequent fiscal period as follows:

Year Ending June	
2024	\$ (684,924)
2025	(399,807)
2026	(379,256)
2027	(491,669)
2028	(765,007)
Thereafter	(1,011,853)
Total	<u>\$ (3,732,516)</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 17 – 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.

Note 18 – Liability, Property and Protection

The City is a member of the California Joint Powers Insurance Authority (“Authority”). The Authority is composed of 124 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA 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.

Primary Self-insurance Programs of the Authority

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.

Primary Liability Program

Claims are pooled separately between police and general government 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 within the formula. (2) The first layer of losses includes incurred costs up to \$100,000 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 \$100,000 to \$500,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$500,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses also have a \$50 million per occurrence limit. The coverage structure is composed of a combination of pooled self-insurance, reinsurance, and excess insurance. Additional information concerning the coverage structure is available on the Authority's website: <https://cjpia.org/coverage/risk-sharing-pools/>.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 18 – Liability, Property and Protection (Continued)

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government 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 within the formula. (2) The first layer of losses includes incurred costs up to \$75,000 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 \$75,000 to \$200,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$200,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2023 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased through reinsurance policies, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

Property Insurance

The City participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. City property is currently insured according to a schedule of covered property submitted by the City to the Authority. City property currently has all-risk property insurance protection in the amount of \$116,074,370. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

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 Authority.

Pollution Liability Insurance

The City participates in the pollution legal liability insurance program which is available through the Authority. The policy covers sudden and gradual pollution of scheduled property, streets, and storm drains owned by the City. Coverage is on a claims-made basis. There is a \$250,000 deductible. The Authority has an aggregate limit of \$20 million.

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 2022-23.

Note 19 – 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
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2023

Note 20 – Joint Powers Agreements

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, 2015, 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.

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.

Note 21 – Prior Period Restatements

The City made restatements to prior year balances as follows in order to implement GASB Statement No. 96, *Subscription-Based Information Technology Arrangements (SBITAs)*:

	Info Systems Internal Service Fund	Governmental Activities
Net position beginning of year, as previously reported	\$ 1,852,296	\$ 286,190,176
Subscription assets - GASB 96	69,109	69,109
Subscription liabilities - GASB 96	(69,109)	(69,109)
Beginning of year, as restated net position	<u>\$ 1,852,296</u>	<u>\$ 286,190,176</u>

Note 22 – Subsequent Events

On September 14, 2023, \$3,535,000 principal amount of CFD 2006-8 (Running Deer Estates) Special Tax Bonds, Series 2023, were issued by the City of Lake Elsinore Community Facilities District No. 2006-8 (the "District") to finance certain public improvements and water and sewer facilities needed with respect to the development of property located within the District; fund a reserve account for the Bonds; fund capitalized interest on a portion of the Bonds through September 1, 2024; pay costs of issuance for the Bonds; and deposit \$315,754 in the Reserve Account to maintain the reserve requirement. Bonds are due in annual installments of \$10,000 to \$315,000 from September 1, 2025 through September 1, 2053. Interest payments vary from 3.36% to 5.21% and are due from March 1, 2024 through September 1, 2053. In addition to the 25% of the reserve requirement, the remaining 75% will be satisfied by the Reserve Policy.



REQUIRED SUPPLEMENTARY INFORMATION

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City of Lake Elsinore
Required Supplementary Information (Unaudited) (Continued)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2023

Budget and Budgetary Accounting

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

The City's basis of budgeting for its governmental fund groups (General Fund, Special Revenue Funds, and Capital Projects Funds) is modified accrual.

Revenues are budgeted according to when they are both measurable and available. Revenues are considered to be available when they are collected within the current period, or soon enough thereafter to pay liabilities of the current period. The City considers property taxes, franchise taxes, licenses, and interest associated with the current fiscal year period susceptible to accrual if they are collected within 60 days of the end of the current fiscal year. 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. Expenditures are budgeted according to when the liability is incurred, regardless of the timing of related cash flow. The exceptions are debt service, compensated absences, claims and judgments, which are budgeted as expenditures according to when the payments are due.

The following procedures establish the budgetary data reflected in the financial statements:

The City Council approves two year's budget submitted by the City Manager prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the City Council. Supplemental appropriations, where required during the period, are also approved by the City Council. Budget transfers that affect the total appropriations for any fund require City Council approval. Budget transfers within a budget code with no change in appropriation are approved by the City Manager only and do not require approval by the City Council.

A budget code could be a program or a division of a department or a department. In most cases, expenditures may not legally exceed appropriations at the budget code level for the General fund, and fund level for Special Revenue, Capital Projects, Debt Service, and Permanent Funds.

Legally adopted budgets for all governmental funds are established on a basis consistent with accounting principles generally accepted in the United States of America. At fiscal year-end, all operating budget appropriations lapse with the exception of encumbered and continuing appropriations. During the fiscal year, several supplementary appropriations were necessary.

City of Lake Elsinore
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 30,412,880	\$ 31,484,618	\$ 30,528,759	\$ (955,859)
Intergovernmental	17,012,280	17,825,308	16,049,883	(1,775,425)
Charges for services	6,607,980	6,344,695	3,721,248	(2,623,447)
Investment earnings	207,700	696,437	435,013	(261,424)
Fines and forfeitures	619,620	1,067,900	973,939	(93,961)
Miscellaneous	4,012,070	3,698,680	4,008,385	309,705
Total revenues	62,993,570	65,573,488	58,648,834	(6,924,654)
EXPENDITURES:				
Current:				
General government:				
City Council	271,440	312,760	291,593	21,167
Community support	586,110	493,260	405,457	87,803
City Clerk	835,820	834,760	741,436	93,324
City Attorney	637,360	638,250	851,967	(213,717)
City Manager	1,075,700	1,334,640	1,338,511	(3,871)
Administrative services	2,173,260	2,354,050	1,933,662	420,388
Non-departmental	2,805,510	2,805,510	2,627,626	177,884
Total general government	8,385,200	8,773,230	8,190,252	582,978
Public safety:				
Police services - contracted	17,896,210	17,942,570	16,727,969	1,214,601
Suppression - contracted	10,013,290	10,311,650	9,409,288	902,362
Animal services - contracted	905,010	905,010	906,465	(1,455)
Total public safety	28,814,510	29,159,230	27,043,722	2,115,508
Community development:				
Planning & zoning	2,498,020	2,985,280	1,966,663	1,018,617
Building & safety	1,795,400	1,864,680	1,517,827	346,853
Code enforcement/graffiti	1,958,590	1,997,970	1,711,941	286,029
Economic development	374,300	483,130	339,820	143,310
Fire prevention	798,070	859,350	575,671	283,679
Total community development	7,424,380	8,190,410	6,111,922	2,078,488
Community services:				
Administration	1,577,260	1,622,320	1,381,043	241,277
Recreation	1,096,610	1,176,700	869,954	306,746
Senior center	719,500	754,470	692,979	61,491
Neighborhood center	862,270	892,190	650,318	241,872
Total community services	4,255,640	4,445,680	3,594,294	851,386
Public services:				
Engineering	4,126,720	4,358,980	3,157,786	1,201,194
Administration	4,888,630	5,120,260	4,672,676	447,584
Park maintenance	3,600,350	3,650,350	3,417,791	232,559
Lake services	1,324,270	1,364,500	1,364,283	217
Total public services	13,939,970	14,494,090	12,612,536	1,881,554
Total expenditures	62,819,700	65,062,640	57,552,726	7,509,914
EXCESS OF REVENUES OVER EXPENDITURES	173,870	510,848	1,096,108	585,260
OTHER FINANCING SOURCES (USES):				
Transfers in	500,000	142,492	286,933	144,441
Transfers out	(675,400)	(675,400)	(492,035)	183,365
Total other financing sources (uses)	(173,870)	(531,378)	(205,102)	326,276
NET CHANGE IN FUND BALANCE	\$ -	\$ (20,530)	891,006	\$ 911,536
FUND BALANCE:				
Beginning of year			18,377,710	
End of year			<u>\$ 19,268,716</u>	

City of Lake Elsinore
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Cost Recovery System Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-
Special assessments	-	-	-	-
Licenses and permits	-	-	-	-
Charges for services	-	-	-	-
Investment earnings	-	-	-	-
Fines and forfeitures	-	-	-	-
Contributions	-	-	-	-
Miscellaneous	-	-	-	-
Total revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXPENDITURES:				
Current:				
General government	-	-	-	-
Public safety	-	-	-	-
Community development	-	-	-	-
Community services	-	-	-	-
Public services	-	-	-	-
Capital outlay	-	-	-	-
Debt service:				
Principal retirement	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	-
Proceeds from sale of capital assets	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u><u>\$ -</u></u>	

City of Lake Elsinore
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Measure Z Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 15,507,000	\$ 15,507,000	\$ 15,846,208	\$ 339,208
Investment earnings	51,000	307,460	251,728	(55,732)
Total revenues	<u>15,558,000</u>	<u>15,814,460</u>	<u>16,097,936</u>	<u>283,476</u>
EXPENDITURES:				
Current:				
General government	-	36,900	36,894	6
Public safety	5,601,110	5,601,110	5,601,110	-
Total expenditures	<u>5,601,110</u>	<u>5,638,010</u>	<u>5,638,004</u>	<u>6</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>9,956,890</u>	<u>10,176,450</u>	<u>10,459,932</u>	<u>283,482</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(11,730,960)	(16,940,483)	(9,220,129)	7,720,354
Total other financing sources (uses)	<u>(11,730,960)</u>	<u>(16,940,483)</u>	<u>(9,220,129)</u>	<u>7,720,354</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,774,070)</u>	<u>\$ (6,764,033)</u>	1,239,803	<u>\$ 8,003,836</u>
FUND BALANCE:				
Beginning of year			13,589,432	
End of year			<u>\$ 14,829,235</u>	

City of Lake Elsinore
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Low and Moderate Income Housing Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 6,327,550	\$ 6,327,550	\$ 2,032,766	\$ (4,294,784)
Investment earnings	700,000	700,000	378,447	(321,553)
Miscellaneous	50,000	50,000	12,503	(37,497)
Total revenues	<u>7,077,550</u>	<u>7,077,550</u>	<u>2,423,716</u>	<u>(4,653,834)</u>
EXPENDITURES:				
Current:				
Community development	1,050,000	1,050,000	879,336	170,664
Total expenditures	<u>1,050,000</u>	<u>1,050,000</u>	<u>879,336</u>	<u>170,664</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>6,027,550</u>	<u>6,027,550</u>	<u>1,544,380</u>	<u>(4,483,170)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	-	-	(23,096)	(23,096)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(23,096)</u>	<u>(23,096)</u>
NET CHANGE IN FUND BALANCE	<u>\$ 6,027,550</u>	<u>\$ 6,027,550</u>	<u>1,521,284</u>	<u>\$ (4,506,266)</u>
FUND BALANCE:				
Beginning of year			59,563,218	
End of year			<u>\$ 61,084,502</u>	

City of Lake Elsinore
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability
For the Year Ended June 30, 2023

Last Ten Fiscal Years¹

California Public Employees' Retirement System Defined Benefit Pension Plan

Measurement Date	June 30, 2014 ¹	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
City's proportion of the net pension liability/(asset)	0.11561%	0.13030%	0.12479%	0.12991%	0.12126%
City's proportionate Share of the net pension liability/(asset)	\$ 7,292,642	\$ 8,943,640	\$ 10,798,127	\$ 12,189,277	\$ 11,684,999
City's covered payroll ²	<u>\$ 4,537,860</u>	<u>\$ 4,751,199</u>	<u>\$ 3,804,985</u>	<u>\$ 5,605,231</u>	<u>\$ 5,975,932</u>
Proportionate share of the net pension liability/(asset) as percentage of covered payroll	<u>160.71%</u>	<u>188.24%</u>	<u>283.79%</u>	<u>217.46%</u>	<u>195.53%</u>
Plan's proportionate share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	<u>78.40%</u>	<u>79.82%</u>	<u>75.87%</u>	<u>73.31%</u>	<u>75.26%</u>

¹ Historical information is presented only for measurement periods after GASB 68 implementation in 2013-14. Additional years of information will be displayed as it becomes available.

² The plan has no active members, and therefore, no covered payroll.

City of Lake Elsinore
Required Supplementary Information (Unaudited) (Continued)
Schedule of the City's Proportionate Share of the Net Pension Liability (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Pension Plan

Measurement Date	<u>June 30, 2019</u>	<u>June 30, 2020</u>	<u>June 30, 2021</u>	<u>June 30, 2022</u>
City's proportion of the net pension liability/(asset)	0.12082%	0.11984%	0.13538%	0.12662%
City's proportionate Share of the net pension liability/(asset)	\$ 12,380,535	\$ 13,038,918	\$ 7,321,553	\$ 14,625,483
City's covered payroll ²	<u>\$ 6,052,501</u>	<u>\$ 6,349,041</u>	<u>\$ 6,710,307</u>	<u>\$ 8,073,190</u>
Proportionate share of the net pension liability/(asset) as percentage of covered payroll	<u>204.55%</u>	<u>205.37%</u>	<u>109.11%</u>	<u>181.16%</u>
Plan's proportionate share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	<u>75.26%</u>	<u>75.10%</u>	<u>88.29%</u>	<u>74.31%</u>

City of Lake Elsinore
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pensions
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Pension Plan

Fiscal Year	2013-14 ¹	2014-15	2015-16	2016-17	2017-18
Actuarially determined contribution	\$ 979,246	\$ 891,575	\$ 1,101,283	\$ 1,238,462	\$ 1,340,596
Contributions in relation to the actuarially determined contribution	(979,246)	(891,575)	(1,101,283)	(1,238,462)	(1,340,596)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered payroll	\$ 4,537,860	\$ 4,895,081	\$ 5,128,894	\$ 5,795,148	\$ 6,218,376
Contributions as a percentage of covered payroll ²	21.58%	18.21%	21.47%	21.37%	21.56%

Notes to Schedule:

Change in Benefit Terms: There were no change in benefit term.

Changes of Assumptions: In 2023, the discount rate was changed from 7.15 percent to 6.90 percent. In 2020 and 2021, there were no changes of assumptions. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

City of Lake Elsinore
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pensions (Continued)
For the Year Ended June 30, 2023

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Pension Plan

Fiscal Year	2018-19	2019-20	2020-21	2021-2022	2022-2023
Actuarially determined contribution	\$ 1,532,147	\$ 1,720,330	\$ 1,530,885	\$ 1,778,247	\$ 2,014,941
Contributions in relation to the actuarially determined contribution	(1,532,147)	(1,720,330)	(1,530,885)	(2,128,883)	(2,014,941)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ (350,636)	\$ -
Covered payroll	\$ 6,201,506	\$ 6,521,618	\$ 6,710,307	\$ 8,073,190	\$ 8,258,873
Contributions as a percentage of covered payroll ²	24.71%	26.38%	22.81%	26.37%	24.40%

City of Lake Elsinore
Required Supplementary Information (Unaudited) (Continued)
Schedule of Changes in the Net OPEB Liability and Related Ratios
For the Year Ended June 30, 2023

Last Ten Fiscal Years¹

Other Postemployment Benefit Plan

Measurement period	2017-18 ¹	2018-19	2019-20	2020-21	2021-2022	2022-2023
Total OPEB liability						
Service cost	\$ 841,236	\$ 747,127	\$ 764,792	\$ 728,572	\$ 890,781	\$ 948,018
Interest	700,306	788,486	814,609	726,138	647,402	553,616
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(1,305,728)	(43,169)	(3,167,021)	(329,556)
Changes of assumptions	(2,304,484)	(203,573)	1,410,007	2,563,159	4,894,908	(6,753,385)
Benefit payments, including refunds of employee contributions	(964,068)	(991,074)	(999,280)	(903,028)	(925,838)	(900,248)
Net change in total OPEB liability	(1,727,010)	340,966	684,400	3,071,672	2,340,232	(6,481,555)
Total OPEB liability - beginning	23,623,894	21,896,884	22,237,850	22,922,250	25,993,922	28,334,154
Total OPEB liability - ending (a)	\$ 21,896,884	\$ 22,237,850	\$ 22,922,250	\$ 25,993,922	\$ 28,334,154	\$ 21,852,599
OPEB fiduciary net position						
Contributions - employer	\$ 964,068	\$ 991,074	\$ 999,280	\$ 903,028	\$ 925,838	\$ 900,248
Contributions - employee	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(964,068)	(991,074)	(999,280)	(903,028)	(925,838)	(900,248)
Plan to plan resource movement	-	-	-	-	-	-
Administrative expense	-	-	-	-	-	-
Net change in plan fiduciary net position	-	-	-	-	-	-
Plan fiduciary net position - beginning	-	-	-	-	-	-
Plan fiduciary net position - ending (b)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Plan net OPEB liability - ending (a) - (b)	\$ 21,896,884	\$ 22,237,850	\$ 22,922,250	\$ 25,993,922	\$ 28,334,154	\$ 21,852,599
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll²	\$ 4,726,797	\$ 4,962,874	\$ 5,058,783	\$ 7,043,350	\$ 5,700,324	\$ 6,503,310
Plan net OPEB liability as a percentage of covered- employee payroll	463.25%	448.08%	453.12%	369.06%	497.06%	336.02%

¹ Historical information is presented only for measurement periods after GASB 75 implementation in fiscal year of 2017-18 (measurement period of 2016-17). Additional years of information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: There were no benefit changes.

