

CITY OF LAKE ELSINORE, CALIFORNIA



ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR FISCAL YEAR ENDED JUNE 30, 2024



City of Lake Elsinore

Lake Elsinore, California

Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2024

Prepared by the Finance Department

City of Lake Elsinore
For the Fiscal Year Ended June 30, 2024
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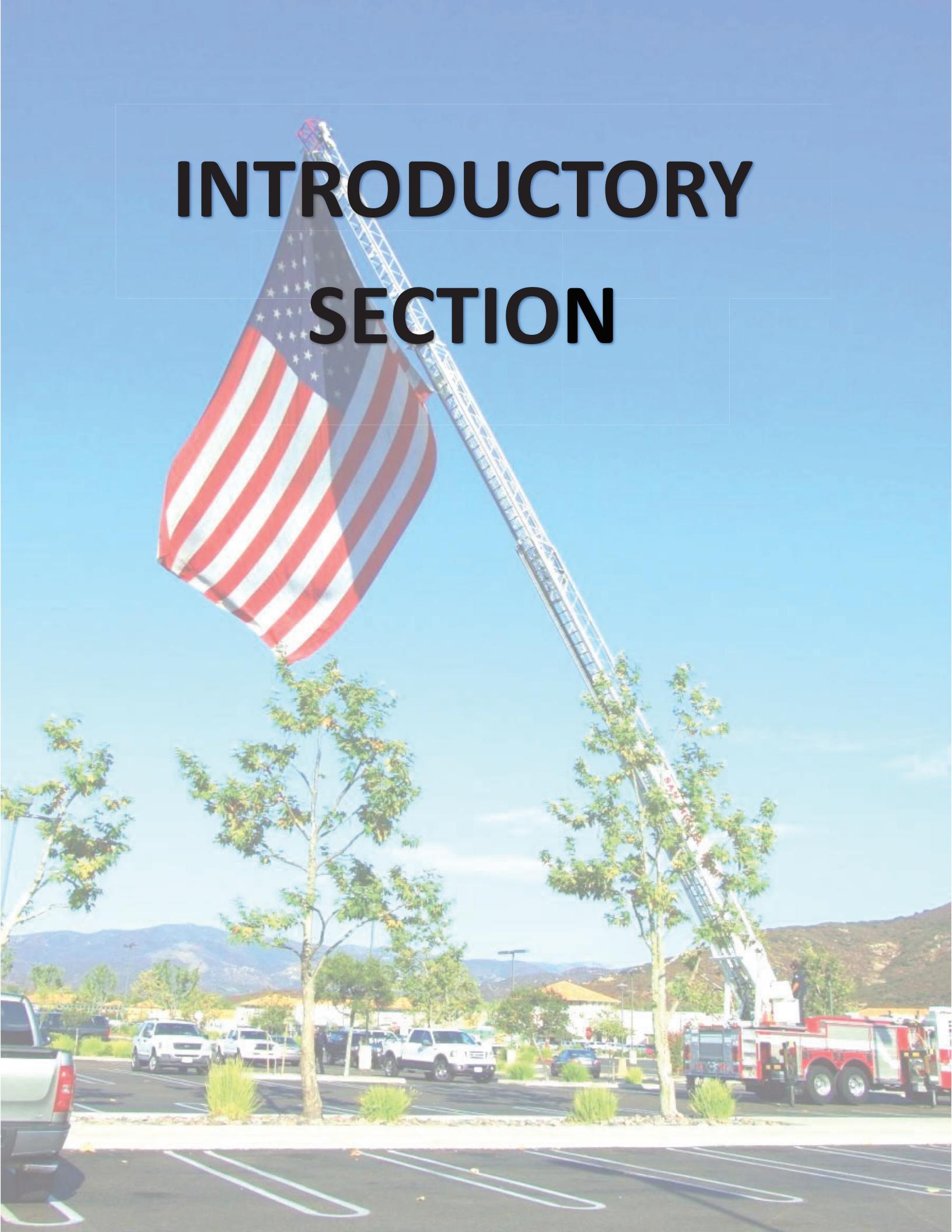
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INTRODUCTORY SECTION





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Honorable Mayor and City Council
December 30, 2024



TRANSMITTAL MESSAGE

December 12, 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, 2024, 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, 2024, 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.

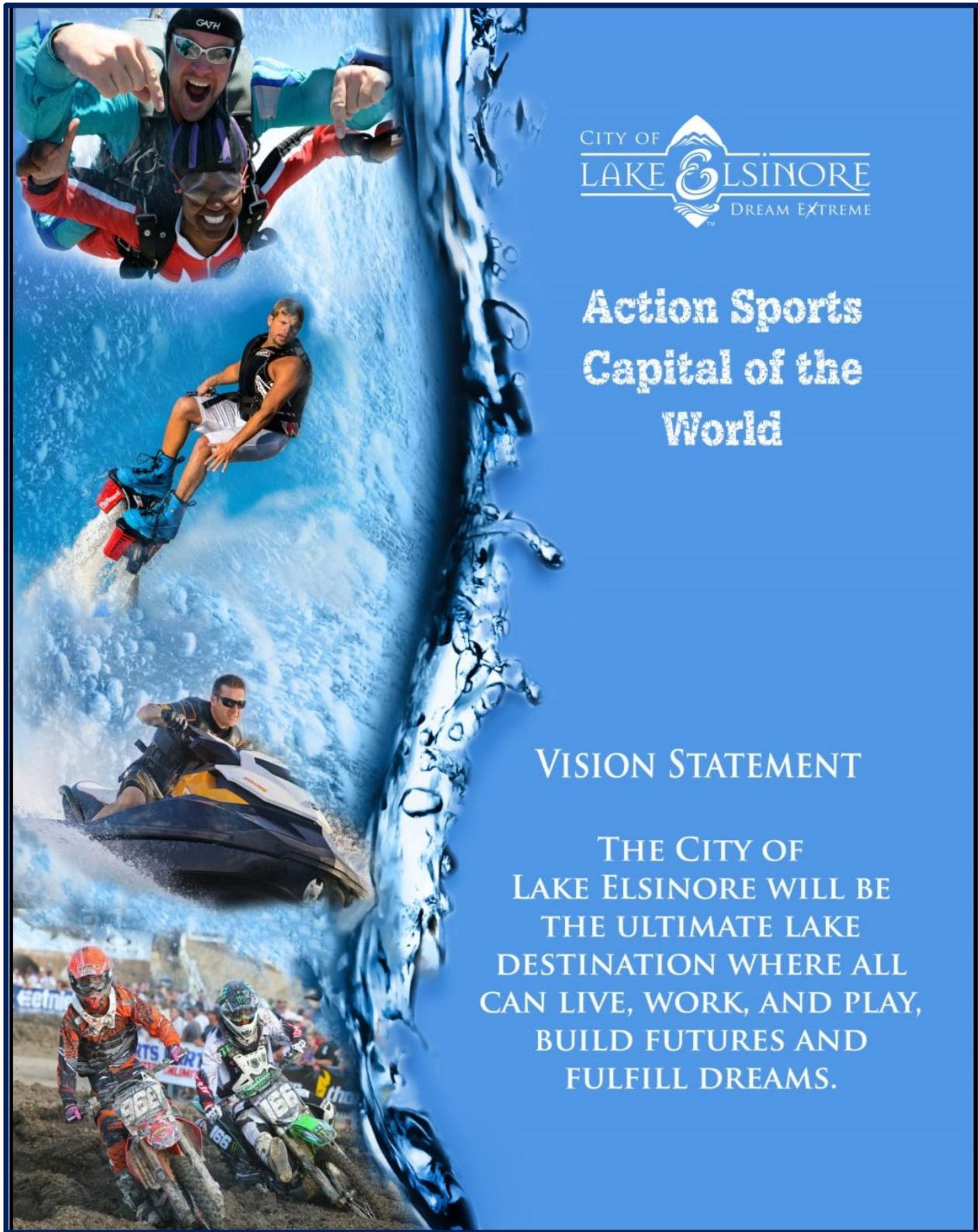
The City, as the Successor Agency to the Redevelopment Agency, continues to carry out remaining activities of the Redevelopment Agency. Because of the dissolution of the Redevelopment Agency of the City of Lake Elsinore, the agency is presented as a private purpose trust. Successor Agency trust information 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 71,452, 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 20 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 20,815 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 7,000 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 barbecue, full kitchen, fireplace, and viewing deck of the lake.

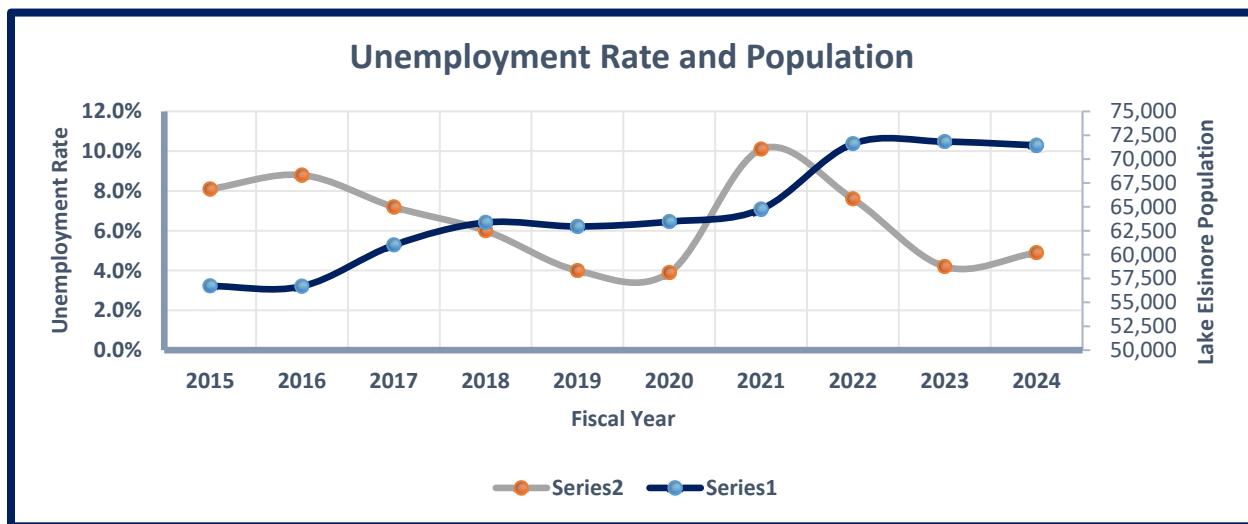
For those who favor dirt-bike riding, citizens and visitors can visit the Lake Elsinore Motorsports Park located near the airport. Riders can now experience a new way to ride with LIT Pro Leaderboards where “Every day is race day” and a rider’s progress with lap times can be measured. This park offers 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

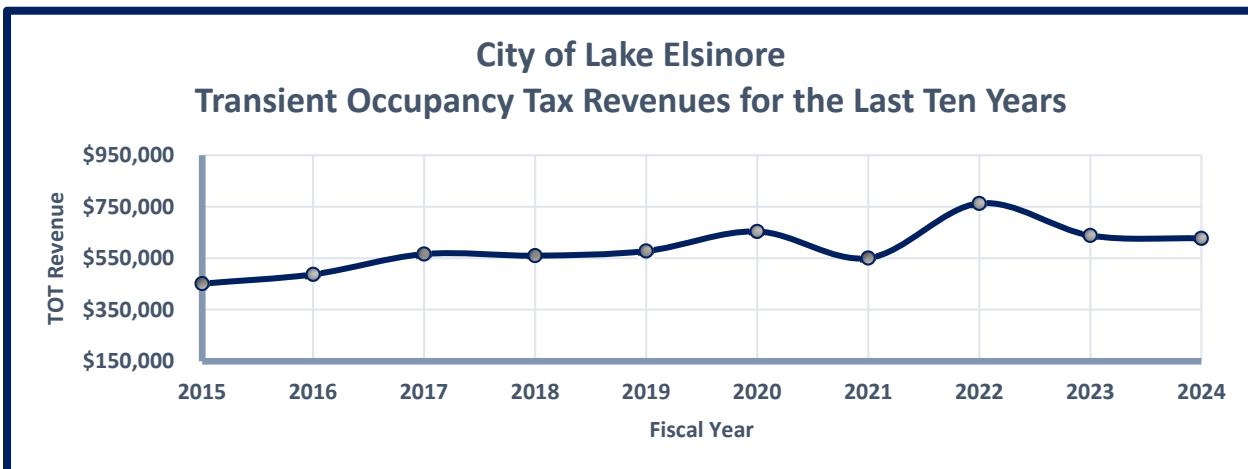
The City offers easy access to major freeways, available industrial and commercial land, quality labor force of both skilled and semi-skilled workers, and an economic philosophy of assisting local businesses for future growth. The region's geographic location, competitive cost structure and sophisticated logistics facilitates one of the fastest growing communities in the area. The City's median age is 32.5 with a per capita personal income of \$32,121. As shown in Chart 1, this is a slight increase from the prior year of \$27,080 with the unemployment rate at 4.9%, which is slightly up from the prior year of 4.2%. The median housing price in the City is approximately \$576,000, which is a slight median increase of 1.05% from the prior year. The median price paid for Riverside County homes is in the low \$600,000 range, which is a 5.8% increase from the previous year.

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 a slight decrease of 1.81% in the transient occupancy tax (TOT) revenues for a total of \$627,022 for the fiscal year from \$638,573 of the prior year (shown in Chart 2).

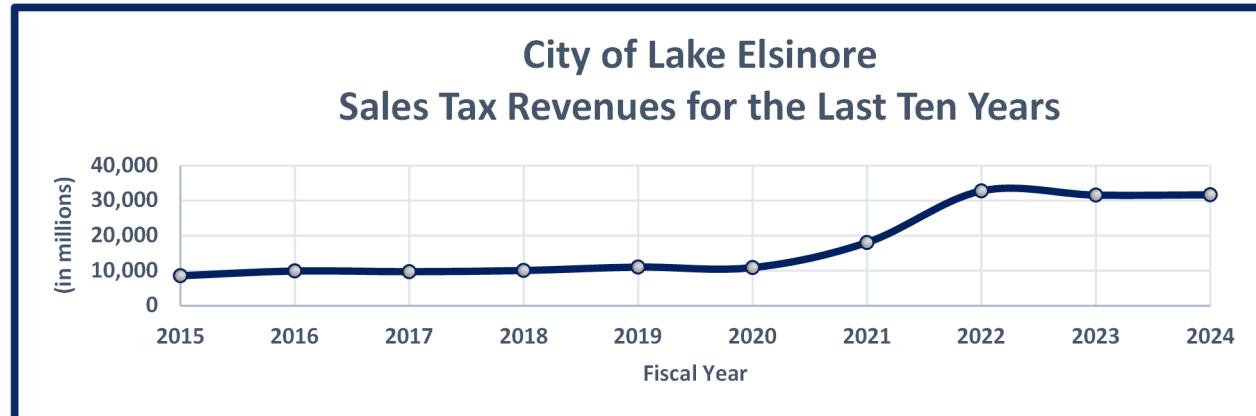
Chart 2.



Local Economy (Continued)

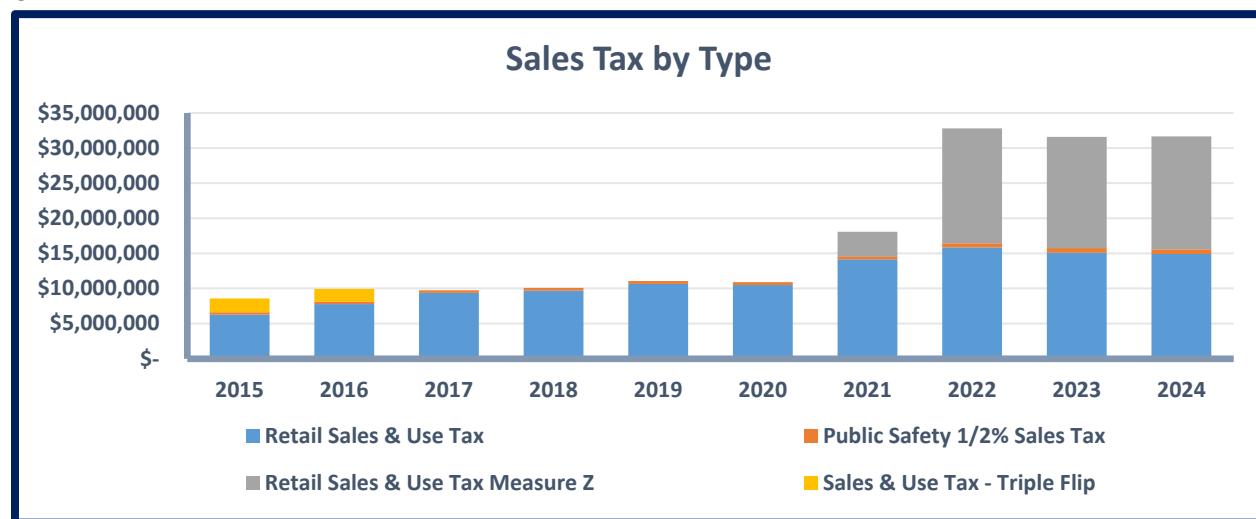
The City's Economic Development Department works with the Chamber of Commerce and the Visitor's Bureau in effort to encourage the expansion and relocation of industries that generate local sales tax and employment opportunities. The total amount of \$31,667,681 includes the City's new Measure Z sales and use tax shown in Chart 3.

Chart 3.



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 increase of .3% from prior year. Additionally, Retail Sales & Use Tax Measure Z Tax increased from the prior year by approximately \$255,000 from the prior year as shown in Chart 4.

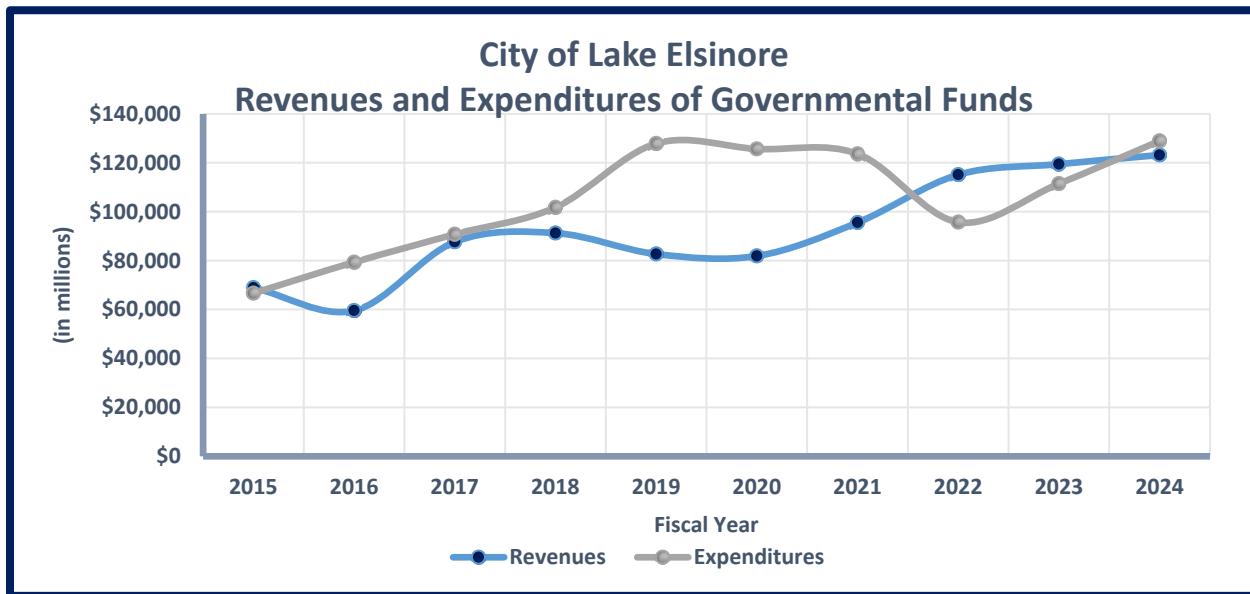
Chart 4.



Local Economy (Continued)

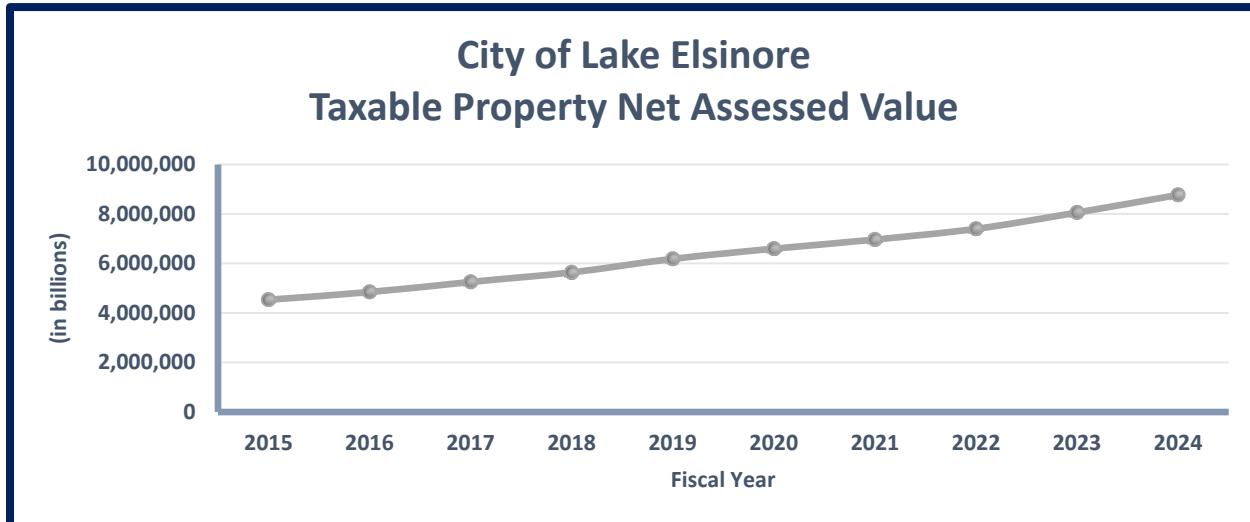
The City's total governmental funds experienced an increase in net position due to revenue and expenditures increasing (as shown in Chart 5). Expenditures increased by \$17.4 million because of increased costs for Public Safety, Public Services, and Capital Outlay and revenues increased by \$3.7 million.

Chart 5.



With only a little more than 1/3 built out, taxable property net assessed values continue to grow as shown in Chart 6. 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 8.88% increase from prior year.

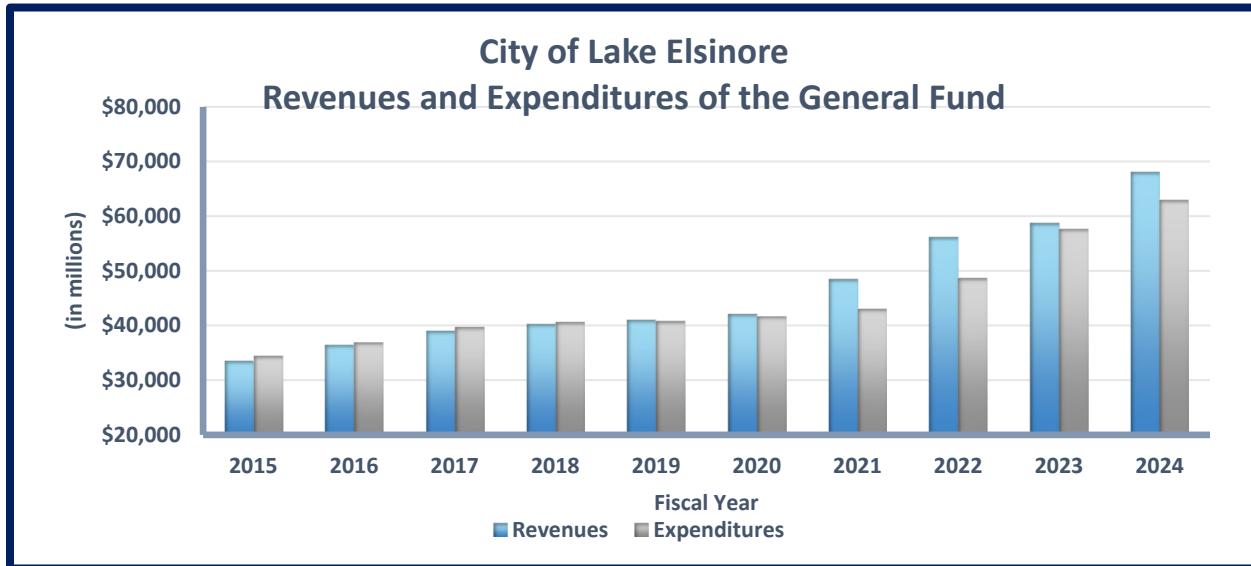
Chart 6.



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 16% while the expenditures increased by 9% for the fiscal year as shown by Chart 7 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 7.



Things to Come

The new City Hall project is still under construction. The goal of the project is to promote revitalization for downtown and provide a permanent facility for administrative staff. As the project continues to break ground and surpass timeline expectations, consumers and spectators are able to see the progression on a daily basis and get a real sense of the vision we have in mind for our new civic center.

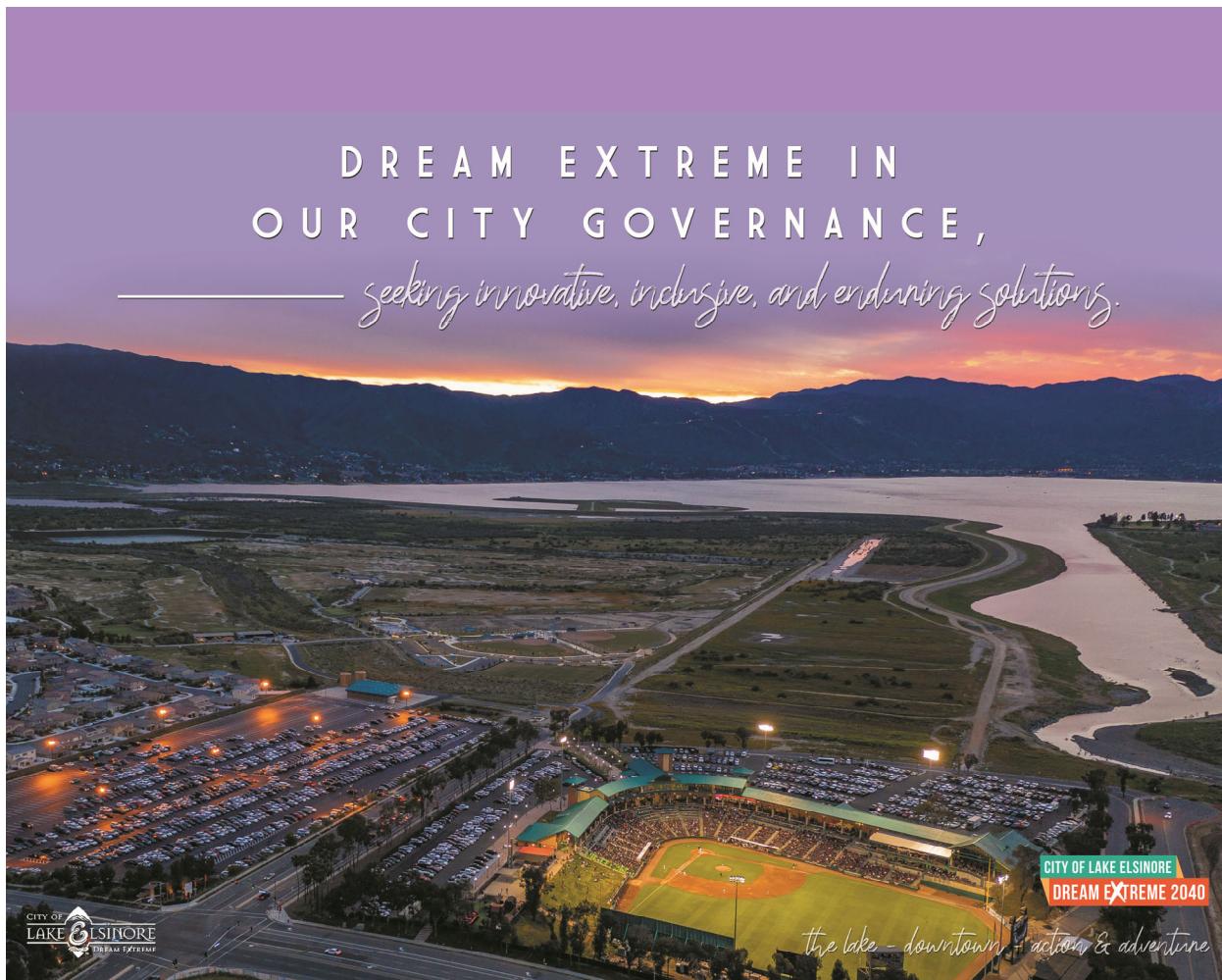
The Downtown Main Street Parking & Landscape Improvements project is still underway and when completed, will provide additional parking areas for residents and give a new refreshing look to Main Street. As downtown continues to be a rising spot for residents, commuters, and tourists it is important to ensure that we make accessibility more convenient to everyone.

Another exciting project being worked on this year is the new City Library. Our previous facility was opened in 1908 and is now named the Altha Merrifield Memorial Library after our very first librarian. As the current library attracts an average of 5,800 monthly visitors and organizes several educational and social programs every year, we found it was time to enhance the experience with a new building.

Things to Come (Continued)

Being one of the top action sports cities in Southern California, we found it necessary to promote outdoor activities and therefore have chosen to work on a new Soccer Complex. This project will add additional recreational activities for our residents and enhance their experience with top tier facility.





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 FY23-24 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.

Honorable Mayor and City Council
December 30, 2024

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

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
Custodial Funds

Honorable Mayor and City Council
December 30, 2024

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 annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. 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 annual comprehensive financial report (ACFR) 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



Honorable Mayor and City Council
December 30, 2024



Government Finance Officers Association

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

Presented to

**City of Lake Elsinore
California**

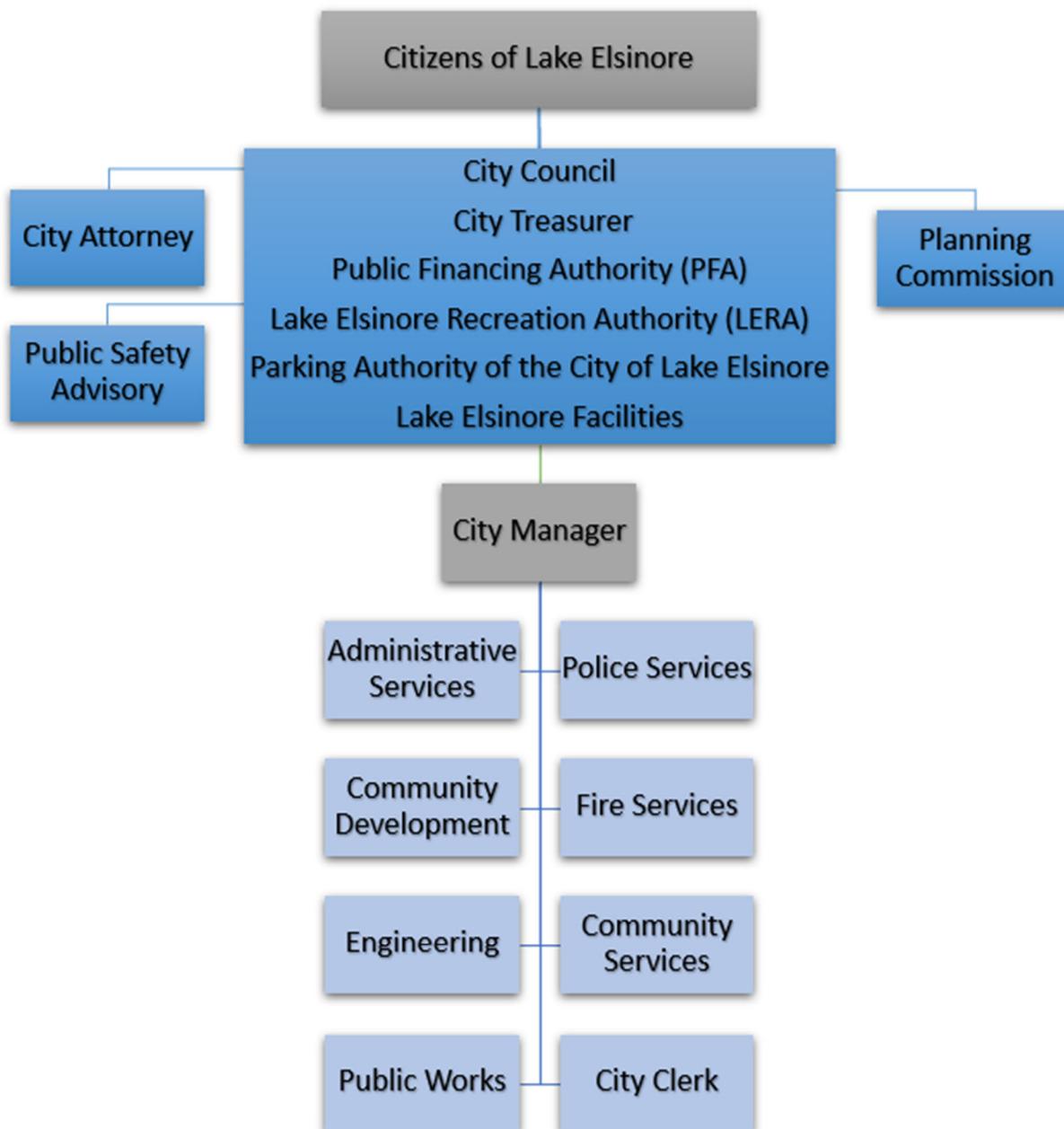
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morill

Executive Director/CEO

CITY OF LAKE ELSINORE



CITY OF LAKE ELSINORE DIRECTORY

ELECTED OFFICIALS

Brian Tisdale, Mayor Pro Tem
Edwin Castro, Treasurer
Natasha Johnson, Councilmember
Robert E. Magee, Councilmember
Steve Manos, Mayor
Timothy J. Sheridan, Councilmember
(Elected to four-year staggered terms)

ADMINISTRATION

Jason Simpson, City Manager
Shannon Buckley, 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, Director of Community Development
Gina Gonzalez, Director of Economic & Legislative Affairs

ACFR TEAM

Brendan Rafferty, Assistant Admin Services Director
Nancy Lassey, Finance Manager
Domenico Piazza, Fiscal Officer
Andrew Zavala, Sr. Accountant
Savannah Fernandez, Accountant
Joanne Jackson, Accounting Specialist II
Matthew Maternowski, Accounting Specialist II

*As of December 2024

CITY VALUE STATEMENT

CITY OF LAKE ELSINORE *Expressions of Extreme Customer Service*

C.A.A.R.E.

CUSTOMER SERVICE PERSPECTIVE

- Treat your customer the way you would want to be treated.
- Be overtly courteous, a good listener and extremely respectful.
- Treat your fellow employees as your customers!

AUTHENTIC BEST

- Be your best self and provide sincere customer service.
- Always remember, there is no way that the quality of customer service can exceed the quality of the people who provide it!

ANTICIPATE CUSTOMER NEEDS

- Improve the quality of customer service by preparing in advance for common inquiries.

RESPOND TO CUSTOMER'S NEEDS

- Provide responses that are timely, accurate and complete.
- Respond within a business day, and assure customers that you are personally accessible if they have further concerns.

EXTREME CUSTOMER SERVICE

- Make it extremely easy to do business with!
- Providing Extreme Customer Service is our business.

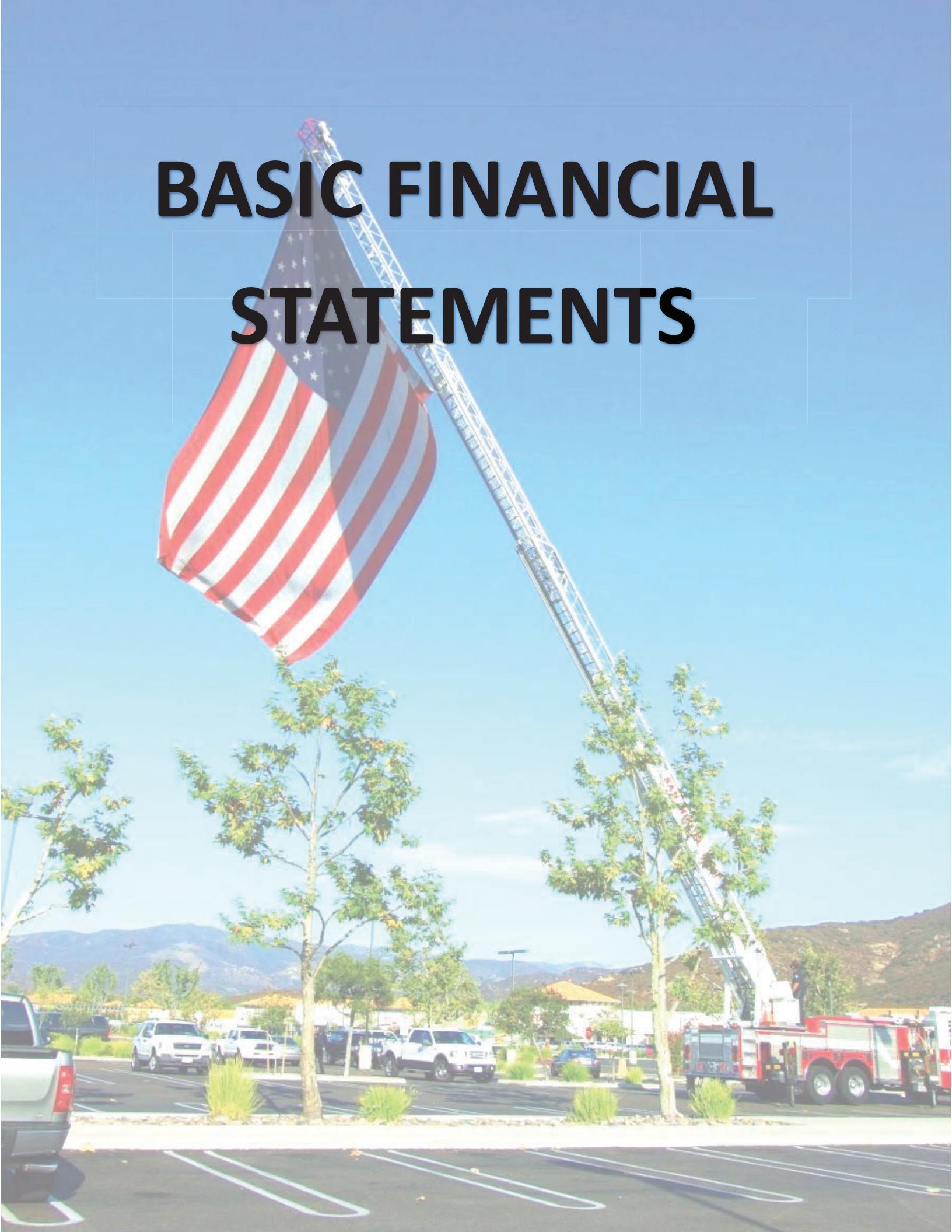






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BASIC FINANCIAL STATEMENTS





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INDEPENDENT AUDITORS' REPORT

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, 2024, 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, 2024, 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.

To the Honorable Mayor and the Members of the City Council

of the City of Lake Elsinore

Lake Elsinore, California

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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 auditors' 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.

To the Honorable Mayor and the Members of the City Council

of the City of Lake Elsinore

Lake Elsinore, California

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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 December 12, 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 PNP Group, LLP". The signature is fluid and cursive, with "The PNP Group" on the first line and "LLP" on the second line.

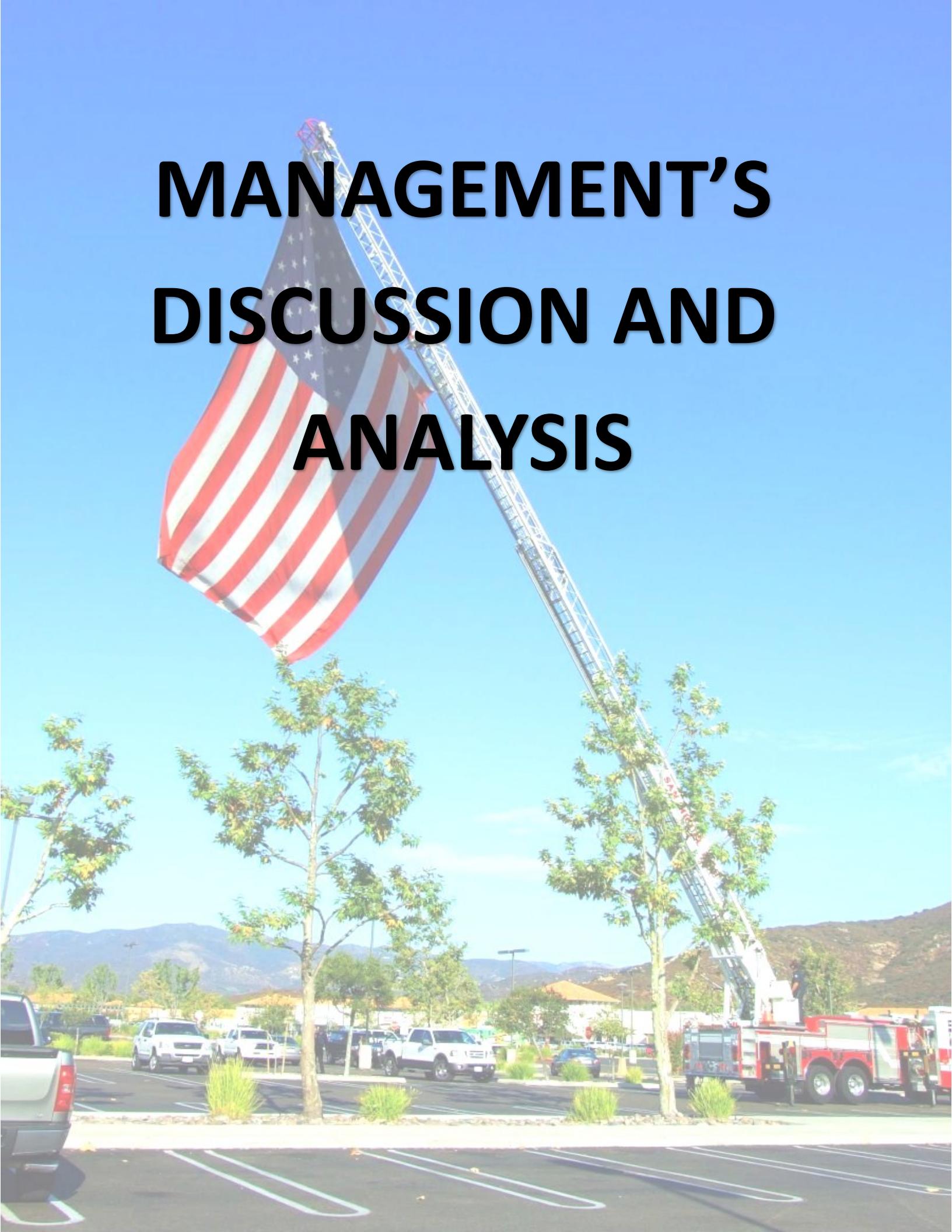
Santa Ana, California

December 12, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS





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City of Lake Elsinore, California
Management's Discussion and Analysis (Unaudited)
June 30, 2024

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, 2024. 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 \$16.1 million.
- The City's capital assets, net of depreciation and amortization, increased by \$17.8 million resulting from increased road improvements, park improvements, and infrastructure improvements.
- At the end of the current fiscal year, the City's Total Net Position increased overall by \$15.2 million. Governmental activities net position increased by \$16.9 million and Business-Type activities net position decreased by \$1.7 million.
- The City's total long-term debt had a net decrease of \$8.1 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 \$336 million, which is 4.7% 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 - Continued

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 are handled by the City and there are two types 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 37-43 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 183-187 of this report.

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 53-113 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 117-126 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 132-145 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 \$323 million at the close of the most recent fiscal year. 56.5% 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 decrease in *restricted net position* is driven by principal retirement in debt service and Public Works as shown in the Statement of Net Position. The deficit balance of \$174 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 \$16.9 million primarily a result of capital improvement construction such as the Civic Center and Citywide Park Improvements. The current and other assets increased by \$2.5 million as a result of increased improvements to the City's facilities and 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 \$12.4 million at the close of the most recent fiscal year.

The deficit balance of \$9.7 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 \$1.7 million. With fewer lake closures and higher investment earnings, revenues had an increase of \$7.4 million as shown in Table 2.

City of Lake Elsinore
Table 1
Condensed Statement of Net Position
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Assets:						
Current and other assets	\$386,934	\$383,996	(\$7,919)	(\$7,566)	\$379,014	\$376,429
Capital assets	220,411	202,581	22,155	23,249	242,566	225,830
Total Assets	607,345	586,576	14,236	15,683	621,581	602,259
Deferred Outflows of Resources	15,037	16,560	402,297	451,197	15,439	17,011
Liabilities:						
Long-term liabilities	243,638	253,476	1,272	1,241	244,909	254,165
Other liabilities	44,949	32,890	409	379	45,358	33,821
Total Liabilities	288,586	286,366	1,681	1,619	290,267	287,985
Deferred Inflows of Resources	10,717	10,606	522	325	11,239	10,931
Net Position:						
Net investment in capital assets	182,491	163,397	22,155	23,249	204,646	186,645
Restricted	315,320	323,072	-	-	315,320	323,072
Unrestricted (deficit)	(174,732)	(180,304)	(9,720)	(9,059)	(184,452)	(189,364)
Total Net Position	\$323,079	\$306,164	\$12,435	\$14,190	\$335,514	\$320,354

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued

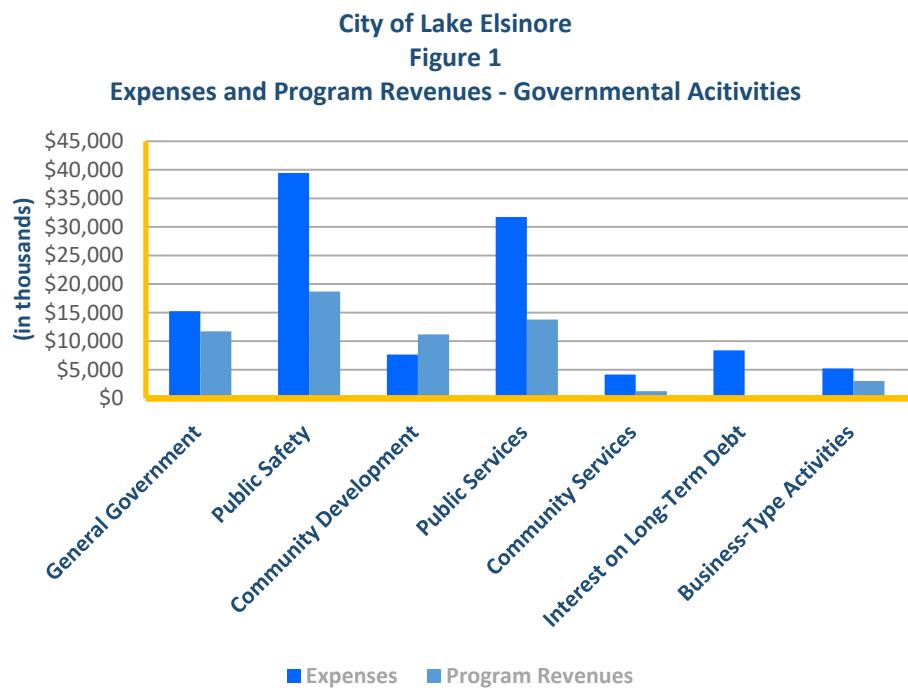
Table 2 presents the Statement of Activities and provides details of how the City's net position changed from the prior year governmental activities. Generally, it indicates whether the financial health of the City is better or worse than in the prior year. The cost of governmental and business-type activities in fiscal year 2024 was \$111.8 million, which was recovered through program revenues, taxes, and investment earnings of \$127.2 million.

Figure 1 shows expenses in relation to program revenues while Figure 2 shows the makeup of revenues. Revenue increased by \$7.1 million overall with a significant increase in funding from contributions and charges for services.

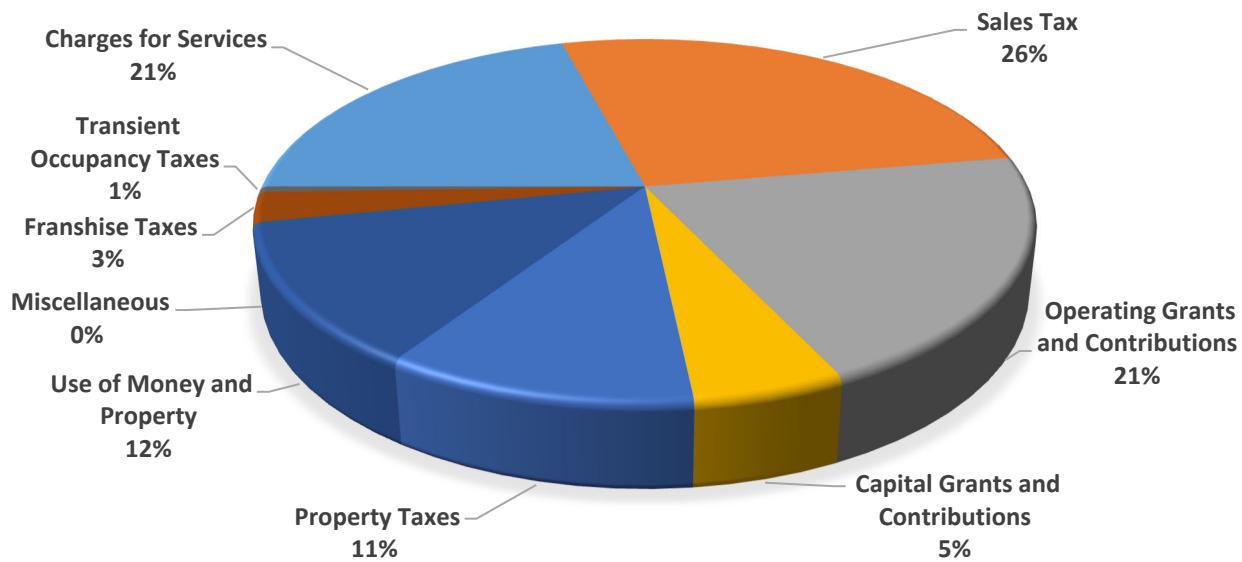
City of Lake Elsinore
Table 2
Statement of Activities
(in thousands)

	Governmental Activities		Business-Type Activities		Total	
	2024	2023	2024	2023	2024	2023
Revenues:						
Program revenues:						
Charges for services	\$23,503	\$18,597	\$0	\$3,058	\$23,503	\$21,655
Operating contributions and grants	26,317	29,602	-	-	26,317	29,602
Capital contributions and grants	6,807	4,550	-	-	6,807	4,550
General revenues:						
Property taxes	13,923	13,011	-	-	13,923	13,011
Transient occupancy taxes	627	639	-	-	627	639
Sales taxes	33,638	33,409	-	-	33,638	33,409
Franchise taxes	3,405	3,317	-	-	3,405	3,317
Investment earnings	15,623	9,100	25	21	15,649	9,121
Miscellaneous	370	1,817	-	-	370	1,817
Total revenues	<u>124,214</u>	<u>114,041</u>	<u>25</u>	<u>3,079</u>	<u>124,239</u>	<u>117,120</u>
Expenses:						
General Government	15,247	9,173	-	-	15,247	9,173
Public Safety	39,446	32,879	-	-	39,446	32,879
Community Development	7,653	7,659	-	-	7,653	7,659
Community Services	4,143	3,635	-	-	4,143	3,635
Public Services	31,741	31,912	-	-	31,741	31,912
Interest on long-term debt	8,384	8,529	293	297	8,677	8,826
Launch Pointe RV Resort	-	-	2,171	4,415	2,171	4,415
Total expenses	<u>106,615</u>	<u>93,787</u>	<u>2,464</u>	<u>4,712</u>	<u>109,079</u>	<u>98,500</u>
Excess (Deficiency) of Revenues Over Expenditures	17,599	20,254	(2,439)	(1,633)	15,160	18,621
Other Financing Sources (Uses):						
Transfers	(684)	(280)	684	280	-	-
Changes in net position	16,915	19,974	(1,755)	(1,353)	15,160	18,621
Net position, beginning of year	306,164	286,190	14,190	15,543	320,354	301,733
Net position, end of year	\$323,079	\$306,164	\$12,435	\$14,190	\$335,514	\$320,354

GOVERNMENT-WIDE FINANCIAL ANALYSIS – Continued



CITY OF LAKE ELSINORE
FIGURE 2
REVENUES BY SOURCES - GOVERNMENTAL ACTIVITIES



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 \$326 million, a decrease of \$7.1 million in comparison with the prior year. Of the \$326 million ending fund balance, a net \$19.2 million, constitutes *unassigned fund balance*, which is available for spending at the government's discretion. The remainder of fund balance is nonspendable by \$45.5 million; restricted by \$261 million; and assigned by \$13.4 million. For additional information, please see Note 12 for fund balances.

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 \$19.8 million, while total fund balance was \$20.8 million. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned general fund balance represents 31.40% of total General Fund expenditures, while total fund balance represents 33.12% of that same amount. The fund balance of the City's General Fund experienced an increase of \$1.5 million during the current fiscal year. The primary factor for this overall 6% 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 \$4.3 million as the result of the annual debt service retirements. The Cost Recovery System Fund had no change in fund balance. The Measure Z Fund's fund balance decreased by \$2.1 million due to \$11.2 million being transferred out for capital projects. The Low-and-Moderate Income Housing Fund increased by \$1.2 million in the restricted fund balance from additions to interest receivable on loans. The Capital Improvement Plan had a decrease in fund balance of \$1.1 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 \$748 thousand and increases in expenditures of \$748 thousand as well. Budget adjustments are completed to match shortfalls in estimated revenue and increased costs. The final budgeted expenditures of \$68.4 million is \$3.3 million more from the prior year, while the actual expenditures of \$62.9 million of this year is more than the prior year by \$5.4 million.

GENERAL FUND BUDGETARY HIGHLIGHTS – Continued

Revenue Variances: Miscellaneous revenue, which is often used to recuperate city damage returns, was more than estimated by \$1.3 million of the final budget. The actual revenue received via taxes was \$166 thousand over the final budget due to retail sales tax, used tax, and property tax. Charges for services' original budget was decreased by \$980 thousand resulting from fewer costs to recoup from the internal service funds.

Expenditure Variances: General fund actual expenditures were less than budgeted by \$5.6 million. This 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 \$680 thousand less than budgeted. Likewise, costs for Administration and Engineering were less than budgeted by \$1.3 million.

MAJOR FUND BUDGETARY HIGHLIGHTS

Original - versus - Final: The original Measure Z fund budget versus the final budget reflects increases in revenue of \$1.18 million and increases in expenditures of \$4.3 million. The final budgeted expenditures of \$12.1 million is \$6.5 million more from the prior year, while the actual expenditures of \$7.8 million of this year is more than the prior year by \$2.2 million due to the increase in public safety costs.

Original - versus - Final: The Low-and-Moderate-Income Housing (Housing) fund is related to the winding down of the Redevelopment Agency (RDA) and its recognized obligations. The Housing received \$4.8 million in payments from the Successor Agency of the RDA which served to reduce the receivable at the fund level. Expenditures actual to budget variances was less by \$221 thousand resulting in a reduction of developer reimbursements and legal services.

Original - versus - Final: The Capital Improvement Plan Capital Projects funds original budget totaled \$12 million, while actual revenues totaled \$14.1 million. Original budget expenditures totaled \$85.4 million, with an actual total of \$52.4 million which is an increase of \$8.3 million from prior year due to the timing of various projects.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental activities as of June 30, 2024 amounts to \$220.4 million (net of accumulated depreciation and amortization), which is an increase of \$20.8 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 8.9%. Major or notable capital asset events during the current fiscal year included the following:

- Civic Center
- Citywide Park Improvements
- Canyon Hills Park Upgrades
- City Park Parking Lot
- City Library
- Highway Safety Improvements
- Emergency Operations Center
- Boat Dock Additions

Capital Assets – Continued

City of Lake Elsinore
Table 3
Capital Assets at Year-End
(net of depreciation and amortization)
(in thousands)

	Governmental Activities		Business-Type Activities		Total		% Change
	2024	2023	2024	2023	2024	2023	
Land	\$6,855	\$4,966	-	-	\$6,855	\$4,966	38.0
Construction in progress	56,822	49,476	-	-	56,822	49,476	14.8
Buildings and structures	18,830	15,607	323	345	19,153	15,952	20.1
Improvements other than buildings	7,894	5,840	21,082	22,104	28,976	27,943	3.7
Machinery and equipment	1,439	1,202	126	137	1,565	1,338	17.0
Furniture and fixtures	325	156	230	255	555	411	35.1
Automotive equipment	1,740	1,558	393	409	2,133	1,968	8.4
Technology Equipment	3	37	-	-	3	37	(92.0)
Infrastructure	126,331	123,611	-	-	126,331	123,611	2.2
Subscription Assets	172	127	-	-	172	127	35.3
Total Capital Assets	\$220,411	\$202,581	\$22,155	\$23,249	\$242,566	\$225,830	8.8

Additional information on the City of Lake Elsinore's capital assets can be found in Note 7 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 \$208.4 million as shown below in Table 4. Additional information on the City of Lake Elsinore's long-term debt can be found in Note 8 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 \$17.4 million. The City experienced an increase of these obligations of \$1.1 million, which is largely a result of the increase of project contributions in the long term. Additional information for pension, the city's obligation, can be found in Note 13 of this report.



Long-Term Debt – Continued

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

	Fiscal Year		
	2024	2023	% Change
Local agency revenue bonds	\$138,554	\$143,960	(3.8)
Tax allocation revenue bonds	12,875	12,875	-
Lease revenue bonds	39,130	40,670	(3.8)
Certificate of participation bonds	5,490	5,755	(4.6)
Net of bond discounts and premiums	9,639	10,326	(6.7)
Lease liability - Street Lights	2,658	2,896	(8.2)
Subscription Liability	81	-	-
Total Outstanding Debt	\$208,428	\$216,482	(3.7)

Other Liabilities at Year-End
(in thousands)

	Fiscal Year		
	2024	2023	% Change
Net pension liability	\$15,832	\$14,625	8.3
Compensated absences	1,546	1,630	(5.1)
Total Outstanding Debt	\$17,379	\$16,255	6.9



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	2024 Rating	Ending Balance
Loans Payable		
City of Lake Elsinore	N/A	\$ 4,812,985
Lake Elsinore Facilities Financing Authority	N/A	12,875,000
Subordinated Bonds Payable		
2015 Subordinated Tax Allocation Refunding Bonds	A+	3,065,000
2019A Subordinated Tax Allocation Refunding Bonds	A+	8,235,000
2019B Subordinated Tax Allocation Refunding Bonds	N/A	1,400,000
Premiums		1,026,355
Third-lien Bonds Payable		
2018A Third-lien Tax Allocation Bonds	A	1,770,000
2018B Third-lien Tax Allocation Bonds	A	5,630,000
2020B Third-lien Tax Allocation Refunding Bonds	A	4,500,000
2020C Third-lien Tax Allocation Refunding Bonds	A	2,835,000
Discounts		(127,269)
Premiums		716,067
Total		\$ 46,738,138



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 increases in housing values.
- 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 2024-25.

REQUEST FOR INFORMATION

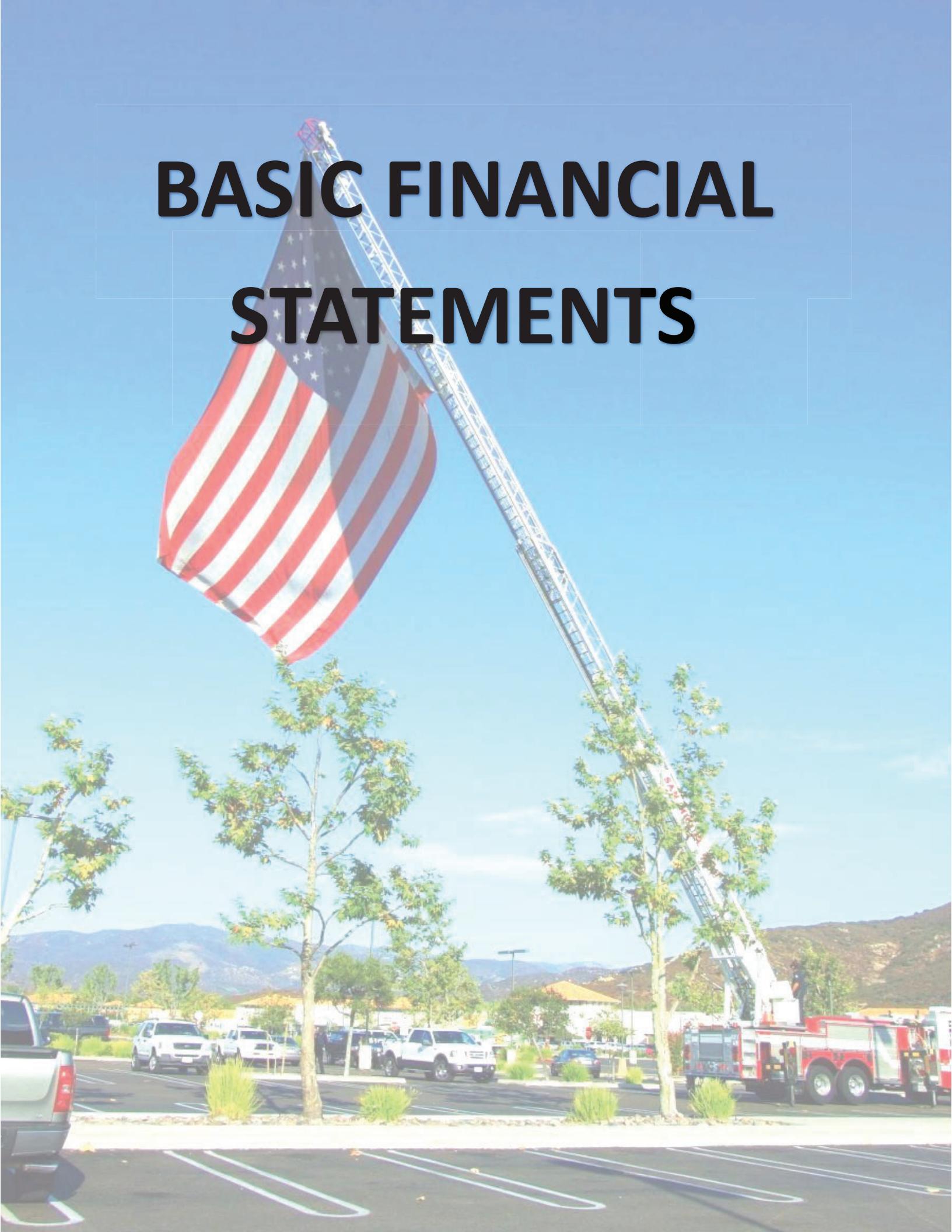
This financial report is designed to provide a general overview of the City of Lake Elsinore's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed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





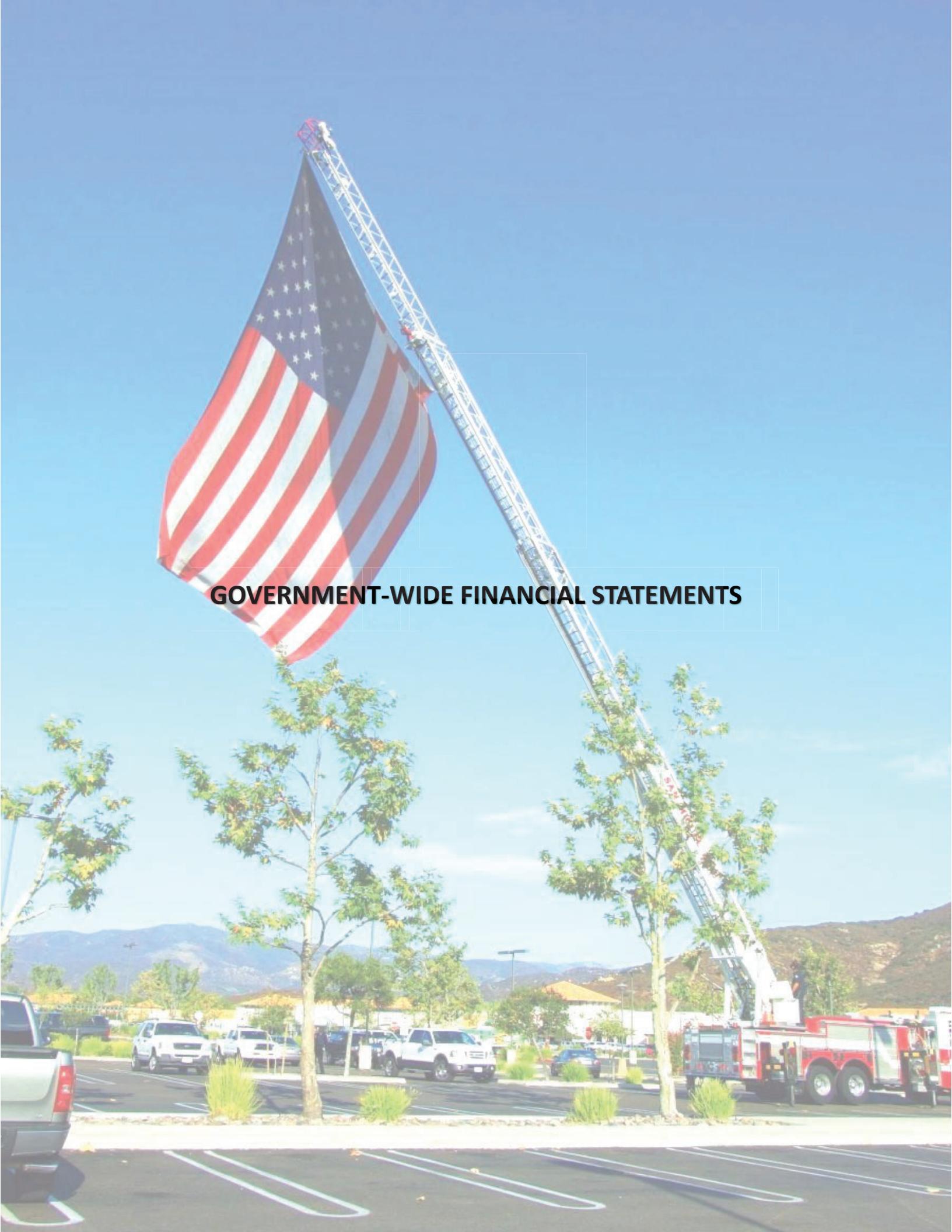
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BASIC FINANCIAL STATEMENTS





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GOVERNMENT-WIDE FINANCIAL STATEMENTS

City of Lake Elsinore
Statement of Net Position
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS			
Current assets:			
Cash and investments	\$ 126,314,843	\$ 587,625	\$ 126,902,468
Receivables:			
Accounts, net	2,928,462	38,510	2,966,972
Lease receivable, due in one year	144,740	-	144,740
Interest	6,670,455	-	6,670,455
Internal balances	270,000	(270,000)	-
Prepaid items	1,274,999	-	1,274,999
Deposits	-	1,000	1,000
Due from other governments	12,418,304	-	12,418,304
Inventories	-	13,523	13,523
Total current assets	150,021,803	370,658	150,392,461
Noncurrent assets:			
Restricted cash and investments:			
Cash with fiscal agent	40,227,472	-	40,227,472
Investment in bonds	143,326,780	-	143,326,780
Internal balances	8,290,000	(8,290,000)	-
Lease receivable, due in more than one year	252,880	-	252,880
Notes and loans receivable, due in more than one year	44,396,484	-	44,396,484
Land held for resale	418,369	-	418,369
Capital assets:			
Nondepreciable/amortizable	63,677,369	-	63,677,369
Depreciable/amortizable, net	156,733,902	22,154,966	178,888,868
Total capital assets	220,411,271	22,154,966	242,566,237
Total noncurrent assets	457,323,256	13,864,966	471,188,222
Total assets	607,345,059	14,235,624	621,580,683
DEFERRED OUTFLOWS OF RESOURCES			
Deferred charge on refunding	3,223,221	-	3,223,221
Related to pensions	6,810,515	138,992	6,949,507
Related to other postemployment benefits	5,002,804	263,305	5,266,109
Total deferred outflows of resources	15,036,540	402,297	15,438,837