Changes of Assumptions: In 2021, the accounting discount changes from select and ultimate discount rates based on funding policy to 6.25 percent. In 2019 and 2020, the accounting discount changes from Select & ultimate discount rates based on funding policy to 6.75 percent.

CITY OF LAKE ELSINORE

SUPPLEMENTARY INFORMATION

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NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds:

Special Revenue Funds are used to account for taxes and other revenues set aside in accordance with the law or administrative regulations for a specific purpose.

Affordable Housing In-Lieu Fund - This fund accounts for collection of fees assessed to developers and for expenditures made on affordable housing projects.

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

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

Gas Tax Fund - This fund accounts for receipts and expenditures of money apportioned under the Street and Highway Code of the State of California.

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

SB1186 CAS Education Fund - This fund accounts for required state fees imposed on business licenses for the development of educational resources on federal and state disability laws for businesses.

Traffic Safety Fund - This fund accounts 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 Landscaping Fund - This fund accounts for revenues derived from annual assessments which are used to pay the costs incurred by the City for landscape maintenance and streetlight maintenance.

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

Geothermal Fund - This fund accounts for cash bonds 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 Fund - This fund accounts for South Coast Air Quality Board receipts, reporting 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.) Fund - This fund accounts for grant monies received from a federal pass-through agency not accounted for in the other funds.

Developer Agreement Revenue/Trust Fund - This fund accounts for development fees based on developer agreements.

City Hall/Public Works Fund - This fund accounts for the collection of fees assessed to developers and for expenditures made on City Hall and Public Works facilities projects.

Community Center Fund - This fund accounts for the collection of fees assessed to developers and expenditures made on Community Center facilities projects.

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Special Revenue Funds (Continued):

Lakeside Facilities Fund - This fund accounts for the collection of fees assessed to developers and for expenditures made on Lakeside facilities projects.

Animal Shelter Fund - This fund accounts for the collection of fees assessed to developers and for expenditures made on animal shelter facilities projects.

National Pollutant Discharge System (NPDES) Fund - This fund accounts 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 Fund - This fund accounts for public access cable channel grant revenue provided by cable franchises based on subscribers. Funds are used for PEG access equipment, production equipment, as well as renovation or construction of PEG access facilities.

The Anchor Fund - This fund accounts for expenditures funded by the Homeless Emergency Aid Program and Project Homekey used for crisis stabilization housing complexes owned by the City and operated by the Social Work Action Group serving chronic homeless individuals from the Lake Elsinore and adjacent county areas.

American Rescue Plan Act Fund - This fund accounts for expenditures funded by the American Rescue Plan Act.

Pedestrian Sidewalk SB 821 Fund - This fund accounts expenditures funded by the Local Transportation Commission grant funding used for the SB 821 Bicycle and Pedestrian Facility Program.

Lake Destratification and Water Fund - This fund accounts for expenditures and receipts jointly made by Elsinore Valley Municipal Water District, Riverside County, and the City to jointly fund and maintain the destratification project, axial flow equipment, and stabilize the water level of the lake.

Nonmajor Capital Projects Funds:

Capital Projects Funds are used to account for bond resources used for the acquisition and construction of capital facilities by the City, except those financed by Proprietary Funds.

Miscellaneous General Project Fund - This fund accounts for miscellaneous general projects of the City.

Park Quimby Development Fund - This fund accounts the improvement and development of parks that are financed by developer fees.

Storm Drains Fund - This fund accounts for the capital improvement of upgrading the storm drains within the City that are financed by development fees.

Traffic Impact Fund - This fund accounts for projects related to traffic improvements, financed by development fees.

Fire Facilities Fund - This fund accounts for the construction of fire facilities, financed by develop fees.

Park Improvement In-Lieu Fund - This fund accounts for special designated improvements, financed by development fees.

NONMAJOR GOVERNMENTAL FUNDS

Nonmajor Capital Project Funds (Continued):

Total Road Improvement Program Fund - This fund accounts for projects related to road improvements, financed by debt proceeds.

Transportation Uniform Mitigation Fee (T.U.M.F.) Fund - This fund accounts multi-jurisdictional development impact fee paid for by new development to provide the transportation infrastructure necessary to accommodate new development.

La Strada RBBD Fund - This fund accounts for projects related to La Strada Road and Bridge Improvement , financed by development fees.

Nonmajor Permanent Fund:

Endowment Trust - Adolph Korn Fund - This Fund accounts for assets held by the City as a trustee capacity for the Adolph Korn Estate. Money is held for the purpose of building a nurse's home for a proposed hospital within the City. Until that time, interest earning 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
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	Affordable Housing In-Lieu	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
ASSETS					
Cash and investments	\$ 609,616	\$ -	\$ -	\$ -	\$ 627,018
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	3,342,224	-	-	-	-
Interest	154,916	-	-	6,999	8,182
Due from other governments	-	-	-	302,659	417,983
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	<u>\$ 4,106,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,658</u>	<u>\$ 1,053,183</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ 76,496	\$ -
Due to other funds	-	-	-	38,134	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,630</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	<u>151,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total deferred inflows of resources	<u>151,223</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Nonspendable	3,342,224	-	-	-	-
Restricted:					
Community development	-	-	-	-	-
Community services	3,955,533	-	-	-	-
Public services	-	-	-	-	-
Capital projects	-	-	-	195,028	1,053,183
Assigned	-	-	-	-	-
Unassigned (deficit)	<u>(3,342,224)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total fund balances (deficit)	<u>3,955,533</u>	<u>-</u>	<u>-</u>	<u>195,028</u>	<u>1,053,183</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 4,106,756</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 309,658</u>	<u>\$ 1,053,183</u>

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	LLMD No. 1	Geothermal
ASSETS					
Cash and investments	\$ 55,454	\$ -	\$ 68,815	\$ 1,157,875	\$ 13,671
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	317	-	-	5,837	69
Due from other governments	-	20,951	67,067	5,332	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	30,222	-	-
Total assets	<u>\$ 55,771</u>	<u>\$ 20,951</u>	<u>\$ 166,104</u>	<u>\$ 1,169,044</u>	<u>\$ 13,740</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 313	\$ -	\$ 128,382	\$ 27,231	\$ -
Due to other funds	-	20,951	-	-	-
Total liabilities	<u>313</u>	<u>20,951</u>	<u>128,382</u>	<u>27,231</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	37,722	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>37,722</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	-	1,141,813	13,740
Community services	-	-	-	-	-
Public services	55,458	-	-	-	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>55,458</u>	<u>-</u>	<u>-</u>	<u>1,141,813</u>	<u>13,740</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 55,771</u>	<u>\$ 20,951</u>	<u>\$ 166,104</u>	<u>\$ 1,169,044</u>	<u>\$ 13,740</u>

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds				
	AB2766 Air Pollution	CDBG	Developer Agreement Revenue/Trust	City Hall/ Public Works	Community Center
ASSETS					
Cash and investments	\$ 280,012	\$ -	\$ 59,933	\$ 935	\$ 160,408
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	1,529	-	352	-	865
Due from other governments	20,488	-	-	-	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	<u>\$ 302,029</u>	<u>\$ -</u>	<u>\$ 60,285</u>	<u>\$ 935</u>	<u>\$ 161,273</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	60,285	-	-
Community services	-	-	-	-	161,273
Public services	302,029	-	-	935	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>302,029</u>	<u>-</u>	<u>60,285</u>	<u>935</u>	<u>161,273</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 302,029</u>	<u>\$ -</u>	<u>\$ 60,285</u>	<u>\$ 935</u>	<u>\$ 161,273</u>

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

Special Revenue Funds					
	Lakeside Facilities	Animal Shelter	NPDES	PEG Grant	The Anchor
ASSETS					
Cash and investments	\$ 270,579	\$ -	\$ -	\$ 80,481	\$ 13,541
Receivables:					
Accounts	-	-	-	3,356	-
Notes and loans	-	-	-	-	-
Interest	1,480	118	-	463	-
Due from other governments	-	-	193,255	-	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	\$ 272,059	\$ 118	\$ 193,255	\$ 84,300	\$ 13,541
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 16,932	\$ -	\$ 10,058
Due to other funds	-	42	65,239	-	-
Total liabilities	-	42	82,171	-	10,058
Deferred Inflows of Resources:					
Unavailable revenue	-	-	193,255	-	-
Total deferred inflows of resources	-	-	193,255	-	-
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	-	-	-
Community services	272,059	76	-	84,300	3,483
Public services	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	(82,171)	-	-
Total fund balances (deficit)	272,059	76	(82,171)	84,300	3,483
Total liabilities, deferred inflows of resources and fund balances	\$ 272,059	\$ 118	\$ 193,255	\$ 84,300	\$ 13,541

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Special Revenue Funds			Capital Projects Funds	
	American Rescue Plan Act	Pedestrian Sidewalk SB821	Lake Destratification and Water	Miscellaneous General Projects	Park Quimby Development
ASSETS					
Cash and investments	\$ 7,058,881	\$ -	\$ 502,636	\$ 83,375	\$ 87,785
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	54,973	-	2,974	-	355
Due from other governments	-	56,717	87,634	-	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	3,290,039	-	-
Total assets	<u>\$ 7,113,854</u>	<u>\$ 56,717</u>	<u>\$ 3,883,283</u>	<u>\$ 83,375</u>	<u>\$ 88,140</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 1,633	\$ 11,119	\$ -
Due to other funds	-	56,624	-	-	-
Total liabilities	<u>-</u>	<u>56,624</u>	<u>1,633</u>	<u>11,119</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	56,717	87,634	-	-
Total deferred inflows of resources	<u>-</u>	<u>56,717</u>	<u>87,634</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	-	-	-
Community services	-	-	3,794,016	-	-
Public services	7,113,854	-	-	-	-
Capital projects	-	-	-	72,256	88,140
Assigned	-	-	-	-	-
Unassigned (deficit)	-	(56,624)	-	-	-
Total fund balances (deficit)	<u>7,113,854</u>	<u>(56,624)</u>	<u>3,794,016</u>	<u>72,256</u>	<u>88,140</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 7,113,854</u>	<u>\$ 56,717</u>	<u>\$ 3,883,283</u>	<u>\$ 83,375</u>	<u>\$ 88,140</u>

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Capital Projects Funds				
	Storm Drains	Library Facilities	Traffic Impact	Fire Facilities	Public Improvement In-Lieu
ASSETS					
Cash and investments	\$ 3,058,945	\$ 1,319,415	\$ 101,698	\$ 575,393	\$ 1,667,954
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	18,073	7,736	948	3,268	9,806
Due from other governments	-	-	-	-	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	<u>\$ 3,077,018</u>	<u>\$ 1,327,151</u>	<u>\$ 102,646</u>	<u>\$ 578,661</u>	<u>\$ 1,677,760</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 8,431	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>8,431</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Public services	-	-	-	-	-
Capital projects	3,077,018	1,327,151	94,215	578,661	1,677,760
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	<u>3,077,018</u>	<u>1,327,151</u>	<u>94,215</u>	<u>578,661</u>	<u>1,677,760</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 3,077,018</u>	<u>\$ 1,327,151</u>	<u>\$ 102,646</u>	<u>\$ 578,661</u>	<u>\$ 1,677,760</u>

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Capital Projects Funds			Debt Service Fund	Permanent Fund
	Total Road Improvement Program	TUMF	La Strada RBBB	Recreation Authority	Endowment Trust - Adolph Korn
ASSETS					
Cash and investments	\$ 503	\$ -	\$ 23,796	\$ -	\$ 33,527
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	-	-	140	-	197
Due from other governments	-	304,716	-	-	-
Restricted cash and investments:					
Cash and investments with fiscal agents	16,183	-	-	-	-
Total assets	<u>\$ 16,686</u>	<u>\$ 304,716</u>	<u>\$ 23,936</u>	<u>\$ -</u>	<u>\$ 33,724</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	303,998	-	-	-
Total liabilities	<u>-</u>	<u>303,998</u>	<u>-</u>	<u>-</u>	<u>-</u>
Deferred Inflows of Resources:					
Unavailable revenue	-	304,716	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>304,716</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	20,000
Restricted:					
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Public services	-	-	-	-	-
Capital projects	16,686	-	23,936	-	-
Assigned	-	-	-	-	13,724
Unassigned (deficit)	-	(303,998)	-	-	-
Total fund balances (deficit)	<u>16,686</u>	<u>(303,998)</u>	<u>23,936</u>	<u>-</u>	<u>33,724</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 16,686</u>	<u>\$ 304,716</u>	<u>\$ 23,936</u>	<u>\$ -</u>	<u>\$ 33,724</u>

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2023

	Total Nonmajor Governmental Funds
ASSETS	
Cash and investments	\$ 17,912,246
Receivables:	
Accounts	3,356
Notes and loans	3,342,224
Interest	279,597
Due from other governments	1,476,802
Restricted cash and investments:	
Cash and investments with fiscal agents	3,336,444
Total assets	<u><u>\$ 26,350,669</u></u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 280,595
Due to other funds	484,988
Total liabilities	<u>765,583</u>
Deferred Inflows of Resources:	
Unavailable revenue	831,267
Total deferred inflows of resources	<u>831,267</u>
Fund Balances (Deficit):	
Nonspendable	3,362,224
Restricted:	
Community development	1,215,838
Community services	8,270,740
Public services	7,472,276
Capital projects	8,204,034
Assigned	13,724
Unassigned (deficit)	(3,785,017)
Total fund balances (deficit)	<u>24,753,819</u>
Total liabilities, deferred inflows of resources and fund balances	<u><u>\$ 26,350,669</u></u>
	(Concluded)

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	Affordable Housing In-Lieu	Supplemental Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	87,207	175,879	-	3,396,551	2,378,785
Special assessments	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	9,365	-	-	18,901	18,904
Fines and forfeitures	-	-	19,250	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	96,572	175,879	19,250	3,415,452	2,397,689
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	175,879	19,250	-	-
Community development	-	-	-	-	-
Public services	-	-	-	577,735	-
Capital outlay	-	-	-	800,000	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	175,879	19,250	1,377,735	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	96,572	-	-	2,037,717	2,397,689
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(31,167)	-	-	(2,839,462)	(2,909,097)
Total other financing sources (uses)	(31,167)	-	-	(2,839,462)	(2,909,097)
NET CHANGE IN FUND BALANCES	65,405	-	-	(801,745)	(511,408)
FUND BALANCES (DEFICIT):					
Beginning of year	3,890,128	-	-	996,773	1,564,591
End of year	\$ 3,955,533	\$ -	\$ -	\$ 195,028	\$ 1,053,183

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	LLMD No. 1	Geothermal
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Special assessments	-	-	1,440,237	746,106	-
Charges for services	-	-	-	-	-
Investment earnings	771	-	(260)	10,805	175
Fines and forfeitures	-	157,457	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	8,019	-	-
Total revenues	12,372	157,457	1,447,996	756,911	175
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	157,457	-	-	-
Community development	-	-	-	-	-
Public services	1,567	-	1,719,394	369,546	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	230,501	-	-
Interest and fiscal charges	-	-	94,224	-	-
Total expenditures	1,567	157,457	2,044,119	369,546	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,805	-	(596,123)	387,365	175
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	492,035	-	-
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	492,035	-	-
NET CHANGE IN FUND BALANCES	10,805	-	(104,088)	387,365	175
FUND BALANCES (DEFICIT):					
Beginning of year	44,653	-	104,088	754,448	13,565
End of year	\$ 55,458	\$ -	\$ -	\$ 1,141,813	\$ 13,740