(Continued)

City of Lake Elsinore
Statement of Net Position (Continued)
June 30, 2024

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
LIABILITIES			
Current liabilities:			
Accounts payable	11,171,926	174,082	11,346,008
Accrued liabilities	1,766,126	34,629	1,800,755
Interest payable	2,500,570	72,178	2,572,748
Unearned revenue	10,596,786	-	10,596,786
Deposits payable	18,913,223	128,099	19,041,322
Compensated absences - due within one year	742,172	-	742,172
Total OPEB liability - due within one year	725,000	13,000	738,000
Long-term debt - due within one year	9,478,525	-	9,478,525
Total current liabilities	55,894,328	421,988	56,316,316
Noncurrent liabilities:			
Compensated absences - due in more than one year	804,019	-	804,019
Long-term debt - due in more than one year	198,949,082	-	198,949,082
Net pension liability	15,515,791	316,650	15,832,441
Total OPEB liability - due in more than one year	17,422,972	942,156	18,365,128
Total noncurrent liabilities	232,691,864	1,258,806	233,950,670
Total liabilities	288,586,192	1,680,794	290,266,986
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	697,541	14,237	711,778
Related to other postemployment benefits	9,654,542	508,134	10,162,676
Related to leases	364,535	-	364,535
Total deferred inflows of resources	10,716,618	522,371	11,238,989
NET POSITION			
Net investment in capital assets	182,490,924	22,154,966	204,645,890
Restricted for:			
Capital projects	37,961,039	-	37,961,039
Debt service	191,909,294	-	191,909,294
Community development	67,147,083	-	67,147,083
Community services	7,842,417	-	7,842,417
Public services	6,443,716	-	6,443,716
Development	4,012,141	-	4,012,141
Other purposes	4,346	-	4,346
Total restricted	315,320,036	-	315,320,036
Unrestricted (deficit)	(174,732,171)	(9,720,210)	(184,452,381)
Total net position	\$ 323,078,789	\$ 12,434,756	\$ 335,513,545

(Concluded)

City of Lake Elsinore
Statement of Activities
For the Year Ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Governmental activities:				
General government	\$ 15,247,408	\$ 1,201,032	\$ 10,516,885	\$ -
Public safety	39,641,502	13,058,049	5,637,175	-
Community development	7,653,401	7,171,851	4,007,833	-
Community services	4,143,392	528,501	710,412	-
Public services	31,545,220	1,543,596	5,444,466	6,806,993
Interest and fiscal charges	8,384,271	-	-	-
Total governmental activities	106,615,194	23,503,029	26,316,771	6,806,993
Business-type Activities:				
Launch Pointe	5,213,529	3,042,086	-	-
Total business-type activities	5,213,529	3,042,086	-	-
Total primary government	\$ 111,828,723	\$ 26,545,115	\$ 26,316,771	\$ 6,806,993

(Continued)

City of Lake Elsinore
Statement of Activities (Continued)
For the Year Ended June 30, 2024

Functions/Programs	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-Type Activities	Total
Governmental Activities:			
General government	\$ (3,529,491)	\$ -	\$ (3,529,491)
Public safety	(20,946,278)	-	(20,946,278)
Community development	3,526,283	-	3,526,283
Community services	(2,904,479)	-	(2,904,479)
Public services	(17,750,165)	-	(17,750,165)
Interest and fiscal charges	(8,384,271)	(292,688)	(8,676,959)
Total governmental activities	(49,988,401)	(292,688)	(50,281,089)
Business-type Activities:			
Launch Pointe	-	(2,171,443)	(2,171,443)
Total business-type activities	-	(2,171,443)	(2,171,443)
Total primary government	(49,988,401)	(2,464,131)	(52,452,532)
General revenues and transfers:			
General revenues:			
Taxes:			
Property taxes, levied for general purposes	13,922,631	-	13,922,631
Transient occupancy taxes	627,022	-	627,022
Sales and use taxes	33,638,353	-	33,638,353
Franchise taxes	3,405,394	-	3,405,394
Total taxes	51,593,400	-	51,593,400
Use of money and property	15,623,421	25,331	15,648,752
Miscellaneous	370,328	-	370,328
Total general revenue	67,587,149	25,331	67,612,480
Transfers	(684,035)	684,035	-
Total general revenues and transfers	66,903,114	709,366	67,612,480
Change in net position	16,914,713	(1,754,765)	15,159,948
Net position - beginning of year	306,164,076	14,189,521	320,353,597
Net position - end of year	\$ 323,078,789	\$ 12,434,756	\$ 335,513,545

(Concluded)



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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, 2024

	Major Special Revenue Funds					Major Capital Projects Fund	
	General Fund	Cost Recovery System		Measure Z	Low and Moderate Income Housing		
		Capital	Improvement				
ASSETS							
Cash and investments	\$ 23,483,610	\$ 6,296,275	\$ 9,803,172	\$ 36,292,011	\$ 19,881,070		
Receivables:							
Accounts, net	2,700,164	223,181	-	2,701	-		
Notes and loans	1,000,000	-	-	27,179,260	-		
Leases	397,620	-	-	-	-		
Interest	656,340	-	179,442	5,187,155	110,657		
Prepaid items	84,169	-	-	-	4,000		
Due from other governments	3,115,395	-	2,787,402	-	2,899,719		
Due from other funds	547,970	-	-	-	-		
Advances to other funds	-	-	-	-	-		
Land held for resale	-	-	-	418,369	-		
Restricted cash and investments:							
Cash and investments with fiscal agents	-	-	-	-	-		
Investment in bonds	-	-	-	-	-		
Total assets	\$ 31,985,268	\$ 6,519,456	\$ 12,770,016	\$ 69,079,496	\$ 22,895,446		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 6,954,436	\$ 600,010	\$ -	\$ 80,474	\$ 2,867,028		
Accrued liabilities	1,454,179	187,205	-	-	-		
Unearned revenue	212,789	-	-	-	4,931,286		
Deposits payable	2,910	5,732,241	-	1,858,093	-		
Due to other funds	-	-	-	-	-		
Total liabilities	8,624,314	6,519,456	-	1,938,567	7,798,314		
Deferred inflows of resources:							
Unavailable revenue	2,154,833	-	-	4,879,988	1,746,238		
Related to leases	364,535	-	-	-	-		
Total deferred inflows of resources	2,519,368	-	-	4,879,988	1,746,238		
Fund balances:							
Nonspendable	1,084,169	-	-	-	-	4,000	
Restricted:							
Public works	-	-	-	-	-		
Community development	-	-	-	62,260,941	-		
Retirement	-	-	-	-	-		
Capital projects	-	-	12,770,016	-	-		
Debt service	-	-	-	-	-		
Assigned	-	-	-	-	-	13,346,894	
Unassigned (deficit)	19,757,417	-	-	-	-	-	
Total fund balances	20,841,586	-	12,770,016	62,260,941	13,350,894		
Total liabilities, deferred inflows of resources, and fund balances	\$ 31,985,268	\$ 6,519,456	\$ 12,770,016	\$ 69,079,496	\$ 22,895,446		

See accompanying Notes to the Basic Financial Statements.

(Continued)

City of Lake Elsinore
Balance Sheet (Continued)
Governmental Funds
June 30, 2024

	Major Debt Service Funds			Other Governmental Funds	Total Governmental Funds
	Public Financing Authority	Facilities Financing Authority			
ASSETS					
Cash and investments	\$ -	\$ -	\$ 22,425,697	\$ 118,181,835	
Receivables:					
Accounts, net	-	-	2,416	2,928,462	
Notes and loans	-	12,875,000	3,342,224	44,396,484	
Leases	-	-	-	397,620	
Interest	-	100,775	371,600	6,605,969	
Prepaid items	-	538,229	-	626,398	
Due from other governments	-	1,703,375	1,912,413	12,418,304	
Due from other funds	-	-	-	547,970	
Advances to other funds	-	8,560,000	-	8,560,000	
Land held for resale	-	-	-	418,369	
Restricted cash and investments:					
Cash and investments with fiscal agents	10,788,448	25,336,666	4,102,358	40,227,472	
Investment in bonds	98,831,609	44,495,171	-	143,326,780	
Total assets	\$ 109,620,057	\$ 93,609,216	\$ 32,156,708	\$ 378,635,663	
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 441,369	\$ 10,943,317	
Accrued liabilities	-	-	-	1,641,384	
Unearned revenue	-	-	5,452,711	10,596,786	
Deposits payable	10,788,432	531,547	-	18,913,223	
Due to other funds	-	-	547,970	547,970	
Total liabilities	10,788,432	531,547	6,442,050	42,642,680	
Deferred inflows of resources:					
Unavailable revenue	-	-	1,030,546	9,811,605	
Related to leases	-	-	-	364,535	
Total deferred inflows of resources	-	-	1,030,546	10,176,140	
Fund balances:					
Nonspendable	-	538,229	20,000	1,646,398	
Restricted:					
Public works	-	-	2,262,239	2,262,239	
Community development	-	-	10,277,153	72,538,094	
Retirement	-	-	837,006	837,006	
Capital projects	-	-	11,840,129	24,610,145	
Debt service	98,831,625	92,539,440	-	191,371,065	
Assigned	-	-	15,408	13,362,302	
Unassigned (deficit)	-	-	(567,823)	19,189,594	
Total fund balances	98,831,625	93,077,669	24,684,112	325,816,843	
Total liabilities, deferred inflows of resources, and fund balances	\$ 109,620,057	\$ 93,609,216	\$ 32,156,708	\$ 378,635,663	

See accompanying Notes to the Basic Financial Statements.



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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, 2024

Total Fund Balances - Total Governmental Funds

\$ 325,816,843

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	\$ 63,677,369
Depreciable and amortizable assets	156,733,902
Less: amount reported in Internal Service Funds	<u>(2,956,705)</u>

217,454,566

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.

9,811,605

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	(1,546,191)
Bonds, loans, and other long term debt	(208,268,221)

Deferred charges on refunding did not provide current financial resources to the governmental funds.

3,223,221

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 \$1,424,920 in internal service funds)	(14,090,871)
Deferred outflows of resources (net of \$620,684 in internal service funds)	6,189,831
Deferred inflows of resources (net of \$64,061 in internal service funds)	(633,480)

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 \$1,910,313 in internal service funds)	(16,237,659)
Deferred outflows of resources (net of \$526,610 in internal service funds)	4,476,194
Deferred inflows of resources (net of \$1,016,267 in internal service funds)	(8,638,275)

Accrued interest payable due on long-term debt not reported in the governmental funds.

(2,500,570)

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.

8,021,796

Net position of governmental activities

\$ 323,078,789

City of Lake Elsinore
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2024

	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	\$ 31,248,117	\$ -	\$ 16,101,819	\$ -	\$ -	\$ -	
Intergovernmental	20,268,503	-	-	483,966		13,560,668	
Special assessments	-	-	-	-		-	
Licenses and permits	4,919,417	-	-	-		-	
Charges for services	3,473,707	-	-	-		-	
Investment earnings	1,198,322	-	800,707	1,508,945		555,396	
Fines and forfeitures	934,997	-	-	-		-	
Miscellaneous	5,922,885	-	-	11,892		13,149	
Total revenues	67,965,948	-	16,902,526	2,004,803		14,129,213	
EXPENDITURES:							
Current:							
General government	8,717,687	-	-	-		15,900	
Public safety	30,460,859	-	7,774,389	-		-	
Community development	6,667,129	-	-	78,764		-	
Community services	4,077,897	-	-	-		-	
Public services	13,006,771	-	-	-		-	
Capital outlay	-	-	-	687,513		33,495,006	
Debt service:							
Principal retirement	-	-	-	-		38,475	
Interest and fiscal charges	-	-	-	-		4,081	
Total expenditures	62,930,343	-	7,774,389	766,277		33,553,462	
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	5,035,605	-	9,128,137	1,238,526		(19,424,249)	
OTHER FINANCING SOURCES (USES):							
Issuance of debt	-	-	-	-		119,517	
Proceeds from sale of assets	-	-	-	-		-	
Transfers in	191,985	-	-	-		18,847,063	
Transfers out	(3,654,720)	-	(11,187,356)	(62,087)		(684,035)	
Total other financing sources (uses)	(3,462,735)	-	(11,187,356)	(62,087)		18,282,545	
NET CHANGES IN FUND BALANCES	1,572,870	-	(2,059,219)	1,176,439		(1,141,704)	
FUND BALANCES (DEFICIT):							
Beginning of year	19,268,716	-	14,829,235	61,084,502		14,492,598	
End of year	\$ 20,841,586	\$ -	\$ 12,770,016	\$ 62,260,941		\$ 13,350,894	

City of Lake Elsinore
Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Governmental Funds
For the Year Ended June 30, 2024

	Major Debt Service Funds			Total Governmental Funds
	Public Financing Authority	Facilities Financing Authority	Other Governmental Funds	
REVENUES:				
Taxes	\$ -	\$ -	\$ 11,109	\$ 47,361,045
Intergovernmental	-	-	8,888,802	43,201,939
Special assessments	-	-	2,268,403	2,268,403
Licenses and permits	-	-	3,769,313	8,688,730
Charges for services	-	-	1,500,000	4,973,707
Investment earnings	4,121,043	2,859,002	1,187,780	12,231,195
Fines and forfeitures	-	-	169,637	1,104,634
Miscellaneous	-	2,852,547	20,108	8,820,581
Total revenues	4,121,043	5,711,549	17,815,152	128,650,234
EXPENDITURES:				
Current:				
General government	-	1,315,150	5,543,570	15,592,307
Public safety	-	-	376,840	38,612,088
Community development	-	-	1,224,149	7,970,042
Community services	-	-	-	4,077,897
Public services	-	-	4,036,355	17,043,126
Capital outlay	-	-	1,000,000	35,182,519
Debt service:				
Principal retirement	3,820,000	3,285,000	502,632	7,646,107
Interest and fiscal charges	4,556,411	3,418,686	317,081	8,296,259
Total expenditures	8,376,411	8,018,836	13,000,627	134,420,345
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(4,255,368)	(2,307,287)	4,814,525	(5,770,111)
OTHER FINANCING SOURCES (USES):				
Issuance of debt	-	-	-	119,517
Proceeds from sale of assets	-	-	-	-
Transfers in	-	-	2,235,966	21,275,014
Transfers out	-	-	(7,120,198)	(22,708,396)
Total other financing sources (uses)	-	-	(4,884,232)	(1,313,865)
NET CHANGES IN FUND BALANCES	(4,255,368)	(2,307,287)	(69,707)	(7,083,976)
FUND BALANCES (DEFICIT):				
Beginning of year	103,086,993	95,384,956	24,753,819	332,900,819
End of year	\$ 98,831,625	\$ 93,077,669	\$ 24,684,112	\$ 325,816,843

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, 2024

Net change in fund balances - total governmental funds: \$ (7,083,976)

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 \$1,343,950 added in Internal Service Funds	27,347,052
Depreciation and amortization expense, net of \$848,710 reported in Internal Service Funds	(7,641,583)
Net effect of disposal of capital assets	(2,370,010)

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

(2,389,816)

Proceeds from issuance of long-term debt provided current financial resources to governmental funds, but issuing debt increased long-term liabilities in the Government-Wide Statement of Net Position (net of \$161,925 reported in internal service funds).

(119,517)

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 (net of \$129,525 reported in internal service funds).

7,646,107

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.

43,219

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	(233,870)
OPEB expense	1,982,966

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.

83,327

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	703,342
Amortization of debt discount	(15,922)
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.

(240,511)

Change in net position of governmental activities

\$ 16,914,713



PROPRIETARY FUNDS FINANCIAL STATEMENTS

City of Lake Elsinore
Statement of Net Position
Proprietary Funds
June 30, 2024

	Business-Type Activities	Governmental Activities	
	Enterprise Fund	Internal Launch Pointe	Service Funds
ASSETS			
Current Assets:			
Cash and investments	\$ 587,625	\$ 8,133,008	
Receivables:			
Accounts, net	38,510		-
Interest	-	64,486	
Prepaid items	-	648,601	
Deposits	1,000		-
Inventories	13,523		-
Total current assets	<u>640,658</u>	<u>8,846,095</u>	
Noncurrent assets:			
Capital assets:			
Capital assets, being depreciated, net	<u>22,154,966</u>	<u>2,956,705</u>	
Total capital assets	<u>22,154,966</u>	<u>2,956,705</u>	
Total noncurrent assets	<u>22,154,966</u>	<u>2,956,705</u>	
Total assets	<u>22,795,624</u>	<u>11,802,800</u>	
DEFERRED OUTFLOWS OF RESOURCES			
Related to pensions	138,992	620,684	
Related to other postemployment benefits	263,305	526,610	
Total deferred outflows of resources	<u>402,297</u>	<u>1,147,294</u>	

City of Lake Elsinore
Statement of Net Position (Continued)
Proprietary Funds
June 30, 2024

	Business-Type Activities	Governmental Activities	
	Enterprise Fund	Internal Launch Pointe	Service Funds
LIABILITIES			
Current liabilities:			
Accounts payable	174,082	228,609	
Accrued liabilities	34,629	124,742	
Interest payable	72,178	-	
Deposits payable	128,099	-	
Advances from other funds	270,000	-	
Total OPEB liability - due within one year	13,000	35,000	
Long-term debt, due within one year	-	53,472	
Total current liabilities	691,988	441,823	
Noncurrent liabilities:			
Advances from other funds	8,290,000	-	
Net pension liability	316,650	1,424,920	
Total OPEB liability - due in more than one year	942,156	1,875,313	
Long-term debt, due in more than one year	-	105,914	
Total noncurrent liabilities	9,548,806	3,406,147	
Total liabilities	10,240,794	3,847,970	
DEFERRED INFLOWS OF RESOURCES			
Related to pensions	14,237	64,061	
Related to other postemployment benefits	508,134	1,016,267	
Total deferred inflows of resources	522,371	1,080,328	
NET POSITION			
Net investment in capital assets	22,154,966	2,797,319	
Unrestricted (deficit)	(9,720,210)	5,224,477	
Total net position	\$ 12,434,756	\$ 8,021,796	



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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, 2024

	Business-Type Activities	Governmental Activities	
	Enterprise Fund	Internal Launch Pointe	Service Funds
OPERATING REVENUES:			
Sales and service charges	\$ 2,915,687	\$ 5,495,467	
Miscellaneous	126,399	79,903	
Total operating revenues	<u>3,042,086</u>	<u>5,575,370</u>	
OPERATING EXPENSES:			
Personnel services	1,283,041	2,746,608	
Contractual services	1,836,199	933,532	
Utilities	584,957	634,695	
Maintenance and operation	204,100	1,028,841	
Cost of sales and services	19,678	-	
Insurance	41,271	673,820	
Depreciation and amortization	1,244,283	848,710	
Total operating expenses	<u>5,213,529</u>	<u>6,866,206</u>	
OPERATING INCOME	<u>(2,171,443)</u>	<u>(1,290,836)</u>	
NONOPERATING REVENUES (EXPENSES):			
Interest revenue	25,331	323,534	
Interest expense	(292,688)	(22,556)	
Total nonoperating revenues (expenses)	<u>(267,357)</u>	<u>300,978</u>	
Income (loss) before transfers	<u>(2,438,800)</u>	<u>(989,858)</u>	
TRANSFERS:			
Transfers in	684,035	749,347	
Total transfers	<u>684,035</u>	<u>749,347</u>	
CHANGES IN NET POSITION	<u>(1,754,765)</u>	<u>(240,511)</u>	
NET POSITION:			
Beginning of the year	14,189,521	8,262,307	
End of the year	<u>\$ 12,434,756</u>	<u>\$ 8,021,796</u>	

City of Lake Elsinore
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
	Launch Pointe	Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES:		
Cash received from customers and users	\$ 3,015,590	\$ 5,575,370
Cash paid to suppliers for goods and services	(2,661,426)	(3,030,265)
Cash paid to employees for services	(1,000,641)	(1,726,789)
Net cash provided by (used in) operating activities	(646,477)	818,316
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:		
Received from other funds	684,035	749,347
Paid to other funds	(265,000)	-
Net cash provided by noncapital financing activities	419,035	749,347
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:		
Acquisition and construction of capital assets	(150,273)	(1,343,949)
Proceeds from issuance of debt	-	32,400
Interest paid on outstanding debt	(294,013)	(22,556)
Net cash (used in) capital and related financing activities	(444,286)	(1,334,105)
CASH FLOWS FROM INVESTING ACTIVITIES:		
Interest received	31,535	301,541
Net cash (used in) investing activities	31,535	301,541
Net increase (decrease) in cash and cash equivalents	(640,193)	535,099
CASH AND CASH EQUIVALENTS:		
Beginning of year	1,227,818	7,597,909
End of year	\$ 587,625	\$ 8,133,008

City of Lake Elsinore
Statement of Cash Flows (Continued)
Proprietary Funds
For the Year Ended June 30, 2024

	Business-Type Activities	Governmental Activities
	Enterprise Fund	Internal Service Funds
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:		
Operating income (loss)	\$ (2,171,443)	\$ (1,290,836)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation and amortization	1,244,283	848,710
Change in assets and liabilities:		
(Increase) decrease in assets:		
Accounts receivable	(35,142)	-
Prepaid items	-	331,182
Deposits	(1,000)	-
Inventories	7,790	-
Pension-related deferred outflows	117,874	(156,760)
OPEB-related deferred outflows	(68,974)	(137,948)
Increase (decrease) in liabilities:		
Accounts payable	16,989	(90,559)
Accrued liabilities	4,968	(128,103)
Deposits payable	9,646	-
Net pension liability	(268,370)	401,137
Total OPEB liability	299,578	599,157
Pension-related deferred inflows	(34,167)	(20,644)
OPEB-related deferred inflows	231,491	462,980
Total adjustments	<hr/> 1,524,966	<hr/> 2,109,152
Net cash provided by (used in) operating activities	<hr/> <hr/> \$ (646,477)	<hr/> <hr/> \$ 818,316



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FIDUCIARY FUND FINANCIAL STATEMENTS



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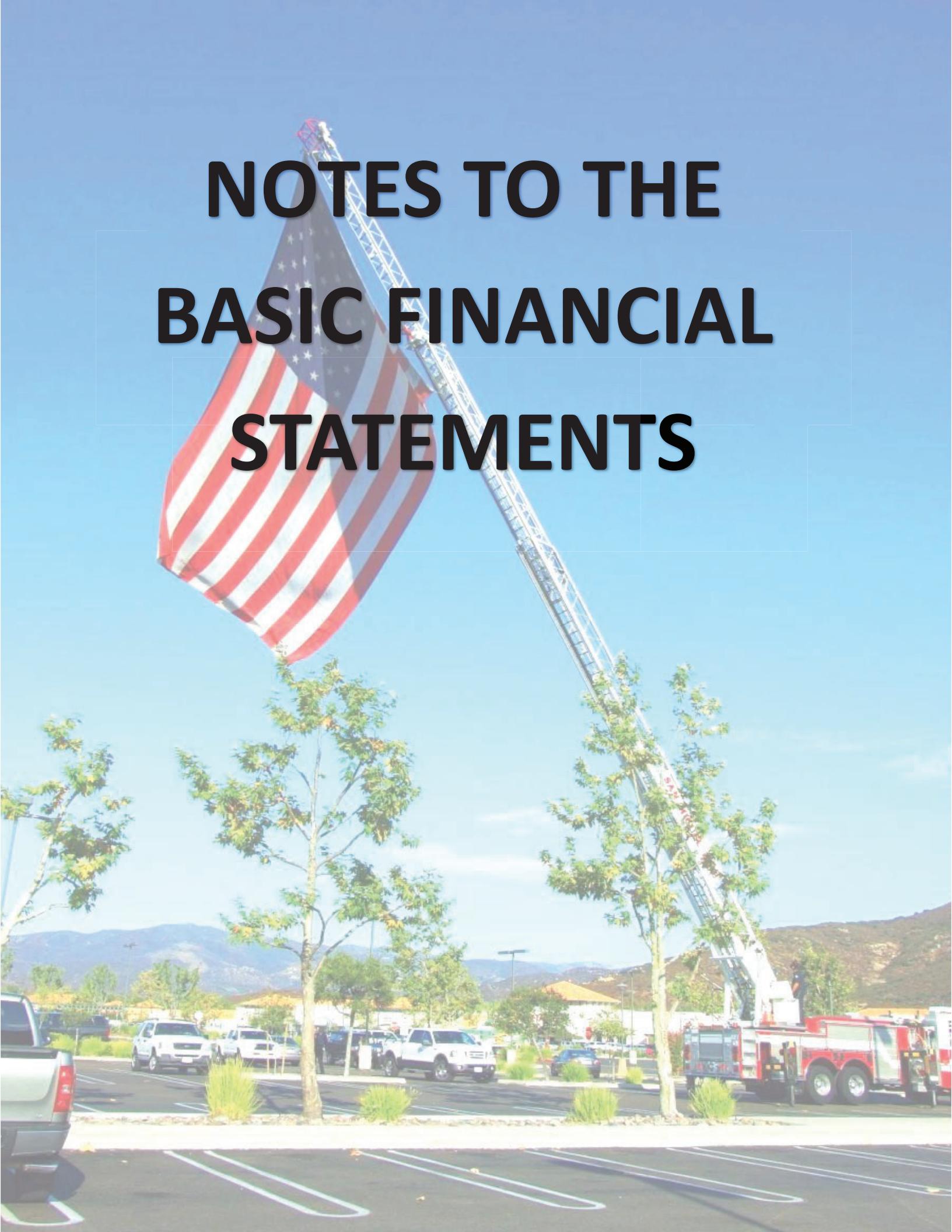
City of Lake Elsinore
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2024

	Custodial Fund			
	Assessment Districts	Private-Purpose Trust Funds	Total	
ASSETS:				
Cash and investments	\$ 13,407,933	\$ 9,150,668	\$ 22,558,601	
Receivables:				
Accounts	8,844	167	9,011	
Interest	188,045	10,664	198,709	
Prepaid items	41,809	281,437	323,246	
Due from other governments	310,536	-	310,536	
Land held for resale	-	6,039,994	6,039,994	
Deposits with other agencies	11,319,979	-	11,319,979	
Restricted assets:				
Cash and investments with fiscal agents	12,590,733	565	12,591,298	
Capital assets:				
Capital assets, not being depreciated	-	2,004,419	2,004,419	
Capital assets, net of accumulated depreciation	-	16,792,781	16,792,781	
Total assets	37,867,879	34,280,695	72,148,574	
DEFERRED OUTFLOWS OF RESOURCES:				
Deferred amounts on refunding	-	1,135,910	1,135,910	
Total deferred outflows of resources	-	1,135,910	1,135,910	
LIABILITIES:				
Accounts payable	76,631	240,456	317,087	
Interest payable	-	773,059	773,059	
Deposits payable	95,041	-	95,041	
Long-term debt:				
Due within one year	-	3,525,000	3,525,000	
Due in more than one year	-	43,213,138	43,213,138	
Total liabilities	171,672	47,751,653	47,923,325	
NET POSITION (DEFICIT):				
Restricted for:				
Organizations and other governments	37,696,207	(12,335,048)	25,361,159	
Total net position (deficit)	\$ 37,696,207	\$ (12,335,048)	\$ 25,361,159	

City of Lake Elsinore
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Year Ended June 30, 2024

	Custodial Fund		Total
	Assessment Districts	Private-Purpose Trust Funds	
ADDITIONS:			
Collection of special taxes	\$ 38,152,167	\$ -	\$ 38,152,167
Taxes	-	22,373,553	22,373,553
Investment earnings	1,313,846	36,579	1,350,425
Miscellaneous	2,910	1,633,839	1,636,749
Total additions	39,468,923	24,043,971	63,512,894
DEDUCTIONS:			
Administrative expenses	292,355	414,313	706,668
Contractual services	24,850,666	5,382,358	30,233,024
Interest expense	9,544,043	1,840,266	11,384,309
Depreciation	-	2,122,169	2,122,169
Total deductions	34,687,064	9,759,106	44,446,170
Change in net position	4,781,859	14,284,865	19,066,724
NET POSITION (DEFICIT):			
Beginning of year	32,914,348	(26,619,913)	6,294,435
End of year	\$ 37,696,207	\$ (12,335,048)	\$ 25,361,159

NOTES TO THE BASIC FINANCIAL STATEMENTS





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City of Lake Elsinore
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For the Year Ended June 30, 2024

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City of Lake Elsinore
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For the Year Ended June 30, 2024

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City of Lake Elsinore
Notes to the Basic Financial Statements
For the Year Ended June 30, 2024

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 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, 2024, 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 benefit 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, 2024

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, 2024

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, 2024

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, 2024

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, 2024

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.

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

G. Leases (Continued)

Lessee (Continued)

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, 2024

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, 2024

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, 2024

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, 2022
Measurement Date	June 30, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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, 2023
Measurement Period	July 1, 2022 to June 30, 2023

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, 2024

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.

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

Q. Property Tax Revenue (Continued)

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, 2024

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 Pronouncement for the Year Ended June 30, 2024

The requirements of the following accounting standard is effective for the purpose of implementation, if applicable to the City, for the year ended June 30, 2024. 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. 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 did not have a significant effect on the City's financial reporting for the fiscal year ended June 30, 2024.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 1 – Summary of Significant Accounting Policies (Continued)

V. Upcoming GASB Pronouncements Implementation

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

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.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosures*. The objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints which may limit a government's ability to acquire resources or control spending. Application of this statement is effective for the City's fiscal year ending June 30, 2025.

GASB Statement No. 103 – In December 2023, GASB issued Statement No. *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

GASB Statement No. 104 – In September 2024, GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34. Lease assets recognized in accordance with Statement No. 87, *Leases*, and intangible right-to-use assets recognized in accordance with Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, should be disclosed separately by major class of underlying asset in the capital assets note disclosures. Subscription assets recognized in accordance with Statement No. 96, *Subscription-Based Information Technology Arrangements*, also should be separately disclosed. In addition, this Statement requires intangible assets other than those three types to be disclosed separately by major class. Application of this statement is effective for the City's fiscal year ending June 30, 2026.

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, 2024:

	<u>Encumbrances</u>
Governmental Funds:	
General Fund	\$ 69,276
Capital Improvement Plan	3,837,844
LLMD No. 1	21,611
Proprietary Funds:	
Info Systems Internal Service Fund	14,318
Fiduciary Funds:	
Successor Agency	4,113

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 2 – Stewardship, Compliance, and Accountability

B. Deficit Fund Balance/Net Position

The following funds have deficit fund balance or net position at June 30, 2024:

Fund	Balance
Non-major Funds:	
CDBG Special Revenue Fund	\$ (34,958)
NPDES Special Revenue Fund	(219,793)
The Anchor Special Revenue Fund	(239,531)
Pedestrian Sidewalk SB821	
Special Revenue Fund	(73,541)
Fiduciary Funds:	
Successor Agency	
Private-Purpose Trust Fund	(12,399,394)

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
Non-major Funds:			
AB2766 Air Pollution Fund	\$ 59,997	\$ 6,000	\$ 53,997

Note 3 – Cash and Investments

The City had the following cash and investments at June 30, 2024:

	Governmental Activities	Business-Type Activities	Total Primary Government	Fiduciary Activities	Total
Cash and investments	\$ 126,314,843	\$ 587,625	\$ 126,902,468	\$ 22,558,601	\$ 149,461,069
Restricted cash and investments with fiscal agent	183,554,252	-	183,554,252	12,591,298	196,145,550
Total cash and investments	\$ 309,869,095	\$ 587,625	\$ 310,456,720	\$ 35,149,899	\$ 345,606,619

Cash and investments consisted of the following at June 30:

Petty cash	\$ 2,750
Deposits with financial institutions	3,087,173
Investments	342,516,696
Total cash and investments	\$ 345,606,619

Demand Deposits

As of June 30, 2024, the carrying amount of demand deposits was \$3,087,173 and the bank balance was \$2,471,312, 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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

Investments Authorized by the California Government Code and the City's Investment Policy:

The table below identifies the investment types that are authorized for the City by the California Government Code (or the City's investment policy, where more restrictive). 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	\$ 150,000,000
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.

Investments Authorized by Debt Agreements

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

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the City manages its exposure to interest rates risk is by purchasing a combination of shorter term and longer-term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Interest Rate Risk (Continued)

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

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	\$ 93,799,578	\$ 93,799,578	\$ -	\$ -	\$ -
Corporate Notes	12,093,783	-	2,401,396	6,271,967	3,420,420
Asset Backed Securities	5,571,234	-	-	3,725,175	1,846,059
Federal Agency Securities	9,963,992	-	240,897	5,734,492	3,988,603
U.S. Treasury Notes	22,313,070	-	96,766	22,216,304	-
Municipal Bonds	1,354,197	-	556,590	797,607	-
Certificates of Deposit	1,186,482	284,685	-	901,797	-
California Asset Management Program Pool (CAMP)	88,805	88,805	-	-	-
Investments with Fiscal Agents:					
Money Market Mutual Funds	52,818,775	52,818,775	-	-	-
Local Obligation Bonds	143,326,780	143,326,780	-	-	-
Total	\$ 342,516,696	\$ 290,318,623	\$ 3,295,649	\$ 39,647,342	\$ 9,255,082

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the City's investment policy, or debt agreements, and the actual rating, by Standard and Poor's as of year-end for each investment type.

The City's investment in local obligation bonds are secured by property taxes on the subordinate tax allocation bonds and special assessment taxes on property owned within the Community Facilities Districts or Special Assessment Districts. 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				Not Required to be Rated	
		Rating	AAA	AA+	Other		
Local Agency Investment Fund	\$ 93,799,578	N/A	\$ -	\$ -	\$ -	\$ 93,799,578	\$ -
Corporate Notes	12,093,783	AA	723,739	730,308	10,639,736	-	-
Asset Backed Securities	5,571,234	N/A	4,782,409	-	-	788,825	-
Federal Agency Securities	9,963,992	N/A	-	9,963,992	-	-	-
US Treasury Notes	22,313,070	N/A	-	22,313,070	-	-	-
Municipal Bonds	1,354,197	N/A	95,267	-	820,072	438,858	-
Certificate of Deposit	1,186,482	N/A	-	-	1,186,482	-	-
California Asset Management Program Pool (CAMP)	88,805	N/A	-	-	-	-	88,805
Investments with Fiscal Agents:							
Money Market Mutual Funds	52,818,775	-	-	-	-	52,818,775	-
Local Obligation Bonds	143,326,780	-	-	-	-	143,326,780	-
Total	\$ 342,516,696	\$ 5,601,415	\$ 33,007,370	\$ 12,646,290	\$ 291,172,816	\$ 88,805	

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

Disclosures Relating to Credit Risk (Continued)

The ratings for the “other” category above are as follows:

Other Category:		
A	\$	3,122,667
A-		1,846,865
A+		1,981,646
AA		1,902,778
AA-		3,034,242
BBB+		<u>758,092</u>
	\$	<u>12,646,290</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	\$ 17,349,809
CFD 2004-3-2 Special Tax Bonds, 2015 Series (Improvement Area 2)	Local Obligation Bonds	20,943,123

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, 2024, \$2,219,307 of the City's deposits with financial institutions in excess of federal depository insurance limits were held in collateralized accounts.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

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, 2024, the City had \$93,799,578 invested in LAIF, which had invested 1.40% 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.

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, 2024, the City had \$88,805 invested in CAMP.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

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	\$ 14,082,941
CFD 95-1 Special Tax Bonds, 2015 Series	257,431
CFD 2003-2 IA-B Special Tax Bonds, 2015 Series	14,743,315
CFD 2004-3 IA-1 Special Tax Bonds, 2015 Series	17,349,809
CFD 2004-3-2 IA-2 Special Tax Bonds, 2015 Series	20,943,123
CFD 2005-1 Special Tax Bonds, 2015 Series	6,258,803
CFD 2005-2 IA-2 Special Tax Bonds, 2015 Series	11,739,948
CFD 2005-6 Special Tax Bonds, 2015 Series	2,418,783
CFD 2006-2 Special Tax Bonds, 2015 Series	5,057,456
CFD 2005-2 IA-2 Special Tax Bonds, 2019 Series A	5,980,000
	\$ 98,831,609

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	\$ 3,863,892
CFD 98-1 Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	9,143,329
CFD 2003-2 IA-C Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	5,873,957
CFD 2003-2 IA-D Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	8,771,246
CFD 2005-5 Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	2,991,550
CFD 2006-1 IA-A Local Agency Revenue Refunding Bonds, 2021 Series (Federally Taxable)	3,770,445
CFD 2006-1 IA-B Local Agency Revenue Bonds, 2021 Seroes B	2,590,917
CFD 2006-1 IA-FF Local Agency Revenue Bonds, 2021 Series B	3,330,470
CFD 2007-4 Local Agency Revenue Bonds, 2021 Series B	2,332,818
CFD 2015-5 Local Agency Revenue Bonds, 2021 Series B	1,826,547
	\$ 44,495,171

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 3 – Cash and Investments (Continued)

Fair Value Measurements (Continued)

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.

Fair value of assets measured on a recurring basis at June 30, 2024, are as follows:

Investment Type	Fair Value	Significant Other Observable Inputs (Level 2)	Uncategorized
Local Agency Investment Fund	\$ 93,799,578	\$ -	\$ 93,799,578
Corporate Notes	12,093,783	12,093,783	-
Asset Backed Securities	5,571,234	5,571,234	-
Federal Agency Securities	9,963,992	9,963,992	-
US Treasury Notes	22,313,070	22,313,070	-
Supra-National Agency Bonds	-	-	-
Municipal Bonds	1,354,197	1,354,197	-
Certificate of Deposits	1,186,482	1,186,482	-
California Asset Management Program Pool (CAMP)	88,805	-	88,805
Held by Bond Trustee:			
Money Market Mutual Bonds	52,818,775	52,818,775	-
Local Obligations Bonds	143,326,780	143,326,780	-
Total	\$ 342,516,696	\$ 248,628,313	\$ 93,888,383

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 4 – 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, 2024, the Successor Agency owed the City, in its capacity as housing successor agency, \$5,063,155. 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 loan payable includes an amount of \$4,812,985 and accrued interest of \$250,170. During the fiscal year, accrued interest of \$483,965 was earned on the outstanding loan. The loan 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.

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 Financing Authority Loan Agreements

The Public Financing Authority entered into loan agreements with the former Redevelopment Agency ("Agency") whereby the Public Financing 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 Public Financing 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 Public Financing 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, 2024:

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

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – 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, 2024, the total outstanding balance of \$1,420,000 includes accrued interest of \$420,000.

The City's Low and Moderate-Income Housing Asset Special Revenue Fund has a note receivable in the amount of \$9,737,000 from Pottery Court Housing Associates, L.P. dated March 10, 2011. The proceeds of the loan assisted with the acquisition of property and development of the Pottery Court Affordable Housing Project. The loan is to be repaid with interest in arrears in annual installments on July 1, commencing July 1 in the calendar year immediately following the calendar year in which the deed of trust securing the permanent loan is recorded in the official records of Riverside County. Absent prepayment or acceleration, the Borrower agrees to pay the loan in annual payments equal to 67.5 percent of the residual receipts as defined in the loan agreement. Notwithstanding any other provision, unless the loan is paid earlier, the outstanding principal and accrued unpaid interest is payable 55 years from the date of recording of the release of construction covenants. The release of construction covenants was recorded on August 8, 2012. At June 30, 2024, the total outstanding balance of \$13,338,235 includes accrued interest of \$3,601,235.

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, 2024, the total outstanding balance of \$716,460 includes accrued interest of \$21,210.

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, 2024, the total outstanding balance of \$2,061,014 includes accrued interest of \$61,014.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 5 – Notes Receivable (Continued)

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, 2024, the total outstanding balance of \$7,749,412 includes accrued interest of \$229,412.

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, 2024 the total outstanding balance of \$5,873,370 includes accrued interest of \$799,094.

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, 2024, the total outstanding balance of \$748,859 includes accrued interest of \$101,885.

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, 2024, the total outstanding balance is \$35,000.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 6 – 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, 2024, the City recognized \$151,615 in lease revenue and \$30,212 in interest revenue, and the outstanding receivable amount was \$397,620.

A summary of changes in lease receivable for the fiscal year ended June 30, 2024 is as follows:

				Balance June 30, 2024	Classification	
	Balance July 1, 2023	Additions	Deletions		Due within One Year	Due in More Than One Year
Leases receivable	\$ 502,695	\$ 42,778	\$ (147,853)	\$ 397,620	\$ 144,740	\$ 252,880
Total	\$ 502,695	\$ 42,778	\$ (147,853)	\$ 397,620	\$ 144,740	\$ 252,880

As of June 30, 2024, the required payments for these leases, including interest, are:

Year Ending June 30,	Principal	Interest	Total
2025	\$ 144,740	\$ 21,084	\$ 165,824
2026	157,086	11,440	168,526
2027	72,565	4,751	77,316
2028	12,155	1,260	13,415
2029	3,584	332	3,916
2030-2033	7,490	339	7,829
Total	\$ 397,620	\$ 39,206	\$ 436,826

As of June 30, 2024, the amounts reported as deferred inflows of resources will be recognized as lease revenue as follows:

Year Ending June 30,
2025 \$ 141,483
2026 141,483
2027 61,663
2028 9,585
2029 3,441
2030-2033 6,880
Total \$ 364,535

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets

Governmental Activities

The following is a summary of changes in the governmental activities capital assets for the year ended June 30, 2024:

Governmental Activities:	Beginning Balance	Additions	Deletions	Transfers	Ending Balance
Capital assets not being depreciated:					
Land	\$ 4,966,472	\$ 1,888,803	\$ -	\$ -	\$ 6,855,275
Construction-in-progress	49,475,975	25,257,786	(2,370,010)	(15,541,657)	56,822,094
Total capital assets, not being depreciated	54,442,447	27,146,589	(2,370,010)	(15,541,657)	63,677,369
Capital assets being depreciated:					
Building and structures	24,660,406	-	-	3,768,270	28,428,676
Improvement and other than buildings	13,273,173	-	-	2,376,735	15,649,908
Machinery and equipment	3,249,874	463,181	-	-	3,713,055
Furniture and fixtures	1,045,831	206,524	-	-	1,252,355
Automotive equipment	4,967,140	706,599	-	-	5,673,739
Technology equipment and software	939,106	6,184	-	-	945,290
Infrastructure	256,361,187	-	-	9,396,652	265,757,839
Total capital assets being depreciated	304,496,717	1,382,488	-	15,541,657	321,420,862
Less accumulated depreciation:					
Building and structures	(9,053,633)	(545,232)	-	-	(9,598,865)
Improvement and other than buildings	(7,433,508)	(322,563)	-	-	(7,756,071)
Machinery and equipment	(2,048,083)	(225,817)	-	-	(2,273,900)
Furniture and fixtures	(889,345)	(38,067)	-	-	(927,412)
Automotive equipment	(3,408,757)	(524,930)	-	-	(3,933,687)
Technology equipment and software	(902,418)	(39,941)	-	-	(942,359)
Infrastructure	(132,750,029)	(6,676,694)	-	-	(139,426,723)
Total accumulated depreciation	(156,485,773)	(8,373,244)	-	-	(164,859,017)
Total capital assets, being depreciated, net	148,010,944	(6,990,756)	-	15,541,657	156,561,845
Capital assets being amortized:					
Subscription assets	208,137	161,925	-	-	370,062
Total capital assets being amortized	208,137	161,925	-	-	370,062
Less accumulated amortization for:					
Subscription assets	(80,955)	(117,050)	-	-	(198,005)
Total accumulated amortization	(80,955)	(117,050)	-	-	(198,005)
Total capital assets, being amortized, net	127,182	44,875	-	-	172,057
Governmental Activities					
Capital assets, net	\$ 202,580,573	\$ 20,200,708	\$ (2,370,010)	\$ -	\$ 220,411,271

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

Governmental Activities:	
General government	\$ 63,459
Public safety	393,628
Public services	7,005,817
Community services	178,680
Internal Service Funds	848,710
	\$ 8,490,294

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets (Continued)

Business-type Activities

The following is a summary of changes in the business-type activities capital assets for the year ended June 30, 2024:

	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	95,409	-	-	28,017,426
Machinery and equipment	306,948	34,506	-	-	341,454
Furniture and fixtures	420,318	20,358	-	-	440,676
Automotive equipment	494,272	-	-	-	494,272
Total capital assets being depreciated	<u>29,614,322</u>	<u>150,273</u>	<u>-</u>	<u>-</u>	<u>29,764,595</u>
Less accumulated depreciation:					
Building and structures	(125,911)	(21,448)	-	-	(147,359)
Improvement other than buildings	(5,818,323)	(1,116,881)	-	-	(6,935,204)
Machinery and equipment	(170,369)	(44,893)	-	-	(215,262)
Furniture and fixtures	(165,669)	(44,585)	-	-	(210,254)
Automotive equipment	(85,074)	(16,476)	-	-	(101,550)
Total accumulated depreciation	<u>(6,365,346)</u>	<u>(1,244,283)</u>	<u>-</u>	<u>-</u>	<u>(7,609,629)</u>
Total capital assets, being depreciated, net	<u>23,248,976</u>	<u>(1,094,010)</u>	<u>-</u>	<u>-</u>	<u>22,154,966</u>
Business-type Activities					
Capital assets, net	<u>\$ 23,248,976</u>	<u>\$ (1,094,010)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,154,966</u>

Business-type activities depreciation expense for capital assets for year ended June 30, 2024, is \$1,244,283.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 7 – Capital Assets (Continued)

Fiduciary Activities

The following is a summary of changes in the fiduciary activities capital assets for the year ended June 30, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 2,004,419	\$ -	\$ -	\$ 2,004,419
Total capital assets, not being depreciated	<u>2,004,419</u>	<u>-</u>	<u>-</u>	<u>2,004,419</u>
Capital assets, being depreciated:				
Building and structures	30,593,053	3,170,708	-	33,763,761
Improvement other than buildings	531,302	-	-	531,302
Machinery and equipment	380,537	26,977	-	407,514
Furniture and fixtures	1,037,585	-	-	1,037,585
Total capital assets, Being depreciated	<u>32,542,477</u>	<u>3,197,685</u>	<u>-</u>	<u>35,740,162</u>
Less accumulated depreciation:				
Building and structures	(15,833,394)	(1,970,101)	-	(17,803,495)
Improvement other than buildings	(531,302)	-	-	(531,302)
Machinery and equipment	(236,611)	(39,232)	-	(275,843)
Furniture and fixtures	(223,905)	(112,836)	-	(336,741)
Total accumulated depreciation	<u>(16,825,212)</u>	<u>(2,122,169)</u>	<u>-</u>	<u>(18,947,381)</u>
Total capital assets, being depreciated, net	<u>15,717,265</u>	<u>1,075,516</u>	<u>-</u>	<u>16,792,781</u>
Fiduciary Activities				
Capital assets, net	<u>\$ 17,721,684</u>	<u>\$ 1,075,516</u>	<u>\$ -</u>	<u>\$ 18,797,200</u>

Fiduciary activities depreciation expense for capital assets for year ended June 30, 2024, is \$2,122,169.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – 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, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Bonds Payable (Direct Borrowings):					
Public Financing Authority:					
Local Agency Revenue Bonds:					
2014 Series B	\$ 14,530,000	\$ -	\$ (670,000)	\$ 13,860,000	\$ 720,000
2015 Series	76,285,000	- -	(2,850,000)	73,435,000	3,125,000
2019 Series A	6,280,000	- -	(300,000)	5,980,000	320,000
Facilities Financing Authority:					
Local Agency Revenue Bonds:					
2017 Series	4,320,000	- -	(145,000)	4,175,000	150,000
2021 Series B	10,300,000	- -	(145,000)	10,155,000	165,000
Lease Revenue Bonds:					
2016 Series A	8,825,000	- -	(265,000)	8,560,000	270,000
2021 Series A	8,775,000	- -	(900,000)	7,875,000	930,000
2022 Series A	23,070,000	- -	(375,000)	22,695,000	395,000
Tax Allocation Revenue Refunding Bonds:					
2020 Series A	12,875,000	- -	- -	12,875,000	1,270,000
Local Agency Revenue Refunding Bonds:					
2021 Series	32,245,000	- -	(1,455,000)	30,790,000	1,500,000
Certificates of Participation :					
2014 Series A	5,755,000	- -	(265,000)	5,490,000	275,000
Subtotal	<u>203,260,000</u>	<u>- -</u>	<u>(7,370,000)</u>	<u>195,890,000</u>	<u>9,120,000</u>
Add (less) deferred amounts:					
Bond premiums	10,676,854	- -	(703,342)	9,973,512	- -
Bond discounts	(350,485)	- -	15,922	(334,563)	- -
Subtotal	<u>10,326,369</u>	<u>- -</u>	<u>(687,420)</u>	<u>9,638,949</u>	<u>- -</u>
Total bonds	213,586,369	- -	(8,057,420)	205,528,949	9,120,000
Loans Payable:					
2021 Loans Payable - So Cal Edison	2,895,862	- -	(237,632)	2,658,230	244,983
Total loans payable	2,895,862	- -	(237,632)	2,658,230	244,983
Lease Liability					
Lease liability	- -	119,517	(38,475)	81,042	60,070
Total lease liability	- -	119,517	(38,475)	81,042	60,070
Subscription Liability:					
Subscription liability	126,986	161,925	(129,525)	159,386	53,472
Total subscription liability	126,986	161,925	(129,525)	159,386	53,472
Total long-term debt	\$ 216,609,217	\$ 281,442	\$ (8,463,052)	\$ 208,427,607	\$ 9,478,525

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – 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
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, 2024, the Authority has a cash reserve balance for debt service of \$1,584,336, which is sufficient to cover the Bond Indenture Reserve Requirement of \$1,429,337.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – 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:

2014B Local Agency Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
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	890,000	492,000	1,382,000
2030-2034	5,275,000	1,789,513	7,064,513
2035-2039	3,290,000	648,944	3,938,944
2040-2041	1,270,000	64,750	1,334,750
Totals	<u>\$ 13,860,000</u>	<u>\$ 5,264,332</u>	<u>\$ 19,124,332</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, 2024, the Authority has a cash reserve balance for debt service of \$8,879,639, which is sufficient to cover the Bond Indenture Reserve Requirement of \$7,754,982.

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:

2015 Local Agency Revenue Refunding Bonds			
Year Ending June 30	Principal	Interest	Total
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	4,250,000	2,863,500	7,113,500
2030-2034	26,950,000	10,619,250	37,569,250
2035-2039	25,790,000	3,287,250	29,077,250
2040-2041	2,405,000	80,125	2,485,125
Totals	<u>\$ 73,435,000</u>	<u>\$ 30,196,875</u>	<u>\$ 103,631,875</u>

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, 2024, the cash reserve balance of \$307,873 is sufficient to cover the Reserve Requirement of \$295,331.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

2017 Series (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 2017 Series Local Agency Revenue Bonds are as follows:

2017 Local Agency Revenue Refunding Bonds			
Year Ending June 30	Principal	Interest	Total
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	165,000	127,213	292,213
2030-2034	885,000	556,213	1,441,213
2035-2039	1,015,000	395,806	1,410,806
2040-2044	1,225,000	181,500	1,406,500
2045	275,000	5,500	280,500
Totals	<u>\$ 4,175,000</u>	<u>\$ 1,817,479</u>	<u>\$ 5,992,479</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, 2024, 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:

2019 Local Agency Revenue Refunding Bonds			
Year Ending June 30	Principal	Interest	Total
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	405,000	119,233	524,233
2030-2034	2,425,000	409,841	2,834,841
2035-2037	1,740,000	72,345	1,812,345
Totals	<u>\$ 5,980,000</u>	<u>\$ 1,180,452</u>	<u>\$ 7,160,452</u>

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

2020 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 2020 Series A Tax Allocation Revenue Refunding Bonds are as follows:

2020A Tax Allocation Revenue Bonds			
Year Ending June 30	Principal	Interest	Total
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	1,965,000	206,300	2,171,300
2030-2031	4,175,000	168,700	4,343,700
Totals	\$ 12,875,000	\$ 1,935,100	\$ 14,810,100

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.

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:

2021 Local Agency Revenue Refunding Bonds			
Year Ending June 30	Principal	Interest	Total
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	1,670,000	664,257	2,334,257
2030-2034	9,225,000	2,734,928	11,959,928
2035-2039	5,695,000	1,740,166	7,435,166
2040-2044	7,295,000	721,174	8,016,174
2045	695,000	11,162	706,162
Totals	\$ 30,790,000	\$ 8,764,537	\$ 39,554,537

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

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
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	230,000	371,600	601,600
2030-2034	1,510,000	1,694,000	3,204,000
2035-2039	2,200,000	1,324,800	3,524,800
2040-2044	3,030,000	804,400	3,834,400
2045-2048	2,435,000	187,500	2,622,500
Totals	\$ 10,155,000	\$ 5,950,100	\$ 16,105,100

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

Lease Revenue Bonds (Continued)

2016 Series A (Continued)

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:

2016A Lease Revenue Bonds				
Year Ending June 30	Principal	Interest	Total	
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	310,000	248,913	558,913	
2030-2034	1,710,000	1,082,525	2,792,525	
2035-2039	1,995,000	796,344	2,791,344	
2040-2044	2,355,000	436,688	2,791,688	
2045-2046	1,060,000	56,000	1,116,000	
Totals	<u>\$ 8,560,000</u>	<u>\$ 3,725,722</u>	<u>\$ 12,285,722</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:

2021A Lease Revenue Refunding Bonds				
Year Ending June 30	Principal	Interest	Total	
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	990,000	69,190	1,059,190	
2030-2032	3,080,000	105,315	3,185,315	
Totals	<u>\$ 7,875,000</u>	<u>\$ 614,295</u>	<u>\$ 8,489,295</u>	

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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

2022 Series A (Continued)

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
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	475,000	1,019,900	1,494,900
2030-2034	2,765,000	4,718,000	7,483,000
2035-2039	3,500,000	3,990,725	7,490,725
2040-2044	4,435,000	3,054,825	7,489,825
2045-2049	5,710,000	1,771,800	7,481,800
2050-2052	4,115,000	375,975	4,490,975
Totals	<u>\$ 22,695,000</u>	<u>\$ 19,227,825</u>	<u>\$ 41,922,825</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
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	315,000	183,700	498,700
2030-2034	1,815,000	677,600	2,492,600
2035-2039	2,215,000	272,800	2,487,800
Totals	<u>\$ 5,490,000</u>	<u>\$ 1,979,363</u>	<u>\$ 7,469,363</u>

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 \$7,469,363, payable through fiscal year 2039. For the current year, principal and interest paid by Measure A revenues were \$265,000 and \$229,988, respectively.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

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, 2024, was \$2,658,230.

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

Year Ending June 30	2021 So Cal Edison Loan		
	Principal	Interest	Total
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	276,734	47,991	324,725
2030-2034	1,355,146	106,119	1,461,265
Totals	<u>\$ 2,658,230</u>	<u>\$ 426,660</u>	<u>\$ 3,084,890</u>

Lease Liability

The City has entered into leases for building use. The remaining terms on the leases are 16 months and the calculated interest rates used were 5.825%.

Principal and interest payments to maturity as of June 30, 2024 are as follows:

Year Ending June 30	Lease Liability		
	Principal	Interest	Total
2025	\$ 60,070	\$ 3,765	\$ 63,835
2026	20,972	306	21,278
Totals	<u>\$ 81,042</u>	<u>\$ 4,071</u>	<u>\$ 85,113</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.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

Subscription Liability (Continued)

As of June 30, 2024, the capitalized right-to-use assets related to SBITAs were \$370,062 and the total subscription liability was \$159,386, of which \$53,472 is reported as a current liability representing the amount due within the next fiscal year.

Subscription Liability (Continued)

Principal and interest payments to maturity as of June 30, 2024 are as follows:

Year Ending June 30	Subscription Liability		
	Principal	Interest	Total
2025	\$ 53,472	\$ 12,528	\$ 66,000
2026	27,190	21,182	48,372
2027	21,627	15,745	37,372
2028	25,953	11,419	37,372
2029	31,144	6,229	37,373
Totals	<u>\$ 159,386</u>	<u>\$ 67,103</u>	<u>\$ 226,489</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, 2024:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Loans Payable (Direct Borrowings) :					
City of Lake Elsinore	\$ 12,377,219	\$ -	\$ (7,564,234)	\$ 4,812,985	\$ -
Lake Elsinore Facilities Financing Authority	12,875,000	-	-	12,875,000	1,270,000
Subtotal	<u>25,252,219</u>	<u>-</u>	<u>(7,564,234)</u>	<u>17,687,985</u>	<u>1,270,000</u>
Subordinate Tax Allocation Bonds :					
2015 Series	3,290,000	-	(225,000)	3,065,000	240,000
2019 Series A	8,535,000	-	(300,000)	8,235,000	315,000
2019 Series B	2,080,000	-	(680,000)	1,400,000	695,000
Premiums	1,133,555	-	(107,200)	1,026,355	-
Subtotal	<u>15,038,555</u>	<u>-</u>	<u>(1,312,200)</u>	<u>13,726,355</u>	<u>1,250,000</u>
Third Lien Tax Allocation Bonds :					
2018 Series A	1,875,000	-	(105,000)	1,770,000	100,000
2018 Series B	5,995,000	-	(365,000)	5,630,000	375,000
2020 Series B	4,620,000	-	(120,000)	4,500,000	125,000
2020 Series C	3,235,000	-	(400,000)	2,835,000	405,000
Discounts	(136,046)	-	8,777	(127,269)	-
Premiums	769,110	-	(53,043)	716,067	-
Subtotal	<u>16,358,064</u>	<u>-</u>	<u>(1,034,266)</u>	<u>15,323,798</u>	<u>1,005,000</u>
Total	<u>\$ 56,648,838</u>	<u>\$ -</u>	<u>\$ (9,910,700)</u>	<u>\$ 46,738,138</u>	<u>\$ 3,525,000</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

Fiduciary Activities

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 Facilities Financing 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, 2024, 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.

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%.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – Long-Term Liabilities (Continued)

A. Loans Payable (Continued)

2020 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 loans payable to the Public Financing Authority are as follows:

Year Ending June 30	Lake Elsinore Facilities Financing Authority		
	Principal	Interest	Total
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	1,965,000	206,300	2,171,300
2030-2032	4,175,000	168,700	4,343,700
Totals	<u>\$ 12,875,000</u>	<u>\$ 1,935,100</u>	<u>\$ 14,810,100</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, 2024, is \$3,065,000.

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
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	285,000	63,731	348,731
2030-2034	1,550,000	173,644	1,723,644
2035-2039	205,000	19,484	224,484
Totals	<u>\$ 3,065,000</u>	<u>\$ 622,808</u>	<u>\$ 3,687,808</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – 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, 2024, is \$8,235,000.

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
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	380,000	334,750	714,750
2030-2034	6,505,000	977,625	7,482,625
Totals	<u>\$ 8,235,000</u>	<u>\$ 2,828,375</u>	<u>\$ 11,063,375</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, 2024, is \$1,400,000.

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
2025	\$ 695,000	\$ 20,945	\$ 715,945
2026	705,000	7,015	712,015
Totals	<u>\$ 1,400,000</u>	<u>\$ 27,960</u>	<u>\$ 1,427,960</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – 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, 2024, is \$1,770,000.

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
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	110,000	42,800	152,800
2030-2034	615,000	162,556	777,556
2035-2038	630,000	37,631	667,631
Totals	<u>\$ 1,770,000</u>	<u>\$ 440,062</u>	<u>\$ 2,210,062</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, 2024, is \$5,630,000.

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
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	435,000	159,506	594,506
2030-2034	2,430,000	531,656	2,961,656
2035-2038	1,180,000	98,600	1,278,600
Totals	<u>\$ 5,630,000</u>	<u>\$ 1,571,493</u>	<u>\$ 7,201,493</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – 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, 2024, is \$4,500,000.

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
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	145,000	158,800	303,800
2030-2034	2,395,000	629,200	3,024,200
2035-2038	1,430,000	116,000	1,546,000
Totals	<u>\$ 4,500,000</u>	<u>\$ 1,593,200</u>	<u>\$ 6,093,200</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, 2024, is \$2,835,000.

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
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	430,000	27,231	457,231
2030-2031	750,000	25,554	775,554
Totals	<u>\$ 2,835,000</u>	<u>\$ 235,358</u>	<u>\$ 3,070,358</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 8 – 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, 2024, is \$0. In addition, property tax increment accrued as of June 30, 2024 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, 2024

Note 8 – 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 2024 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 \$22,373,553 and the required debt service obligation on the bonds was \$4,589,245.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 9 – 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, 2024
CFD 90-2 Tuscany Hills (2007 Series A Parity)	\$ 7,340,000	\$ 1,065,000
CFD 95-1 City Center (2015 Series)	1,030,000	240,000
CFD 98-1 Summerhill (FFA 2021 Series)	11,695,000	9,215,000
CFD 2003-2 IA-A Canyon Hills (2014 Series B)	10,895,000	7,395,000
CFD 2003-2 IA-B Canyon Hills (2015 Series)	25,795,000	13,745,000
CFD 2003-2 IA-B Canyon Hills (2017 Series)	7,975,000	4,175,000
CFD 2003-2 IA-C Canyon Hills (2014 Series B)	7,315,000	6,465,000
CFD 2003-2 IA-C Canyon Hills (FFA 2021 Series)	6,260,000	5,920,000
CFD 2003-2 IA-D Canyon Hills (2016 Series A)	16,495,000	15,385,000
CFD 2003-2 IA-D Canyon Hills (FFA 2021 Series)	9,455,000	8,840,000
CFD 2003-2 IA-E Canyon Hills (2018 Series)	2,655,000	2,445,000
CFD 2004-3 IA-1 Rosetta Canyon (2015 Series)	21,005,000	16,175,000
CFD 2004-3 IA-2 Rosetta Canyon (2015 Series)	23,115,000	19,525,000
CFD 2005-1 Serenity (2015 Series)	8,165,000	5,835,000
CFD 2005-2 IA-A Alberhill Ranch (2015 Series)	21,095,000	10,945,000
CFD 2005-2 IA-A Alberhill Ranch (2019 Series A)	7,145,000	5,980,000
CFD 2005-5 Wasson Canyon (FFA 2021 Series)	3,465,000	3,015,000
CFD 2005-6 City Center (2015 Series)	2,815,000	2,255,000
CFD 2006-1 IA-A Summerly (FFA 2021 Series)	4,095,000	3,800,000
CFD 2006-1 IA-B Summerly (FFA 2021 Series B)	2,690,000	2,610,000
CFD 2006-1 IA-CC Summerly (2016 Series A)	3,000,000	2,695,000
CFD 2006-1 IA-EE Summerly (2017 Series A)	5,070,000	4,795,000
CFD 2006-1 IA-FF Summerly (FFA 2021 Series B)	3,420,000	3,355,000
CFD 2006-1 IA-HH Summerly (2019 Series)	5,395,000	5,330,000
CFD 2006-1 IA-II Summerly (2020 Series)	7,790,000	7,680,000
CFD 2006-1 IA-JJ Summerly (2018 Series)	5,370,000	5,215,000
CFD 2006-1 IA-KK Summerly (Special Tax 2021 Series)	5,265,000	5,200,000
CFD 2006-2 Viscaya (2015 Series)	5,825,000	4,715,000
CFD 2006-4 Rosetta Hills (2024 Series)	5,090,000	5,090,000
CFD 2006-6 Tessera (2022 Series)	3,535,000	3,525,000
CFD 2006-8 Running Deers (2023 Series)	3,615,000	3,615,000
CFD 2007-4 Makenna Court (FFA 2021 Series B)	2,390,000	2,350,000
CFD 2007-5 Red Kite (2018 Series)	1,740,000	1,575,000
CFD 2015-5 Trieste (FFA 2021 Series B)	1,905,000	1,840,000
CFD 2016-2 Canyon Hills (2018 Series)	19,745,000	19,190,000
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	6,530,000
	<hr/> <u>\$ 287,676,480</u>	<hr/> <u>\$ 229,141,480</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 10 – Compensated Absences

The following is a summary of changes in compensated absences for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Deletions	Balance June 30, 2024	Due Within One Year
Governmental Activities	\$ 1,629,518	\$ 1,166,485	\$ (1,249,812)	\$ 1,546,191	\$ 742,172
Total	<u>\$ 1,629,518</u>	<u>\$ 1,166,485</u>	<u>\$ (1,249,812)</u>	<u>\$ 1,546,191</u>	<u>\$ 742,172</u>

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 11 – Inter-fund Receivables, Payables, Transfers, and Advances

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	\$ 547,970	\$ -
Traffic Safety Special Revenue Fund	-	(17,433)
CDBG Special Revenue Fund	-	(34,958)
NPDES Special Revenue Fund	-	(192,932)
The Anchor Special Revenue Fund	-	(66,450)
Pedestrian Sidewalk SB821 Special Revenue Fund	-	(73,541)
TUMF Capital Projects Fund	-	(162,656)
Total	\$ 547,970	\$ (547,970)

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, 2024

Note 11 – Inter-fund Receivables, Payables, Transfers, and Advances (Continued)

Transfers In/Out

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		Fleet Services Internal Service Fund		
	General Fund	Capital Improvement Plan Fund	Non-Major Governmental Funds	Launch Pointe Enterprise Fund	Fleet Services Internal Service Fund	Total						
Transfers Out												
Governmental Funds:												
General Fund	\$ -	\$ 3,000,000	\$ -	\$ -	\$ 654,720	\$ 3,654,720						
Measure Z Fund	-	9,033,867	2,153,489	-	-	11,187,356						
Low and Moderate Income Housing Fund	-	-	-	-	62,087	62,087						
Capital Improvement Plan Fund	-	-	-	684,035	-	684,035						
Non-Major Governmental Funds	191,985	6,813,196	82,477	-	32,540	7,120,198						
Total	\$ 191,985	\$ 18,847,063	\$ 2,235,966	\$ 684,035	\$ 749,347	\$ 22,708,396						

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, 2024 is \$8,560,000, which is to be paid according to the following schedule:

	Principal	Interest	Total
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	310,000	248,913	558,913
2030-2034	1,710,000	1,082,525	2,792,525
2035-2039	1,995,000	796,344	2,791,344
2040-2044	2,355,000	436,688	2,791,688
2045-2046	1,060,000	56,000	1,116,000
	\$ 8,560,000	\$ 3,725,718	\$ 12,285,718

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 12 – Fund Balance and Net Position

The details of the fund balances in the governmental funds as of June 30, 2024, 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	\$ 84,169	\$ -	\$ -	\$ -	\$ 4,000	\$ -	\$ 538,229	\$ -	\$ 626,398
Notes and loans receivable	1,000,000	-	-	-	-	-	-	-	1,000,000
Endowment principal	-	-	-	-	-	-	-	20,000	20,000
Total nonspendable	1,084,169				4,000		538,229	20,000	1,646,398
Restricted for:									
Debt service	-	-	-	-	-	98,831,625	92,539,440	-	191,371,065
Public facilities and improvements	-	-	-	-	-	-	-	10,475,823	10,475,823
Low and moderate income housing	-	-	-	62,260,941	-	-	-	4,695,205	66,956,146
Transportation and public works	-	-	-	-	-	-	-	4,315,698	4,315,698
Capital projects	-	-	-	12,770,016	-	-	-	-	12,770,016
Lighting and landscape maintenance	-	-	-	-	-	-	-	1,713,314	1,713,314
Development	-	-	-	-	-	-	-	4,012,141	4,012,141
Other purposes	-	-	-	-	-	-	-	4,346	4,346
Total restricted	-	-	12,770,016	62,260,941	-	98,831,625	92,539,440	25,216,527	291,618,549
Assigned for:									
Construction	-	-	-	-	13,346,894	-	-	-	13,346,894
Scholarships	-	-	-	-	-	-	-	15,408	15,408
Total assigned	-	-	-	-	13,346,894	-	-	15,408	13,362,302
Unassigned (deficit)	19,757,417							(567,823)	19,189,594
Total fund balances	\$ 20,841,586		\$ 12,770,016	\$ 62,260,941	\$ 13,350,894	\$ 98,831,625	\$ 93,077,669	\$ 24,684,112	\$ 325,816,843