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	AB2766 Air Pollution	CDBG	Developer Agreement Revenue/Trust	City Hall/ Public Works	Community Center
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	112,439	476,802	-	-	-
Special assessments	-	-	-	-	-
Charges for services	-	-	-	-	(2)
Investment earnings	3,642	-	881	(1,030)	2,136
Fines and forfeitures	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	116,081	476,802	881	68,429	46,298
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	32,000	-	-	-
Public services	6,001	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	6,001	32,000	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	110,080	444,802	881	68,429	46,298
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	28,513	-	-
Transfers out	-	(110,862)	(28,513)	(246,039)	-
Total other financing sources (uses)	-	(110,862)	-	(246,039)	-
NET CHANGE IN FUND BALANCES	110,080	333,940	881	(177,610)	46,298
FUND BALANCES (DEFICIT):					
Beginning of year	191,949	(333,940)	59,404	178,545	114,975
End of year	\$ 302,029	\$ -	\$ 60,285	\$ 935	\$ 161,273

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds				
	Lakeside Facilities	Animal Shelter	NPDES	PEG Grant	The Anchor
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 14,965	\$ -
Intergovernmental	-	-	352,495	-	249,754
Special assessments	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	3,660	220	-	1,128	-
Fines and forfeitures	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	66,790	28,422	352,495	16,093	249,754
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	872,315
Public services	-	-	178,386	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	178,386	-	872,315
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	66,790	28,422	174,109	16,093	(622,561)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	626,044
Transfers out	-	(28,513)	(70,440)	-	-
Total other financing sources (uses)	-	(28,513)	(70,440)	-	626,044
NET CHANGE IN FUND BALANCES	66,790	(91)	103,669	16,093	3,483
FUND BALANCES (DEFICIT):					
Beginning of year	205,269	167	(185,840)	68,207	-
End of year	\$ 272,059	\$ 76	\$ (82,171)	\$ 84,300	\$ 3,483

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Special Revenue Funds			Capital Projects Funds	
	American Rescue Plan Act	Pedestrian Sidewalk SB821	Lake Destratification and Water	Miscellaneous General Projects	Park Quimby Development
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	9,876,967	-	-	-	-
Special assessments	-	-	-	-	-
Charges for services	-	-	1,500,000	-	-
Investment earnings	155,682	-	118,369	-	(461)
Fines and forfeitures	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	10,032,649	-	1,618,369	-	114,924
EXPENDITURES:					
Current:					
General government	-	-	-	98,524	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Public services	-	-	1,306,663	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	1,306,663	98,524	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	10,032,649	-	311,706	(98,524)	114,924
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(2,918,795)	(51,335)	-	-	(280,213)
Total other financing sources (uses)	(2,918,795)	(51,335)	-	-	(280,213)
NET CHANGE IN FUND BALANCES	7,113,854	(51,335)	311,706	(98,524)	(165,289)
FUND BALANCES (DEFICIT):					
Beginning of year	-	(5,289)	3,482,310	170,780	253,429
End of year	\$ 7,113,854	\$ (56,624)	\$ 3,794,016	\$ 72,256	\$ 88,140

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Funds				
	Storm Drains	Library Facilities	Traffic Impact	Fire Facilities	Public Improvement In-Lieu
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-
Special assessments	-	-	-	-	-
Charges for services	-	-	-	-	1
Investment earnings	46,252	19,322	4,632	8,191	24,534
Fines and forfeitures	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	394,843	32,292	202,446	87,705	24,536
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	11,323	-	-
Public services	-	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	-	11,323	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	394,843	32,292	191,123	87,705	24,536
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(22,809)	-	(294,940)	-	-
Total other financing sources (uses)	(22,809)	-	(294,940)	-	-
NET CHANGE IN FUND BALANCES	372,034	32,292	(103,817)	87,705	24,536
FUND BALANCES (DEFICIT):					
Beginning of year	2,704,984	1,294,859	198,032	490,956	1,653,224
End of year	\$ 3,077,018	\$ 1,327,151	\$ 94,215	\$ 578,661	\$ 1,677,760

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Capital Projects Funds			Debt Service Fund	Permanent Fund
	Total Road Improvement Program	TUMF	La Strada RBBD	Recreation Authority	Endowment Trust - Adolph Korn
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	217,590	-	-	-
Special assessments	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	855	-	350	-	493
Fines and forfeitures	-	-	-	-	-
Contributions	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	855	217,590	350	-	493
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Public services	4,170	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	260,000	-	-	-	-
Interest and fiscal charges	235,838	-	-	-	-
Total expenditures	500,008	-	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(499,153)	217,590	350	-	493
OTHER FINANCING SOURCES (USES):					
Transfers in	500,577	55,435	-	-	-
Transfers out	-	(306,851)	-	-	-
Total other financing sources (uses)	500,577	(251,416)	-	-	-
NET CHANGE IN FUND BALANCES	1,424	(33,826)	350	-	493
FUND BALANCES (DEFICIT):					
Beginning of year	15,262	(270,172)	23,586	-	33,231
End of year	\$ 16,686	\$ (303,998)	\$ 23,936	\$ -	\$ 33,724

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2023

	Total Governmental Funds
REVENUES:	
Taxes	\$ 14,965
Intergovernmental	17,324,469
Special assessments	2,186,343
Charges for services	1,499,999
Investment earnings	447,517
Fines and forfeitures	176,707
Contributions	-
Miscellaneous	8,019
Total revenues	<u>22,628,850</u>
EXPENDITURES:	
Current:	
General government	98,524
Public safety	352,586
Community development	915,638
Public services	4,163,462
Capital outlay	800,000
Debt service:	
Principal retirement	490,501
Interest and fiscal charges	330,062
Total expenditures	<u>7,150,773</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>15,478,077</u>
OTHER FINANCING SOURCES (USES):	
Transfers in	1,702,604
Transfers out	<u>(10,139,036)</u>
Total other financing sources (uses)	<u>(8,436,432)</u>
NET CHANGE IN FUND BALANCES	7,041,645
FUND BALANCES (DEFICIT):	
Beginning of year	<u>17,712,174</u>
End of year	<u><u>\$ 24,753,819</u></u>

(Concluded)

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Affordable Housing In-Lieu Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 400,000	\$ 387,000	\$ 87,207	\$ (299,793)
Investment earnings	3,100	16,100	9,365	(6,735)
Total revenues	403,100	403,100	96,572	(306,528)
EXPENDITURES:				
Current:				
General government	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
EXCESS OF REVENUES OVER EXPENDITURES	353,100	353,100	96,572	(256,528)
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,941,480)	(4,243,228)	(31,167)	4,212,061
Total other financing sources (uses)	(3,941,480)	(4,243,228)	(31,167)	4,212,061
NET CHANGE IN FUND BALANCE	\$ (3,588,380)	\$ (3,890,128)	65,405	\$ 3,955,533
FUND BALANCE:				
Beginning of year			3,890,128	
End of year			<u>\$ 3,955,533</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 157,000	\$ 157,000	\$ 175,879	\$ 18,879
Total revenues	<u>157,000</u>	<u>157,000</u>	<u>175,879</u>	<u>18,879</u>
EXPENDITURES:				
Current:				
Public safety	157,000	157,000	175,879	(18,879)
Total expenditures	<u>157,000</u>	<u>157,000</u>	<u>175,879</u>	<u>(18,879)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u><u>\$ -</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Traffic Offender Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures	\$ 21,000	\$ 21,000	\$ 19,250	\$ (1,750)
Total revenues	<u>21,000</u>	<u>21,000</u>	<u>19,250</u>	<u>(1,750)</u>
EXPENDITURES:				
Current:				
Public safety	21,000	21,000	19,250	1,750
Total expenditures	<u>21,000</u>	<u>21,000</u>	<u>19,250</u>	<u>1,750</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u>-</u>	<u><u>\$ -</u></u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u><u>\$ -</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Gas Tax Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 3,365,230	\$ 3,218,560	\$ 3,396,551	\$ 177,991
Investment earnings	5,700	26,640	18,901	(7,739)
Total revenues	<u>3,370,930</u>	<u>3,245,200</u>	<u>3,415,452</u>	<u>170,252</u>
EXPENDITURES:				
Current:				
Public services	543,100	743,100	577,735	165,365
Capital outlay	800,000	600,000	800,000	(200,000)
Total expenditures	<u>1,343,100</u>	<u>1,343,100</u>	<u>1,377,735</u>	<u>(34,635)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>2,027,830</u>	<u>1,902,100</u>	<u>2,037,717</u>	<u>135,617</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,866,420)	(2,884,933)	(2,839,462)	45,471
Total other financing sources (uses)	<u>(3,866,420)</u>	<u>(2,884,933)</u>	<u>(2,839,462)</u>	<u>45,471</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (1,838,590)</u></u>	<u><u>\$ (982,833)</u></u>	<u>(801,745)</u>	<u><u>\$ 181,088</u></u>
FUND BALANCE:				
Beginning of year			996,773	
End of year			<u><u>\$ 195,028</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Transportation Measure A Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 1,985,000	\$ 1,985,000	\$ 2,378,785	\$ 393,785
Investment earnings	31,000	39,100	18,904	(20,196)
Total revenues	<u>2,016,000</u>	<u>2,024,100</u>	<u>2,397,689</u>	<u>373,589</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,848,000)	(3,380,824)	(2,909,097)	471,727
Total other financing sources (uses)	<u>(2,848,000)</u>	<u>(3,380,824)</u>	<u>(2,909,097)</u>	<u>471,727</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (832,000)</u></u>	<u><u>\$ (1,356,724)</u></u>	(511,408)	<u><u>\$ 845,316</u></u>
FUND BALANCE:				
Beginning of year			<u>1,564,591</u>	
End of year			<u><u>\$ 1,053,183</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - SB1186 CAS Education Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	600	1,000	771	(229)
Total revenues	<u>12,600</u>	<u>12,600</u>	<u>12,372</u>	<u>(228)</u>
EXPENDITURES:				
Current:				
Public services	2,100	2,100	1,567	533
Total expenditures	<u>2,100</u>	<u>2,100</u>	<u>1,567</u>	<u>533</u>
NET CHANGE IN FUND BALANCE	<u>\$ 10,500</u>	<u>\$ 10,500</u>	10,805	<u>\$ 305</u>
FUND BALANCE:				
Beginning of year			44,653	
End of year			<u>\$ 55,458</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Traffic Safety Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 130	\$ 130	\$ -	\$ (130)
Fines and forfeitures	173,000	173,000	157,457	(15,543)
Total revenues	<u>173,130</u>	<u>173,130</u>	<u>157,457</u>	<u>(15,673)</u>
EXPENDITURES:				
Current:				
Public safety	186,505	186,505	157,457	29,048
Total expenditures	<u>186,505</u>	<u>186,505</u>	<u>157,457</u>	<u>29,048</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (13,375)</u></u>	<u><u>\$ (13,375)</u></u>	-	<u><u>\$ 13,375</u></u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u><u>\$ -</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - City-wide Lighting and Landscaping Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 209,520	\$ 194,520	\$ -	\$ (194,520)
Special assessments	1,468,820	1,446,820	1,440,237	(6,583)
Investment earnings	3,000	1,300	(260)	(1,560)
Miscellaneous	10,000	5,000	8,019	3,019
Total revenues	<u>1,691,340</u>	<u>1,647,640</u>	<u>1,447,996</u>	<u>(199,644)</u>
EXPENDITURES:				
Current:				
Public services	2,449,070	1,450,038	1,719,394	(269,356)
Debt service:				
Principal retirement	195,050	195,050	230,501	(35,451)
Interest and fiscal charges	167,140	106,640	94,224	12,416
Total expenditures	<u>2,811,260</u>	<u>1,751,728</u>	<u>2,044,119</u>	<u>(292,391)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(1,119,920)</u>	<u>(104,088)</u>	<u>(596,123)</u>	<u>(492,035)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	697,790	-	492,035	492,035
Total other financing sources (uses)	<u>697,790</u>	<u>-</u>	<u>492,035</u>	<u>492,035</u>
NET CHANGE IN FUND BALANCE	<u>\$ (422,130)</u>	<u>\$ (104,088)</u>	<u>(104,088)</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			<u>104,088</u>	
End of year			<u>\$ -</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - LLMD No. 1 Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Special assessments	\$ 769,410	\$ 774,729	\$ 746,106	\$ (28,623)
Investment earnings	14,000	13,210	10,805	(2,405)
Total revenues	<u>783,410</u>	<u>787,939</u>	<u>756,911</u>	<u>(31,028)</u>
EXPENDITURES:				
Current:				
Public services	348,840	363,840	369,546	(5,706)
Capital outlay	418,940	403,940	-	403,940
Total expenditures	<u>767,780</u>	<u>767,780</u>	<u>369,546</u>	<u>398,234</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ 15,630</u></u>	<u><u>\$ 20,159</u></u>	387,365	<u><u>\$ 367,206</u></u>
FUND BALANCE:				
Beginning of year			<u>754,448</u>	
End of year			<u><u>\$ 1,141,813</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Geothermal Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 130	\$ 215	\$ 175	\$ (40)
Total revenues	<u>130</u>	<u>215</u>	<u>175</u>	<u>(40)</u>
EXPENDITURES:				
Current:				
General government	13,750	13,690	-	13,690
Total expenditures	<u>13,750</u>	<u>13,690</u>	<u>-</u>	<u>13,690</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (13,620)</u></u>	<u><u>\$ (13,475)</u></u>	175	<u><u>\$ 13,650</u></u>
FUND BALANCE:				
Beginning of year			<u>13,565</u>	
End of year			<u><u>\$ 13,740</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - AB2766 Air Pollution Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 50,000	\$ 77,500	\$ 112,439	\$ 34,939
Investment earnings	2,100	4,600	3,642	(958)
Total revenues	<u>52,100</u>	<u>82,100</u>	<u>116,081</u>	<u>33,981</u>
EXPENDITURES:				
Current:				
Public services	-	6,000	6,001	(1)
Total expenditures	<u>-</u>	<u>6,000</u>	<u>6,001</u>	<u>(1)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>52,100</u>	<u>76,100</u>	<u>110,080</u>	<u>33,980</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(96,410)	(268,049)	-	268,049
Total other financing sources (uses)	<u>(96,410)</u>	<u>(268,049)</u>	<u>-</u>	<u>268,049</u>
NET CHANGE IN FUND BALANCE	<u>\$ (44,310)</u>	<u>\$ (191,949)</u>	110,080	<u>\$ 302,029</u>
FUND BALANCE:				
Beginning of year			191,949	
End of year			<u>\$ 302,029</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - CDBG Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 461,120	\$ 906,179	\$ 476,802	\$ (429,377)
Total revenues	<u>461,120</u>	<u>906,179</u>	<u>476,802</u>	<u>(429,377)</u>
EXPENDITURES:				
Current:				
Community development	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>-</u>
Total expenditures	<u>32,000</u>	<u>32,000</u>	<u>32,000</u>	<u>-</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>429,120</u>	<u>874,179</u>	<u>444,802</u>	<u>(429,377)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(429,120)</u>	<u>(874,179)</u>	<u>(110,862)</u>	<u>763,317</u>
Total other financing sources (uses)	<u>(429,120)</u>	<u>(874,179)</u>	<u>(110,862)</u>	<u>763,317</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	333,940	<u>\$ 333,940</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(333,940)</u>	
End of year			<u>\$ -</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Developer Agreement Revenue/Trust Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	200	2,400	881	(1,519)
Total revenues	<u>45,200</u>	<u>45,400</u>	<u>881</u>	<u>(44,519)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>45,200</u>	<u>45,400</u>	<u>881</u>	<u>(44,519)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	25,200	25,367	28,513	3,146
Transfers out	(70,520)	(130,170)	(28,513)	101,657
Total other financing sources (uses)	<u>(45,320)</u>	<u>(104,803)</u>	<u>-</u>	<u>104,803</u>
NET CHANGE IN FUND BALANCE	<u>\$ (120)</u>	<u>\$ (59,403)</u>	<u>881</u>	<u>\$ 60,284</u>
FUND BALANCE:				
Beginning of year			<u>59,404</u>	
End of year			<u>\$ 60,285</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - City Hall/Public Works Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	600	1,100	(1,030)	(2,130)
Total revenues	<u>75,600</u>	<u>76,100</u>	<u>68,429</u>	<u>(7,671)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>75,600</u>	<u>76,100</u>	<u>68,429</u>	<u>(7,671)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(246,040)	(254,645)	(246,039)	8,606
Total other financing sources (uses)	<u>(246,040)</u>	<u>(254,645)</u>	<u>(246,039)</u>	<u>8,606</u>
NET CHANGE IN FUND BALANCE	<u>\$ (170,440)</u>	<u>\$ (178,545)</u>	<u>(177,610)</u>	<u>\$ 935</u>
FUND BALANCE:				
Beginning of year			<u>178,545</u>	
End of year			<u>\$ 935</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Community Center Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ (2)	\$ (2)
Investment earnings	500	4,500	2,136	(2,364)
Total revenues	<u>50,500</u>	<u>50,500</u>	<u>46,298</u>	<u>(4,202)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>50,500</u>	<u>50,500</u>	<u>46,298</u>	<u>(4,202)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(159,950)	(165,474)	-	165,474
Total other financing sources (uses)	<u>(159,950)</u>	<u>(165,474)</u>	<u>-</u>	<u>165,474</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (109,450)</u></u>	<u><u>\$ (114,974)</u></u>	<u>46,298</u>	<u><u>\$ 161,272</u></u>
FUND BALANCE:				
Beginning of year			<u>114,975</u>	
End of year			<u><u>\$ 161,273</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Lakeside Facilities Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	600	5,600	3,660	(1,940)
Total revenues	<u>75,600</u>	<u>76,100</u>	<u>66,790</u>	<u>(9,310)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>75,600</u>	<u>76,100</u>	<u>66,790</u>	<u>(9,310)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(274,010)	(281,369)	-	281,369
Total other financing sources (uses)	<u>(274,010)</u>	<u>(281,369)</u>	<u>-</u>	<u>281,369</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (198,410)</u></u>	<u><u>\$ (205,269)</u></u>	66,790	<u><u>\$ 272,059</u></u>
FUND BALANCE:				
Beginning of year			205,269	
End of year			<u><u>\$ 272,059</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Animal Shelter Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	200	450	220	(230)
Total revenues	<u>25,200</u>	<u>25,200</u>	<u>28,422</u>	<u>3,222</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>25,200</u>	<u>25,200</u>	<u>28,422</u>	<u>3,222</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(110,580)	(25,367)	(28,513)	(3,146)
Total other financing sources (uses)	<u>(110,580)</u>	<u>(25,367)</u>	<u>(28,513)</u>	<u>(3,146)</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (85,380)</u></u>	<u><u>\$ (167)</u></u>	<u>(91)</u>	<u><u>\$ 76</u></u>
FUND BALANCE:				
Beginning of year			<u>167</u>	
End of year			<u><u>\$ 76</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - NPDES Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 395,000	\$ 1,226,155	\$ 352,495	\$ (873,660)
Charges for services	-	-	-	-
Investment earnings	600	600	-	(600)
Total revenues	<u>398,100</u>	<u>1,229,255</u>	<u>352,495</u>	<u>(876,760)</u>
EXPENDITURES:				
Current:				
Public services	181,960	181,960	178,386	3,574
Total expenditures	<u>181,960</u>	<u>181,960</u>	<u>178,386</u>	<u>3,574</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>216,140</u>	<u>1,047,295</u>	<u>174,109</u>	<u>(873,186)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(887,160)	(1,047,295)	(70,440)	976,855
Total other financing sources (uses)	<u>(887,160)</u>	<u>(1,047,295)</u>	<u>(70,440)</u>	<u>976,855</u>
NET CHANGE IN FUND BALANCE	<u>\$ (671,020)</u>	<u>\$ -</u>	103,669	<u>\$ 103,669</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(185,840)	
End of year			<u>\$ (82,171)</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - PEG Grant Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 20,000	\$ 21,639	\$ 14,965	\$ (6,674)
Investment earnings	230	2,230	1,128	(1,102)
Total revenues	<u>20,230</u>	<u>23,869</u>	<u>16,093</u>	<u>(7,776)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>20,230</u>	<u>23,869</u>	<u>16,093</u>	<u>(7,776)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(101,430)	(92,076)	-	92,076
Total other financing sources (uses)	<u>(101,430)</u>	<u>(92,076)</u>	<u>-</u>	<u>92,076</u>
NET CHANGE IN FUND BALANCE	<u>\$ (81,200)</u>	<u>\$ (68,207)</u>	16,093	<u>\$ 84,300</u>
FUND BALANCE:				
Beginning of year			<u>68,207</u>	
End of year			<u>\$ 84,300</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - The Anchor Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 86,000	\$ 256,000	\$ 249,754	\$ (6,246)
Total revenues	<u>86,000</u>	<u>256,000</u>	<u>249,754</u>	<u>(6,246)</u>
EXPENDITURES:				
Current:				
Community development	1,261,310	1,261,310	872,315	388,995
Total expenditures	<u>1,261,310</u>	<u>1,261,310</u>	<u>872,315</u>	<u>388,995</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(1,175,310)</u>	<u>(1,005,310)</u>	<u>(622,561)</u>	<u>382,749</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	1,173,670	1,005,310	626,044	(379,266)
Total other financing sources (uses)	<u>1,173,670</u>	<u>1,005,310</u>	<u>626,044</u>	<u>(379,266)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,640)</u>	<u>\$ -</u>	3,483	<u>\$ 3,483</u>
FUND BALANCE:				
Beginning of year			-	
End of year			<u>\$ 3,483</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - American Rescue Plan Act Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 7,483,600	\$ 9,876,968	\$ 9,876,967	\$ (1)
Investment earnings	101,000	188,289	155,682	(32,607)
Total revenues	<u>7,584,600</u>	<u>10,065,257</u>	<u>10,032,649</u>	<u>(32,608)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,584,600</u>	<u>10,065,257</u>	<u>10,032,649</u>	<u>(32,608)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	<u>(9,405,480)</u>	<u>(9,405,480)</u>	<u>(2,918,795)</u>	<u>6,486,685</u>
Total other financing sources (uses)	<u>(9,405,480)</u>	<u>(9,405,480)</u>	<u>(2,918,795)</u>	<u>6,486,685</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,820,880)</u>	<u>\$ 659,777</u>	<u>7,113,854</u>	<u>\$ 6,454,077</u>
FUND BALANCE:				
Beginning of year			<u>-</u>	
End of year			<u>\$ 7,113,854</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Pedestrian Sidewalk SB821 Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 463,766	\$ 463,766	\$ -	\$ (463,766)
Total revenues	<u>463,766</u>	<u>463,766</u>	<u>-</u>	<u>(463,766)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>463,766</u>	<u>463,766</u>	<u>-</u>	<u>(463,766)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(463,766)	(463,766)	(51,335)	412,431
Total other financing sources (uses)	<u>(463,766)</u>	<u>(463,766)</u>	<u>(51,335)</u>	<u>412,431</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	(51,335)	<u>\$ (51,335)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(5,289)	
End of year			<u>\$ (56,624)</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Lake Destratification and Water Special Revenue Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 500	\$ 12,500	\$ 118,369	\$ 105,869
Contributions	-	-	-	-
Miscellaneous	186,000	174,000	-	(174,000)
Total revenues	<u>1,686,500</u>	<u>295,410</u>	<u>1,618,369</u>	<u>1,322,959</u>
EXPENDITURES:				
Current:				
General government	702,400	702,400	-	702,400
Public services	4,102,000	4,102,000	1,306,663	2,795,337
Total expenditures	<u>4,804,400</u>	<u>4,804,400</u>	<u>1,306,663</u>	<u>3,497,737</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (3,117,900)</u></u>	<u><u>\$ (4,508,990)</u></u>	311,706	<u><u>\$ 4,820,696</u></u>
FUND BALANCE:				
Beginning of year			3,482,310	
End of year			<u><u>\$ 3,794,016</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Capital Improvement Plan Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 14,182,077	\$ 14,031,437	\$ 5,935,030	\$ (8,096,407)
Charges for services	200,000	10,000	-	(10,000)
Investment earnings	60,200	250,200	147,580	(102,620)
Miscellaneous	-	640	635	(5)
Total revenues	<u>14,442,277</u>	<u>14,292,277</u>	<u>6,083,245</u>	<u>(8,209,032)</u>
EXPENDITURES:				
Current:				
Capital outlay	<u>46,224,871</u>	<u>84,673,431</u>	<u>25,335,791</u>	<u>59,337,640</u>
Total expenditures	<u>46,224,871</u>	<u>84,673,431</u>	<u>25,335,791</u>	<u>59,337,640</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(31,782,594)</u>	<u>(70,381,154)</u>	<u>(19,252,546)</u>	<u>51,128,608</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	12,818,303	57,626,942	17,884,759	(39,742,183)
Transfers out	<u>(3,551,080)</u>	<u>(3,386,138)</u>	<u>(279,964)</u>	<u>3,106,174</u>
Total other financing sources (uses)	<u>9,267,223</u>	<u>54,240,804</u>	<u>17,604,795</u>	<u>(36,636,009)</u>
NET CHANGE IN FUND BALANCE	<u>\$ (22,515,371)</u>	<u>\$ (16,140,350)</u>	<u>(1,647,751)</u>	<u>\$ 14,492,599</u>
FUND BALANCE:				
Beginning of year			<u>16,140,349</u>	
End of year			<u>\$ 14,492,598</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Miscellaneous General Projects Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Current:				
General government	\$ 195,000	\$ 170,780	\$ 98,524	\$ 72,256
Total expenditures	<u>195,000</u>	<u>170,780</u>	<u>98,524</u>	<u>72,256</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(195,000)</u>	<u>(170,780)</u>	<u>(98,524)</u>	<u>72,256</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (195,000)</u></u>	<u><u>\$ (170,780)</u></u>	<u>(98,524)</u>	<u><u>\$ 72,256</u></u>
FUND BALANCE:				
Beginning of year			<u>170,780</u>	
End of year			<u><u>\$ 72,256</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Public Financing Authority Debt Service Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 3,800,000	\$ 5,643,410	\$ 4,297,403	\$ (1,346,007)
Total revenues	<u>3,800,000</u>	<u>5,643,410</u>	<u>4,297,403</u>	<u>(1,346,007)</u>
EXPENDITURES:				
Debt service:				
Principal retirement	3,656,390	3,656,390	3,500,000	156,390
Interest and fiscal charges	<u>4,732,780</u>	<u>4,732,780</u>	<u>4,732,771</u>	<u>9</u>
Total expenditures	<u>8,389,170</u>	<u>8,389,170</u>	<u>8,232,771</u>	<u>156,399</u>
NET CHANGE IN FUND BALANCE	<u>\$ (4,589,170)</u>	<u>\$ (2,745,760)</u>	(3,935,368)	<u>\$ (1,189,608)</u>
FUND BALANCE:				
Beginning of year			<u>107,022,361</u>	
End of year			<u>\$ 103,086,993</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Facilities Financing Authority Debt Service Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 1,750,100	\$ 3,078,591	\$ 2,452,088	\$ (626,503)
Miscellaneous	1,630,540	3,120,646	2,858,025	(262,621)
Total revenues	<u>3,380,640</u>	<u>6,199,237</u>	<u>5,310,113</u>	<u>(889,124)</u>
EXPENDITURES:				
Current:				
General government	285,000	101,904	1,242	100,662
Debt service:				
Principal retirement	2,870,900	3,495,911	3,415,000	80,911
Interest and fiscal charges	2,348,700	3,281,220	3,281,061	159
Total expenditures	<u>5,504,600</u>	<u>6,879,035</u>	<u>6,697,303</u>	<u>181,732</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (2,123,960)</u></u>	<u><u>\$ (679,798)</u></u>	(1,387,190)	<u><u>\$ (707,392)</u></u>
FUND BALANCE:				
Beginning of year			96,772,146	
End of year			<u><u>\$ 95,384,956</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Park Quimby Development Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	1,100	1,100	(461)	(1,561)
Total revenues	<u>76,100</u>	<u>126,100</u>	<u>114,924</u>	<u>(11,176)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>76,100</u>	<u>126,100</u>	<u>114,924</u>	<u>(11,176)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(280,210)	(379,529)	(280,213)	99,316
Total other financing sources (uses)	<u>(280,210)</u>	<u>(379,529)</u>	<u>(280,213)</u>	<u>99,316</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (204,110)</u></u>	<u><u>\$ (253,429)</u></u>	<u>(165,289)</u>	<u><u>\$ 88,140</u></u>
FUND BALANCE:				
Beginning of year			<u>253,429</u>	
End of year			<u><u>\$ 88,140</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Storm Drains Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	5,100	55,100	46,252	(8,848)
Total revenues	<u>255,100</u>	<u>465,100</u>	<u>394,843</u>	<u>(70,257)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>255,100</u>	<u>465,100</u>	<u>394,843</u>	<u>(70,257)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,016,760)	(2,016,763)	(22,809)	1,993,954
Total other financing sources (uses)	<u>(2,016,760)</u>	<u>(2,016,763)</u>	<u>(22,809)</u>	<u>1,993,954</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (1,761,660)</u></u>	<u><u>\$ (1,551,663)</u></u>	372,034	<u><u>\$ 1,923,697</u></u>
FUND BALANCE:				
Beginning of year			<u>2,704,984</u>	
End of year			<u><u>\$ 3,077,018</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Library Facilities Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	5,100	25,100	19,322	(5,778)
Total revenues	<u>55,100</u>	<u>46,300</u>	<u>32,292</u>	<u>(14,008)</u>
EXPENDITURES:				
Current:				
General government	40,000	40,000	-	40,000
Total expenditures	<u>40,000</u>	<u>40,000</u>	<u>-</u>	<u>40,000</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>15,100</u>	<u>6,300</u>	<u>32,292</u>	<u>25,992</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,301,160)	(1,301,159)	-	1,301,159
Total other financing sources (uses)	<u>(1,301,160)</u>	<u>(1,301,159)</u>	<u>-</u>	<u>1,301,159</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,286,060)</u>	<u>\$ (1,294,859)</u>	32,292	<u>\$ 1,327,151</u>
FUND BALANCE:				
Beginning of year			1,294,859	
End of year			<u>\$ 1,327,151</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Traffic Impact Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	160	10,660	4,632	(6,028)
Total revenues	<u>446,660</u>	<u>387,968</u>	<u>202,446</u>	<u>(185,522)</u>
EXPENDITURES:				
Current:				
Community development	-	-	11,323	(11,323)
Total expenditures	<u>-</u>	<u>-</u>	<u>11,323</u>	<u>(11,323)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>446,660</u>	<u>387,968</u>	<u>191,123</u>	<u>(196,845)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(586,000)	(586,000)	(294,940)	291,060
Total other financing sources (uses)	<u>(586,000)</u>	<u>(586,000)</u>	<u>(294,940)</u>	<u>291,060</u>
NET CHANGE IN FUND BALANCE	<u>\$ (139,340)</u>	<u>\$ (198,032)</u>	<u>(103,817)</u>	<u>\$ 94,215</u>
FUND BALANCE:				
Beginning of year			198,032	
End of year			<u>\$ 94,215</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Fire Facilities Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ -	\$ -
Investment earnings	1,100	13,100	8,191	(4,909)
Total revenues	<u>81,100</u>	<u>92,100</u>	<u>87,705</u>	<u>(4,395)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>81,100</u>	<u>92,100</u>	<u>87,705</u>	<u>(4,395)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(635,150)	(583,056)	-	583,056
Total other financing sources (uses)	<u>(635,150)</u>	<u>(583,056)</u>	<u>-</u>	<u>583,056</u>
NET CHANGE IN FUND BALANCE	<u>\$ (554,050)</u>	<u>\$ (490,956)</u>	87,705	<u>\$ 578,661</u>
FUND BALANCE:				
Beginning of year			<u>490,956</u>	
End of year			<u>\$ 578,661</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Public Improvement In-Lieu Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ -	\$ -	\$ 1	\$ 1
Investment earnings	5,100	35,100	24,534	(10,566)
Total revenues	<u>85,100</u>	<u>85,100</u>	<u>24,536</u>	<u>(60,564)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>85,100</u>	<u>85,100</u>	<u>24,536</u>	<u>(60,564)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,789,270)	(1,738,324)	-	1,738,324
Total other financing sources (uses)	<u>(1,789,270)</u>	<u>(1,738,324)</u>	<u>-</u>	<u>1,738,324</u>
NET CHANGE IN FUND BALANCE	<u>\$ (1,704,170)</u>	<u>\$ (1,653,224)</u>	<u>24,536</u>	<u>\$ 1,677,760</u>
FUND BALANCE:				
Beginning of year			<u>1,653,224</u>	
End of year			<u>\$ 1,677,760</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Total Road Improvement Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ 2,020	\$ 855	\$ (1,165)
Total revenues	<u>-</u>	<u>2,020</u>	<u>855</u>	<u>(1,165)</u>
EXPENDITURES:				
Current:				
Public services	12,930	13,040	4,170	8,870
Principal retirement	117,920	260,000	260,000	-
Interest and fiscal charges	377,920	235,840	235,838	2
Total expenditures	<u>508,770</u>	<u>508,880</u>	<u>500,008</u>	<u>8,872</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(508,770)</u>	<u>(506,860)</u>	<u>(499,153)</u>	<u>7,707</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	495,840	499,350	500,577	1,227
Total other financing sources (uses)	<u>495,840</u>	<u>499,350</u>	<u>500,577</u>	<u>1,227</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (12,930)</u></u>	<u><u>\$ (7,510)</u></u>	<u>1,424</u>	<u><u>\$ 8,934</u></u>
FUND BALANCE:				
Beginning of year			15,262	
End of year			<u><u>\$ 16,686</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - TUMF Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 7,500,000	\$ 6,500,000	\$ 217,590	\$ (6,282,410)
Total revenues	<u>7,500,000</u>	<u>6,500,000</u>	<u>217,590</u>	<u>(6,282,410)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,500,000</u>	<u>6,500,000</u>	<u>217,590</u>	<u>(6,282,410)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	55,435	55,435
Transfers out	<u>(7,500,000)</u>	<u>(6,500,000)</u>	<u>(306,851)</u>	<u>6,193,149</u>
Total other financing sources (uses)	<u>(7,500,000)</u>	<u>(6,500,000)</u>	<u>(251,416)</u>	<u>6,248,584</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(33,826)</u>	<u>\$ (33,826)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			<u>(270,172)</u>	
End of year			<u>\$ (303,998)</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - La Strada RBBB Capital Projects Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 60	\$ 430	\$ 350	\$ (80)
Total revenues	<u>60</u>	<u>430</u>	<u>350</u>	<u>(80)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>60</u>	<u>430</u>	<u>350</u>	<u>(80)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(23,750)	(23,721)	-	23,721
Total other financing sources (uses)	<u>(23,750)</u>	<u>(23,721)</u>	<u>-</u>	<u>23,721</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (23,690)</u></u>	<u><u>\$ (23,291)</u></u>	<u>350</u>	<u><u>\$ 23,641</u></u>
FUND BALANCE:				
Beginning of year			<u>23,586</u>	
End of year			<u><u>\$ 23,936</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Endowment Trust - Adolph Korn Permanent Fund
For the Year Ended June 30, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 600	\$ 860	\$ 493	\$ (367)
Total revenues	<u>600</u>	<u>860</u>	<u>493</u>	<u>(367)</u>
EXPENDITURES:				
Current:				
General government	630	630	-	630
Total expenditures	<u>630</u>	<u>630</u>	<u>-</u>	<u>630</u>
NET CHANGE IN FUND BALANCE	<u>\$ (30)</u>	<u>\$ 230</u>	493	<u>\$ 263</u>
FUND BALANCE:				
Beginning of year			33,231	
End of year			<u>\$ 33,724</u>	