The details of net investment in capital assets in the Statement of Net Position as of June 30, 2024, are presented below:

	Governmental Activities	Internal Service Funds	Total Governmental Activities	Business-Type Activities/ Enterprise Funds
Capital assets, not being depreciated	\$ 63,677,369	\$ -	\$ 63,677,369	\$ -
Capital assets, net of depreciation and amortization	153,777,197	2,956,705	156,733,902	22,154,966
Less: debt related to capital assets *	(61,848,658)	(159,386)	(62,008,044)	-
Less: retentions payable	(472,040)	-	(472,040)	-
Less: capital-related accounts payable	(3,484,768)	-	(3,484,768)	-
Plus: deferred amount on capital debt	3,223,221	-	3,223,221	-
Plus: unspent capital debt proceeds	24,821,284	-	24,821,284	-
Net investment in capital assets	\$ 179,693,605	\$ 2,797,319	\$ 182,490,924	\$ 22,154,966

* 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, the lease liability, and the subscription liability.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plans

A summary of pension-related items in the financial statements as of June 30, 2024 is as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Pension contribution made after measurement date:			
CalPERS M iscellaneous	\$ 2,324,035	\$ 47,429	\$ 2,371,464
CalPERS Safety	-	-	-
Total pension contribution made after measurement date	<u>2,324,035</u>	<u>47,429</u>	<u>2,371,464</u>
Changes in assumptions			
CalPERS M iscellaneous	936,534	19,113	955,647
CalPERS Safety	216	5	221
Total change in assumptions	<u>936,750</u>	<u>19,118</u>	<u>955,868</u>
Projected earnings on pension plan investments in excess of actual earnings:			
CalPERS M iscellaneous	2,511,546	51,256	2,562,802
CalPERS Safety	508	10	518
Total projected earnings on pension plan investments in excess of actual earnings	<u>2,512,054</u>	<u>51,266</u>	<u>2,563,320</u>
Adjustment due to difference in proportions			
CalPERS M iscellaneous	121,694	2,484	124,178
CalPERS Safety	-	-	-
Total adjustment due to difference in proportions	<u>121,694</u>	<u>2,484</u>	<u>124,178</u>
Difference between expected and actual experience			
CalPERS M iscellaneous	792,441	16,172	808,613
CalPERS Safety	270	8	278
Total difference between expected and actual experience	<u>792,711</u>	<u>16,180</u>	<u>808,891</u>
Employer contributions in excess of proportionate share of contribution			
CalPERS M iscellaneous	113,993	2,326	116,319
CalPERS Safety	9,278	189	9,467
Total employer contributions in excess of proportionate share of contribution	<u>123,271</u>	<u>2,515</u>	<u>125,786</u>
Total deferred outflows of resources			
CalPERS M iscellaneous	6,800,243	138,780	6,939,023
CalPERS Safety	10,272	212	10,484
Total deferred outflows of resources	<u>\$ 6,810,515</u>	<u>\$ 138,992</u>	<u>\$ 6,949,507</u>
Net pension liabilities:			
CalPERS M iscellaneous	\$ 15,512,084	\$ 316,574	\$ 15,828,658
CalPERS Safety	3,707	76	3,783
Total net pension liabilities	<u>\$ 15,515,791</u>	<u>\$ 316,650</u>	<u>\$ 15,832,441</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plans (Continued)

	Governmental Activities	Business-Type Activities	Total
Deferred inflows of resources:			
Adjustment due to difference in proportions			
CalPERS Miscellaneous	\$ 473,782	\$ 9,669	\$ 483,451
CalPERS Safety	16,673	340	17,013
Total adjustment due to difference in proportions	<u>490,455</u>	<u>10,009</u>	<u>500,464</u>
Employer contributions in excess of proportionate share of contribution			
CalPERS Miscellaneous	83,048	1,695	84,743
CalPERS Safety	1,090	22	1,112
Total employer contributions in excess of proportionate share of contribution	<u>84,138</u>	<u>1,717</u>	<u>85,855</u>
Difference between expected and actual experience			
CalPERS Miscellaneous	122,926	2,509	125,435
CalPERS Safety	22	2	24
Total difference between expected and actual experience	<u>122,948</u>	<u>2,511</u>	<u>125,459</u>
Total deferred inflows of resources			
CalPERS Miscellaneous	679,756	13,873	693,629
CalPERS Safety	17,785	364	18,149
Total deferred inflows of resources	<u>\$ 697,541</u>	<u>\$ 14,237</u>	<u>\$ 711,778</u>
Pension expense (credit):			
CalPERS Miscellaneous	\$ 2,600,059	\$ 53,062	\$ 2,653,121
CalPERS Safety	(1,146)	(23)	(1,169)
Total net pension expense (credit)	<u>\$ 2,598,913</u>	<u>\$ 53,039</u>	<u>\$ 2,651,952</u>

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, 2024

Note 13 – Pension Plans (Continued)

A. General Information about the Pension Plans (Continued)

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	January 1, 2013	January 1, 2013	January 1, 2013
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	14.92%	10.10%	7.68%
Required employer payment of unfunded liability	\$0	\$0	\$0

	Safety Plan	
	Prior to January 1, 2013	On or After January 1, 2013
	Hire date	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, 2024

Note 13 – Pension Plans (Continued)

A. General Information about the Pension Plans (Continued)

For the year ended June 30, 2024, the employer contributions recognized as a reduction to the net position liability for all the Plans was \$2,371,464.

As of June 30, 2024, the City reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$15,832,441.

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, 2023, 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, 2022, rolled forward to June 30, 2023, 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 30,2023	June 30,2022	Increase
0.12691%	0.12662%	0.00029%

For the year ended June 30, 2024, the City recognized pension expense (credit) of \$2,651,952. At June 30, 2024, 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	\$ 2,371,464	\$ -
Change of assumptions	955,868	-
Difference between expected and actual experience	808,891	(125,459)
Difference between projected and actual earnings on investments	2,563,320	-
Differences between actual contributions vs. proportionate share of contributions	125,786	(85,855)
Change in employer proportion	124,178	(500,464)
Total	\$ 6,949,507	\$ (711,778)

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 13 – Pension Plans (Continued)

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

The \$2,371,464 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, 2025. 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
2025	\$ 1,020,207
2026	769,559
2027	2,002,947
2028	73,552
2029	-
Thereafter	-
Total	\$ 3,866,265

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, 2022, valuation were based on the results of an actuarial experience study for the period from November 2021, 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, 2024

Note 13 – 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 follows:

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%
	100.00%	

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%	Current Discount	Discount Rate +1%
	5.90%	6.90%	8.15%
Miscellaneous	\$ 24,035,630	\$ 15,828,658	\$ 9,073,617
Safety	9,496	3,783	(888)
Total net pension liability	\$ 24,045,126	\$ 15,832,441	\$ 9,072,729

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, 2024

Note 14 – Other Post-Employment Benefits (OPEB)

A summary of OPEB-related items included in the financial statements at June 30, 2024 is as follows:

	Governmental Activities	Business-Type Activities	Total
Deferred outflows of resources:			
Contributions made after measurement date	\$ 915,232	\$ 48,170	\$ 963,402
Changes in assumptions	3,989,313	209,963	4,199,276
Difference between expected and actual experience	98,259	5,172	103,431
Total deferred outflows of resources	<u><u>\$ 5,002,804</u></u>	<u><u>\$ 263,305</u></u>	<u><u>\$ 5,266,109</u></u>
Total OPEB liability	<u><u>\$ 18,147,972</u></u>	<u><u>\$ 955,156</u></u>	<u><u>\$ 19,103,128</u></u>
Deferred inflows of resources:			
Changes in assumptions	\$ 7,376,172	\$ 388,220	\$ 7,764,392
Difference between expected and actual experience	2,278,370	119,914	2,398,284
Total deferred inflows of resources	<u><u>\$ 9,654,542</u></u>	<u><u>\$ 508,134</u></u>	<u><u>\$ 10,162,676</u></u>
OPEB expense (credit):	<u><u>\$ 736,571</u></u>	<u><u>\$ 22,781</u></u>	<u><u>\$ 759,352</u></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:

	Participants
Active	106
Inactive employees or beneficiaries currently receiving benefits	59
Inactive employees entitled to, but not yet receiving benefits	0
	<u><u>165</u></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, 2023, the City's cash contributions were \$963,402 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, 2024

Note 14 – Other Post-Employment Benefits (OPEB) (Continued)

Total OPEB Liability

The City's Total OPEB liability was measured as of June 30, 2023, and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation dated June 30, 2023, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal
Actuarial Assumptions	
Discount Rate	3.86%
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	Medical long-term trends from Society of Actuaries "Long Term Healthcare Cost Trends Model v2023_1b" using baseline assumptions. Applied to both claims and premiums.

Discount Rate

The discount rate used to measure the Total OPEB liability was 3.86%. 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 3.69% to 3.86% 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:

	<u>Increase (Decrease)</u>
	<u>Total OPEB Liability</u>
Balance at June 30, 2022 (measurement date)	\$ 21,852,599
Changes recognized for the measurement period:	
Service cost	615,786
Interest	810,842
Differences between expected and actual experience	117,222
Changes in assumptions	(3,304,583)
Benefit payments	(747,150)
Implicit subsidy credit	(241,588)
Balance at June 30, 2023 (Measurement Date)	<u><u>\$ 19,103,128</u></u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 14 – 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, 2023:

	1% Decrease (2.86%)	Current Discount Rate	1% Increase (4.86%)
Total OPEB Liability	<u>\$ 21,869,485</u>	<u>\$ 19,103,128</u>	<u>\$ 16,841,220</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, 2023:

	1% Decrease	Current Healthcare Cost Trent	1% Increase
Total OPEB Liability	<u>\$ 16,609,757</u>	<u>\$ 19,103,128</u>	<u>\$ 22,217,812</u>

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

For the fiscal year ended June 30, 2024, the City recognized OPEB expense of \$366,720. As of fiscal year ended June 30, 2024, 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	\$ 963,402	\$ -
Changes of assumptions	4,199,276	(7,764,392)
Difference between projected and actual experience	103,431	(2,398,284)
Total	<u>\$ 5,266,109</u>	<u>\$ (10,162,676)</u>

The \$963,402 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, 2025. 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	\$ (774,791)
2025	(754,240)
2026	(866,653)
2027	(1,139,991)
2028	(1,386,837)
Thereafter	(937,457)
Total	<u>\$ (5,859,969)</u>

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 15 – 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 16 – 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://cjpi.org/coverage/risk-sharing-pools/>.

City of Lake Elsinore
Notes to the Basic Financial Statements (Continued)
For the Year Ended June 30, 2024

Note 16 – 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 2024 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 \$123,823,668. 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 fiscal year 2024.

Note 17 – 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, 2024

Note 18 – 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 19 – Subsequent Events

Issue Community Facilities District No. 2019-2 (Nichols Ranch) Special Tax Bonds, Series 2024

On September 19, 2024, \$7,815,000 principal amount of CFD 2019-2 (Nichols Ranch) Special Tax Bonds, Series 2024, were issued by the City of Lake Elsinore Community Facility District No. 2019-2 (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, 2025, pay costs of issuance for the Bonds, and deposit in the Reserve Account \$683,721 to maintain the reserve requirement. Bonds are due in annual installments of \$20,000 to \$685,000 from September 1, 2026 to September 1, 2054. Interest payments vary from 2.65% to 4.40% are due from March 1, 2025 to September 1, 2054.



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REQUIRED SUPPLEMENTARY INFORMATION





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City of Lake Elsinore
Required Supplementary Information (Unaudited)
Notes to the Budgetary Comparison Schedule
For the Year Ended June 30, 2024

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, Debt Service Funds (where applicable) 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.



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City of Lake Elsinore
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 32,574,330	\$ 31,081,340	\$ 31,248,117	\$ 166,777
Intergovernmental	19,795,420	20,808,660	20,268,503	(540,157)
Licenses and permits	4,440,440	5,903,900	4,919,417	(984,483)
Charges for services	5,575,240	4,454,090	3,473,707	(980,383)
Investment earnings	311,000	1,181,000	1,198,322	17,322
Fines and forfeitures	918,050	879,480	934,997	55,517
Miscellaneous	4,541,120	4,595,760	5,922,885	1,327,125
Total revenues	68,155,600	68,904,230	67,965,948	(938,282)
EXPENDITURES:				
Current:				
General government:				
City Council	317,370	349,575	328,276	21,299
Community support	623,690	624,060	560,637	63,423
City Clerk	901,100	856,650	777,149	79,501
City Attorney	676,210	676,210	544,939	131,271
City Manager	1,303,780	1,447,910	1,423,863	24,047
Administrative services	2,431,650	2,403,250	2,160,790	242,460
Non-departmental	2,881,660	3,015,010	2,922,033	92,977
Total general government	<u>9,135,460</u>	<u>9,372,665</u>	<u>8,717,687</u>	<u>654,978</u>
Public safety:				
Police services - contracted	18,652,220	18,652,220	17,972,349	679,871
Suppression - contracted	11,004,250	11,004,250	11,345,583	(341,333)
Emergency services - contracted	234,190	252,020	195,644	56,376
Animal services - contracted	987,500	984,500	947,283	37,217
Total public safety	<u>30,878,160</u>	<u>30,892,990</u>	<u>30,460,859</u>	<u>432,131</u>
Community development:				
Planning & zoning	2,811,460	2,454,995	1,703,350	751,645
Building & safety	1,746,360	1,747,650	1,437,059	310,591
Code enforcement/graffiti	2,176,410	2,227,440	2,184,964	42,476
Economic development	644,170	644,540	642,685	1,855
Fire prevention	846,030	846,770	699,071	147,699
Total community development	<u>8,224,430</u>	<u>7,921,395</u>	<u>6,667,129</u>	<u>1,254,266</u>
Community services:				
Administration	1,882,230	2,383,470	1,679,651	703,819
Recreation	1,113,740	1,166,350	905,465	260,885
Senior center	825,630	856,740	745,921	110,819
Neighborhood center	1,036,850	1,062,670	746,860	315,810
Total community services	<u>4,858,450</u>	<u>5,469,230</u>	<u>4,077,897</u>	<u>1,391,333</u>
Public services:				
Engineering	3,950,420	3,953,000	3,118,671	834,329
Administration	5,257,650	5,263,920	4,796,649	467,271
Park maintenance	4,061,510	4,061,510	3,562,563	498,947
Lake services	1,371,520	1,551,520	1,528,888	22,632
Total public services	<u>14,641,100</u>	<u>14,829,950</u>	<u>13,006,771</u>	<u>1,823,179</u>
Total expenditures	67,737,600	68,486,230	62,930,343	5,555,887
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>418,000</u>	<u>418,000</u>	<u>5,035,605</u>	<u>4,617,605</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	330,000	330,000	191,985	(138,015)
Transfers out	(750,000)	(750,000)	(3,654,720)	(2,904,720)
Total other financing sources (uses)	(418,000)	(418,000)	(3,462,735)	(3,044,735)
NET CHANGE IN FUND BALANCE				
	<u>\$ -</u>	<u>\$ -</u>	<u>1,572,870</u>	<u>\$ 1,572,870</u>
FUND BALANCE:				
Beginning of year			<u>19,268,716</u>	
End of year			<u>\$ 20,841,586</u>	

City of Lake Elsinore
Required Supplementary Information (Unaudited)
Budgetary Comparison Schedule - Measure Z Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 16,394,000	\$ 17,064,000	\$ 16,101,819	\$ (962,181)
Investment earnings	76,000	586,000	800,707	214,707
Total revenues	16,470,000	17,650,000	16,902,526	(747,474)
EXPENDITURES:				
Current:				
Public safety	12,087,960	12,087,960	7,774,389	4,313,571
Total expenditures	12,087,960	12,087,960	7,774,389	4,313,571
EXCESS OF REVENUES OVER EXPENDITURES	4,382,040	5,562,040	9,128,137	3,566,097
OTHER FINANCING SOURCES (USES):				
Transfers out	(18,688,739)	(20,391,276)	(11,187,356)	9,203,920
Total other financing sources (uses)	(18,688,739)	(20,391,276)	(11,187,356)	9,203,920
NET CHANGE IN FUND BALANCE	\$ (14,306,699)	\$ (14,829,236)	(2,059,219)	\$ 12,770,017
FUND BALANCE:				
Beginning of year			14,829,235	
End of year			\$ 12,770,016	

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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 6,849,835	\$ 6,159,835	\$ 483,966	\$ (5,675,869)
Investment earnings	800,000	1,140,000	1,508,945	368,945
Miscellaneous	50,000	50,000	11,892	(38,108)
Total revenues	7,699,835	7,349,835	2,004,803	(5,345,032)
EXPENDITURES:				
Current:				
Community development	1,050,000	320,000	78,764	241,236
Capital outlay	-	700,000	687,513	12,487
Total expenditures	1,050,000	1,020,000	766,277	253,723
EXCESS OF REVENUES OVER EXPENDITURES	6,649,835	6,329,835	1,238,526	(5,091,309)
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(30,000)	(62,087)	(32,087)
Total other financing sources (uses)	-	320,000	(62,087)	(382,087)
NET CHANGE IN FUND BALANCE	\$ 6,649,835	\$ 6,649,835	1,176,439	\$ (5,473,396)
FUND BALANCE:				
Beginning of year			61,084,502	
End of year			\$ 62,260,941	

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, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Pension Plan

	June 30, 2014 ¹	June 30, 2015	June 30, 2016	June 30, 2017	June 30, 2018
Measurement Date					
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	\$ 4,537,860	\$ 4,751,199	\$ 3,804,985	\$ 5,605,231	\$ 5,975,932
Proportionate share of the net pension liability/(asset) as percentage of covered payroll	160.71%	188.24%	283.79%	217.46%	195.53%
Plan's proportionate share of the Fiduciary Net Position as a percentage of the Plan's Total Pension Liability	78.40%	79.82%	75.87%	73.31%	75.26%

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, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Pension Plan

	June 30, 2019	June 30, 2020	June 30, 2021	June 30, 2022	June 30, 2023
Measurement Date					
City's proportion of the net pension liability/(asset)	0.12082%	0.11984%	0.13538%	0.12662%	0.12691%
City's proportionate Share of the net pension liability/(asset)	\$ 12,380,535	\$ 13,038,918	\$ 7,321,553	\$ 14,625,483	\$ 15,832,441
City's covered payroll	<u>\$ 6,052,501</u>	<u>\$ 6,349,041</u>	<u>\$ 6,710,307</u>	<u>\$ 8,073,190</u>	<u>\$ 10,454,367</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>	<u>151.44%</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>	<u>73.93%</u>

City of Lake Elsinore
Required Supplementary Information (Unaudited) (Continued)
Schedule of Plan Contributions - Pensions
For the Year Ended June 30, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Pension Plan

Fiscal Year	2014-15	2015-16	2016-17	2017-18	2018-19
Actuarially determined contribution	\$ 891,575	\$ 1,101,283	\$ 1,238,462	\$ 1,340,596	\$ 1,532,147
Contributions in relation to the actuarially determined contribution	(891,575)	(1,101,283)	(1,238,462)	(1,340,596)	(1,532,147)
Contribution deficiency (excess)	<u>\$ -</u>				
Covered payroll	\$ 4,895,081	\$ 5,128,894	\$ 5,795,148	\$ 6,218,376	\$ 6,201,506
Contributions as a percentage of covered payroll	18.21%	21.47%	21.37%	21.56%	24.71%

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, 2024

Last Ten Fiscal Years

California Public Employees' Retirement System Defined Benefit Pension Plan

Fiscal Year	2019-20	2020-21	2021-2022	2022-2023	2023-2024
Actuarially determined contribution	\$ 1,720,330	\$ 1,530,885	\$ 1,778,247	\$ 2,014,941	\$ 2,371,464
Contributions in relation to the actuarially determined contribution	(1,720,330)	(1,530,885)	(2,128,883)	(2,014,941)	(2,371,464)
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (350,636)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 6,521,618	\$ 6,710,307	\$ 8,073,190	\$ 10,454,367	\$ 10,694,817
Contributions as a percentage of covered payroll	26.38%	22.81%	26.37%	24.40%	22.17%

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, 2024

Last Ten Fiscal Years¹

Other Postemployment Benefit Plan

Measurement period	2016-17 ¹	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
Total OPEB liability							
Service cost	\$ 841,236	\$ 747,127	\$ 764,792	\$ 728,572	\$ 890,781	\$ 948,018	\$ 615,789
Interest	700,306	788,486	814,609	726,138	647,402	553,616	810,842
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	-	(1,305,728)	(43,169)	(3,167,021)	(329,556)	117,222
Changes of assumptions	(2,304,484)	(203,573)	1,410,007	2,563,159	4,894,908	(6,753,385)	(3,304,583)
Benefit payments, including refunds of employee contributions	(964,068)	(991,074)	(999,280)	(903,028)	(925,838)	(900,248)	(988,741)
Net change in total OPEB liability	(1,727,010)	340,966	684,400	3,071,672	2,340,232	(6,481,555)	(2,749,471)
Total OPEB liability - beginning	23,623,894	21,896,884	22,237,850	22,922,250	25,993,922	28,334,154	21,852,599
Total OPEB liability - ending (a)	\$21,896,884	\$22,237,850	\$22,922,250	\$25,993,922	\$28,334,154	\$21,852,599	\$19,103,128
OPEB fiduciary net position							
Contributions - employer	\$ 964,068	\$ 991,074	\$ 999,280	\$ 903,028	\$ 925,838	\$ 900,248	\$ 988,741
Contributions - employee	-	-	-	-	-	-	-
Net investment income	-	-	-	-	-	-	-
Benefit payments, including refunds of employee contributions	(964,068)	(991,074)	(999,280)	(903,028)	(925,838)	(900,248)	(988,741)
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	\$19,103,128
Plan fiduciary net position as a percentage of the total OPEB liability	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Covered-employee payroll	\$ 4,726,797	\$ 4,962,874	\$ 5,058,783	\$ 7,043,350	\$ 5,700,324	\$ 6,503,310	\$ 9,500,449
Plan net OPEB liability as a percentage of covered-employee payroll	463.25%	448.08%	453.12%	369.06%	497.06%	336.02%	201.08%

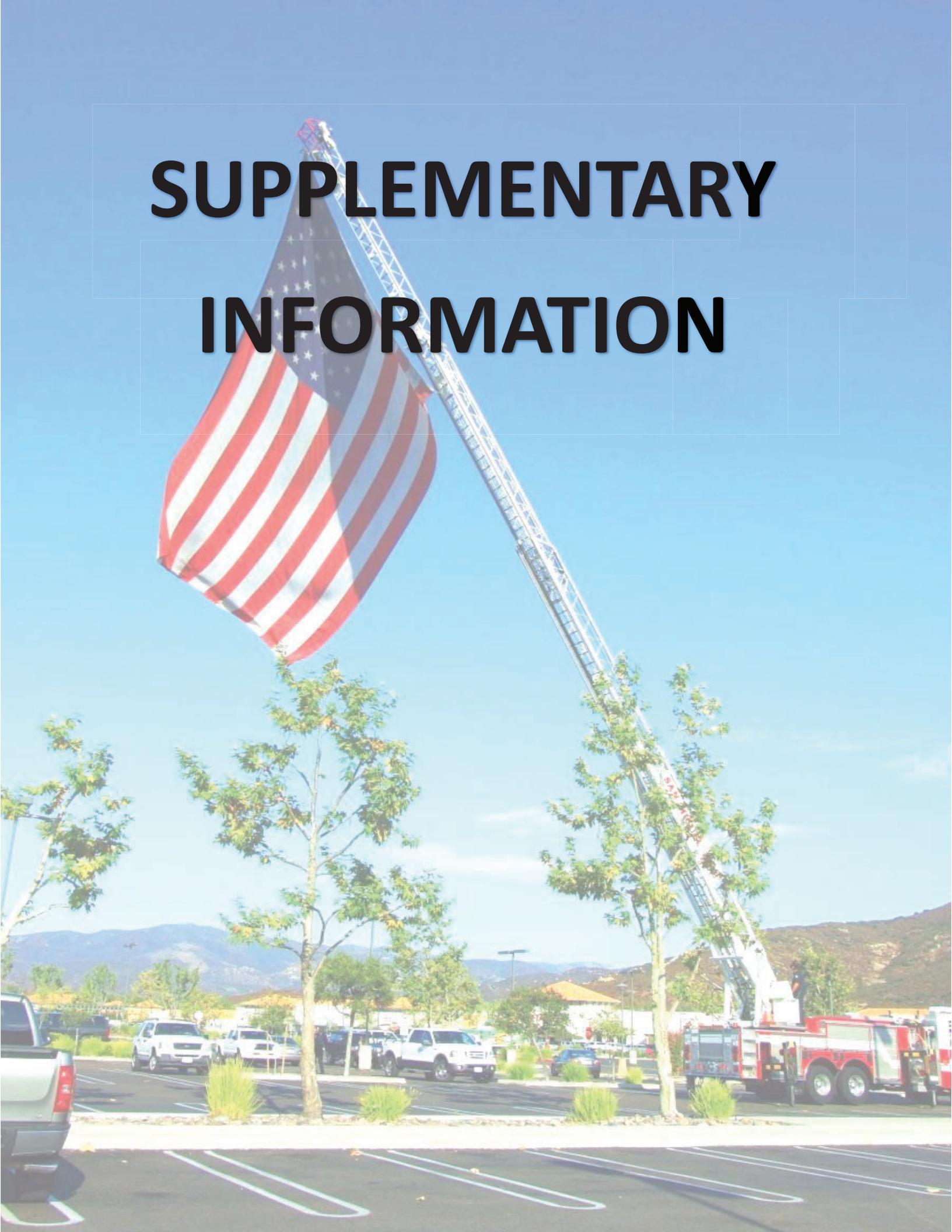
¹ Historical information is presented only for measurement periods after GASB 75 implementation in fiscal year of 2017-18 (measurement period of 2016-17). Additional years of information will be displayed as it becomes available.

Notes to Schedule:

Benefit Changes: There were no benefit changes.

Changes of Assumptions: In 2023, the discount rate changed from 3.69% to 3.86%. In 2021, the discount rate changed from select and ultimate discount rates based on funding policy to 6.25%. In 2019 and 2020, the discount rate changed from select & ultimate discount rates based on funding policy to 6.75%.

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 Desratification 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 desratification 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.

Library Facilities Fund - This fund accounts for projects related to library facilities.

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 development 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, 2024

	Special Revenue Funds						
	Supplemental						
	Affordable Housing In-Lieu	Law Enforcement Service	Traffic Offender	Gas Tax	Transportation Measure A		
ASSETS							
Cash and investments	\$ 1,343,255	\$ -	\$ -	\$ 2,174,475	\$ 504,992		
Receivables:							
Accounts	-	-	-	-	-		
Notes and loans	3,342,224	-	-	-	-		
Interest	193,835	-	-	19,895	5,877		
Due from other governments	-	-	-	320,233	409,022		
Restricted cash and investments:							
Cash and investments with fiscal agents	-	-	-	-	-		
Total assets	\$ 4,879,314	\$ -	\$ -	\$ 2,514,603	\$ 919,891		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ -	\$ 97,279	\$ -		
Due to other funds	-	-	-	-	-		
Total liabilities	-	-	-	97,279	-		
Deferred Inflows of Resources:							
Unavailable revenue	184,109	-	-	-	-		
Total deferred inflows of resources	184,109	-	-	-	-		
Fund Balances (Deficit):							
Nonspendable	-	-	-	-	-		
Restricted:							
Community development	-	-	-	-	-		
Community services	4,695,205	-	-	-	-		
Public services	-	-	-	-	-		
Capital projects	-	-	-	2,417,324	919,891		
Assigned	-	-	-	-	-		
Unassigned (deficit)	-	-	-	-	-		
Total fund balances (deficit)	4,695,205	-	-	2,417,324	919,891		
Total liabilities, deferred inflows of resources and fund balances	\$ 4,879,314	\$ -	\$ -	\$ 2,514,603	\$ 919,891		

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	LLMD No. 1	Geothermal
ASSETS					
Cash and investments	\$ 68,262	\$ -	\$ 50,102	\$ 1,715,108	\$ 14,218
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	590	-	-	13,361	108
Due from other governments	-	17,433	54,591	4,516	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	26,269	-	-
Total assets	\$ 68,852	\$ 17,433	\$ 130,962	\$ 1,732,985	\$ 14,326
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 324	\$ -	\$ 94,120	\$ 19,671	\$ -
Due to other funds	-	17,433	-	-	-
Total liabilities	324	17,433	94,120	19,671	-
Deferred Inflows of Resources:					
Unavailable revenue	-	-	36,842	-	-
Total deferred inflows of resources	-	-	36,842	-	-
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	-	1,713,314	14,326
Community services	-	-	-	-	-
Public services	68,528	-	-	-	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	68,528	-	-	1,713,314	14,326
Total liabilities, deferred inflows of resources and fund balances	\$ 68,852	\$ 17,433	\$ 130,962	\$ 1,732,985	\$ 14,326

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	AB2766 Air Pollution	CDBG	Developer Agreement Revenue/Trust	City Hall/ Public Works	Community Center
ASSETS					
Cash and investments	\$ 122,986	\$ -	\$ 530,683	\$ 642,571	\$ 432,692
Receivables:					
Accounts	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	917	-	3,916	2,004	3,266
Due from other governments	24,214	34,958	-	-	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	\$ 148,117	\$ 34,958	\$ 534,599	\$ 644,575	\$ 435,958
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	34,958	-	-	-
Total liabilities	-	34,958	-	-	-
Deferred Inflows of Resources:					
Unavailable revenue	24,214	34,958	-	-	-
Total deferred inflows of resources	24,214	34,958	-	-	-
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	534,599	-	-
Community services	-	-	-	-	435,958
Public services	123,903	-	-	644,575	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	(34,958)	-	-	-
Total fund balances (deficit)	123,903	(34,958)	534,599	644,575	435,958
Total liabilities, deferred inflows of resources and fund balances	\$ 148,117	\$ 34,958	\$ 534,599	\$ 644,575	\$ 435,958

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

Special Revenue Funds

	Lakeside Facilities	Animal Shelter	NPDES	PEG Grant	The Anchor
ASSETS					
Cash and investments	\$ 605,741	\$ 8,408	\$ -	\$ 1,924	\$ -
Receivables:					
Accounts, net	-	-	-	2,416	-
Notes and loans	-	-	-	-	-
Interest	4,905	1,138	-	6	-
Due from other governments	-	-	330,877	-	256,680
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	\$ 610,646	\$ 9,546	\$ 330,877	\$ 4,346	\$ 256,680
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 26,861	\$ -	\$ 173,081
Due to other funds	-	-	192,932	-	66,450
Total liabilities	-	-	219,793	-	239,531
Deferred Inflows of Resources:					
Unavailable revenue	-	-	330,877	-	256,680
Total deferred inflows of resources	-	-	330,877	-	256,680
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	-	-	-
Community services	610,646	9,546	-	4,346	-
Public services	-	-	-	-	-
Capital projects	-	-	-	-	-
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	(219,793)	-	(239,531)
Total fund balances (deficit)	610,646	9,546	(219,793)	4,346	(239,531)
Total liabilities, deferred inflows of resources and fund balances	\$ 610,646	\$ 9,546	\$ 330,877	\$ 4,346	\$ 256,680

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	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	\$ 5,404,740	\$ -	\$ 459,682	\$ 27,124	\$ 2,010			
Receivables:								
Accounts, net	-	-	-	-	-	-		
Notes and loans	-	-	-	-	-	-		
Interest	47,971	-	4,275	-	-	757		
Due from other governments	-	75,223	87,634	-	-	-		
Restricted cash and investments:								
Cash and investments with fiscal agents	-	-	4,059,174	-	-	-		
Total assets	\$ 5,452,711	\$ 75,223	\$ 4,610,765	\$ 27,124	\$ 2,767			
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES								
Liabilities:								
Accounts payable	\$ -	\$ -	\$ 1,679	\$ 27,124	\$ -	-		
Due to other funds	-	73,541	-	-	-	-		
Total liabilities	\$ 5,452,711	\$ 73,541	\$ 1,679	\$ 27,124	\$ -			
Deferred Inflows of Resources:								
Unavailable revenue	-	75,223	87,634	-	-	-		
Total deferred inflows of resources	-	75,223	87,634	-	-			
Fund Balances (Deficit):								
Nonspendable	-	-	-	-	-	-		
Restricted:								
Community development	-	-	-	-	-	-		
Community services	-	-	4,521,452	-	-	-		
Public services	-	-	-	-	-	-		
Capital projects	-	-	-	-	-	2,767		
Assigned	-	-	-	-	-	-		
Unassigned (deficit)	-	(73,541)	-	-	-	-		
Total fund balances (deficit)	-	(73,541)	4,521,452	-	-	2,767		
Total liabilities, deferred inflows of resources and fund balances	\$ 5,452,711	\$ 75,223	\$ 4,610,765	\$ 27,124	\$ 2,767			

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

Capital Projects Funds

	Capital Projects Funds				
	Storm Drains	Library Facilities	Traffic Impact	Fire Facilities	Public Improvement In-Lieu
ASSETS					
Cash and investments	\$ 3,354,349	\$ 1,092,320	\$ 683,623	\$ 998,023	\$ 2,126,650
Receivables:					
Accounts, net	-	-	-	-	-
Notes and loans	-	-	-	-	-
Interest	29,534	9,641	4,829	8,049	16,196
Due from other governments	-	-	-	-	-
Restricted cash and investments:					
Cash and investments with fiscal agents	-	-	-	-	-
Total assets	\$ 3,383,883	\$ 1,101,961	\$ 688,452	\$ 1,006,072	\$ 2,142,846
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Due to other funds	-	-	-	-	-
Total liabilities	-	-	-	-	-
Deferred Inflows of Resources:					
Unavailable revenue	-	-	-	-	-
Total deferred inflows of resources	-	-	-	-	-
Fund Balances (Deficit):					
Nonspendable	-	-	-	-	-
Restricted:					
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Public services	-	-	-	-	-
Capital projects	3,383,883	1,101,961	688,452	1,006,072	2,142,846
Assigned	-	-	-	-	-
Unassigned (deficit)	-	-	-	-	-
Total fund balances (deficit)	3,383,883	1,101,961	688,452	1,006,072	2,142,846
Total liabilities, deferred inflows of resources and fund balances	\$ 3,383,883	\$ 1,101,961	\$ 688,452	\$ 1,006,072	\$ 2,142,846