Internal Service Funds

Internal service funds are used to account for transactions related to the City's vehicle & equipment maintenance/replacement, information technology, for its self-insurance programs, and facilities maintenance. These services are provided to other departments on a cost reimbursement basis.

Insurance Fund - This fund is used to finance and account for the City's risk management and insurance programs.

Info Systems Fund - This fund is used to account for the cost of providing electronic data processing equipment, software and central telephone services.

Support Services Fund - This fund is used to account for the cost of providing central mailing and reprographic services.

Fleet Services Fund - This fund is used to account for the replacement of the City's vehicles.

Facilities Fund - This fund is used to account for the operations and maintenance of City Hall and the City's maintenance facilities..

City of Lake Elsinore
Combining Statement of Net Position
Internal Service Funds
June 30, 2023

	Insurance	Info Systems	Support Services	Fleet Services	Facilities	Total
ASSETS						
Current Assets:						
Cash and investments	\$ 804,557	\$ 3,260,812	\$ 54,552	\$ 912,723	\$ 2,565,265	\$ 7,597,909
Receivables:						
Accounts	-	-	-	-	-	-
Interest	7,990	17,169	198	3,570	13,566	42,493
Prepaid items	877,478	99,655	-	-	2,650	979,783
Total current assets	<u>1,690,025</u>	<u>3,377,636</u>	<u>54,750</u>	<u>916,293</u>	<u>2,581,481</u>	<u>8,620,185</u>
Noncurrent assets:						
Capital assets						
Capital assets, being depreciated, net	-	190,186	8,812	2,142,515	119,953	2,461,466
Total capital assets, net	-	190,186	8,812	2,142,515	119,953	2,461,466
Total noncurrent assets	<u>-</u>	<u>190,186</u>	<u>8,812</u>	<u>2,142,515</u>	<u>119,953</u>	<u>2,461,466</u>
Total assets	<u>1,690,025</u>	<u>3,567,822</u>	<u>63,562</u>	<u>3,058,808</u>	<u>2,701,434</u>	<u>11,081,651</u>
DEFERRED OUTFLOWS OF RESOURCES						
Pension-related	7,958	195,414	-	195,414	65,138	463,924
OPEB-related	-	129,554	-	129,554	129,554	388,662
Total deferred outflows of resources	<u>7,958</u>	<u>324,968</u>	<u>-</u>	<u>324,968</u>	<u>194,692</u>	<u>852,586</u>
LIABILITIES						
Current liabilities:						
Accounts payable	17,599	126,672	5,856	118,381	50,660	319,168
Accrued liabilities	213,383	17,933	-	10,942	10,587	252,845
Long-term debt - due within one year	-	38,194	-	-	-	38,194
Total current liabilities	<u>230,982</u>	<u>182,799</u>	<u>5,856</u>	<u>129,323</u>	<u>61,247</u>	<u>610,207</u>
Noncurrent liabilities:						
Long-term debt - due in more than one year	-	88,792	-	-	-	88,792
Net pension liability	-	438,764	-	438,764	146,255	1,023,783
Total OPEB liability	-	437,052	-	437,052	437,052	1,311,156
Total noncurrent liabilities	<u>-</u>	<u>964,608</u>	<u>-</u>	<u>875,816</u>	<u>583,307</u>	<u>2,423,731</u>
Total liabilities	<u>230,982</u>	<u>1,147,407</u>	<u>5,856</u>	<u>1,005,139</u>	<u>644,554</u>	<u>3,033,938</u>
DEFERRED INFLOWS OF RESOURCES						
Pension-related	-	36,302	-	36,302	12,101	84,705
OPEB-related	-	184,429	-	184,429	184,429	553,287
Total deferred inflows of resources	<u>-</u>	<u>220,731</u>	<u>-</u>	<u>220,731</u>	<u>196,530</u>	<u>637,992</u>
NET POSITION						
Net investment in capital assets	-	63,200	8,812	2,142,515	119,953	2,334,480
Unrestricted	1,467,001	2,461,452	48,894	15,391	1,935,089	5,927,827
Total net position	<u>\$ 1,467,001</u>	<u>\$ 2,524,652</u>	<u>\$ 57,706</u>	<u>\$ 2,157,906</u>	<u>\$ 2,055,042</u>	<u>\$ 8,262,307</u>

City of Lake Elsinore
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2023

	Insurance	Info Systems	Support Services	Fleet Services	Facilities	Total
OPERATING REVENUES:						
Charges for services	\$ 750,176	\$ 2,020,925	\$ 114,545	\$ 1,659,622	\$ 954,130	\$ 5,499,398
Miscellaneous	-	-	-	31,185	-	31,185
Total operating revenues	<u>750,176</u>	<u>2,020,925</u>	<u>114,545</u>	<u>1,690,807</u>	<u>954,130</u>	<u>5,530,583</u>
OPERATING EXPENSES:						
Personnel services	-	164,923	-	326,904	325,017	816,844
Contractual services	115,733	30,540	51,609	44,017	218,433	460,332
Utilities	-	184,133	-	215,198	134,544	533,875
Maintenance and operation	1,397	857,982	48,182	205,024	147,855	1,260,440
Insurance	602,089	-	-	-	-	602,089
Depreciation/amortization	-	139,811	4,807	629,249	51,608	825,475
Total operating expenses	<u>719,219</u>	<u>1,377,389</u>	<u>104,598</u>	<u>1,420,392</u>	<u>877,457</u>	<u>4,499,055</u>
OPERATING INCOME (LOSS)	<u>30,957</u>	<u>643,536</u>	<u>9,947</u>	<u>270,415</u>	<u>76,673</u>	<u>1,031,528</u>
NON-OPERATING REVENUES/(EXPENSES):						
Interest income	23,849	43,102	435	6,786	34,023	108,195
Interest expense	-	(14,282)	-	-	-	(14,282)
Gain/(loss) on disposal of capital assets	-	-	-	(21,529)	325	(21,204)
Total non-operating revenues/(expenses)	<u>23,849</u>	<u>28,820</u>	<u>435</u>	<u>(14,743)</u>	<u>34,348</u>	<u>72,709</u>
CHANGES IN NET POSITION	54,806	672,356	10,382	255,672	111,021	1,104,237
NET POSITION:						
Beginning of the year	1,412,195	1,852,296	47,324	1,902,234	1,944,021	7,158,070
End of the year	<u>\$ 1,467,001</u>	<u>\$ 2,524,652</u>	<u>\$ 57,706</u>	<u>\$ 2,157,906</u>	<u>\$ 2,055,042</u>	<u>\$ 8,262,307</u>

City of Lake Elsinore
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2023

	Insurance	Info Systems	Support Services	Fleet Services	Facilities	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers and users	\$ 750,176	\$ 2,020,925	\$ 114,545	\$ 1,690,818	\$ 955,544	\$ 5,532,008
Cash paid to suppliers for goods and services	(1,568,742)	(1,019,122)	(99,498)	(539,640)	(684,476)	(3,911,478)
Cash paid to employees for services	81,995	(594,287)	-	(393,617)	(337,259)	(1,243,168)
Net cash provided by (used in) operating activities	(736,571)	407,516	15,047	757,561	(66,191)	377,362
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets	-	(81,268)	-	(867,146)	(18,177)	(966,591)
Cash effect of disposal of capital assets	-	-	-	(21,529)	325	(21,204)
Interest paid on outstanding debt	-	(14,282)	-	-	-	(14,282)
Net cash provided (used in) by capital and related financing activities	-	(95,550)	-	(888,675)	(17,852)	(1,002,077)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	18,692	28,835	269	4,362	21,883	74,041
Net cash provided by investing activities	18,692	28,835	269	4,362	21,883	74,041
Changes in cash and cash equivalents	(717,879)	340,801	15,316	(126,752)	(62,160)	(550,674)
CASH AND CASH EQUIVALENTS:						
Beginning of year	1,522,436	2,920,011	39,236	1,039,475	2,627,425	8,148,583
End of year	<u>\$ 804,557</u>	<u>\$ 3,260,812</u>	<u>\$ 54,552</u>	<u>\$ 912,723</u>	<u>#####</u>	<u>\$ 7,597,909</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ 30,957	\$ 643,536	\$ 9,947	\$ 270,415	\$ 76,673	\$ 1,031,528
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation/amortization	-	139,811	4,807	629,249	51,608	825,475
Change in assets and liabilities:						
Accounts receivable	-	-	-	11	1,414	1,425
Prepaid items	(867,122)	(58,417)	-	-	(2,650)	(928,189)
Pension-related deferred outflows	12,471	(81,006)	-	(112,071)	(25,688)	(206,294)
OPEB-related deferred outflows	-	100,811	-	24,023	24,023	148,857
Accounts payable	17,599	111,950	293	(75,401)	(180,994)	(126,553)
Accrued liabilities	210,756	(5,653)	-	(1,426)	911	204,588
Net pension liability	(73,216)	145,901	-	219,117	73,039	364,841
Total OPEB liability	-	(412,973)	-	(129,632)	(129,632)	(672,237)
Pension-related deferred inflows	(68,016)	(235,760)	-	(167,744)	(55,915)	(527,435)
OPEB-related deferred inflows	-	59,316	-	101,020	101,020	261,356
Total adjustments	(767,528)	(236,020)	5,100	487,146	(142,864)	(654,166)
Net cash provided by (used in) operating activities	\$ (736,571)	\$ 407,516	\$ 15,047	\$ 757,561	\$ (66,191)	\$ 377,362

Private - Purpose Trust Funds

Trust Carl Graves - This fund is used to account for assets held by the City as a trustee of the Carl Graves Trust Estate. Money is to fund scholarships to graduates of the Lake Elsinore School system. Scholarships provide funds for a four-year college degree program.

Successor Agency - This fund is used to account for assets held by the City as the Successor Agency of the former Redevelopment Agency. The City distributes remaining assets used to pay enforceable obligations as required.

City of Lake Elsinore
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2023

	Trust - Carl Graves	Successor Agency	Total
ASSETS:			
Cash and investments	\$ 58,996	\$ 6,015,127	\$ 6,074,123
Receivables:			
Accounts	-	16,017	16,017
Interest	345	9,808	10,153
Prepaid items	-	304,662	304,662
Due from other governments	-	-	-
Land held for resale	-	6,039,994	6,039,994
Deposits with other agencies	-	-	-
Restricted assets:			
Cash and investments with fiscal agents	-	1,420	1,420
Capital assets:			
Capital assets, not being depreciated	-	2,004,419	2,004,419
Capital assets, net of accumulated depreciation	-	15,717,265	15,717,265
Total assets	<u>59,341</u>	<u>30,108,712</u>	<u>30,168,053</u>
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts on refunding	-	1,313,014	1,313,014
Total deferred outflows of resources	<u>-</u>	<u>1,313,014</u>	<u>1,313,014</u>
LIABILITIES:			
Accounts payable	-	425,190	425,190
Interest payable	-	1,026,952	1,026,952
Long-term debt:			
Due within one year	-	2,195,000	2,195,000
Due in more than one year	-	54,453,838	54,453,838
Total liabilities	<u>-</u>	<u>58,100,980</u>	<u>58,100,980</u>
NET POSITION (DEFICIT):			
Restricted for:			
Organizations and other governments	59,341	(26,679,254)	(26,619,913)
Total net position (deficit)	<u>\$ 59,341</u>	<u>\$ (26,679,254)</u>	<u>\$ (26,619,913)</u>

City of Lake Elsinore
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2023

	Trust - Carl Graves	Successor Agency	Total
	<u> </u>	<u> </u>	<u> </u>
ADDITIONS:			
Collection of special taxes	\$ -	\$ 707,108	\$ 707,108
Taxes	-	15,074,529	15,074,529
Investment earnings	857	9,215	10,072
Contributions from City	-	-	-
Miscellaneous	2,000	-	2,000
	<u>2,857</u>	<u>15,790,852</u>	<u>15,793,709</u>
Total additions			
	<u>2,857</u>	<u>15,790,852</u>	<u>15,793,709</u>
DEDUCTIONS:			
Administrative expenses	-	513,656	513,656
Contractual services	-	4,101,165	4,101,165
Interest expense	-	2,131,891	2,131,891
Depreciation	-	1,868,633	1,868,633
	<u>-</u>	<u>8,615,345</u>	<u>8,615,345</u>
Total deductions			
	<u>-</u>	<u>8,615,345</u>	<u>8,615,345</u>
Change in net position	2,857	7,175,507	7,178,364
NET POSITION (DEFICIT) :			
Beginning of year	56,484	(33,854,761)	(33,798,277)
	<u>56,484</u>	<u>(33,854,761)</u>	<u>(33,798,277)</u>
End of year	\$ 59,341	\$ (26,679,254)	\$ (26,619,913)
	<u>\$ 59,341</u>	<u>\$ (26,679,254)</u>	<u>\$ (26,619,913)</u>

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CITY OF LAKE ELSINORE

STATISTICAL SECTION

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City of Lake Elsinore, California

Statistical Section Contents

June 30, 2023

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.	196-207
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources, sales taxes and property tax.	207-215
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.	216-222
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.	223-224
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.	225-229

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

	Fiscal Year				
	2014	2015	2016	2017	2018
GOVERNMENTAL ACTIVITIES					
Net Investment in					
Capital Assets	\$ 131,965,428	\$ 137,914,627	\$ 145,170,561	\$ 146,735,654	\$ 142,754,254
Restricted	74,462,124	90,537,124	75,054,285	90,363,046	92,281,048
Unrestricted	7,500,328	(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)
Total Governmental					
Activities Net Position	<u>\$ 213,927,880</u>	<u>\$ 215,948,262</u>	<u>\$ 210,044,700</u>	<u>\$ 225,036,484</u>	<u>\$ 221,481,578</u>
BUSINESS-TYPE ACTIVITIES					
Net Investment in					
Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted	-	-	-	-	-
Unrestricted	-	-	-	-	-
Total Business-type					
Activities Net Position	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
PRIMARY GOVERNMENT					
Net Investment in					
Capital Assets	\$ 131,965,428	\$ 137,914,627	\$ 145,170,561	\$ 146,735,654	\$ 142,754,254
Restricted	74,462,124	90,537,124	75,054,285	90,363,046	92,281,048
Unrestricted	7,500,328	(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)
Total Primary					
Government Net Position	<u>\$ 213,927,880</u>	<u>\$ 215,948,262</u>	<u>\$ 210,044,700</u>	<u>\$ 225,036,484</u>	<u>\$ 221,481,578</u>

Source: City Finance Department

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

	Fiscal Year				
	2019	2020	2021	2022	2023
GOVERNMENTAL ACTIVITIES					
Net Investment in					
Capital Assets	\$ 147,000,319	\$ 147,522,397	\$ 153,408,107	\$ 161,286,962	\$ 163,396,517
Restricted	94,960,776	105,362,660	263,683,834	302,436,092	323,071,895
Unrestricted	<u>(26,768,225)</u>	<u>(31,045,124)</u>	<u>(169,103,017)</u>	<u>(177,109,868)</u>	<u>(180,304,336)</u>
Total Governmental					
Activities Net Position	<u>\$ 215,192,870</u>	<u>\$ 221,839,933</u>	<u>\$ 247,988,924</u>	<u>\$ 286,613,186</u>	<u>\$ 306,164,076</u>
BUSINESS-TYPE ACTIVITIES					
Net Investment in					
Capital Assets	\$ 17,255,744	\$ 27,049,079	\$ 26,613,234	\$ 24,693,433	\$ 23,248,976
Restricted	-	-	-	-	-
Unrestricted	<u>(506,148)</u>	<u>(10,434,316)</u>	<u>(9,568,742)</u>	<u>(9,131,820)</u>	<u>(9,059,455)</u>
Total Business-type					
Activities Net Position	<u>\$ 16,749,596</u>	<u>\$ 16,614,763</u>	<u>\$ 17,044,492</u>	<u>\$ 15,561,613</u>	<u>\$ 14,189,521</u>
PRIMARY GOVERNMENT					
Net Investment in					
Capital Assets	\$ 164,256,063	\$ 174,571,476	\$ 180,021,341	\$ 185,980,395	\$ 186,645,493
Restricted	94,960,776	105,362,660	263,683,834	302,436,092	323,071,895
Unrestricted	<u>(27,274,373)</u>	<u>(41,479,440)</u>	<u>(178,671,759)</u>	<u>(186,241,688)</u>	<u>(189,363,791)</u>
Total Primary					
Government Net Position	<u>\$ 231,942,466</u>	<u>\$ 238,454,696</u>	<u>\$ 265,033,416</u>	<u>\$ 302,174,799</u>	<u>\$ 320,353,597</u>

Source: City Finance Department

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

	Fiscal Year				
	2014	2015	2016	2017	2018
EXPENSES					
Governmental Activities:					
General Government	\$ 7,836,775	\$ 8,617,841	\$ 6,477,776	\$ 8,904,130	\$ 5,856,845
Public Safety	14,485,711	18,626,488	19,098,659	21,218,964	20,963,229
Community Development	9,079,863	7,391,688	4,005,355	4,807,685	5,000,426
Community Services	4,819,153	4,652,536	5,411,152	9,791,967	3,313,875
Public Services	10,610,540	11,162,854	18,668,180	14,148,801	43,153,162
Interest on Long-term Debt	6,330,889	8,097,248	11,204,357	11,832,732	11,463,403
Total Governmental Activities					
Expenses	53,162,931	58,548,655	64,865,479	70,704,279	89,750,940
Business-type Activities:					
Launch Pointe	-	-	-	-	-
Total Business-type Activities					
Expenses	-	-	-	-	-
Total Primary Government Expenses	<u>\$ 53,162,931</u>	<u>\$ 58,548,655</u>	<u>\$ 64,865,479</u>	<u>\$ 70,704,279</u>	<u>\$ 89,750,940</u>
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Government	460,808	1,464,689	734,034	1,726,741	2,666,057
Public Safety	1,067,440	1,427,632	1,922,602	2,665,603	1,716,350
Community Development	5,018,102	3,905,472	4,660,580	8,727,675	9,727,246
Community Services	3,112,662	2,405,100	2,977,699	858,119	759,254
Public Services	1,574,245	2,329,172	2,977,138	5,504,572	2,609,931
Operating Grants and Contributions	20,954,573	20,141,320	19,883,338	5,496,146	8,599,061
Capital Grants and Contributions	6,485,279	21,044,552	5,901,491	30,389,367	30,754,329
Total Governmental Activities					
Program Revenues	38,673,109	52,717,937	39,056,882	55,368,223	56,832,228
Business-type Activities:					
Launch Pointe	-	-	-	-	-
Total Business-type Activities					
Revenues	-	-	-	-	-
Total Primary Government Revenues	<u>\$ 38,673,109</u>	<u>\$ 52,717,937</u>	<u>\$ 39,056,882</u>	<u>\$ 55,368,223</u>	<u>\$ 56,832,228</u>
NET REVENUES (EXPENSES)					
Governmental Activities	(14,489,822)	(5,830,718)	(25,808,597)	(15,336,056)	(32,918,712)
Business-type Activities	-	-	-	-	-
Total Net Revenues (Expenses)	<u>\$ (14,489,822)</u>	<u>\$ (5,830,718)</u>	<u>\$ (25,808,597)</u>	<u>\$ (15,336,056)</u>	<u>\$ (32,918,712)</u>

Source: City Finance Department

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

	Fiscal Year				
	2019	2020	2021	2022	2023
EXPENSES					
Governmental Activities:					
General Government	\$ 5,497,097	\$ 7,415,903	\$ 7,192,106	\$ 5,107,567	\$ 9,172,842
Public Safety	21,143,285	22,051,425	22,583,417	25,501,850	32,879,462
Community Development	5,257,082	4,874,909	5,675,292	8,049,582	7,658,800
Community Services	3,003,809	2,751,936	2,359,364	3,555,069	3,635,488
Public Services	23,303,523	21,486,942	24,952,498	26,549,937	31,912,202
Interest on Long-term Debt	11,340,371	14,659,186	5,151,588	7,721,648	8,528,626
Total Governmental Activities Expenses	69,545,167	73,240,301	67,914,265	76,485,653	93,787,420
Business-type Activities:					
Launch Pointe	1,588,992	4,219,772	3,967,463	5,940,262	4,414,720
Total Business-type Activities Expenses	1,588,992	4,219,772	3,967,463	5,940,262	4,414,720
Total Primary Government Expenses	<u>\$ 71,134,159</u>	<u>\$ 77,460,073</u>	<u>\$ 71,881,728</u>	<u>\$ 82,425,915</u>	<u>\$ 98,202,140</u>
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Government	1,478,132	2,288,038	1,901,893	6,115,447	2,974,857
Public Safety	1,605,806	1,468,446	1,546,880	1,421,517	9,509,364
Community Development	7,534,732	7,916,155	8,564,938	10,133,005	3,779,315
Community Services	490,827	435,120	605,248	853,775	440,928
Public Services	2,494,149	4,146,898	7,434,970	8,815,764	1,892,579
Operating Grants and Contributions	10,045,467	16,522,110	16,799,986	22,058,808	29,601,505
Capital Grants and Contributions	20,188,402	11,440,911	14,106,537	14,438,375	4,550,058
Total Governmental Activities Program Revenues	43,837,515	44,217,678	50,960,452	63,836,691	52,748,606
Business-type Activities:					
Launch Pointe	249,194	2,105,505	3,728,501	3,384,588	3,057,715
Total Business-type Activities Revenues	249,194	2,105,505	3,728,501	3,384,588	3,057,715
Total Primary Government Revenues	<u>\$ 44,086,709</u>	<u>\$ 46,323,183</u>	<u>\$ 54,688,953</u>	<u>\$ 67,221,279</u>	<u>\$ 55,806,321</u>
NET REVENUES (EXPENSES)					
Governmental Activities	(25,707,652)	(29,022,623)	(16,953,813)	(12,648,962)	(41,038,814)
Business-type Activities	(1,339,798)	(2,114,267)	(238,962)	(2,555,674)	(1,357,005)
Total Net Revenues (Expenses)	<u>\$ (27,047,450)</u>	<u>\$ (31,136,890)</u>	<u>\$ (17,192,775)</u>	<u>\$ (15,204,636)</u>	<u>\$ (42,395,819)</u>

Source: City Finance Department

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

	Fiscal Year				
	2014	2015	2016	2017	2018
GENERAL REVENUES					
Governmental Activities					
Taxes					
Property Taxes	\$ 5,487,743	\$ 6,276,548	\$ 6,537,540	\$ 7,380,594	\$ 8,030,862
Sales Taxes	8,031,486	8,572,066	9,939,637	9,745,714	10,071,435
Franchise Taxes	2,275,619	2,389,413	2,423,707	2,297,401	2,477,400
Other Taxes	760,203	767,058	838,364	598,126	560,150
Fines, Forfeitures and Penalties	507,265	683,573	-	-	-
Investment Earnings	574,477	966,365	925,517	11,247,531	13,191,802
Miscellaneous	1,054,958	1,022,472	706,094	2,745,222	3,026,724
Special Item					
Loss on CFD and AD Investments	(9,880,891)	(4,502,385)	-	-	-
Extraordinary Item					
Gain on Dissolution of Redevelopment Agency	-	-	-	-	-
Total Governmental Activities	8,810,860	16,175,110	21,370,859	34,014,588	37,358,373
Business-type Activities					
Investment Earnings	-	-	-	-	-
Gain/(loss) on sale of capital assets					
Miscellaneous	-	-	-	-	-
Total Business-type Activities	-	-	-	-	-
Total General Revenues, Special and Extraordinary Items	8,810,860	16,175,110	21,370,859	34,014,588	37,358,373
CHANGES IN NET POSITION					
Governmental Activities	(5,678,962)	10,344,392	6,034,803	1,095,876	11,650,721
Business-type Activities	-	-	-	-	(1,339,798)
Total Changes in Net Position	\$ (5,678,962)	\$ 10,344,392	\$ 6,034,803	\$ 1,095,876	\$ 11,650,721

Source: City Finance Department

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

	Fiscal Year				
	2019	2020	2021	2022	2023
GENERAL REVENUES					
Governmental Activities					
Taxes					
Property Taxes	\$ 7,986,053	\$ 8,990,543	\$ 9,677,646	\$ 10,228,341	\$ 13,011,435
Sales Taxes	11,057,497	10,896,995	18,068,365	32,787,974	33,409,294
Franchise Taxes	2,553,006	2,587,128	2,762,725	2,918,685	3,317,255
Other Taxes	577,805	654,044	550,508	762,896	638,573
Fines, Forfeitures and Penalties	-	-	-	-	-
Investment Earnings	12,468,683	11,258,137	7,205,149	3,563,485	9,099,556
Miscellaneous	3,785,183	2,960,909	2,794,609	2,415,630	1,816,565
Special Item					
Loss on CFD and AD Investments	-	-	-	-	-
Extraordinary Item					
Gain on Dissolution of Redevelopment Agency	-	-	-	-	-
Total Governmental Activities	38,428,227	37,347,756	41,059,001	52,677,011	61,292,678
Business-type Activities					
Investment Earnings	160	255	967	(15,010)	21,416
Gain/(loss) on sale of capital assets				(19,042)	-
Miscellaneous	636	6,107	14,559	24,975	-
Total Business-type Activities	796	6,362	15,526	(9,077)	21,416
Total General Revenues, Special and Extraordinary Items	38,429,023	37,354,118	41,074,527	52,667,934	61,314,094
CHANGES IN NET POSITION					
Governmental Activities	9,405,604	6,352,063	24,105,188	40,028,049	19,973,900
Business-type Activities	(2,113,471)	(134,833)	(223,436)	(2,564,751)	(1,353,050)
Total Changes in Net Position	\$ 7,292,133	\$ 6,217,230	\$ 23,881,752	\$ 37,463,298	\$ 18,620,850

Source: City Finance Department

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

	Fiscal Year				
	2014	2015	2016	2017	2018
GENERAL FUND					
Nondisposable	\$ 1,264,392	\$ 1,016,468	\$ 1,029,015	\$ 1,096,846	\$ 1,031,385
Unassigned	10,488,843	10,954,475	11,365,894	11,512,307	10,807,854
Total General Fund	<u>\$ 11,753,235</u>	<u>\$ 11,970,943</u>	<u>\$ 12,394,909</u>	<u>\$ 12,609,153</u>	<u>\$ 11,839,239</u>
ALL OTHER GOVERNMENTAL FUNDS					
Nondisposable	\$ 20,003	\$ 132,037	\$ 124,177	\$ 979,130	\$ 182,018
Restricted	199,162,404	335,415,122	303,860,121	302,110,933	293,344,990
Assigned	1,232,105	1,929,497	1,548,764	9,313,282	17,628,221
Capital projects funds	-	-	-	-	-
Scholarships	-	-	-	-	-
Unassigned	(1,014,226)	(1,316,398)	(891)	(94,936)	-
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 199,400,286</u>	<u>\$ 336,160,258</u>	<u>\$ 305,532,171</u>	<u>\$ 312,308,409</u>	<u>\$ 311,155,229</u>
TOTAL FUND BALANCE					
Nondisposable	\$ 1,284,395	\$ 1,148,505	\$ 1,153,192	\$ 2,075,976	\$ 1,213,403
Restricted	199,162,404	335,415,122	303,860,121	302,110,933	293,344,990
Assigned	1,232,105	1,929,497	1,548,764	9,313,282	17,628,221
Unassigned	16,550,467	16,550,467	16,550,467	16,550,467	16,550,467
Total Governmental Funds	<u>\$ 218,229,371</u>	<u>\$ 355,043,591</u>	<u>\$ 323,112,544</u>	<u>\$ 330,050,658</u>	<u>\$ 328,737,081</u>

Source: City Finance Department

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

	Fiscal Year				
	2019	2020	2021	2022	2023
GENERAL FUND					
Nonspendable	\$ 1,077,168	\$ 1,023,165	\$ 1,031,847	\$ 1,032,002	\$ 1,033,177
Unassigned	11,067,741	11,035,706	13,715,078	17,345,708	18,235,539
Total General Fund	<u>\$ 12,144,909</u>	<u>\$ 12,058,871</u>	<u>\$ 14,746,925</u>	<u>\$ 18,377,710</u>	<u>\$ 19,268,716</u>
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	\$ 171,532	\$ 239,195	\$ 481,647	\$ 610,101	\$ 39,438,252
Restricted	267,464,772	246,825,586	248,711,701	294,660,460	264,036,710
Assigned	13,188,627	11,342,404	12,169,776	16,324,360	14,506,322
Capital projects funds	-	-	-	-	-
Scholarships	-	-	-	-	-
Unassigned	(770,278)	(708,284)	-	(852,676)	(4,349,181)
Special revenue funds	-	-	-	-	-
Debt service funds	-	-	-	-	-
Capital projects funds	-	-	-	-	-
Total All Other Governmental Funds	<u>\$ 280,054,653</u>	<u>\$ 257,698,901</u>	<u>\$ 261,363,124</u>	<u>\$ 310,742,245</u>	<u>\$ 313,632,103</u>
TOTAL FUND BALANCE					
Nonspendable	\$ 1,248,700	\$ 1,262,360	\$ 1,513,494	\$ 1,642,103	\$ 40,471,429
Restricted	267,464,772	246,825,586	248,711,701	294,660,460	264,036,710
Assigned	13,188,627	11,342,404	12,169,776	16,324,360	14,506,322
Unassigned	16,550,467	16,550,467	16,550,467	16,550,467	13,886,358
Total Governmental Funds	<u>\$ 298,452,566</u>	<u>\$ 275,980,817</u>	<u>\$ 278,945,438</u>	<u>\$ 329,177,390</u>	<u>\$ 332,900,819</u>