(Continued)

City of Lake Elsinore
Combining Balance Sheet (Continued)
Nonmajor Governmental Funds
June 30, 2024

	Capital Projects Funds				Permanent Fund		Total Nonmajor Governmental Funds
	Total Road Improvement Program		TUMF	La Strada RBBB	Endowment Trust - Adolph Korn		
	\$	1,750	\$	-	\$	35,098	
ASSETS							
Cash and investments	\$ 1,750	\$ -	\$ 24,911	\$ 35,098	\$ 22,425,697		
Receivables:							
Accounts, net	-	-	-	-	-	2,416	
Notes and loans	-	-	-	-	-	3,342,224	
Interest	-	-	220	310	371,600		
Due from other governments	-	297,032	-	-	-	1,912,413	
Restricted cash and investments:							
Cash and investments with fiscal agents	16,915	-	-	-	-	4,102,358	
Total assets	\$ 18,665	\$ 297,032	\$ 25,131	\$ 35,408	\$ 32,156,708		
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES							
Liabilities:							
Accounts payable	\$ 1,230	\$ -	\$ -	\$ -	\$ -	\$ 441,369	
Due to other funds	-	162,656	-	-	-	547,970	
Total liabilities	1,230	162,656	-	-	-	6,442,050	
Deferred Inflows of Resources:							
Unavailable revenue	-	9	-	-	-	1,030,546	
Total deferred inflows of resources	-	9	-	-	-	1,030,546	
Fund Balances (Deficit):							
Nonspendable	-	-	-	-	20,000	20,000	
Restricted:							
Community development	-	-	-	-	-	2,262,239	
Community services	-	-	-	-	-	10,277,153	
Public services	-	-	-	-	-	837,006	
Capital projects	17,435	134,367	25,131	-	-	11,840,129	
Assigned	-	-	-	-	15,408	15,408	
Unassigned (deficit)	-	-	-	-	-	(567,823)	
Total fund balances (deficit)	17,435	134,367	25,131	35,408	35,408	24,684,112	
Total liabilities, deferred inflows of resources and fund balances	\$ 18,665	\$ 297,032	\$ 25,131	\$ 35,408	\$ 35,408	\$ 32,156,708	

(Concluded)

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	Affordable Housing In-Lieu	Supplemental			
		Law Service	Enforcement Service	Traffic Offender	Gas Tax
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	730,514	207,203	-	3,791,063	2,294,453
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Charges for services	-	-	-	-	-
Investment earnings	40,567	-	-	66,237	44,540
Fines and forfeitures	-	-	27,000	-	-
Miscellaneous	-	-	-	-	-
Total revenues	771,081	207,203	27,000	3,857,300	2,338,993
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	207,203	27,000	-	-
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Public services	-	-	-	629,615	-
Capital outlay	-	-	-	1,000,000	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	-	207,203	27,000	1,629,615	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	771,081	-	-	2,227,685	2,338,993
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	-	-
Transfers out	(31,409)	-	-	(5,389)	(2,472,285)
Total other financing sources (uses)	(31,409)	-	-	(5,389)	(2,472,285)
NET CHANGE IN FUND BALANCES	739,672	-	-	2,222,296	(133,292)
FUND BALANCES (DEFICIT):					
Beginning of year	3,955,533	-	-	195,028	1,053,183
End of year	\$ 4,695,205	\$ -	\$ -	\$ 2,417,324	\$ 919,891

(Continued)

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	SB1186 CAS Education	Traffic Safety	City-wide Lighting and Landscaping	LLMD No. 1	Geothermal
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	- -	- -	- -
Special assessments	- -	- -	1,444,440	823,963	- -
Licenses and permits	11,916	- -	- -	- -	- -
Charges for services	- -	- -	- -	- -	- -
Investment earnings	3,024	- -	- -	58,240	586
Fines and forfeitures	- -	142,637	- -	- -	- -
Miscellaneous	- -	- -	8,329	- -	- -
Total revenues	14,940	142,637	1,452,769	882,203	586
EXPENDITURES:					
Current:					
General government	- -	- -	- -	- -	- -
Public safety	- -	142,637	- -	- -	- -
Community development	- -	- -	- -	- -	- -
Community services	- -	- -	- -	- -	- -
Public services	1,870	- -	1,782,393	310,702	- -
Capital outlay	- -	- -	- -	- -	- -
Debt service:					
Principal retirement	- -	- -	237,632	- -	- -
Interest and fiscal charges	- -	- -	87,093	- -	- -
Total expenditures	1,870	142,637	2,107,118	310,702	- -
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	13,070	- -	(654,349)	571,501	586
OTHER FINANCING SOURCES (USES):					
Transfers in	- -	- -	654,349	- -	- -
Transfers out	- -	- -	- -	- -	- -
Total other financing sources (uses)	- -	- -	654,349	- -	- -
NET CHANGE IN FUND BALANCES	13,070	- -	- -	571,501	586
FUND BALANCES (DEFICIT):					
Beginning of year	55,458	- -	- -	1,141,813	13,740
End of year	\$ 68,528	\$ - -	\$ - -	\$ 1,713,314	\$ 14,326

(Continued)

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Special Revenue Funds				
	AB2766 Air Pollution	CDBG	Developer Agreement Revenue/Trust	City Hall/ Public Works	Community Center
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,201	29,000	-	-	-
Special assessments	-	-	-	-	-
Licenses and permits	-	-	463,410	395,024	262,092
Charges for services	-	-	-	-	-
Investment earnings	11,347	-	10,904	5,563	12,593
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	-	-	-
Total revenues	80,548	29,000	474,314	400,587	274,685
EXPENDITURES:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Community development	-	29,000	-	-	-
Community services	-	-	-	-	-
Public services	59,997	-	-	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	59,997	29,000	-	-	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	20,551	-	474,314	400,587	274,685
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	243,053	-
Transfers out	(198,677)	(34,958)	-	-	-
Total other financing sources (uses)	(198,677)	(34,958)	-	243,053	-
NET CHANGE IN FUND BALANCES	(178,126)	(34,958)	474,314	643,640	274,685
FUND BALANCES (DEFICIT):					
Beginning of year	302,029	-	60,285	935	161,273
End of year	\$ 123,903	\$ (34,958)	\$ 534,599	\$ 644,575	\$ 435,958

(Continued)

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Special Revenue Funds

	Lakeside Facilities	Animal Shelter	NPDES	PEG Grant	The Anchor
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ 11,109	\$ -
Intergovernmental	- -	- -	452,342	- -	- -
Special assessments	- -	- -	- -	- -	- -
Licenses and permits	374,519	167,199	- -	- -	- -
Charges for services	- -	- -	- -	- -	- -
Investment earnings	19,770	2,847	- -	644	- -
Fines and forfeitures	- -	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -	- -
Total revenues	394,289	170,046	452,342	11,753	- -
EXPENDITURES:					
Current:					
General government	- -	- -	- -	- -	- -
Public safety	- -	- -	- -	- -	- -
Community development	- -	- -	- -	- -	1,083,404
Community services	- -	- -	- -	- -	- -
Public services	- -	- -	249,991	- -	- -
Capital outlay	- -	- -	- -	- -	- -
Debt service:					
Principal retirement	- -	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -	- -
Total expenditures	- -	- -	249,991	- -	1,083,404
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	394,289	170,046	202,351	11,753	(1,083,404)
OTHER FINANCING SOURCES (USES):					
Transfers in	- -	- -	- -	- -	840,390
Transfers out	(55,702)	(160,576)	(339,973)	(91,707)	- -
Total other financing sources (uses)	(55,702)	(160,576)	(339,973)	(91,707)	840,390
NET CHANGE IN FUND BALANCES	338,587	9,470	(137,622)	(79,954)	(243,014)
FUND BALANCES (DEFICIT):					
Beginning of year	272,059	76	(82,171)	84,300	3,483
End of year	\$ 610,646	\$ 9,546	\$ (219,793)	\$ 4,346	\$ (239,531)

(Continued)

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	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	-	234,989	-	-	-
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	173,626
Charges for services	-	-	1,500,000	-	-
Investment earnings	306,528	-	231,583	-	7,101
Fines and forfeitures	-	-	-	-	-
Miscellaneous	-	-	11,779	-	-
Total revenues	306,528	234,989	1,743,362	-	180,727
EXPENDITURES:					
Current:					
General government	5,452,711	-	18,232	72,627	-
Public safety	-	-	-	-	-
Community development	-	-	-	-	-
Community services	-	-	-	-	-
Public services	-	-	997,694	-	-
Capital outlay	-	-	-	-	-
Debt service:					
Principal retirement	-	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	5,452,711	-	1,015,926	72,627	-
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(5,146,183)	234,989	727,436	(72,627)	180,727
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	-	371	-
Transfers out	(1,967,671)	(251,906)	-	-	(266,100)
Total other financing sources (uses)	(1,967,671)	(251,906)	-	371	(266,100)
NET CHANGE IN FUND BALANCES	(7,113,854)	(16,917)	727,436	(72,256)	(85,373)
FUND BALANCES (DEFICIT):					
Beginning of year	7,113,854	(56,624)	3,794,016	72,256	88,140
End of year	\$ -	\$ (73,541)	\$ 4,521,452	\$ -	\$ 2,767

(Continued)

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

Capital Projects Funds					
	Storm Drains	Library Facilities	Traffic Impact	Fire Facilities	Public Improvement In-Lieu
REVENUES:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	- -	- -	- -	- -	- -
Special assessments	- -	- -	- -	- -	- -
Licenses and permits	154,081	78,411	918,711	391,384	378,940
Charges for services	- -	- -	- -	- -	- -
Investment earnings	156,445	63,377	18,805	36,027	86,146
Fines and forfeitures	- -	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -	- -
Total revenues	310,526	141,788	937,516	427,411	465,086
EXPENDITURES:					
Current:					
General government	- -	- -	- -	- -	- -
Public safety	- -	- -	- -	- -	- -
Community development	- -	- -	111,745	- -	- -
Community services	- -	- -	- -	- -	- -
Public services	- -	- -	- -	- -	- -
Capital outlay	- -	- -	- -	- -	- -
Debt service:					
Principal retirement	- -	- -	- -	- -	- -
Interest and fiscal charges	- -	- -	- -	- -	- -
Total expenditures	- -	- -	111,745	- -	- -
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	310,526	141,788	825,771	427,411	465,086
OTHER FINANCING SOURCES (USES):					
Transfers in	- -	- -	- -	- -	- -
Transfers out	(3,661)	(366,978)	(231,534)	- -	- -
Total other financing sources (uses)	(3,661)	(366,978)	(231,534)	- -	- -
NET CHANGE IN FUND BALANCES	306,865	(225,190)	594,237	427,411	465,086
FUND BALANCES (DEFICIT):					
Beginning of year	3,077,018	1,327,151	94,215	578,661	1,677,760
End of year	\$ 3,383,883	\$ 1,101,961	\$ 688,452	\$ 1,006,072	\$ 2,142,846

(Continued)

City of Lake Elsinore
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances (Continued)
Nonmajor Governmental Funds
For the Year Ended June 30, 2024

	Capital Projects Funds			Permanent Fund		Total Governmental Funds
	Total Road Improvement Program	TUMF	La Strada RBBB	Endowment Trust - Adolph Korn		
REVENUES:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 11,109
Intergovernmental	-	1,080,037	-	-	-	8,888,802
Special assessments	-	-	-	-	-	2,268,403
Licenses and permits	-	-	-	-	-	3,769,313
Charges for services	-	-	-	-	-	1,500,000
Investment earnings	2,027	-	1,195	1,684	1,187,780	
Fines and forfeitures	-	-	-	-	-	169,637
Miscellaneous	-	-	-	-	-	20,108
Total revenues	2,027	1,080,037	1,195	1,684	17,815,152	
EXPENDITURES:						
Current:						
General government	-	-	-	-	-	5,543,570
Public safety	-	-	-	-	-	376,840
Community development	-	-	-	-	-	1,224,149
Community services	-	-	-	-	-	-
Public services	4,093	-	-	-	-	4,036,355
Capital outlay	-	-	-	-	-	1,000,000
Debt service:						
Principal retirement	265,000	-	-	-	-	502,632
Interest and fiscal charges	229,988	-	-	-	-	317,081
Total expenditures	499,081	-	-	-	-	13,000,627
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(497,054)	1,080,037	1,195	1,684	1,684	4,814,525
OTHER FINANCING SOURCES (USES):						
Transfers in	497,803	-	-	-	-	2,235,966
Transfers out	-	(641,672)	-	-	-	(7,120,198)
Total other financing sources (uses)	497,803	(641,672)	-	-	-	(4,884,232)
NET CHANGE IN FUND BALANCES	749	438,365	1,195	1,684	1,684	(69,707)
FUND BALANCES (DEFICIT):						
Beginning of year	16,686	(303,998)	23,936	33,724	24,753,819	
End of year	\$ 17,435	\$ 134,367	\$ 25,131	\$ 35,408	\$ 24,684,112	

(Concluded)

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Affordable Housing In-Lieu Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 100,000	\$ 592,500	\$ 730,514	\$ 138,014
Investment earnings	11,000	32,500	40,567	8,067
Total revenues	111,000	625,000	771,081	146,081
EXPENDITURES:				
Current:				
General government	50,000	50,000	-	50,000
Total expenditures	50,000	50,000	-	50,000
EXCESS OF REVENUES OVER EXPENDITURES				
	61,000	575,000	771,081	196,081
OTHER FINANCING SOURCES (USES):				
Transfers out	(4,322,728)	(4,530,533)	(31,409)	4,499,124
Total other financing sources (uses)	(4,322,728)	(4,530,533)	(31,409)	4,499,124
NET CHANGE IN FUND BALANCE				
	\$ (4,261,728)	\$ (3,955,533)	739,672	\$ 4,695,205
FUND BALANCE:				
Beginning of year			3,955,533	
End of year			\$ 4,695,205	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Supplemental Law Enforcement Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 177,000	\$ 220,000	\$ 207,203	\$ (12,797)
Total revenues	<u>177,000</u>	<u>220,000</u>	<u>207,203</u>	<u>(12,797)</u>
EXPENDITURES:				
Current:				
Public safety	177,000	220,003	207,203	12,800
Total expenditures	<u>177,000</u>	<u>220,003</u>	<u>207,203</u>	<u>12,800</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ (3)</u></u>	<u><u>-</u></u>	<u><u>\$ 3</u></u>
FUND BALANCE:				
Beginning of year				-
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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Fines and forfeitures	\$ 30,000	\$ 30,000	\$ 27,000	\$ (3,000)
Total revenues	<u>30,000</u>	<u>30,000</u>	<u>27,000</u>	<u>(3,000)</u>
EXPENDITURES:				
Current:				
Public safety	30,000	30,000	27,000	3,000
Total expenditures	<u>30,000</u>	<u>30,000</u>	<u>27,000</u>	<u>3,000</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>-</u></u>	<u><u>\$ -</u></u>
FUND BALANCE:				
Beginning of year				-
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, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 3,817,140	\$ 3,656,300	\$ 3,791,063	\$ 134,763
Investment earnings	7,200	57,200	66,237	9,037
Total revenues	3,824,340	3,713,500	3,857,300	143,800
EXPENDITURES:				
Current:				
Public services	612,000	669,000	629,615	39,385
Capital outlay	1,000,000	1,000,000	1,000,000	-
Total expenditures	1,612,000	1,669,000	1,629,615	39,385
EXCESS OF REVENUES OVER EXPENDITURES				
	2,212,340	2,044,500	2,227,685	183,185
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,680,360)	(2,239,528)	(5,389)	2,234,139
Total other financing sources (uses)	(2,680,360)	(2,239,528)	(5,389)	2,234,139
NET CHANGE IN FUND BALANCE				
	\$ (468,020)	\$ (195,028)	2,222,296	\$ 2,417,324
FUND BALANCE:				
Beginning of year			195,028	
End of year			\$ 2,417,324	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Transportation Measure A Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 2,293,000	\$ 2,293,000	\$ 2,294,453	\$ 1,453
Investment earnings	6,000	45,000	44,540	(460)
Total revenues	2,299,000	2,338,000	2,338,993	993
OTHER FINANCING SOURCES (USES):				
Transfers out	(2,643,950)	(3,391,183)	(2,472,285)	918,898
Total other financing sources (uses)	(2,643,950)	(3,391,183)	(2,472,285)	918,898
NET CHANGE IN FUND BALANCE	\$ (344,950)	\$ (1,053,183)	(133,292)	\$ 919,891
FUND BALANCE:				
Beginning of year			1,053,183	
End of year			\$ 919,891	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - SB1186 CAS Education Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 12,000	\$ 12,000	\$ 11,916	\$ (84)
Investment earnings	1,000	3,000	3,024	24
Total revenues	13,000	15,000	14,940	(60)
EXPENDITURES:				
Current:				
Public services	2,100	2,500	1,870	630
Total expenditures	2,100	2,500	1,870	630
NET CHANGE IN FUND BALANCE	\$ 10,900	\$ 12,500	13,070	\$ 570
FUND BALANCE:				
Beginning of year			55,458	
End of year			\$ 68,528	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Traffic Safety Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 2,000	\$ 2,000	\$ -	\$ (2,000)
Fines and forfeitures	173,000	173,000	142,637	(30,363)
Total revenues	175,000	175,000	142,637	(32,363)
EXPENDITURES:				
Current:				
Public safety	175,000	175,000	142,637	32,363
Total expenditures	175,000	175,000	142,637	32,363
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE:				
Beginning of year				-
End of year				\$ -

City of Lake Elsinore
Supplementary Information

Budgetary Comparison Schedule - City-wide Lighting and Landscaping Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 209,520	\$ 209,520	\$ -	\$ (209,520)
Special assessments	1,468,820	1,468,820	1,444,440	(24,380)
Investment earnings	3,000	3,000	-	(3,000)
Miscellaneous	10,000	10,000	8,329	(1,671)
Total revenues	1,691,340	1,691,340	1,452,769	(238,571)
EXPENDITURES:				
Current:				
Public services	1,811,997	1,811,997	1,782,393	29,604
Debt service:				
Principal retirement	195,050	195,050	237,632	(42,582)
Interest and fiscal charges	167,140	167,140	87,093	80,047
Total expenditures	2,174,187	2,174,187	2,107,118	67,069
EXCESS OF REVENUES OVER EXPENDITURES	(482,847)	(482,847)	(654,349)	(171,502)
OTHER FINANCING SOURCES (USES):				
Transfers in	482,847	482,847	654,349	171,502
Total other financing sources (uses)	482,847	482,847	654,349	171,502
NET CHANGE IN FUND BALANCE	\$ -	\$ -	-	\$ -
FUND BALANCE:				
Beginning of year				-
End of year				\$ -

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - LLMD No. 1 Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Special assessments	\$ 777,059	\$ 777,059	\$ 823,963	\$ 46,904
Investment earnings	14,000	14,000	58,240	44,240
Total revenues	791,059	791,059	882,203	91,144
EXPENDITURES:				
Current:				
Public services	582,240	608,640	310,702	297,938
Capital outlay	553,582	1,318,232	-	1,318,232
Total expenditures	1,135,822	1,926,872	310,702	1,616,170
NET CHANGE IN FUND BALANCE	\$ (344,763)	\$ (1,135,813)	571,501	\$ 1,707,314
FUND BALANCE:				
Beginning of year			1,141,813	
End of year			\$ 1,713,314	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Geothermal Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 300	\$ 500	\$ 586	\$ 86
Total revenues	<u>300</u>	<u>500</u>	<u>586</u>	<u>86</u>
EXPENDITURES:				
Current:				
General government	14,020	14,039	-	14,039
Total expenditures	<u>14,020</u>	<u>14,039</u>	<u>-</u>	<u>14,039</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (13,720)</u></u>	<u><u>\$ (13,539)</u></u>	586	<u><u>\$ 14,125</u></u>
FUND BALANCE:				
Beginning of year			13,740	
End of year			<u>\$ 14,326</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - AB2766 Air Pollution Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 70,000	\$ 70,000	\$ 69,201	\$ (799)
Investment earnings	2,100	4,300	11,347	7,047
Total revenues	72,100	74,300	80,548	6,248
EXPENDITURES:				
Current:				
Public services	-	6,000	59,997	(53,997)
Total expenditures	-	6,000	59,997	(53,997)
EXCESS OF REVENUES OVER EXPENDITURES	72,100	68,300	20,551	(47,749)
OTHER FINANCING SOURCES (USES):				
Transfers out	(274,049)	(370,330)	(198,677)	171,653
Total other financing sources (uses)	(274,049)	(370,330)	(198,677)	171,653
NET CHANGE IN FUND BALANCE	\$ (201,949)	\$ (302,030)	(178,126)	\$ 123,904
FUND BALANCE:				
Beginning of year			302,029	
End of year			\$ 123,903	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - CDBG Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 1,042,020	\$ 1,042,020	\$ 29,000	\$ (1,013,020)
Total revenues	<u>1,042,020</u>	<u>1,042,020</u>	<u>29,000</u>	<u>(1,013,020)</u>
EXPENDITURES:				
Current:				
Community development	42,020	42,020	29,000	13,020
Total expenditures	<u>42,020</u>	<u>42,020</u>	<u>29,000</u>	<u>13,020</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>1,000,000</u>	<u>1,000,000</u>	<u>-</u>	<u>(1,000,000)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,000,000)	(1,000,000)	(34,958)	965,042
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	<u>(34,958)</u>	<u>965,042</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(34,958)</u>	<u>\$ (34,958)</u>
FUND BALANCE (DEFICIT):				
Beginning of year				-
End of year				<u>\$ (34,958)</u>

City of Lake Elsinore
Supplementary Information

Budgetary Comparison Schedule - Developer Agreement Revenue/Trust Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ -	\$ 500,000	\$ 463,410	\$ (36,590)
Investment earnings	- -	6,500	10,904	4,404
Total revenues	-	506,500	474,314	(32,186)
EXCESS OF REVENUES OVER EXPENDITURES				
	- -	506,500	474,314	(32,186)
OTHER FINANCING SOURCES (USES):				
Transfers in	25,200	110,576	- -	(110,576)
Transfers out	(25,200)	(677,362)	- -	677,362
Total other financing sources (uses)	-	(566,786)	- -	566,786
NET CHANGE IN FUND BALANCE	\$ -	\$ (60,286)	474,314	\$ 534,600
FUND BALANCE:				
Beginning of year			60,285	
End of year			\$ 534,599	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - City Hall/Public Works Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 50,000	\$ 401,000	\$ 395,024	\$ (5,976)
Investment earnings	600	4,000	5,563	1,563
Total revenues	50,600	405,000	400,587	(4,413)
EXCESS OF REVENUES OVER EXPENDITURES				
	50,600	405,000	400,587	(4,413)
OTHER FINANCING SOURCES (USES):				
Transfers out	(50,600)	(405,935)	-	405,935
Total other financing sources (uses)	(50,600)	(405,935)	243,053	648,988
NET CHANGE IN FUND BALANCE	\$ -	\$ (935)	643,640	\$ 644,575
FUND BALANCE:				
Beginning of year				935
End of year				\$ 644,575

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Community Center Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 50,000	\$ 250,000	\$ 262,092	\$ 12,092
Investment earnings	500	10,000	12,593	2,593
Total revenues	50,500	260,000	274,685	14,685
EXCESS OF REVENUES OVER EXPENDITURES				
	50,500	260,000	274,685	14,685
OTHER FINANCING SOURCES (USES):				
Transfers out	(215,970)	(421,274)	-	421,274
Total other financing sources (uses)	(215,970)	(421,274)	-	421,274
NET CHANGE IN FUND BALANCE	\$ (165,470)	\$ (161,274)	274,685	\$ 435,959
FUND BALANCE:				
Beginning of year				161,273
End of year				\$ 435,958

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Lakeside Facilities Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 58,000	\$ 348,000	\$ 374,519	\$ 26,519
Investment earnings	2,600	14,600	19,770	5,170
Total revenues	60,600	362,600	394,289	31,689
EXCESS OF REVENUES OVER EXPENDITURES				
	60,600	362,600	394,289	31,689
OTHER FINANCING SOURCES (USES):				
Transfers out	(326,970)	(634,659)	(55,702)	578,957
Total other financing sources (uses)	(326,970)	(634,659)	(55,702)	578,957
NET CHANGE IN FUND BALANCE	\$ (266,370)	\$ (272,059)	338,587	\$ 610,646
FUND BALANCE:				
Beginning of year				272,059
End of year				\$ 610,646

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Animal Shelter Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 25,000	\$ 159,000	\$ 167,199	\$ 8,199
Investment earnings	200	1,500	2,847	1,347
Total revenues	25,200	160,500	170,046	9,546
EXCESS OF REVENUES OVER EXPENDITURES				
	25,200	160,500	170,046	9,546
OTHER FINANCING SOURCES (USES):				
Transfers out	(25,200)	(160,576)	(160,576)	-
Total other financing sources (uses)	(25,200)	(160,576)	(160,576)	-
NET CHANGE IN FUND BALANCE	\$ -	\$ (76)	9,470	\$ 9,546
FUND BALANCE:				
Beginning of year			76	
End of year			\$ 9,546	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - NPDES Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 1,095,070	\$ 1,195,070	\$ 452,342	\$ (742,728)
Investment earnings	600	600	-	(600)
Total revenues	1,098,170	1,198,170	452,342	(745,828)
EXPENDITURES:				
Current:				
Public services	171,450	409,295	249,991	159,304
Total expenditures	171,450	409,295	249,991	159,304
EXCESS OF REVENUES OVER EXPENDITURES	926,720	788,875	202,351	(586,524)
OTHER FINANCING SOURCES (USES):				
Transfers out	(926,720)	(788,875)	(339,973)	448,902
Total other financing sources (uses)	(926,720)	(788,875)	(339,973)	448,902
NET CHANGE IN FUND BALANCE	\$ -	\$ -	(137,622)	\$ (137,622)
FUND BALANCE (DEFICIT):				
Beginning of year			(82,171)	
End of year			\$ (219,793)	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - PEG Grant Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Taxes	\$ 20,000	\$ 20,000	\$ 11,109	\$ (8,891)
Investment earnings	231	1,630	644	(986)
Total revenues	20,231	21,630	11,753	(9,877)
EXCESS OF REVENUES OVER EXPENDITURES				
	20,231	21,630	11,753	(9,877)
OTHER FINANCING SOURCES (USES):				
Transfers out	(104,670)	(105,930)	(91,707)	14,223
Total other financing sources (uses)	(104,670)	(105,930)	(91,707)	14,223
NET CHANGE IN FUND BALANCE	\$ (84,439)	\$ (84,300)	(79,954)	\$ 4,346
FUND BALANCE:				
Beginning of year			84,300	
End of year			\$ 4,346	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - The Anchor Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 404,000	\$ 404,000	\$ -	\$ (404,000)
Total revenues	<u>404,000</u>	<u>404,000</u>	<u>-</u>	<u>(404,000)</u>
EXPENDITURES:				
Current:				
Community development	1,210,480	1,213,963	1,083,404	130,559
Total expenditures	<u>1,210,480</u>	<u>1,213,963</u>	<u>1,083,404</u>	<u>130,559</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(806,480)</u>	<u>(809,963)</u>	<u>(1,083,404)</u>	<u>(273,441)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	806,480	806,480	840,390	33,910
Total other financing sources (uses)	<u>806,480</u>	<u>806,480</u>	<u>840,390</u>	<u>33,910</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (3,483)</u>	<u>(243,014)</u>	<u>\$ (239,531)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			3,483	
End of year			<u>\$ (239,531)</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - American Resuce Plan Act Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ 315,000	\$ 306,528	\$ (8,472)
Total revenues	<u>-</u>	<u>315,000</u>	<u>306,528</u>	<u>(8,472)</u>
EXPENDITURES:				
Current:				
General government	- -	- -	5,452,711	(5,452,711)
Total expenditures	<u>- -</u>	<u>- -</u>	<u>5,452,711</u>	<u>(5,452,711)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>- -</u>	<u>315,000</u>	<u>(5,146,183)</u>	<u>(5,461,183)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(5,959,900)	(7,428,854)	(1,967,671)	5,461,183
Total other financing sources (uses)	<u>(5,959,900)</u>	<u>(7,428,854)</u>	<u>(1,967,671)</u>	<u>5,461,183</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (5,959,900)</u></u>	<u><u>\$ (7,113,854)</u></u>	<u><u>(7,113,854)</u></u>	<u><u>\$ -</u></u>
FUND BALANCE:				
Beginning of year			7,113,854	
End of year			<u>\$ -</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Pedestrian Sidewalk SB821 Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 463,766	\$ 463,766	\$ 234,989	\$ (228,777)
Total revenues	<u>463,766</u>	<u>463,766</u>	<u>234,989</u>	<u>(228,777)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>463,766</u>	<u>463,766</u>	<u>234,989</u>	<u>(228,777)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(463,766)	(463,766)	(251,906)	211,860
Total other financing sources (uses)	<u>(463,766)</u>	<u>(463,766)</u>	<u>(251,906)</u>	<u>211,860</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>(16,917)</u>	<u>\$ (16,917)</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(56,624)	
End of year			<u>\$ (73,541)</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Lake Desratification and Water Special Revenue Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Charges for services	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ -
Investment earnings	100,000	240,000	231,583	(8,417)
Miscellaneous	100,000	160,000	11,779	(148,221)
Total revenues	1,700,000	1,900,000	1,743,362	(156,638)
EXPENDITURES:				
Current:				
General government	40,000	18,000	18,232	(232)
Public services	4,572,717	4,594,717	997,694	3,597,023
Total expenditures	4,612,717	4,612,717	1,015,926	3,596,791
NET CHANGE IN FUND BALANCE	\$ (2,912,717)	\$ (2,712,717)	727,436	\$ 3,440,153
FUND BALANCE:				
Beginning of year			3,794,016	
End of year			\$ 4,521,452	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Capital Improvement Plan Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 11,909,710	\$ 21,909,710	\$ 13,560,668	\$ (8,349,042)
Investment earnings	111,100	441,000	555,396	114,396
Miscellaneous	-	100	13,149	13,049
Total revenues	12,020,810	22,350,810	14,129,213	(8,221,597)
EXPENDITURES:				
Current:				
Capital outlay	85,446,639	85,777,772	33,495,006	52,282,766
Total expenditures	85,446,639	85,922,772	33,553,462	52,369,310
EXCESS OF REVENUES OVER EXPENDITURES	(73,425,829)	(63,571,962)	(19,424,249)	44,147,713
OTHER FINANCING SOURCES (USES):				
Transfers in	62,794,786	52,494,686	18,847,063	(33,647,623)
Transfers out	(3,346,240)	(3,535,321)	(684,035)	2,851,286
Total other financing sources (uses)	59,448,546	48,959,365	18,282,545	(30,676,820)
NET CHANGE IN FUND BALANCE	\$ (13,977,283)	\$ (14,612,597)	(1,141,704)	\$ 13,470,893
FUND BALANCE:				
Beginning of year			14,492,598	
End of year			\$ 13,350,894	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Miscellaneous General Projects Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
EXPENDITURES:				
Current:				
General government	\$ 110,989	\$ 72,256	\$ 72,627	\$ (371)
Total expenditures	<u>110,989</u>	<u>72,256</u>	<u>72,627</u>	<u>(371)</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>(110,989)</u>	<u>(72,256)</u>	<u>(72,627)</u>	<u>(371)</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	371	371
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>371</u>	<u>371</u>
NET CHANGE IN FUND BALANCE				
	<u>\$ (110,989)</u>	<u>\$ (72,256)</u>	<u>(72,256)</u>	<u>\$ -</u>
FUND BALANCE:				
Beginning of year			72,256	
End of year			<u>\$ -</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Public Financing Authority Debt Service Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 4,700,000	\$ 4,700,000	\$ 4,121,043	\$ (578,957)
Total revenues	<u>4,700,000</u>	<u>4,700,000</u>	<u>4,121,043</u>	<u>(578,957)</u>
EXPENDITURES:				
Debt service:				
Principal retirement	3,820,000	3,830,000	3,820,000	10,000
Interest and fiscal charges	4,556,412	4,556,412	4,556,411	1
Total expenditures	<u>8,376,412</u>	<u>8,386,412</u>	<u>8,376,411</u>	<u>10,001</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (3,676,412)</u></u>	<u><u>\$ (3,686,412)</u></u>	<u><u>(4,255,368)</u></u>	<u><u>\$ (568,956)</u></u>
FUND BALANCE:				
Beginning of year			103,086,993	
End of year			<u><u>\$ 98,831,625</u></u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Facilities Financing Authority Debt Service Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 1,955,100	\$ 3,041,704	\$ 2,859,002	\$ (182,702)
Miscellaneous	<u>1,915,701</u>	<u>3,040,596</u>	<u>2,852,547</u>	<u>(188,049)</u>
Total revenues	<u>3,870,801</u>	<u>6,082,300</u>	<u>5,711,549</u>	<u>(370,751)</u>
EXPENDITURES:				
Current:				
General government	294,010	2,480,009	1,315,150	1,164,859
Debt service:				
Principal retirement	2,910,000	3,708,400	3,285,000	423,400
Interest and fiscal charges	<u>2,800,855</u>	<u>3,936,361</u>	<u>3,418,686</u>	<u>517,675</u>
Total expenditures	<u>6,004,865</u>	<u>10,124,770</u>	<u>8,018,836</u>	<u>2,105,934</u>
NET CHANGE IN FUND BALANCE	<u>\$ (2,134,064)</u>	<u>\$ (4,042,470)</u>	<u>(2,307,287)</u>	<u>\$ 1,735,183</u>
FUND BALANCE:				
Beginning of year			95,384,956	
End of year			<u>\$ 93,077,669</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Park Quimby Development Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 50,000	\$ 217,500	\$ 173,626	\$ (43,874)
Investment earnings	1,100	9,600	7,101	(2,499)
Total revenues	<u>51,100</u>	<u>227,100</u>	<u>180,727</u>	<u>(46,373)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>51,100</u>	<u>227,100</u>	<u>180,727</u>	<u>(46,373)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(51,100)	(315,240)	(266,100)	49,140
Total other financing sources (uses)	<u>(51,100)</u>	<u>(315,240)</u>	<u>(266,100)</u>	<u>49,140</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (88,140)</u>	<u>(85,373)</u>	<u>\$ 2,767</u>
FUND BALANCE:				
Beginning of year			88,140	
End of year			<u>\$ 2,767</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Storm Drains Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 225,000	\$ 170,000	\$ 154,081	\$ (15,919)
Investment earnings	<u>40,000</u>	<u>110,000</u>	<u>156,445</u>	<u>46,445</u>
Total revenues	<u>265,000</u>	<u>280,000</u>	<u>310,526</u>	<u>30,526</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	<u>265,000</u>	<u>280,000</u>	<u>310,526</u>	<u>30,526</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(3,312,190)	(3,397,017)	(3,661)	3,393,356
Total other financing sources (uses)	<u>(3,312,190)</u>	<u>(3,397,017)</u>	<u>(3,661)</u>	<u>3,393,356</u>
NET CHANGE IN FUND BALANCE	<u>\$ (3,047,190)</u>	<u>\$ (3,117,017)</u>	<u>306,865</u>	<u>\$ 3,423,882</u>
FUND BALANCE:				
Beginning of year			3,077,018	
End of year			<u>\$ 3,383,883</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Library Facilities Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 16,600	\$ 41,600	\$ 78,411	\$ 36,811
Investment earnings	8,500	27,500	63,377	35,877
Total revenues	25,100	69,100	141,788	72,688
EXPENDITURES:				
Current:				
General government	20,000	20,000	-	20,000
Total expenditures	20,000	20,000	-	20,000
EXCESS OF REVENUES OVER EXPENDITURES				
	5,100	49,100	141,788	92,688
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,342,460)	(1,452,151)	(366,978)	1,085,173
Total other financing sources (uses)	(1,342,460)	(1,452,151)	(366,978)	1,085,173
NET CHANGE IN FUND BALANCE				
	\$ (1,337,360)	\$ (1,403,051)	(225,190)	\$ 1,177,861
FUND BALANCE:				
Beginning of year			1,327,151	
End of year			\$ 1,101,961	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Traffic Impact Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 396,600	\$ 902,500	\$ 918,711	\$ 16,211
Investment earnings	4,500	4,500	18,805	14,305
Total revenues	401,100	907,000	937,516	30,516
EXPENDITURES:				
Current:				
Community development	-	145,000	111,745	33,255
Total expenditures	-	145,000	111,745	33,255
EXCESS OF REVENUES OVER EXPENDITURES				
	401,100	762,000	825,771	63,771
OTHER FINANCING SOURCES (USES):				
Transfers out	(423,460)	(864,214)	(231,534)	632,680
Total other financing sources (uses)	(423,460)	(864,214)	(231,534)	632,680
NET CHANGE IN FUND BALANCE				
	\$ (22,360)	\$ (102,214)	594,237	\$ 696,451
FUND BALANCE:				
Beginning of year			94,215	
End of year			\$ 688,452	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Fire Facilities Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 54,100	\$ 179,100	\$ 391,384	\$ 212,284
Investment earnings	7,000	7,000	36,027	29,027
Total revenues	61,100	186,100	427,411	241,311
EXCESS OF REVENUES OVER EXPENDITURES				
	61,100	186,100	427,411	241,311
OTHER FINANCING SOURCES (USES):				
Transfers out	(644,160)	(1,013,661)	-	1,013,661
Total other financing sources (uses)	(644,160)	(1,013,661)	-	1,013,661
NET CHANGE IN FUND BALANCE	\$ (583,060)	\$ (827,561)	427,411	\$ 1,254,972
FUND BALANCE:				
Beginning of year			578,661	
End of year			\$ 1,006,072	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Public Improvement In-Lieu Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Licenses and permits	\$ 5,000	\$ 65,000	\$ 378,940	\$ 313,940
Investment earnings	11,000	60,500	86,146	25,646
Total revenues	16,000	125,500	465,086	339,586
EXCESS OF REVENUES OVER EXPENDITURES				
	16,000	125,500	465,086	339,586
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,691,847)	(1,803,260)	-	1,803,260
Total other financing sources (uses)	(1,691,847)	(1,803,260)	-	1,803,260
NET CHANGE IN FUND BALANCE	\$ (1,675,847)	\$ (1,677,760)	465,086	\$ 2,142,846
FUND BALANCE:				
Beginning of year			1,677,760	
End of year			\$ 2,142,846	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Total Road Improvement Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ -	\$ 2,910	\$ 2,027	\$ (883)
Total revenues	<u>-</u>	<u>2,910</u>	<u>2,027</u>	<u>(883)</u>
EXPENDITURES:				
Current:				
Public services	14,990	37,186	4,093	33,093
Principal retirement	250,000	250,000	265,000	(15,000)
Interest and fiscal charges	230,000	230,000	229,988	12
Total expenditures	<u>494,990</u>	<u>517,186</u>	<u>499,081</u>	<u>18,105</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>(494,990)</u>	<u>(514,276)</u>	<u>(497,054)</u>	<u>17,222</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	494,990	497,590	497,803	213
Total other financing sources (uses)	<u>494,990</u>	<u>497,590</u>	<u>497,803</u>	<u>213</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ (16,686)</u>	<u>749</u>	<u>\$ 17,435</u>
FUND BALANCE:				
Beginning of year			16,686	
End of year			<u>\$ 17,435</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - TUMF Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Intergovernmental	\$ 7,100,000	\$ 7,100,000	\$ 1,080,037	\$ (6,019,963)
Total revenues	<u>7,100,000</u>	<u>7,100,000</u>	<u>1,080,037</u>	<u>(6,019,963)</u>
EXCESS OF REVENUES OVER EXPENDITURES	<u>7,100,000</u>	<u>7,100,000</u>	<u>1,080,037</u>	<u>(6,019,963)</u>
OTHER FINANCING SOURCES (USES):				
Transfers out	(7,100,000)	(7,100,000)	(641,672)	6,458,328
Total other financing sources (uses)	<u>(7,100,000)</u>	<u>(7,100,000)</u>	<u>(641,672)</u>	<u>6,458,328</u>
NET CHANGE IN FUND BALANCE	<u>\$ -</u>	<u>\$ -</u>	<u>438,365</u>	<u>\$ 438,365</u>
FUND BALANCE (DEFICIT):				
Beginning of year			(303,998)	
End of year			<u>\$ 134,367</u>	

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - La Strada RBBB Capital Projects Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 110	\$ 1,500	\$ 1,195	\$ (305)
Total revenues	<u>110</u>	<u>1,500</u>	<u>1,195</u>	<u>(305)</u>
EXCESS OF REVENUES OVER EXPENDITURES				
	110	1,500	1,195	(305)
OTHER FINANCING SOURCES (USES):				
Transfers out	(23,831)	(25,436)	-	25,436
Total other financing sources (uses)	<u>(23,831)</u>	<u>(25,436)</u>	<u>-</u>	<u>25,436</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (23,721)</u></u>	<u><u>\$ (23,936)</u></u>	1,195	<u><u>\$ 25,131</u></u>
FUND BALANCE:				
Beginning of year				23,936
End of year				<u><u>\$ 25,131</u></u>

City of Lake Elsinore
Supplementary Information
Budgetary Comparison Schedule - Endowment Trust - Adolph Korn Permanent Fund
For the Year Ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES:				
Investment earnings	\$ 1,000	\$ 2,000	\$ 1,684	\$ (316)
Total revenues	<u>1,000</u>	<u>2,000</u>	<u>1,684</u>	<u>(316)</u>
EXPENDITURES:				
Current:				
General government	14,231	1,000	-	1,000
Total expenditures	<u>14,231</u>	<u>1,000</u>	<u>-</u>	<u>1,000</u>
NET CHANGE IN FUND BALANCE	<u><u>\$ (13,231)</u></u>	<u><u>\$ 1,000</u></u>	1,684	<u><u>\$ 684</u></u>
FUND BALANCE:				
Beginning of year			33,724	
End of year			<u><u>\$ 35,408</u></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.



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City of Lake Elsinore
Combining Statement of Net Position
Internal Service Funds
June 30, 2024

	Insurance	Info Systems	Support Services	Fleet Services	Facilities	Total
ASSETS						
Current Assets:						
Cash and investments	\$ 552,753	\$ 3,280,722	\$ 73,691	\$ 1,358,780	\$ 2,867,062	\$ 8,133,008
Receivables:						
Interest	9,026	29,150	418	3,549	22,343	64,486
Prepaid items	506,395	139,213	-	2,825	168	648,601
Total current assets	1,068,174	3,449,085	74,109	1,365,154	2,889,573	8,846,095
Noncurrent assets:						
Capital assets						
Capital assets, being depreciated, net	-	208,530	4,005	2,646,263	97,907	2,956,705
Total capital assets, net	-	208,530	4,005	2,646,263	97,907	2,956,705
Total noncurrent assets	-	208,530	4,005	2,646,263	97,907	2,956,705
Total assets	1,068,174	3,657,615	78,114	4,011,417	2,987,480	11,802,800
DEFERRED OUTFLOWS OF RESOURCES						
Pension-related	134,219	138,990	-	208,485	138,990	620,684
OPEB-related	-	210,644	-	157,983	157,983	526,610
Total deferred outflows of resources	134,219	349,634	-	366,468	296,973	1,147,294
LIABILITIES						
Current liabilities:						
Accounts payable	-	24,412	8,772	154,882	40,543	228,609
Accrued liabilities	68,606	25,976	-	11,943	18,217	124,742
Total OPEB liability - due within one year	-	10,000	-	10,000	15,000	35,000
Long-term debt - due within one year	-	53,472	-	-	-	53,472
Total current liabilities	68,606	113,860	8,772	176,825	73,760	441,823
Noncurrent liabilities:						
Long-term debt - due in more than one year	-	105,914	-	-	-	105,914
Net pension liability	316,649	316,649	-	474,973	316,649	1,424,920
Total OPEB liability - due in more than one year	-	754,125	-	563,094	558,094	1,875,313
Total noncurrent liabilities	316,649	1,176,688	-	1,038,067	874,743	3,406,147
Total liabilities	385,255	1,290,548	8,772	1,214,892	948,503	3,847,970
DEFERRED INFLOWS OF RESOURCES						
Pension-related	14,236	14,236	-	21,353	14,236	64,061
OPEB-related	-	406,507	-	304,880	304,880	1,016,267
Total deferred inflows of resources	14,236	420,743	-	326,233	319,116	1,080,328
NET POSITION						
Net investment in capital assets	-	49,144	4,005	2,646,263	97,907	2,797,319
Unrestricted	802,902	2,246,814	65,337	190,497	1,918,927	5,224,477
Total net position	\$ 802,902	\$ 2,295,958	\$ 69,342	\$ 2,836,760	\$ 2,016,834	\$ 8,021,796

City of Lake Elsinore
Combining Statement of Revenues, Expenses, and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2024

	Insurance	Info Systems	Support Services	Fleet Services	Facilities	Total
OPERATING REVENUES:						
Charges for services	\$ 291,107	\$ 1,971,848	\$ 125,294	\$ 1,854,058	\$ 1,253,160	\$ 5,495,467
Miscellaneous	71,088	7,693	-	-	1,122	79,903
Total operating revenues	362,195	1,979,541	125,294	1,854,058	1,254,282	5,575,370
OPERATING EXPENSES:						
Personnel services	311,643	1,018,010	-	685,861	731,094	2,746,608
Contractual services	9,580	429,329	57,077	102,085	335,461	933,532
Utilities	-	197,740	-	269,138	167,817	634,695
Maintenance and operation	74,383	536,883	53,918	212,843	150,814	1,028,841
Insurance	673,820	-	-	-	-	673,820
Depreciation/amortization	-	149,765	4,807	666,032	28,106	848,710
Total operating expenses	1,069,426	2,331,727	115,802	1,935,959	1,413,292	6,866,206
OPERATING INCOME (LOSS)	(707,231)	(352,186)	9,492	(81,901)	(159,010)	(1,290,836)
NON-OPERATING REVENUES/(EXPENSES):						
Interest income	43,132	146,048	2,144	11,408	120,802	323,534
Interest expense	-	(22,556)	-	-	-	(22,556)
Gain/(loss) on disposal of capital assets	-	-	-	-	-	-
Total non-operating revenues/(expenses)	43,132	123,492	2,144	11,408	120,802	300,978
INCOME (LOSS) BEFORE TRANSFERS	(664,099)	(228,694)	11,636	(70,493)	(38,208)	(989,858)
TRANSFERS:						
Transfers in	-	-	-	749,347	-	749,347
Total transfers	-	-	-	749,347	-	749,347
CHANGES IN NET POSITION	(664,099)	(228,694)	11,636	678,854	(38,208)	(240,511)
NET POSITION:						
Beginning of the year	1,467,001	2,524,652	57,706	2,157,906	2,055,042	8,262,307
End of the year	<u>\$ 802,902</u>	<u>\$ 2,295,958</u>	<u>\$ 69,342</u>	<u>\$ 2,836,760</u>	<u>\$ 2,016,834</u>	<u>\$ 8,021,796</u>

City of Lake Elsinore
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2024

	Insurance	Info Systems	Support Services	Fleet Services	Facilities	Total
CASH FLOWS FROM OPERATING ACTIVITIES:						
Cash received from customers and users	\$ 362,195	\$ 1,979,541	\$ 125,294	\$ 1,854,058	\$ 1,254,282	\$ 5,575,370
Cash paid to suppliers for goods and services	(404,299)	(1,305,770)	(108,079)	(550,390)	(661,727)	(3,030,265)
Cash paid to employees for services	(251,796)	(629,663)	-	(448,607)	(396,723)	(1,726,789)
Net cash provided by (used in) operating activities	(293,900)	44,108	17,215	855,061	195,832	818,316
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:						
Acquisition and construction of capital assets	-	(168,109)	-	(1,169,780)	(6,060)	(1,343,949)
Proceeds from debt issuance	-	32,400	-	-	-	32,400
Cash effect of disposal of capital assets	-	-	-	-	-	-
Interest paid on outstanding debt	-	(22,556)	-	-	-	(22,556)
Net cash provided (used in) by capital and related financing activities	-	(158,265)	-	(1,169,780)	(6,060)	(1,334,105)
CASH FLOWS FROM INVESTING ACTIVITIES:						
Interest received	42,096	134,067	1,924	11,429	112,025	301,541
Net cash provided by investing activities	42,096	134,067	1,924	11,429	112,025	301,541
Changes in cash and cash equivalents	(251,804)	19,910	19,139	446,057	301,797	535,099
CASH AND CASH EQUIVALENTS:						
Beginning of year	804,557	3,260,812	54,552	912,723	2,565,265	7,597,909
End of year	\$ 552,753	\$ 3,280,722	\$ 73,691	\$ 1,358,780	\$ 2,867,062	\$ 8,133,008
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES:						
Operating income (loss)	\$ (707,231)	\$ (352,186)	\$ 9,492	\$ (81,901)	\$ (159,010)	\$ (1,290,836)
Adjustments to reconcile operating income to net cash provided by (used in) operating activities:						
Depreciation/amortization	-	149,765	4,807	666,032	28,106	848,710
Change in assets and liabilities:						
Accounts receivable	-	-	-	-	-	-
Prepaid items	371,083	(39,558)	-	(2,825)	2,482	331,182
Pension-related deferred outflows	(126,261)	56,424	-	(13,071)	(73,852)	(156,760)
OPEB-related deferred outflows	-	(81,090)	-	(28,429)	(28,429)	(137,948)
Accounts payable	(17,599)	(102,260)	2,916	36,501	(10,117)	(90,559)
Accrued liabilities	(144,777)	8,043	-	1,001	7,630	(128,103)
Net pension liability	316,649	(122,115)	-	36,209	170,394	401,137
Total OPEB liability	-	327,073	-	136,042	136,042	599,157
Pension-related deferred inflows	14,236	(22,066)	-	(14,949)	2,135	(20,644)
OPEB-related deferred inflows	-	222,078	-	120,451	120,451	462,980
Total adjustments	413,331	396,294	7,723	936,962	354,842	2,109,152
Net cash provided by (used in) operating activities	\$ (293,900)	\$ 44,108	\$ 17,215	\$ 855,061	\$ 195,832	\$ 818,316



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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.



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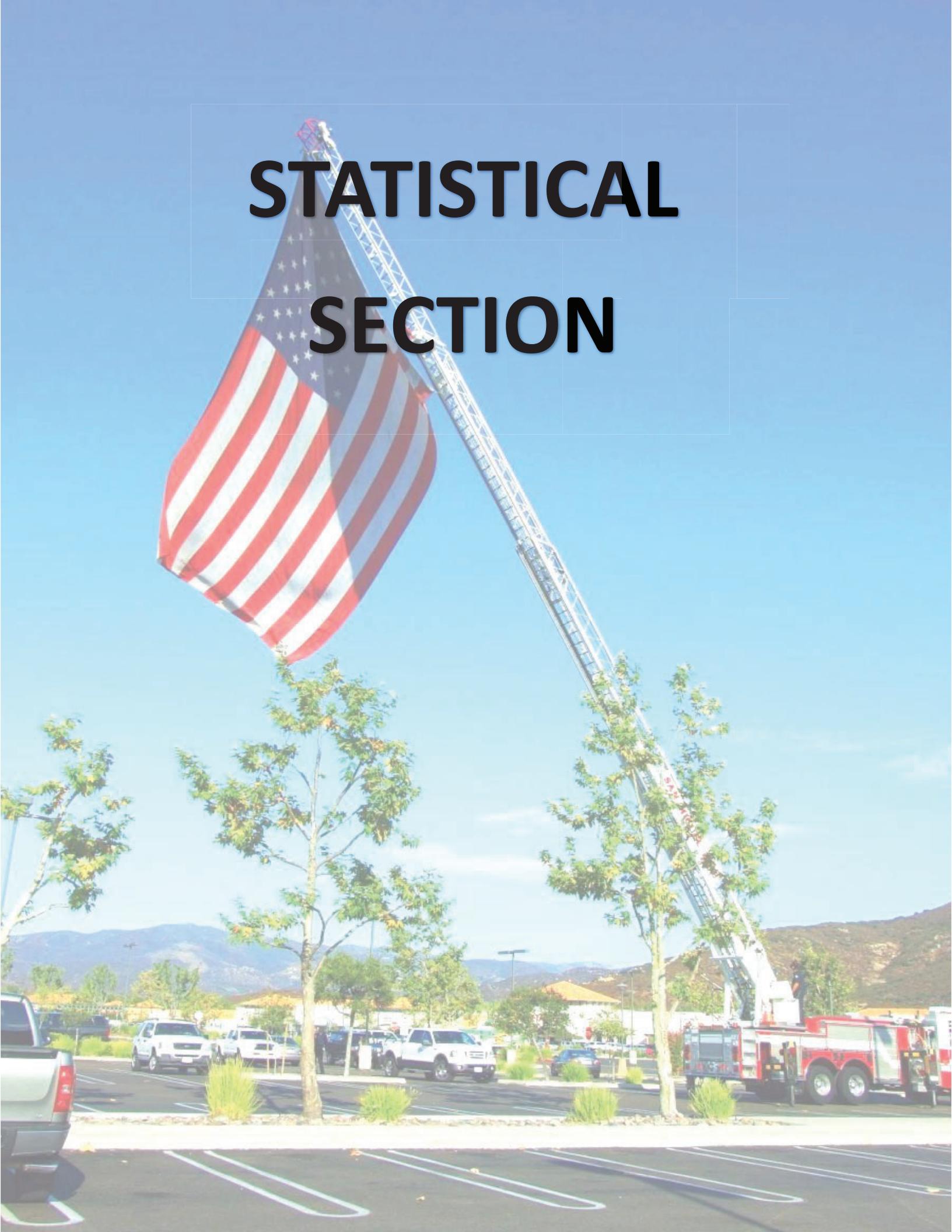
City of Lake Elsinore
Combining Statement of Fiduciary Net Position
Private-Purpose Trust Funds
June 30, 2024

	Trust - Carl Graves	Successor Agency	Total
ASSETS:			
Cash and investments	\$ 63,619	\$ 9,087,049	\$ 9,150,668
Receivables:			
Accounts	167	-	167
Interest	560	10,104	10,664
Prepaid items	-	281,437	281,437
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	-	565	565
Capital assets:			
Capital assets, not being depreciated	-	2,004,419	2,004,419
Capital assets, net of accumulated depreciation	-	16,792,781	16,792,781
Total assets	64,346	34,216,349	34,280,695
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts on refunding	-	1,135,910	1,135,910
Total deferred outflows of resources	-	1,135,910	1,135,910
LIABILITIES:			
Accounts payable	-	240,456	240,456
Interest payable	-	773,059	773,059
Long-term debt:			
Due within one year	-	3,525,000	3,525,000
Due in more than one year	-	43,213,138	43,213,138
Total liabilities	-	47,751,653	47,751,653
NET POSITION (DEFICIT):			
Restricted for:			
Organizations and other governments	64,346	(12,399,394)	(12,335,048)
Total net position (deficit)	\$ 64,346	\$ (12,399,394)	\$ (12,335,048)

City of Lake Elsinore
Combining Statement of Changes in Fiduciary Net Position
Private-Purpose Trust Funds
For the Year Ended June 30, 2024

	Trust - Carl Graves	Successor Agency	Total
ADDITIONS:			
Taxes	\$ -	\$ 22,373,553	\$ 22,373,553
Investment earnings	3,005	33,574	36,579
Miscellaneous	2,000	1,631,839	1,633,839
Total additions	5,005	24,038,966	24,043,971
DEDUCTIONS:			
Administrative expenses	-	414,313	414,313
Contractual services	-	5,382,358	5,382,358
Interest expense	-	1,840,266	1,840,266
Depreciation	-	2,122,169	2,122,169
Total deductions	-	9,759,106	9,759,106
Change in net position	5,005	14,279,860	14,284,865
NET POSITION (DEFICIT) :			
Beginning of year	59,341	(26,679,254)	(26,619,913)
End of year	\$ 64,346	\$ (12,399,394)	\$ (12,335,048)

STATISTICAL SECTION





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City of Lake Elsinore, California
Description of Statistical Section Contents
June 30, 2024

The City of Lake Elsinore's annual comprehensive 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.	198-199
Revenue Capacity	These schedules contain information to help the reader assess the government's most significant local revenue sources, sales taxes and property tax.	200-209
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.	210-223
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.	224-225
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.	226-230

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

	Fiscal Year				
	2015	2016	2017	2018	2019
GOVERNMENTAL ACTIVITIES					
Net Investment in					
Capital Assets	\$ 137,914,627	\$ 145,170,561	\$ 146,735,654	\$ 142,754,254	\$ 147,000,319
Restricted	90,537,124	75,054,285	90,363,046	92,281,048	94,960,776
Unrestricted (deficit)	(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)	(26,768,225)
Total Governmental Activities Net Position	<u><u>\$ 215,948,262</u></u>	<u><u>\$ 210,044,700</u></u>	<u><u>\$ 225,036,484</u></u>	<u><u>\$ 221,481,578</u></u>	<u><u>\$ 215,192,870</u></u>
BUSINESS-TYPE ACTIVITIES					
Net Investment in					
Capital Assets	\$ -	\$ -	\$ -	\$ -	\$ 17,255,744
Unrestricted (deficit)	- -	- -	- -	- -	(506,148)
Total Business-type Activities Net Position	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 16,749,596</u></u>
PRIMARY GOVERNMENT					
Net Investment in					
Capital Assets	\$ 137,914,627	\$ 145,170,561	\$ 146,735,654	\$ 142,754,254	\$ 164,256,063
Restricted	90,537,124	75,054,285	90,363,046	92,281,048	94,960,776
Unrestricted (deficit)	(12,503,489)	(10,180,146)	(12,062,216)	(13,553,724)	(27,274,373)
Total Primary Government Net Position	<u><u>\$ 215,948,262</u></u>	<u><u>\$ 210,044,700</u></u>	<u><u>\$ 225,036,484</u></u>	<u><u>\$ 221,481,578</u></u>	<u><u>\$ 231,942,466</u></u>

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

	Fiscal Year				
	2020	2021	2022	2023	2024
GOVERNMENTAL ACTIVITIES					
Net Investment in					
Capital Assets	\$ 147,522,397	\$ 153,408,107	\$ 161,286,962	\$ 163,396,517	\$ 182,490,924
Restricted	105,362,660	263,683,834	302,436,092	323,071,895	315,320,036
Unrestricted (deficit)	<u>(31,045,124)</u>	<u>(169,103,017)</u>	<u>(177,109,868)</u>	<u>(180,304,336)</u>	<u>(174,732,171)</u>
Total Governmental Activities Net Position	<u><u>\$ 221,839,933</u></u>	<u><u>\$ 247,988,924</u></u>	<u><u>\$ 286,613,186</u></u>	<u><u>\$ 306,164,076</u></u>	<u><u>\$ 323,078,789</u></u>
BUSINESS-TYPE ACTIVITIES					
Net Investment in					
Capital Assets	\$ 27,049,079	\$ 26,613,234	\$ 24,693,433	\$ 23,248,976	\$ 22,154,966
Unrestricted (deficit)	<u>(10,434,316)</u>	<u>(9,568,742)</u>	<u>(9,131,820)</u>	<u>(9,059,455)</u>	<u>(9,720,210)</u>
Total Business-type Activities Net Position	<u><u>\$ 16,614,763</u></u>	<u><u>\$ 17,044,492</u></u>	<u><u>\$ 15,561,613</u></u>	<u><u>\$ 14,189,521</u></u>	<u><u>\$ 12,434,756</u></u>
PRIMARY GOVERNMENT					
Net Investment in					
Capital Assets	\$ 174,571,476	\$ 180,021,341	\$ 185,980,395	\$ 186,645,493	\$ 204,645,890
Restricted	105,362,660	263,683,834	302,436,092	323,071,895	315,320,036
Unrestricted (deficit)	<u>(41,479,440)</u>	<u>(178,671,759)</u>	<u>(186,241,688)</u>	<u>(189,363,791)</u>	<u>(184,452,381)</u>
Total Primary Government Net Position	<u><u>\$ 238,454,696</u></u>	<u><u>\$ 265,033,416</u></u>	<u><u>\$ 302,174,799</u></u>	<u><u>\$ 320,353,597</u></u>	<u><u>\$ 335,513,545</u></u>

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

	Fiscal Year				
	2015	2016	2017	2018	2019
EXPENSES					
Governmental Activities:					
General Government	\$ 8,617,841	\$ 6,477,776	\$ 8,904,130	\$ 5,856,845	\$ 5,497,097
Public Safety	18,626,488	19,098,659	21,218,964	20,963,229	21,143,285
Community Development	7,391,688	4,005,355	4,807,685	5,000,426	5,257,082
Community Services	4,652,536	5,411,152	9,791,967	3,313,875	3,003,809
Public Services	11,162,854	18,668,180	14,148,801	43,153,162	23,303,523
Emergency Services	-	-	-	-	-
Interest on Long-term Debt	8,097,248	11,204,357	11,832,732	11,463,403	11,340,371
Total Governmental Activities Expenses	<u>58,548,655</u>	<u>64,865,479</u>	<u>70,704,279</u>	<u>89,750,940</u>	<u>69,545,167</u>
Business-type Activities:					
Launch Pointe	-	-	-	-	1,588,992
Total Business-type Activities Expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,588,992</u>
Total Primary Government Expenses	<u>\$ 58,548,655</u>	<u>\$ 64,865,479</u>	<u>\$ 70,704,279</u>	<u>\$ 89,750,940</u>	<u>\$ 71,134,159</u>
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Government	1,464,689	734,034	1,726,741	2,666,057	1,478,132
Public Safety	1,427,632	1,922,602	2,665,603	1,716,350	1,605,806
Community Development	3,905,472	4,660,580	8,727,675	9,727,246	7,534,732
Community Services	2,405,100	2,977,699	858,119	759,254	490,827
Public Services	2,329,172	2,977,138	5,504,572	2,609,931	2,494,149
Operating Grants and Contributions	20,141,320	19,883,338	5,496,146	8,599,061	10,045,467
Capital Grants and Contributions	21,044,552	5,901,491	30,389,367	30,754,329	20,188,402
Total Governmental Activities Program Revenues	<u>52,717,937</u>	<u>39,056,882</u>	<u>55,368,223</u>	<u>56,832,228</u>	<u>43,837,515</u>
Business-type Activities:					
Launch Pointe	-	-	-	-	249,194
Total Business-type Activities Revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>249,194</u>
Total Primary Government Revenues	<u>\$ 52,717,937</u>	<u>\$ 39,056,882</u>	<u>\$ 55,368,223</u>	<u>\$ 56,832,228</u>	<u>\$ 44,086,709</u>
NET REVENUES (EXPENSES)					
Governmental Activities	(5,830,718)	(25,808,597)	(15,336,056)	(32,918,712)	(25,707,652)
Business-type Activities	-	-	-	-	(1,339,798)
Total Net Revenues (Expenses)	<u>\$ (5,830,718)</u>	<u>\$ (25,808,597)</u>	<u>\$ (15,336,056)</u>	<u>\$ (32,918,712)</u>	<u>\$ (27,047,450)</u>

Source: City Finance Department

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

	Fiscal Year				
	2020	2021	2022	2023	2024
EXPENSES					
Governmental Activities:					
General Government	\$ 7,415,903	\$ 7,192,106	\$ 5,107,567	\$ 9,172,842	\$ 15,247,408
Public Safety	22,051,425	22,583,417	25,501,850	32,879,462	39,445,858
Community Development	4,874,909	5,675,292	8,049,582	7,658,800	7,653,401
Community Services	2,751,936	2,359,364	3,555,069	3,635,488	4,143,392
Public Services	21,486,942	24,952,498	26,549,937	31,912,202	31,545,220
Emergency Services	-	-	-	-	195,644
Interest on Long-term Debt	14,659,186	5,151,588	7,721,648	8,528,626	8,384,271
Total Governmental Activities Expenses	<u>73,240,301</u>	<u>67,914,265</u>	<u>76,485,653</u>	<u>93,787,420</u>	<u>106,615,194</u>
Business-type Activities:					
Launch Pointe	4,219,772	3,967,463	5,940,262	4,414,720	5,213,529
Total Business-type Activities Expenses	<u>4,219,772</u>	<u>3,967,463</u>	<u>5,940,262</u>	<u>4,414,720</u>	<u>5,213,529</u>
Total Primary Government Expenses	<u><u>\$ 77,460,073</u></u>	<u><u>\$ 71,881,728</u></u>	<u><u>\$ 82,425,915</u></u>	<u><u>\$ 98,202,140</u></u>	<u><u>\$ 111,828,723</u></u>
PROGRAM REVENUES					
Governmental Activities:					
Charges for Services:					
General Government	2,288,038	1,901,893	6,115,447	2,974,857	1,201,032
Public Safety	1,468,446	1,546,880	1,421,517	9,509,364	13,058,049
Community Development	7,916,155	8,564,938	10,133,005	3,779,315	7,171,851
Community Services	435,120	605,248	853,775	440,928	528,501
Public Services	4,146,898	7,434,970	8,815,764	1,892,579	1,543,596
Operating Grants and Contributions	16,522,110	16,799,986	22,058,808	29,601,505	26,316,771
Capital Grants and Contributions	11,440,911	14,106,537	14,438,375	4,550,058	6,806,993
Total Governmental Activities Program Revenues	<u>44,217,678</u>	<u>50,960,452</u>	<u>63,836,691</u>	<u>52,748,606</u>	<u>56,626,793</u>
Business-type Activities:					
Launch Pointe	2,105,505	3,728,501	3,384,588	3,057,715	3,042,086
Total Business-type Activities Revenues	<u>2,105,505</u>	<u>3,728,501</u>	<u>3,384,588</u>	<u>3,057,715</u>	<u>3,042,086</u>
Total Primary Government Revenues	<u><u>\$ 46,323,183</u></u>	<u><u>\$ 54,688,953</u></u>	<u><u>\$ 67,221,279</u></u>	<u><u>\$ 55,806,321</u></u>	<u><u>\$ 59,668,879</u></u>
NET REVENUES (EXPENSES)					
Governmental Activities	(29,022,623)	(16,953,813)	(12,648,962)	(41,038,814)	(49,988,401)
Business-type Activities	<u>(2,114,267)</u>	<u>(238,962)</u>	<u>(2,555,674)</u>	<u>(1,357,005)</u>	<u>(2,464,131)</u>
Total Net Revenues (Expenses)	<u><u>\$ (31,136,890)</u></u>	<u><u>\$ (17,192,775)</u></u>	<u><u>\$ (15,204,636)</u></u>	<u><u>\$ (42,395,819)</u></u>	<u><u>\$ (52,452,532)</u></u>

Source: City Finance Department

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

	Fiscal Year				
	2015	2016	2017	2018	2019
GENERAL REVENUES					
Governmental Activities					
Taxes					
Property Taxes	\$ 6,276,548	\$ 6,537,540	\$ 7,380,594	\$ 8,030,862	\$ 7,986,053
Sales Taxes	8,572,066	9,939,637	9,745,714	10,071,435	11,057,497
Franchise Taxes	2,389,413	2,423,707	2,297,401	2,477,400	2,553,006
Other Taxes	767,058	838,364	598,126	560,150	577,805
Fines, Forfeitures and Penalties	683,573	-	-	-	-
Investment Earnings	966,365	925,517	11,247,531	13,191,802	12,468,683
Miscellaneous	1,022,472	706,094	2,745,222	3,026,724	3,785,183
Total Governmental Activities	<u>16,175,110</u>	<u>21,370,859</u>	<u>34,014,588</u>	<u>37,358,373</u>	<u>38,428,227</u>
Business-type Activities					
Investment Earnings	-	-	-	-	160
Gain/(loss) on sale of capital assets	-	-	-	-	-
Miscellaneous	-	-	-	-	636
Total Business-type Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>796</u>
Total General Revenues, Special and Extraordinary Items	<u>16,175,110</u>	<u>21,370,859</u>	<u>34,014,588</u>	<u>37,358,373</u>	<u>38,429,023</u>
CHANGES IN NET POSITION					
Governmental Activities	10,344,392	6,034,803	1,095,876	11,650,721	9,405,604
Business-type Activities	-	-	-	(1,339,798)	(2,113,471)
Total Changes in Net Position	<u>\$ 10,344,392</u>	<u>\$ 6,034,803</u>	<u>\$ 1,095,876</u>	<u>\$ 11,650,721</u>	<u>\$ 7,292,133</u>