Source: City Finance Department

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

	Fiscal Year				
	2014	2015	2016	2017	2018
REVENUES					
Property Taxes	\$ 5,495,091	\$ 6,249,786	\$ 6,551,939	\$ 7,380,594	\$ 8,030,862
Other Taxes	11,043,792	11,705,293	13,178,135	12,697,359	13,108,985
Special Assessments	1,641,557	1,671,595	1,680,980	1,790,941	2,407,266
Licenses, Permits and Fees	5,936,900	4,655,325	6,894,107	7,465,474	4,524,328
Intergovernmental Revenues	5,582,705	5,812,486	6,807,169	6,846,125	9,585,606
Charges for Services	2,409,558	3,189,138	2,453,380	2,826,491	5,402,235
Fines, Forfeitures and Penalties	931,168	1,088,411	1,103,154	2,289,357	913,658
Investment Earnings	10,315,842	7,972,858	11,117,857	10,410,765	10,364,291
Contributions from Property Owners	5,985,053	22,535,167	6,219,934	29,339,769	28,853,494
Miscellaneous	3,545,812	4,099,189	3,574,278	6,630,285	8,102,050
Total Revenues	52,887,478	68,979,248	59,580,933	87,677,160	91,292,775
EXPENDITURES					
Current:					
General Government	4,788,505	4,611,722	5,318,933	6,345,498	5,233,031
Public Safety	14,093,095	18,163,150	18,614,077	20,751,331	20,507,870
Community Development	3,407,415	6,200,761	4,164,059	4,395,026	4,730,692
Community Services	4,363,257	4,174,545	4,984,422	3,963,912	2,577,291
Public Services	7,107,120	6,551,578	6,345,398	13,968,654	34,578,033
Capital Outlay	8,992,686	11,123,256	20,106,238	21,241,461	13,364,601
Debt Service:					
Payment to Escrow Agent	-	-	982,386	-	-
Bond Issuance Costs	1,485,399	2,445,261	6,515	-	-
Principal Retirement	18,385,000	7,165,000	7,375,000	8,315,000	8,935,000
Interest and Fiscal Charges	6,091,389	6,231,581	11,468,287	11,797,719	11,882,322
Total Expenditures	68,713,866	66,666,854	79,365,315	90,778,601	101,808,840
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(15,826,388)	2,312,394	(19,784,382)	(3,101,441)	(10,516,065)
OTHER FINANCING SOURCES (USES)					
Transfers In	1,851,084	10,947,946	18,142,559	24,483,943	11,523,931
Transfers Out	(1,851,084)	(10,947,946)	(19,791,262)	(24,802,020)	(11,523,931)
Debt Issuance	-	-	-	10,410,000	7,975,000
Notes and Loans Issued	-	-	-	-	-
Loan Payments	-	-	-	-	-
Premiums	14,460,000	12,151,673	-	-	-
Discounts	(149,044)	(96,307)	-	-	-
Refunding Bonds Issued	25,335,000	137,845,000	-	-	-
Certificates of Participation Issued	-	7,965,000	-	-	-
Capital Leases	-	-	-	-	-
Sale of Capital Assets	-	13,362	14,743	-	14,502
Payment to Refunded Bond Escrow Agent	(19,013,502)	(18,542,280)	-	-	-
Total Other Financing Sources (Uses)	20,632,454	139,336,448	(1,633,960)	10,091,923	7,989,502
Net Change in Fund Balances before					
Special and Extraordinary Items	4,806,066	141,648,842	(21,418,342)	6,990,482	(2,526,563)
Extraordinary/Special Items	(9,880,891)	(4,502,385)	(7,319,955)	-	-
Net Change in Fund Balances	\$ (5,074,825)	\$ 137,146,457	\$ (28,738,297)	\$ 6,990,482	\$ (2,526,563)
Debt Service as a Percentage of					
Noncapital Expenditures	40%	24%	28%	29%	23%

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

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

	Fiscal Year				
	2019	2020	2021	2022	2023
REVENUES					
Property Taxes	\$ 7,986,053	\$ 8,990,543	\$ 9,677,646	\$ 10,228,341	\$ 13,011,435
Other Taxes	14,188,308	14,138,167	21,381,597	36,469,555	37,365,122
Special Assessments	4,140,542	4,387,754	8,113,712	11,739,830	2,189,661
Licenses, Permits and Fees	3,582,357	5,429,574	6,275,936	6,709,538	3,899,120
Intergovernmental Revenues	9,627,086	11,276,362	12,492,435	16,643,561	41,342,148
Charges for Services	3,349,474	4,289,633	5,638,830	7,114,906	5,221,247
Fines, Forfeitures and Penalties	874,765	714,922	447,431	1,048,332	1,150,646
Investment Earnings	13,644,848	11,677,989	11,105,726	5,363,520	8,409,776
Contributions from Property Owners	17,974,870	13,222,683	11,984,476	12,052,826	-
Miscellaneous	7,316,907	7,773,055	8,473,591	7,752,706	6,887,567
Total Revenues	82,685,210	81,900,682	95,591,380	115,123,115	119,476,722
EXPENDITURES					
Current:					
General Government	5,323,480	6,408,283	6,068,984	5,263,576	8,326,912
Public Safety	20,724,268	21,627,645	22,184,865	25,098,499	32,997,418
Community Development	5,198,035	4,911,754	5,737,871	7,665,913	7,906,896
Community Services	2,242,136	2,433,529	2,043,707	2,897,598	3,594,294
Public Services	16,849,015	14,483,225	18,264,438	19,684,541	16,775,998
Capital Outlay	31,718,978	21,291,104	11,984,842	14,580,865	26,135,791
Debt Service:					
Payment to Escrow Agent	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Principal Retirement	34,065,000	40,110,811	47,879,713	12,463,960	7,405,501
Interest and Fiscal Charges	11,796,303	14,406,554	9,496,748	8,075,238	8,343,894
Total Expenditures	127,917,215	125,672,905	123,661,168	95,730,190	111,486,704
Excess (Deficiency) of Revenues					
Over (Under) Expenditures	(45,232,005)	(43,772,223)	(28,069,788)	19,392,925	7,990,018
OTHER FINANCING SOURCES (USES)					
Transfers In	16,851,815	12,958,707	13,100,724	18,821,127	19,874,296
Transfers Out	(8,510,790)	(14,658,799)	(16,353,889)	(23,747,924)	(20,154,260)
Debt Issuance	-	-	-	23,695,000	-
Notes and Loans Issued	-	-	-	-	-
Loan Payments	-	-	-	3,371,468	-
Premiums	-	2,715,525	-	974,763	-
Discounts	-	-	-	-	-
Refunding Bonds Issued	-	20,020,000	34,970,000	20,875,000	-
Certificates of Participation Issued	-	-	-	-	-
Capital Leases	3,459,380	-	-	-	-
Sale of Capital Assets	3,557,379	-	8,262	-	-
Payment to Refunded Bond Escrow Agent	-	-	-	(10,315,018)	-
Total Other Financing Sources (Uses)	15,357,784	21,035,433	31,725,097	33,674,416	(279,964)
Net Change in Fund Balances before					
Special and Extraordinary Items	(29,874,221)	(22,736,790)	3,655,309	53,067,341	7,710,054
Extraordinary/Special Items	-	-	-	-	-
Net Change in Fund Balances	\$ (29,874,221)	\$ (22,736,790)	\$ 3,655,309	\$ 53,067,341	\$ 7,710,054
Debt Service as a Percentage of					
Noncapital Expenditures	48%	52%	51%	25%	17%

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

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City of Lake Elsinore, California
Governmental Activities Tax Revenues by Source
Last Ten Fiscal Years

Fiscal Year Ended June 30	Property Taxes	Sales Taxes	Franchise Taxes	Other Taxes	Total
2014	\$ 5,487,743	\$ 8,031,486	\$ 2,275,619	\$ 760,203	\$ 16,555,051
2015	6,276,548	8,572,066	2,389,413	767,058	18,005,085
2016	6,537,540	9,939,637	2,423,707	838,364	19,739,248
2017	7,380,594	9,745,714	2,297,401	598,126	20,021,835
2018	8,030,862	10,071,435	2,477,400	560,150	21,139,847
2019	7,986,053	11,057,497	2,553,006	577,805	22,174,361
2020	8,990,543	10,896,995	2,587,128	654,044	23,128,710
2021	9,677,646	18,068,364 *	2,762,725	550,508	31,059,243
2022	10,228,341	32,787,974 *	2,918,685	762,896	46,697,896
2023	13,011,435	33,409,294 *	3,317,255	638,573	50,376,557

Note: Property taxes significantly decreased in 2012 and in subsequent years due to the dissolution of the Lake Elsinore Redevelopment Agency on

* 2021 Measure Z Retail Sales and Use Tax added \$3,468,153.

* 2022 Measure Z Retail Sales and Use Tax added \$16,342,710.

* 2023 Measure Z Retail Sales and Use Tax added \$15,846,208

Sources: City of Lake Elsinore Finance Department

City of Lake Elsinore, California
Taxable Sales by Major Industry Groups
Last Ten Fiscal Years

Fiscal Year Ended June 30	General Consumer Goods	Autos and Transportation	Business and Industry	Restaurants and Hotels
2014	\$ 2,473,302	\$ 1,040,650	\$ 406,542	\$ 783,964
2015	2,547,975	1,428,726	430,417	857,198
2016	2,634,703	1,614,074	426,315	903,775
2017	2,641,653	1,758,829	526,084	978,920
2018	2,650,429	1,690,269	584,903	1,047,324
2019	2,907,744	1,633,711	781,105	1,219,300
2020	2,887,048	1,681,429	666,683	1,142,999
2021	3,526,083	2,581,550	832,335	1,364,860
2022	3,707,919	2,688,811	964,545	1,636,027
2023	3,513,257	2,472,822	1,096,019	1,739,957

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Sources: HdL Companies

City of Lake Elsinore, California
Taxable Sales by Major Industry Groups (Continued)
Last Ten Fiscal Years

Building and Construction	Fuel and Service Stations	Food and Drugs	Other and Transfers	Total
\$ 768,931	\$ 1,023,468	\$ 622,414	\$ (138)	\$ 7,119,133
838,876	925,698	641,504	133	7,670,527
923,941	901,585	633,606	(3,586)	8,034,413
989,062	977,729	510,667	30	8,382,974
801,425	975,064	497,074	(1,388)	8,245,100
984,751	1,372,455	550,154	144	9,449,364
1,029,994	1,088,448	693,530	(12,093)	9,178,038
1,291,157	1,174,322	1,115,975	(2,678)	11,883,604
1,447,676	1,762,016	1,449,198	295	13,656,487
1,410,155	1,599,413	1,175,644	4,168	13,011,435

Note: Due to confidentiality issues, the names of the ten largest revenue payers are not available. The categories presented are intended to provide alternative information regarding the sources of the City's revenue.

Sources: HdL Companies

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

AGENCY	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
City Basic Levy ¹	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000	1.00000
Lake Elsinore Unified	0.00000	0.00000	0.00000	0.00000	0.01900	0.01900	0.01900	0.01900	0.01900	0.01900
Menifee School Dist.	0.03421	0.03275	0.03010	0.03269	0.06080	0.06303	0.06277	0.06111	0.06319	0.06201
Metro Water East	0.00350	0.00350	0.00350	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metro Water West	0.00350	0.00350	0.00350	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metro Water Original Area	0.00000	0.00000	0.00000	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350	0.00350
Mt. San Jacinto Jr. College	0.00000	0.00000	0.01394	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320
Perris School Dist.	0.02524	0.05588	0.04699	0.05491	0.06000	0.05754	0.05867	0.06000	0.06000	0.06000
Perris Union High School	0.06970	0.06303	0.06236	0.06092	0.05675	0.05243	0.08244	0.08569	0.08859	0.08859
Total Direct & Overlapping ² Tax Rates	1.13615	1.15866	1.16039	1.16522	1.21325	1.20870	1.23958	1.24250	1.24748	1.24630
City's Share of 1% Levy Per Prop 13 ³	0.17415	0.17415	0.17415	0.17415	0.07576	0.05007	0.05007	0.05007	0.05007	0.05007
Total Direct Rate	<u>0.08908</u>	<u>0.08528</u>	<u>0.08349</u>	<u>0.08181</u>	<u>0.08025</u>	<u>0.07862</u>	<u>0.07755</u>	<u>0.07703</u>	<u>0.07638</u>	<u>0.07576</u>

Notes:

¹In 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.

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

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

Source: Riverside County Assessor 2013/14 - 2022/23 Tax Rate Table

City of Lake Elsinore, California
Principal Property Tax Payers
Current Year Compared to 2014

TAXPAYER	Fiscal Year 2023			Fiscal Year 2014		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value ⁽²⁾
Walmart Stores Inc	\$ 53,678,455	1	0.67%			
Ridgestone Partners LP	53,477,684	2	0.66%			
15150 Grand Avenue LLC	46,052,800	3	0.57%			
KB Home Coastal Inc.	35,142,057	4	0.44%			
Helf Canyon Hills Market Place I	28,771,169	5	0.36%			
Rivers Edge Apartments	27,815,172	6	0.35%			
Mohr Affinity, LLC	26,296,647	7	0.33%			
Prism Lake LP	24,002,000	8	0.30%			
Pacific Castle Lake Elsinore Partners	22,907,895	9	0.28%			
Alberhill Development LLC	22,749,689	10	0.28%			
Ridgestone Partners LP				\$ 39,783,960	1	0.99%
Pacific Aggregates Inc				34,426,890	2	0.85%
Mohr Affinity, LLC				30,763,400	3	0.76%
Diamond Stadium Group				23,718,272	4	0.59%
Rivers Edge Apartments LLC				23,529,369	5	0.58%
Pacific Clay Products Inc				18,348,502	6	0.46%
Lake Elsinore Marketplace				17,299,661	7	0.43%
Walmart Stores Inc				17,045,634	8	0.42%
Elsinore Veto				17,006,198	9	0.42%
Costco Wholesale				16,948,604	10	0.42%
	<u>\$ 287,215,113</u>		<u>3.56%</u>	<u>\$ 238,870,490</u>		<u>5.93%</u>

(1) 2022-23 Total City Taxable Assessed Valuat \$ 8,058,518,573

(2) 2013-14 Total City Taxable Assessed Valuat \$ 4,031,499,407

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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
2014	\$ 1,935,629	\$ 1,822,844	\$ 1	\$ 43,741	\$ 1,866,585	96.77%
2015	2,171,126	2,074,751	95.56%	61,115	2,135,866	97.58%
2016	2,308,803	2,192,912	94.98%	66,383	2,259,295	97.86%
2017	2,434,193	2,334,855	95.92%	67,441	2,402,296	98.69%
2018	2,553,532	2,465,681	96.56%	43,212	2,508,893	98.25%
2019	2,719,663	2,638,238	97.01%	50,111	2,688,349	98.85%
2020	3,032,233	2,910,460	95.98%	63,596	2,974,056	98.08%
2021	3,088,305	2,948,611	95.48%	43,404	2,992,015	96.88%
2022	3,194,209	3,146,417	98.50%	36,553	3,182,970	99.65%
2023	3,383,035	3,302,036	97.61%	-	3,302,036	97.61%

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

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

Fiscal Year Ended June 30	City			Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions	
2014	\$ 3,888,934,354	\$ 142,565,053	n/a	\$ 4,031,499,407
2015	4,463,835,597	136,300,859	(105,231,318)	4,494,905,138
2016	4,768,722,323	129,261,454	(93,034,816)	4,804,948,961
2017	5,177,285,267	130,180,313	(95,434,240)	5,212,031,340
2018	5,573,186,823	125,275,157	(99,693,567)	5,598,768,413
2019	6,131,330,394	121,282,148	(109,102,106)	6,143,510,436
2020	6,550,002,491	117,440,229	(114,493,687)	6,552,949,033
2021	6,924,168,897	128,326,411	(129,757,835)	6,922,737,473
2022	7,359,819,567	132,056,791	(136,831,201)	7,355,045,157
2023	8,029,561,384	137,500,128	(153,569,787)	8,013,491,725

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 at the purchase price of the property sold. The assessed valuation data shown above represents the only data is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Riverside County Assessor 2022/23 Combined Tax Rolls

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

Successor Agency for the Redevelopment Agency					Total Direct Tax Rate
Secured	Unsecured	Less: Exemptions	Taxable Assessed Value		
\$ 1,938,704,040	\$ 89,830,332	n/a	\$ 2,028,534,372	0.08908%	
2,135,333,435	83,968,122	(71,673,963)	2,147,627,594	0.08528%	
n/a	n/a	n/a	n/a	0.08349%	
n/a	n/a	n/a	n/a	0.08181%	
n/a	n/a	n/a	n/a	0.08025%	
n/a	n/a	n/a	n/a	0.07862%	
n/a	n/a	n/a	n/a	0.07755%	
n/a	n/a	n/a	n/a	0.07703%	
n/a	n/a	n/a	n/a	0.07638%	
n/a	n/a	n/a	n/a	0.07576%	

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 at the purchase price of the property sold. The assessed valuation data shown above represents the only data is only reassessed at the time that it is sold to a new owner. At that point, the new assessed value is reassessed currently available with respect to the actual market value of taxable property and is subject to the limitations described above.