Source: City Finance Department

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

	Fiscal Year				
	2020	2021	2022	2023	2024
GENERAL REVENUES					
Governmental Activities					
Taxes					
Property Taxes	\$ 8,990,543	\$ 9,677,646	\$ 10,228,341	\$ 13,011,435	\$ 13,922,631
Sales Taxes	10,896,995	18,068,365	32,787,974	33,409,294	33,638,353
Franchise Taxes	2,587,128	2,762,725	2,918,685	3,317,255	3,405,394
Other Taxes	654,044	550,508	762,896	638,573	627,022
Fines, Forfeitures and Penalties	-	-	-	-	-
Investment Earnings	11,258,137	7,205,149	3,563,485	9,099,556	15,623,421
Miscellaneous	2,960,909	2,794,609	2,415,630	1,816,565	370,328
Total Governmental Activities	<u>37,347,756</u>	<u>41,059,001</u>	<u>52,677,011</u>	<u>61,292,678</u>	<u>67,587,149</u>
Business-type Activities					
Investment Earnings	255	967	(15,010)	21,416	25,331
Gain/(loss) on sale of capital assets	-	-	(19,042)	-	-
Miscellaneous	6,107	14,559	24,975	-	-
Total Business-type Activities	<u>6,362</u>	<u>15,526</u>	<u>(9,077)</u>	<u>21,416</u>	<u>25,331</u>
Total General Revenues, Special and Extraordinary Items	<u>37,354,118</u>	<u>41,074,527</u>	<u>52,667,934</u>	<u>61,314,094</u>	<u>67,612,480</u>
CHANGES IN NET POSITION					
Governmental Activities	6,352,063	24,105,188	40,028,049	11,304,277	16,914,713
Business-type Activities	(134,833)	(223,436)	(2,564,751)	(2,150,027)	(1,754,765)
Total Changes in Net Position	<u>\$ 6,217,230</u>	<u>\$ 23,881,752</u>	<u>\$ 37,463,298</u>	<u>\$ 9,154,250</u>	<u>\$ 15,159,948</u>

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				
	2015	2016	2017	2018	2019
GENERAL FUND					
Nonspendable	\$ 1,016,468	\$ 1,029,015	\$ 1,096,846	\$ 1,031,385	\$ 1,077,168
Unassigned	10,954,475	11,365,894	11,512,307	10,807,854	11,067,741
Total General Fund	<u>\$ 11,970,943</u>	<u>\$ 12,394,909</u>	<u>\$ 12,609,153</u>	<u>\$ 11,839,239</u>	<u>\$ 12,144,909</u>
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	\$ 132,037	\$ 124,177	\$ 979,130	\$ 182,018	\$ 171,532
Restricted	335,415,122	303,860,121	302,110,933	293,344,990	267,464,772
Assigned	1,929,497	1,548,764	9,313,282	17,628,221	13,188,627
Unassigned	(1,316,398)	(891)	(94,936)	-	(770,278)
Total All Other Governmental Funds	<u>\$ 336,160,258</u>	<u>\$ 305,532,171</u>	<u>\$ 312,308,409</u>	<u>\$ 311,155,229</u>	<u>\$ 280,054,653</u>
TOTAL FUND BALANCE					
Nonspendable	\$ 1,148,505	\$ 1,153,192	\$ 2,075,976	\$ 1,213,403	\$ 1,248,700
Restricted	335,415,122	303,860,121	302,110,933	293,344,990	267,464,772
Assigned	1,929,497	1,548,764	9,313,282	17,628,221	13,188,627
Unassigned	16,550,467	16,550,467	16,550,467	16,550,467	16,550,467
Total Governmental Funds	<u>\$ 355,043,591</u>	<u>\$ 323,112,544</u>	<u>\$ 330,050,658</u>	<u>\$ 328,737,081</u>	<u>\$ 298,452,566</u>

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

	Fiscal Year				
	2020	2021	2022	2023	2024
GENERAL FUND					
Nonspendable	\$ 1,023,165	\$ 1,031,847	\$ 1,032,002	\$ 1,033,177	\$ 1,084,169
Unassigned	11,035,706	13,715,078	17,345,708	18,235,539	19,757,417
Total General Fund	<u><u>\$ 12,058,871</u></u>	<u><u>\$ 14,746,925</u></u>	<u><u>\$ 18,377,710</u></u>	<u><u>\$ 19,268,716</u></u>	<u><u>\$ 20,841,586</u></u>
ALL OTHER GOVERNMENTAL FUNDS					
Nonspendable	\$ 239,195	\$ 481,647	\$ 610,101	\$ 39,438,252	\$ 562,299
Restricted	246,825,586	248,711,701	294,660,460	264,036,710	291,618,549
Assigned	11,342,404	12,169,776	16,324,360	14,506,322	13,362,302
Unassigned	(708,284)	-	(852,676)	(4,349,181)	(567,823)
Total All Other Governmental Funds	<u><u>\$ 257,698,901</u></u>	<u><u>\$ 261,363,124</u></u>	<u><u>\$ 310,742,245</u></u>	<u><u>\$ 313,632,103</u></u>	<u><u>\$ 304,975,327</u></u>
TOTAL FUND BALANCE					
Nonspendable	\$ 1,262,360	\$ 1,513,494	\$ 1,642,103	\$ 40,471,429	\$ 1,646,398
Restricted	246,825,586	248,711,701	294,660,460	264,036,710	291,618,549
Assigned	11,342,404	12,169,776	16,324,360	14,506,322	13,362,302
Unassigned	16,550,467	16,550,467	16,550,467	13,886,358	19,189,594
Total Governmental Funds	<u><u>\$ 275,980,817</u></u>	<u><u>\$ 278,945,438</u></u>	<u><u>\$ 329,177,390</u></u>	<u><u>\$ 332,900,819</u></u>	<u><u>\$ 325,816,843</u></u>

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

	Fiscal Year				
	2015	2016	2017	2018	2019
REVENUES					
Property Taxes	\$ 6,249,786	\$ 6,551,939	\$ 7,380,594	\$ 8,030,862	\$ 7,986,053
Other Taxes	11,705,293	13,178,135	12,697,359	13,108,985	14,188,308
Special Assessments	1,671,595	1,680,980	1,790,941	2,407,266	4,140,542
Licenses, Permits and Fees	4,655,325	6,894,107	7,465,474	4,524,328	3,582,357
Intergovernmental Revenues	5,812,486	6,807,169	6,846,125	9,585,606	9,627,086
Charges for Services	3,189,138	2,453,380	2,826,491	5,402,235	3,349,474
Fines, Forfeitures and Penalties	1,088,411	1,103,154	2,289,357	913,658	874,765
Investment Earnings	7,972,858	11,117,857	10,410,765	10,364,291	13,644,848
Contributions from Property Owners	22,535,167	6,219,934	29,339,769	28,853,494	17,974,870
Miscellaneous	4,099,189	3,574,278	6,630,285	8,102,050	7,316,907
Total Revenues	<u>68,979,248</u>	<u>59,580,933</u>	<u>87,677,160</u>	<u>91,292,775</u>	<u>82,685,210</u>
EXPENDITURES					
Current:					
General Government	4,611,722	5,318,933	6,345,498	5,233,031	5,323,480
Public Safety	18,163,150	18,614,077	20,751,331	20,507,870	20,724,268
Community Development	6,200,761	4,164,059	4,395,026	4,730,692	5,198,035
Community Services	4,174,545	4,984,422	3,963,912	2,577,291	2,242,136
Public Services	6,551,578	6,345,398	13,968,654	34,578,033	16,849,015
Capital Outlay	11,123,256	20,106,238	21,241,461	13,364,601	31,718,978
Debt Service:					
Payment to Escrow Agent	-	982,386	-	-	-
Bond Issuance Costs	2,445,261	6,515	-	-	-
Principal Retirement	7,165,000	7,375,000	8,315,000	8,935,000	34,065,000
Interest and Fiscal Charges	6,231,581	11,468,287	11,797,719	11,882,322	11,796,303
Total Expenditures	<u>66,666,854</u>	<u>79,365,315</u>	<u>90,778,601</u>	<u>101,808,840</u>	<u>127,917,215</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,312,394</u>	<u>(19,784,382)</u>	<u>(3,101,441)</u>	<u>(10,516,065)</u>	<u>(45,232,005)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	10,947,946	18,142,559	24,483,943	11,523,931	16,851,815
Transfers Out	(10,947,946)	(19,791,262)	(24,802,020)	(11,523,931)	(8,510,790)
Settlement					
Contribution to RDA					
Proceeds of Refunding Bonds					
Debt Issuance	-	-	10,410,000	7,975,000	-
Loan Payments	-	-	-	-	-
Premiums	12,151,673	-	-	-	-
Discounts	(96,307)	-	-	-	-
Refunding Bonds Issued	137,845,000	-	-	-	-
Certificates of Participation Issued	7,965,000	-	-	-	-
Capital Leases	-	-	-	-	3,459,380
Sale of Capital Assets	13,362	14,743	-	14,502	3,557,379
Payment to Refunded Bond Escrow Agent	(18,542,280)	-	-	-	-
Total Other Financing Sources (Uses)	<u>139,336,448</u>	<u>(1,633,960)</u>	<u>10,091,923</u>	<u>7,989,502</u>	<u>15,357,784</u>
Net Change in Fund Balances before Special and Extraordinary Items	<u>141,648,842</u>	<u>(21,418,342)</u>	<u>6,990,482</u>	<u>(2,526,563)</u>	<u>(29,874,221)</u>
Extraordinary/Special Items	<u>(4,502,385)</u>	<u>(7,319,955)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 137,146,457</u>	<u>\$ (28,738,297)</u>	<u>\$ 6,990,482</u>	<u>\$ (2,526,563)</u>	<u>\$ (29,874,221)</u>
Debt Service as a Percentage of Noncapital Expenditures	24%	28%	29%	23%	48%

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				
	2020	2021	2022	2023	2024
REVENUES					
Property Taxes	\$ 8,990,543	\$ 9,677,646	\$ 10,228,341	\$ 13,011,435	\$ 13,922,631
Other Taxes	14,138,167	21,381,597	36,469,555	37,365,122	33,438,414
Special Assessments	4,387,754	8,113,712	11,739,830	2,189,661	2,268,403
Licenses, Permits and Fees	5,429,574	6,275,936	6,709,538	3,899,120	8,688,730
Intergovernmental Revenues	11,276,362	12,492,435	16,643,561	41,342,148	43,201,939
Charges for Services	4,289,633	5,638,830	7,114,906	5,221,247	4,973,707
Fines, Forfeitures and Penalties	714,922	447,431	1,048,332	1,150,646	1,104,634
Investment Earnings	11,677,989	11,105,726	5,363,520	8,409,776	12,231,195
Contributions from Property Owners	13,222,683	11,984,476	12,052,826	-	-
Miscellaneous	7,773,055	8,473,591	7,752,706	6,887,567	8,820,581
Total Revenues	<u>81,900,682</u>	<u>95,591,380</u>	<u>115,123,115</u>	<u>119,476,722</u>	<u>128,650,234</u>
EXPENDITURES					
Current:					
General Government	6,408,283	6,068,984	5,263,576	8,326,912	15,592,307
Public Safety	21,627,645	22,184,865	25,098,499	32,997,418	38,612,088
Community Development	4,911,754	5,737,871	7,665,913	7,906,896	7,970,042
Community Services	2,433,529	2,043,707	2,897,598	3,594,294	4,077,897
Public Services	14,483,225	18,264,438	19,684,541	16,775,998	17,043,126
Capital Outlay	21,291,104	11,984,842	14,580,865	26,135,791	35,182,519
Debt Service:					
Payment to Escrow Agent	-	-	-	-	-
Bond Issuance Costs	-	-	-	-	-
Principal Retirement	40,110,811	47,879,713	12,463,960	7,405,501	7,646,107
Interest and Fiscal Charges	14,406,554	9,496,748	8,075,238	8,343,894	8,296,259
Total Expenditures	<u>125,672,905</u>	<u>123,661,168</u>	<u>95,730,190</u>	<u>111,486,704</u>	<u>134,420,345</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(43,772,223)</u>	<u>(28,069,788)</u>	<u>19,392,925</u>	<u>7,990,018</u>	<u>(5,770,111)</u>
OTHER FINANCING SOURCES (USES)					
Transfers In	12,958,707	13,100,724	18,821,127	19,874,296	21,275,014
Transfers Out	(14,658,799)	(16,353,889)	(23,747,924)	(20,154,260)	(22,708,396)
Settlement					
Contribution to RDA					
Proceeds of Refunding Bonds					
Debt Issuance	-	-	23,695,000	-	119,517
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	-	-	-	-	-
Sale of Capital Assets	-	8,262	-	-	-
Payment to Refunded Bond Escrow Agent	-	-	(10,315,018)	-	-
Total Other Financing Sources (Uses)	<u>21,035,433</u>	<u>31,725,097</u>	<u>33,674,416</u>	<u>(279,964)</u>	<u>(1,313,865)</u>
Net Change in Fund Balances before Special and Extraordinary Items	<u>(22,736,790)</u>	<u>3,655,309</u>	<u>53,067,341</u>	<u>7,710,054</u>	<u>(7,083,976)</u>
Extraordinary/Special Items	-	-	-	-	-
Net Change in Fund Balances	<u>\$ (22,736,790)</u>	<u>\$ 3,655,309</u>	<u>\$ 53,067,341</u>	<u>\$ 7,710,054</u>	<u>\$ (7,083,976)</u>
Debt Service as a Percentage of Noncapital Expenditures		52%	51%	25%	17%
					15%

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
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
2024	13,922,631 *	33,638,353	3,405,394	627,022	51,593,400

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

* 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

* 2024 Measure Z Retail Sales and Use Tax added \$16,101,819

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	Building and Construction
2015	\$ 2,547,975	\$ 1,428,726	\$ 430,417	\$ 857,198	\$ 838,876
2016	2,634,703	1,614,074	426,315	903,775	923,941
2017	2,641,653	1,758,829	526,084	978,920	989,062
2018	2,650,429	1,690,269	584,903	1,047,324	801,425
2019	2,907,744	1,633,711	781,105	1,219,300	984,751
2020	2,887,048	1,681,429	666,683	1,142,999	1,029,994
2021	3,526,083	2,581,550	832,335	1,364,860	1,291,157
2022	3,707,919	2,688,811	964,545	1,636,027	1,447,676
2023	3,537,721	2,472,822	1,096,019	1,739,957	1,410,155
2024	3,364,714	2,511,815	1,204,916	1,711,745	1,327,140

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

Fiscal Year Ended June 30	Fuel and Service Stations	Food and Drugs	Other and Transfers	Total
2015	\$ 925,698	\$ 641,504	\$ 133	\$ 7,670,527
2016	901,585	633,606	(3,586)	8,034,413
2017	977,729	510,667	30	8,382,974
2018	975,064	497,074	(1,388)	8,245,100
2019	1,372,455	550,154	144	9,449,364
2020	1,088,448	693,530	(12,093)	9,178,038
2021	1,174,322	1,115,975	(2,678)	11,883,604
2022	1,762,016	1,449,198	295	13,656,487
2023	1,599,413	1,175,644	4,168	13,035,899
2024	1,612,888	989,887	6,440	12,731,569

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	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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	0.01900	0.01900	0.01900	0.01900	0.01900	0.01900	0.01900
Menifee School Dist.	0.03275	0.03010	0.03269	0.06080	0.06303	0.06277	0.06111	0.06319	0.06201	0.06063
Metro Water East	0.00350	0.00350	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metro Water West	0.00350	0.00350	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000	0.00000
Metro Water Original Area	-	-	0.00	0.00	0.00	0.00350	0.00350	0.00350	0.00350	0.00350
Mt. San Jacinto Jr. College	-	0.01	0.01	0.01	0.01320	0.01320	0.01320	0.01320	0.01320	0.01320
Perris School Dist.	0.05588	0.04699	0.05491	0.06000	0.05754	0.05867	0.06000	0.06000	0.06000	0.06000
Perris Union High School	0.06303	0.06236	0.06092	0.05675	0.05243	0.08244	0.08569	0.08859	0.08859	0.08173
Total Direct & Overlapping² Tax Rates	1.15866	1.16039	1.16522	1.21325	1.20870	1.23958	1.24250	1.24748	1.24630	1.23806
City's Share of 1%										
Levy Per Prop 13 ³	0.17415	0.17415	0.17415	0.07576	0.05007	0.05007	0.05007	0.05007	0.05007	0.05007
GENERAL OBLIGATION DEBT RATE										
RDA Basic Rate ⁴	-	-	-	-	-	-	-	-	-	-
Total Direct Rate⁵	0.08528	0.08349	0.08181	0.08025	0.07862	0.07755	0.07703	0.07638	0.07576	0.07426

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.

⁴Redevelopment Rate is based on the largest RDA tax rate area and only includes rate(s) from indebtedness adopted prior to 1989 per California State statute. RDA direct and overlapping rates are applied only to the incremental property values. The approval of ABX1 26 eliminated Redevelopment from the State of California for the fiscal year 2012/13 and years thereafter.

⁵Total Direct Rate is the weighted average of all individual direct rates applied by the government preparing the statistical section information and excludes revenues derived from aircraft. Beginning in 2013/14 the Total Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas. Challenges to recognized enforceable obligations are assumed to have been resolved during 2012/13. For the purposes of this report, residual revenue is assumed to be distributed to the City in the same proportions as general fund revenue.

City of Lake Elsinore, California

Principal Property Tax Payers

Current Year Compared to 2015

TAXPAYER	Fiscal Year 2024			Fiscal Year 2015		
	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value ⁽¹⁾	Taxable Assessed Value	Rank	Percent of Total City Taxable Assessed Value ⁽²⁾
			Value ⁽¹⁾			Value ⁽²⁾
Rivers Edge At Lake Elsinore LLC	\$ 64,579,492	1	0.75%	\$ -	-	0.00%
Alberhill Development LLC	61,381,152	2	0.71%	-	-	0.00%
Ridgestone Partners LP	54,544,795	3	0.63%	-	-	0.00%
Walmart Stores Inc	50,792,189	4	0.59%	-	-	0.00%
15150 Grand Avenue LLC	47,020,270	5	0.55%	-	-	0.00%
Pulte Home Corporation	36,150,228	6	0.42%	-	-	0.00%
Half Canyon Hills Market Place I	29,346,582	7	0.34%	-	-	0.00%
MHC 186	27,107,676	8	0.31%	-	-	0.00%
Mohr Affinity, LLC	26,676,716	9	0.31%	-	-	0.00%
KB Home Coastal Inc.	24,487,088	10	0.28%	-	-	0.00%
Plaza Apartments Investment	-		0.00%	47,488,259	1	1.06%
Pacific Aggregates, Inc.	-		0.00%	33,360,564	2	0.74%
Mohr Affinity, LLC	-		0.00%	30,902,412	3	0.69%
Rivers Edge Apartments LLC	-		0.00%	24,099,546	4	0.54%
Diamond Stadium Group	-		0.00%	23,825,952	5	0.53%
Walmart Real Estate Business Trust	-		0.00%	22,641,695	6	0.50%
Lake Elsinore Marketplace	-		0.00%	20,418,909	7	0.45%
Half Canyon Hills Market Place	-		0.00%	19,829,097	8	0.44%
Pacific Clay Products	-		0.00%	17,925,614	9	0.40%
Elsinore VETO	-		0.00%	17,083,395	10	0.38%
	<u>\$ 422,086,188</u>		<u>4.90%</u>	<u>\$ 257,575,443</u>		<u>5.73%</u>

(1) 2023-24 Total City Taxable Assessed Valuation: \$ 8,621,755,472

(2) 2014-15 Total City Taxable Assessed Valuation: \$ 4,494,905,138

Source: Riverside County Assessor 2023/24 and 2014/15 Combined Tax Rolls and the SBE Non Unitary Tax Roll



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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
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%
2024	3,640,498	3,526,216	96.86%	-	3,526,216	96.86%

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

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

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

Fiscal Year Ended June 30	City				Taxable Assessed Value
	Secured	Unsecured	Less: Exemptions		
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	
2024	8,757,116,372	149,952,411	(135,835,131)	8,771,233,652	

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.

¹In accordance with the timeline set forth in Assembly Bill 1X 26 (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.

²Total Direct Rate is the weighted average of all individual direct rates. Beginning on 2013/14, the Direct Rate no longer includes revenue generated from the former redevelopment tax rate areas.

Source: Riverside County Assessor 2023/24 Combined Tax Rolls

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

Fiscal Year Ended June 30	Successor Agency for the Redevelopment Agency					Taxable Assessed Value	Total Direct Tax Rate
	Secured	Unsecured	Less: Exemptions				
2015	\$ 2,135,333,435	\$ 83,968,122	\$ (71,673,963)			\$ 2,147,627,594	0.08528%
2016	n/a	n/a	n/a			n/a	0.08349%
2017	n/a	n/a	n/a			n/a	0.08181%
2018	n/a	n/a	n/a			n/a	0.08025%
2019	n/a	n/a	n/a			n/a	0.07862%
2020	n/a	n/a	n/a			n/a	0.07755%
2021	n/a	n/a	n/a			n/a	0.07703%
2022	n/a	n/a	n/a			n/a	0.07638%
2023	n/a	n/a	n/a			n/a	0.07576%
2024	n/a	n/a	n/a			n/a	0.07426%

Source: Riverside County Assessor 2023/24 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	Notes/ Loans Payable
	Local Agency Revenue Bonds	Tax Allocation Bonds	Revenue/ Revenue Refunding Bonds				
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			
2024	145,213,840	14,578,375	40,106,557	5,630,177			

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

Governmental Activities (Continued)								
Fiscal Year Ended June 30	Capitalized Leases	Lease Liability	Subscription Liability	Total Governmental Activities	Percentage of Personal Income	Debt per Capital		
2015	\$ -	\$ -	\$ -	\$ 277,203,022	25.55%	\$ 4,890		
2016	-	-	-	261,002,024	22.08%	4,278		
2017	-	-	-	262,809,052	22.16%	4,233		
2018	-	-	-	261,126,331	20.46%	4,121		
2019	3,459,380	-	-	230,024,775	16.91%	3,654		
2020	3,403,569	-	-	212,377,810	14.66%	3,347		
2021	3,228,855	-	-	198,386,601	16.73%	3,063		
2022	3,126,363	-	-	224,605,324	13.20%	3,136		
2023	2,895,862	-	126,986	229,357,232	9.99%	3,210		
2024	2,658,230	81,042	159,386	208,427,607	9.08%	2,917		

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, 2024

2023 - 24 Assessed Valuation			
	Percentage Applicable (1)	Outstanding Debt 6/30/24	City's Share of Overlapping Debt 6/30/24
OVERLAPPING TAX AND ASSESSMENT DEBT:			
DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT			
City of Lake Elsinore Community Facilities District No. 90-2	100%	1,065,000	1,065,000
City of Lake Elsinore Community Facilities District No. 95-1	100%	240,000	240,000
City of Lake Elsinore Community Facilities District No. 98-1	100%	9,215,000	9,215,000
City of Lake Elsinore Community Facilities District No. 2003-2			
I-A A, B, C, D & E	100%	64,370,000	64,370,000
City of Lake Elsinore Community Facilities District No. 2004-3 IA. No. 1&2	100%	35,700,000	35,700,000
City of Lake Elsinore Community Facilities District No. 2005-1	100%	5,835,000	5,835,000
City of Lake Elsinore Community Facilities District No. 2005-2	100%	16,925,000	16,925,000
City of Lake Elsinore Community Facilities District No. 2005-5	100%	3,015,000	3,015,000
City of Lake Elsinore Community Facilities District No. 2005-6	100%	2,255,000	2,255,000
City of Lake Elsinore Community Facilities District No. 2006-1			
Improvement Areas	100%	40,680,000	40,680,000
City of Lake Elsinore Community Facilities District No. 2006-2	100%	4,715,000	4,715,000
City of Lake Elsinore Community Facilities District No. 2006-4	100%	5,090,000	5,090,000
City of Lake Elsinore Community Facilities District No. 2006-6	100%	3,525,000	3,525,000
City of Lake Elsinore Community Facilities District No. 2006-8	100%	3,615,000	3,615,000
City of Lake Elsinore Community Facilities District No. 2007-4	100%	2,350,000	2,350,000
City of Lake Elsinore Community Facilities District No. 2007-5	100%	1,575,000	1,575,000
City of Lake Elsinore Community Facilities District No. 2015-5	100%	1,840,000	1,840,000
City of Lake Elsinore Community Facilities District No. 2016-2	100%	20,601,480	20,601,480
City of Lake Elsinore Community Facilities District No. 2019-1	100%	6,530,000	6,530,000
City of Lake Elsinore 1915 Act Bonds	100%	7,315,000	7,315,000
TOTAL DIRECT OVERLAPPING TAX AND ASSESSMENT DEBT			236,456,480
OTHER OVERLAPPING TAX AND ASSESSMENT DEBT			
Riverside County Flood Control District, Zone No. 4	0.727%	2,755,000	20,029
Metropolitan Water District	0.227%	18,210,000	41,337
Mount San Jacinto Community College District	6.745%	242,210,000	16,337,065
Perris Union High School District	2.333%	292,042,191	6,813,344
Menifee Union School District	3.746%	152,811,292	5,724,311
Perris School District	0.052%	47,104,571	24,494
Lake Elsinore Unified School District CFDs	46.292%	62,005,000	28,703,355
Lake Elsinore Unified School District Community Facilities Districts	100%	70,205,287	70,205,287
Perris Union High School District CFD No. 92-1	7.437%	30,100,000	2,238,537
Elsinore Valley Metropolitan Water District CFD No. 2003-1	100%	2,295,000	2,295,000
TOTAL OTHER OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 132,402,758
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT			\$ 368,859,238
DIRECT AND OVERLAPPING GENERAL FUND DEBT:			
DIRECT GENERAL FUND DEBT			
City of Lake Elsinore General Fund Obligation	100%	\$ 208,427,607	\$ 208,427,607
TOTAL DIRECT GENERAL FUND DEBT			\$ 208,427,607

City of Lake Elsinore, California
Direct and Overlapping Bonded Debt (Continued)
June 30, 2024

OVERLAPPING GENERAL FUND DEBT

Riverside County General Fund Obligations	2.211%	\$ 652,187,035	\$ 14,419,855
Riverside County Pension Obligations	2.211%	670,785,000	14,831,056
Perris Union High School District General Fund Obligations	2.333%	40,124,346	936,101
Menifee and Perris School District Certificates of Participation	3.746 - 0.052%	48,721,698	1,672,368
Western Municipal Water District	4.926%	2,724,440	134,206
TOTAL OVERLAPPING GENERAL FUND DEBT			\$ 31,993,587

TOTAL DIRECT AND OVERLAPPING GENERAL FUND DEBT

OVERLAPPING TAX INCREMENT DEBT (SUCCESSOR AGENCY):	100.000%	\$ 40,310,000	\$ 40,310,000
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Total Direct General Fund Debt	\$ 208,427,607
Total Gross Overlapping Debt	\$ 441,162,825
Combined Total Debt (2)	\$ 649,590,432

Ratios to 2023-24 Assessed Valuation:

Total Direct Debt (\$221,062,180)	2.38%
Total Overlapping Tax and Assessment Debt	5.03%
Combined Total Debt	7.41%

Ratios to Redevelopment Incremental Valuation (\$4,130,153,303):

Total Overlapping Tax Increment Debt	0.98%
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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 capital 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				
	2015	2016	2017	2018	2019
Assessed Valuation	\$ 4,494,905,138	\$ 4,804,948,961	\$ 5,212,031,340	\$ 5,598,768,413	\$ 6,143,510,436
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	1,123,726,285	1,201,237,240	1,303,007,835	1,399,692,103	1,535,877,609
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	168,558,943	180,185,586	195,451,175	209,953,815	230,381,641
Total Net Debt Applicable to Limitation	-	-	-	-	-
Legal Debt Margin	<u>\$ 180,185,586</u>	<u>\$ 180,185,586</u>	<u>\$ 195,451,175</u>	<u>\$ 209,953,815</u>	<u>\$ 230,381,641</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.

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

	Fiscal Year				
	2020	2021	2022	2023	2024
Assessed Valuation	\$ 6,552,949,033	\$ 6,922,737,473	\$ 7,355,045,157	\$ 8,013,491,725	\$ 8,771,233,652
Conversion Percentage	25%	25%	25%	25%	25%
Adjusted Assessed Valuation	1,638,237,258	1,730,684,368	1,838,761,289	2,003,372,931	2,192,808,413
Debt Limit Percentage	15%	15%	15%	15%	15%
Debt Limit	245,735,589	259,602,655	275,814,193	300,505,940	328,921,262
Total Net Debt Applicable to Limitation	-	-	-	-	-
Legal Debt Margin	<u>\$ 245,735,589</u>	<u>\$ 259,602,655</u>	<u>\$ 275,814,193</u>	<u>\$ 300,505,940</u>	<u>\$ 328,921,262</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.

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

Fiscal Year Ended June 30	Successor Redevelopment Tax Increment Revenue	Tax Allocation Bonds				Coverage	Tax Allocation Bonds		
		Debt Service		Interest					
		Principal							
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		
2024	17,522,985	2,195,000	1,095,194			5.33	40,310,000		

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)
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%
2024	71,452	2,295,179	32,121	4.9%

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

	2024		2015	
	Number of Employees	Percent of Total Employment*	Number of Employees	Percent of Total Employment*
EMPLOYMENT				
Estimated Total Employment	30,600 (1)		25,000 (1)	
EMPLOYER				
Lake Elsinore Unified School District*	2,688	8.78%	2,542	10.17%
M & M Framing	512	1.67%	400	1.60%
Stater Bros. (3 stores)	346	1.13%	297	1.19%
Costco Wholesale	323	1.06%	240	0.96%
Walmart Superstore #2077	290	0.95%	240	0.96%
Lake Elsinore Hotel & Casino	246	0.80%	263	1.05%
Riverside County - Department of Public Social Services	217	0.71%	227	0.91%
E.V.M.W.D. (Elsinore Valley Municipal Water District)	180	0.59%	161	0.64%
The Home Depot	156	0.51%	145	0.58%
City of Lake Elsinore *	163	0.53%	-	-
Target	-	-	173	0.69%
Total Top 10 Employers	5,121	16.74%	4,688	18.75%

Notes:

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

Source: MuniServices, LLC / Avenu Insights & Analytics

Source: 2015, previously published ACFR

Results based on direct correspondence with city's local businesses.

* Includes Certificated, Classified & Admin.

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

FUNCTION	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government *	20	20	21	22	19	21	-	-	-	-
Community Services * (Includes Public Works)	45	51	61	53	72	59	-	-	-	-
Community Development *	18	20	19	21	28	25	-	-	-	-
General Government	-	-	-	-	-	-	24	20	17	24
Community Services	-	-	-	-	-	-	16	31	48	42
Emergency Services	-	-	-	-	-	-	-	-	1	1
Public Services	-	-	-	-	-	-	31	39	45	42
Launch Pointe Enterprise	-	-	-	-	-	-	17	18	20	17
Internal Services	-	-	-	-	-	-	10	10	11	10
Community Development	-	-	-	-	-	-	20	23	22	27
Total	83	91	101	96	119	105	118	141	164	163

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				
	2015	2016	2017	2018	2019
Police					
Lake Related Boating Enforcement Citations	419	597	134	51	105
Hazardous Traffic Violations	3,338	3,711	4,141	2,821	3,445
DUI Arrests	179	137	140	111	133
Fire					
Calls	4,456	5,110	5,249	5,868	5,923
Fire Suppression Equipment	4	4	3	3	3
Public Works					
Centerline Miles of Paved Surface Streets Maintained	189	254	254	254	254
Centerline Miles of Dirt Surface Streets Maintained	9	9	9	9	9
Weed Abatement-Lots Cleaned	227	204	116	68	54
Community Development					
Construction Permits Issued	735	2,022	2,933	3,455	2,174
Property Value Per Permits (Estimated in 000's)	\$ 71,664	\$ 104,923	\$ 188,892	\$ 195,698	\$ 90,379
New Home Building Permits Issued	346	410	449	534	143
Parks and Recreation					
Daily Lake Use Passes Sold	14,996	11,427	11,278	14,394	10,319

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				
	2020	2021	2022	2023	2024
Police					
Lake Related Boating Enforcement Citations	203	108	86	190	128
Hazardous Traffic Violations	2,229	2,802	5,825	3,712	4,113
DUI Arrests	204	388	228	201	272
Fire					
Calls	6,149	5,897	6,180	6,931	6,713
Fire Suppression Equipment	3	3	3	4	4
Public Works					
Centerline Miles of Paved Surface Streets Maintained	254	255	256	257	256
Centerline Miles of Dirt Surface Streets Maintained	9	8	7	6	7
Weed Abatement-Lots Cleaned	176	132	112	165	136
Community Development					
Construction Permits Issued	2,262	2,923	2,990	2,632	2,944
Property Value Per Permits (Estimated in 000's)	\$ 126,878	\$ 138,237	\$ 152,187	\$ 87,480	\$ 217,928
New Home Building Permits Issued	253	350	358	115	482
Parks and Recreation					
Daily Lake Use Passes Sold	23,024	27,056	18,105	8,751	12,269

n/a=not available

Source: City of Lake Elsinore, Various Departments

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

FUNCTION	Fiscal Year									
	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Fire Stations	4	4	4	3	3	3	3	3	3	3
Public Works Street Miles	157	254	254	254	254	254	254	256	257	256
Lake, Parks & Recreation										
Parks and River Walk	17	18	18	18	19	20	22	22	22	22
Beaches and Recreation Facilities	10	10	10	10	10	11	11	11	11	11
Libraries	2	2	2	2	2	2	2	2	2	2
Stadium										
Amphitheater Seats	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600	6,600
Lake Surface Acres	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300	3,300
Lakeshore Miles	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5	10.5

Source: City of Lake Elsinore, Various Departments

An aerial photograph of the City of Lake Elsinore, California. The image shows a large, light-blue lake in the foreground, with a dense residential area built along its shore. In the background, a range of mountains is visible under a clear, pale blue sky.

CITY OF LAKE ELSINORE, CALIFORNIA