Source: Riverside County Assessor 2022/23 Combined Tax Rolls

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

Fiscal Year Ended June 30	Governmental Activities				Certificates of Participation
	Local Agency Revenue Bonds	Tax Allocation Bonds	Revenue/ Revenue Refunding Bonds		
2014	\$ 80,570,000	\$ 53,605,000	\$ 13,895,000	\$	-
2015	205,598,458	50,450,128	13,295,152		7,859,283
2016	196,377,233	44,262,600	12,717,253		7,644,938
2017	190,449,105	42,490,000	22,449,354		7,420,593
2018	192,410,294	39,848,344	21,676,445		7,191,248
2019	173,355,665	25,467,316	20,795,511		6,946,903
2020	166,796,580	15,590,525	19,889,578		6,697,558
2021	154,747,038	15,013,853	18,958,642		6,438,213
2022	157,068,668	14,778,812	43,457,613		6,173,868
2023	160,893,076	12,875,000	46,788,771		5,904,522

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

Source: City Finance Department; California State Department of Finance

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

Fiscal Year Ended June 30	Governmental Activities (Continued)				
			Total	Percentage	Debt
	SBITAs	Loans Payable	Governmental Activities	of Personal Income	per Capita
2014	\$ -	\$ -	\$ 148,072,014	13.49%	\$ 2,611
2015	-	-	277,205,037	25.55%	4,890
2016	-	-	261,004,040	22.08%	4,278
2017	-	-	262,811,069	22.16%	4,233
2018	-	-	261,128,349	20.46%	4,121
2019	-	3,459,380	230,026,794	16.91%	3,654
2020	-	3,403,569	212,379,830	14.66%	3,347
2021	-	3,228,855	198,388,622	16.73%	3,063
2022	-	3,126,363	224,674,433	13.20%	3,137
2023	126,986	2,895,862	216,609,217	11.11%	3,010

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

Source: City Finance Department; California State Department of Finance

City of Lake Elsinore, California
Direct and Overlapping Bonded Debt
June 30, 2023

2022 - 23 Assessed Valuation

\$ 8,070,840,451

	Percentage Applicable (1)	Outstanding Debt 6/30/23	City's Share of Overlapping Debt 6/30/23
OVERLAPPING TAX AND ASSESSMENT DEBT:			
DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT			
City of Lake Elsinore Community Facilities District No. 90-2	100%	\$ 2,085,000	\$ 2,085,000
City of Lake Elsinore Community Facilities District No. 95-1	100%	355,000	355,000
City of Lake Elsinore Community Facilities District No. 98-1	100%	10,070,000	10,070,000
City of Lake Elsinore Community Facilities District No. 2003-2 I-A A, B, C, D & E	100%	66,150,000	66,150,000
City of Lake Elsinore Community Facilities District No. 2004-3 IA. No. 1&2	100%	37,050,000	37,050,000
City of Lake Elsinore Community Facilities District No. 2005-1	100%	6,150,000	6,150,000
City of Lake Elsinore Community Facilities District No. 2005-2	100%	17,655,000	17,655,000
City of Lake Elsinore Community Facilities District No. 2005-5	100%	3,175,000	3,175,000
City of Lake Elsinore Community Facilities District No. 2005-6	100%	2,345,000	2,345,000
City of Lake Elsinore Community Facilities District No. 2006-1 Improvement Areas	100%	41,155,000	41,155,000
City of Lake Elsinore Community Facilities District No. 2006-2	100%	4,900,000	4,900,000
City of Lake Elsinore Community Facilities District No. 2006-6	100%	3,535,000	3,535,000
City of Lake Elsinore Community Facilities District No. 2007-4	72%	2,375,000	1,705,013
City of Lake Elsinore Community Facilities District No. 2007-5	100%	1,615,000	1,615,000
City of Lake Elsinore Community Facilities District No. 2015-5	100%	1,875,000	1,875,000
City of Lake Elsinore Community Facilities District No. 2016-2	100%	19,350,000	19,350,000
City of Lake Elsinore Community Facilities District No. 2019-1	100%	6,575,000	6,575,000
City of Lake Elsinore 1915 Act Bonds	100%	8,315,000	8,315,000
TOTAL DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT			234,060,013
OTHER OVERLAPPING TAX AND ASSESSMENT DEBT			
Riverside County Flood Control District, Zone No. 4	0.778%	5,380,000	41,856
Metropolitan Water District	0.222%	19,215,000	42,657
Mount San Jacinto Community College District	6.775%	247,850,000	16,791,838
Perris Union High School District	2.455%	298,735,042	7,333,945
Menifee Union School District	3.906%	120,934,720	4,723,710
Perris School District	0.055%	45,056,242	24,781
Lake Elsinore Unified School District CFDs	46.094%	47,410,000	21,853,165
Lake Elsinore Unified School District Community Facilities Districts	100%	68,681,231	68,681,231
Perris Union High School District CFD No. 92-1	6.110%	31,050,000	1,897,155
Elsinore Valley Metropolitan Water District CFD No. 2003-1	100%	2,459,000	2,459,000
TOTAL OTHER OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 123,849,339
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 357,909,351

City of Lake Elsinore, California
Direct and Overlapping Bonded Debt (Continued)
June 30, 2023

DIRECT AND OVERLAPPING GENERAL FUND DEBT:

DIRECT GENERAL FUND DEBT

City of Lake Elsinore General Fund Obligation	100%	\$ 229,359,255	<u>\$ 229,359,255</u>
TOTAL DIRECT GENERAL FUND DEBT			\$ 229,359,255

OVERLAPPING GENERAL FUND DEBT

Riverside County General Fund Obligations	2.229%	\$ 686,776,829	\$ 15,308,256
Riverside County Pension Obligations	2.229%	748,540,000	16,684,957
Perris Union High School District General Fund Obligations	2.455%	40,481,898	993,831
Menifee and Perris School District Certificates of Participation	3.906 - 0.055%	49,678,119	1,770,213
Western Municipal Water District	4.942%	4,075,058	<u>201,389</u>
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 34,958,645

TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT			<u>\$ 264,317,900</u>
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OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY):	100.000%	\$ 44,640,000	<u>\$ 44,640,000</u>
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Total Direct General Fund Debt	\$ 229,359,255
Total Gross Overlapping Debt	\$ 437,507,997
Combined Total Debt (2)	\$ 666,867,252

Ratios to 2022-23 Assessed Valuation:

Total Direct Debt (\$229,359,255)	2.84%
Total Overlapping Tax and Assessment Debt	5.42%
Combined Total Debt	8.26%

Ratios to Redevelopment Incremental Valuation (\$3,815,290,053):

Total Overlapping Tax Increment Debt	1.17%
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Direct and Overlapping Bonded Debt (continued)

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 non-bonded lease obligations. Qualified Zone Academy Bonds are included based on principal due at maturity.

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 debt, of each overlapping government.

Source: California Municipal Statistics

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

	Fiscal Year				
	2014	2015	2016	2017	2018
Assessed Valuation	\$ 4,031,499,407	\$ 4,494,905,138	\$ 4,804,948,961	\$ 5,212,031,340	\$ 5,598,768,413
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	1,007,874,852	1,123,726,285	1,201,237,240	1,303,007,835	1,399,692,103
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	151,181,228	168,558,943	180,185,586	195,451,175	209,953,815
Total Net Debt Applicable to Limitation	-	-	-	-	-
Legal Debt Margin	<u>\$ 151,181,228</u>	<u>\$ 180,185,586</u>	<u>\$ 180,185,586</u>	<u>\$ 195,451,175</u>	<u>\$ 209,953,815</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	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 Companies and Riverside County Assessor Tax Roll

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

	Fiscal Year				
	2019	2020	2021	2022	2023
Assessed Valuation	\$ 6,143,510,436	\$ 6,552,949,033	\$ 6,922,737,473	\$ 7,355,045,157	\$ 8,013,491,725
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	1,535,877,609	1,638,237,258	1,730,684,368	1,838,761,289	2,003,372,931
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	230,381,641	245,735,589	259,602,655	275,814,193	300,505,940
Total Net Debt Applicable to Limitation	-	-	-	-	-
Legal Debt Margin	<u>\$ 230,381,641</u>	<u>\$ 245,735,589</u>	<u>\$ 259,602,655</u>	<u>\$ 275,814,193</u>	<u>\$ 300,505,940</u>
Total Debt Applicable to the Limit as a Percentage of Debt Limit	0.0%	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 Companies and Riverside County Assessor Tax Roll

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			
		Debt Service		Coverage	Tax Allocation Bonds
		Principal	Interest		
2014	\$ 10,864,084	\$ 2,520,000	\$ 2,333,745	2.24	\$ 53,605,000
2015	10,070,883	2,590,000	2,262,351	2.08	51,015,000
2016	12,245,321	2,760,000	2,361,749	2.39	52,770,000
2017	8,891,703	2,945,000	2,149,445	1.75	49,825,000
2018	10,063,122	2,995,000	2,069,501	1.99	57,150,000
2019	11,349,440	15,640,000	2,306,830	0.63	50,770,000
2020	13,699,276	26,340,000	2,661,996	0.47	36,615,000
2021	12,242,307	2,795,000	1,424,147	2.90	12,875,000
2022	17,537,120	2,620,000	1,218,015	4.57	44,640,000
2023	17,126,701	2,135,000	1,666,480	4.51	44,640,000

Note: Details regarding the City's outstanding debt can be found in Note 8 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)
2014	56,718	\$ 1,097,663	\$ 19,353	8.1%
2015	56,688	1,085,008	19,140	8.8%
2016	61,006	1,182,026	19,375	7.2%
2017	62,092	1,185,907	19,099	6.5%
2018	63,365	1,276,340	20,142	6.0%
2019	62,949	1,360,031	21,605	4.0%
2020	63,453	1,449,105	22,837	3.9%
2021	64,762	1,565,248	24,169	10.1%
2022	71,615	1,701,720	23,762	7.6%
2023	71,973	1,949,031	27,080	4.2%

Sources:

HDL, Coren & Cone

(1) Population: 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.

(4) Unemployment Date: California State Employment Development Department

City of Lake Elsinore, California
Principal Employers
Current Year Compared to 2014

	2023		2014	
	Number of Employees	Percent of Total Employment*	Number of Employees	Percent of Total Employment*
EMPLOYMENT				
Estimated Total Employment	30,400	(1)	18,000	(1)
EMPLOYER				
Lake Elsinore Unified School District*	2,541	8.36%	2,368	13.16%
M & M Framing	471	1.55%	500	2.78%
Stater Bros. (3 stores)	353	1.16%	297	1.65%
Costco Wholesale	306	1.01%	220	1.22%
Walmart Superstore #2077	295	0.97%	237	1.32%
Lake Elsinore Hotel & Casino **	243	0.80%	260	1.44%
Riverside County - Department of Public Social Services **	224	0.74%		
E.V.M.W.D. (Elsinore Valley Municipal Water District)	169	0.56%	160	0.89%
The Home Depot	160	0.53%	140	0.78%
City of Lake Elsinore	159	0.52%		
Target			125	0.69%
Cardenas Market			138	0.77%
Total Top 10 Employers	4,921	16.19%	4,445	24.69%

Notes:

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

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2014, previously published ACFR

Results based on direct correspondence with city's local businesses.

* Includes Certificated, Classified & Admin.

** No response from business, previous year's number applied.

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

FUNCTION	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government	24	20	20	21	22	19	21	n/a	n/a	n/a
Community Services (Includes Public Works)	47	45	51	61	53	72	59	n/a	n/a	n/a
Community Development	14	18	20	19	21	28	25	n/a	n/a	n/a
General Government	n/a	n/a	n/a	n/a	n/a	n/a	n/a	24	20	17
Community Services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	16	31	48
Emergency Services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	-	-	1
Public Services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	31	39	45
Launch Pointe Enterprise	n/a	n/a	n/a	n/a	n/a	n/a	n/a	17	18	20
Internal Services	n/a	n/a	n/a	n/a	n/a	n/a	n/a	10	10	11
Community Development	n/a	n/a	n/a	n/a	n/a	n/a	n/a	20	23	22
Total	85	83	91	101	96	119	105	118	141	164

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

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

FUNCTION	Fiscal Year				
	2014	2015	2016	2017	2018
Police					
Lake Related Boating Enforcement Citations	425	419	597	134	51
Hazardous Traffic Violations	2,848	3,338	3,711	4,141	2,821
DUI Arrests	197	179	137	140	111
Fire					
Calls	4,484	4,456	5,110	5,249	5,868
Fire Suppression Equipment	4	4	4	3	3
Public Works					
Centerline Miles of Paved Surface Streets Maintained	189	189	254	254	254
Centerline Miles of Dirt Surface Streets Maintained	9	9	9	9	9
Weed Abatement-Lots Cleaned	414	227	204	116	68
Community Development					
Construction Permits Issued	972	735	2,022	2,933	3,455
Property Value Per Permits (Estimated in 000's)	\$ 121,773	\$ 71,664	\$ 104,923	\$ 188,892	\$ 195,698
New Home Building Permits Issued	626	346	410	449	534
Parks and Recreation					
Daily Lake Use Passes Sold	20,183	14,996	11,427	11,278	14,394

n/a=not available

Source: City of Lake Elsinore, Various Departments

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

FUNCTION	Fiscal Year				
	2019	2020	2021	2022	2023
Police					
Lake Related Boating Enforcement Citations	105	203	108	86	190
Hazardous Traffic Violations	3,445	2,229	2,802	5,825	3,712
DUI Arrests	133	204	388	228	201
Fire					
Calls	5,923	6,149	5,897	6,180	6,931
Fire Suppression Equipment	3	3	3	3	4
Public Works					
Centerline Miles of Paved Surface Streets Maintained	254	254	255	256	257
Centerline Miles of Dirt Surface Streets Maintained	9	9	8	7	6
Weed Abatement-Lots Cleaned	54	176	132	112	165
Community Development					
Construction Permits Issued	2,174	2,262	2,923	2,990	2,632
Property Value Per Permits (Estimated in 000's)	\$ 90,379	\$ 126,878	\$ 138,237	\$ 152,187	\$ 87,480
New Home Building Permits Issued	143	253	350	358	115
Parks and Recreation					
Daily Lake Use Passes Sold	10,319	23,024	27,056	18,105	8,751

n/a=not available

Source: City of Lake Elsinore, Various Departments

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

FUNCTION	Fiscal Year									
	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Fire Stations	4	4	4	4	3	3	3	3	3	3
Public Works Street Miles	157	157	254	254	254	254	254	254	254	254
Lake, Parks & Recreation Parks and River Walk	17	17	18	18	18	19	20	22	22	22
Facilities	10	10	10	10	10	10	11	11	11	11
Libraries	2	2	2	2	2	2	2	2	2	2
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



CITY OF LAKE ELSINORE, CALIFORNIA